

STATE OF COLORADO
JOINT BUDGET COMMITTEE



APPROPRIATIONS REPORT:
Fiscal Year 2015-16

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INTRODUCTION

This report is produced to assist members of the General Assembly, state personnel, and other interested parties in understanding state funding decisions made during the 2015 Regular Legislative Session. This report provides an overview of state revenues and expenditures, comparative and historical information regarding appropriations made during the 2015 Regular Session, and a detailed explanation of major funding changes for each state department. The FY 2015-16 Appropriations Report includes:

Part I: Overview

The Overview includes: (A)(1) an overview of state General Fund revenues and expenditures; (A)(2) a discussion of statutory and constitutional revenue and spending restrictions; and (B) a series of charts, graphs, and tables identifying the sources of General Fund revenues and comparing the distribution of appropriations by program and fund source.

Part II: Department Summaries

This section contains a summary of operating appropriations for all departments for FY 2014-15 and FY 2015-16, and highlights the major changes from FY 2014-15 to FY 2015-16. This section also summarizes factors driving the budget for each state department and for capital construction projects.

Part III: Department Details

Detailed information regarding funding for the operations of each state department and for capital construction projects can be found in this section. The subsection for each department summarizes funding and FTE authorizations for FY 2014-15 and FY 2015-16. The format reflects appropriations by bill and by division or program area. Narrative sections describe major changes in funding from FY 2014-15 to FY 2015-16, fund sources for each division, and division responsibilities. This section also includes brief summaries of bills adopted during the 2014 Regular Session and the 2015 Regular Session that contained an appropriation, affected state revenues, or implemented a major policy change.

The footnotes to the 2015 Long Bill (S.B. 15-234) can be found at the end of each departmental section in the 2015 Session Laws, or they can be accessed via the internet at the following address:

<http://www.leg.state.co.us/CLICS/CLICS2015A/csl.nsf/lbcontainer/SB15-234?OpenDocument>

Additional information on department activities, Joint Budget Committee staff assignments, and funding requests may also be found in Joint Budget Committee staff briefing, supplemental, and figure setting documents. These documents may be accessed via the internet at the following address:

http://www.tornado.state.co.us/gov_dir/leg_dir/jbc/jbchome.htm

Appendices and Index

Multiple appendices that provide supporting documentation for the report's content, as well as a subject index, can be found near the end of this document.

PART I

OVERVIEW

A: OVERVIEW OF GENERAL FUND REVENUES AND EXPENDITURES

1. General Fund Overview

This section provides an overview of General Fund revenues and expenditures based on the Legislative Council Staff March 2015 revenue estimate, which was used as the basis for making adjustments to the FY 2014-15 budget and preparing the FY 2015-16 budget.

Summary of Major Actions Taken Regarding the General Fund Budget

The following is a summary of the major actions that occurred during the 2015 Regular Legislative Session that impacted the General Fund budget.

General Fund Revenue Projections: The General Assembly used the Legislative Council Staff (LCS) March 2015 revenue estimates when making final adjustments to the FY 2014-15 budget and preparing the FY 2015-16 budget during the 2015 Regular Session. The LCS March 2015 projections were approximately \$185.1 million higher for FY 2014-15 than the projections that were used during the 2014 Session to prepare the FY 2014-15 budget.

Statutory Changes That Impacted General Fund Revenue: Table 1 contains a list of bills that were passed during the 2015 Session that had a significant impact on the amount of available General Fund revenue.

Table 1			
Actions that Impacted the Amount of Available General Fund Revenue			
(\$ in millions)			
Bills Passed During the 2015 Session:		FY 2014-15	FY 2015-16
<i>Transfers from Other Funds:</i>			
SB 15-249	Marijuana Tax Cash Fund Transfer to General Fund	\$27.7	\$0.0
SB 15-255	Deposit Severance Tax Revenues in General Fund	20.0	0.0
HB 15-1379	Marijuana Permitted Economic Interest Registration	<u>0.0</u>	<u>0.1</u>
Total Transfers from Other Funds		\$47.7	\$0.1
<i>Changes to General Fund Revenues:</i>			
SB 15-206	Implement Conservation Easement Audit Requirements	(\$3.5)	(\$7.0)
SB 15-210	Title Insurance Commission	0.0	(0.1)
SB 15-282	Jump-start Program for Economically Distressed Counties	0.0	(0.2)
HB 15-1063	Prohibited Communications Concerning Patents	0.0	0.1
HB 15-1180	Sales & Use Tax Refund Medical Devices & Clean Technology	0.0	(0.1)
HB 15-1219	EZ Investment Tax Credit For Renewable Energy	0.0	(0.8)
HB 15-1228	Special Fuel Tax On Liquefied Petroleum Gas	<u>0.0</u>	<u>(0.3)</u>
Total Changes to General Fund Revenues		(\$3.5)	(\$8.4)
<i>Transfers to Other Funds:</i>			
SB 15-244	Transfers Related To Federal Mineral Lease Recoupment	\$0.0	\$7.8
SB 15-245	Provide State Funding To Map Natural Hazard Areas	<u>0.0</u>	<u>3.8</u>
Total Transfers to Other Funds		\$0.0	\$11.6

Appropriations: The major changes in appropriations for FY 2014-15 and FY 2015-16 are explained in Part II and Part III of this document. Part II contains an overview at the department level of FY 2014-15 and FY 2015-16 appropriations and the general factors driving the budget. Part III provides detailed appropriations by division and by bill for each department for FY 2014-15 and FY 2015-16.

Statutory Reserve: The statutory General Fund reserve requirement is 6.5 percent for both FY 2014-15 and FY 2015-16.

FY 2014-15 and FY 2015-16 General Fund Overview

Table 2 provides an overview of General Fund revenues, spending obligations, and ending reserves for both FY 2014-15 and FY 2015-16. Please note that some of these amounts will change in the future with revised revenue forecasts and/or actions of the General Assembly. A description of each item follows the table.

Table 2			
General Fund Overview (\$ in millions)			
Description	FY 2014-15	FY 2015-16	
<u>GENERAL FUND AVAILABLE:</u>			
Beginning General Fund Reserve	\$435.9	\$615.5	
General Fund Nonexempt Revenues	7,274.4	7,766.1	
General Fund Exempt Revenues	2,384.1	2,489.0	
Transfers from Other Funds - Existing Law Prior to March Forecast	37.4	14.1	
Changes to General Fund Revenue - Bills Passed during 2015 Session after March Forecast	(3.5)	(8.4)	
Transfers from Other Funds - Bills Passed During 2015 Session after March Forecast	<u>47.7</u>	<u>0.1</u>	
TOTAL GENERAL FUND AVAILABLE	\$10,176.0	\$10,876.4	
<u>GENERAL FUND OBLIGATIONS:</u>			
General Fund Appropriations (excluding rebates and expenditures)	\$8,869.0	\$9,442.1	
Estimated TABOR Refund Pursuant to Article X, Section 20 (7) of the Colorado Constitution	66.2	108.5	
Estimated TABOR Refund Pursuant to Article X, Section 20 (3) (c) of the Colorado Constitution	58.0	0.0	
Rebates and Expenditures	137.4	142.2	
Senior Citizen and Disabled Veteran Property Tax Exemption	117.0	126.0	
Estimated Transfers to Highway Users Tax Fund pursuant to Section 24-75-219, C.R.S.	0.0	102.6	
Estimated Transfer to Capital Construction Fund pursuant to Section 24-75-219, C.R.S.	0.0	25.6	
Transfer to the Capital Construction Fund	248.5	221.3	
Transfer to the State Education Fund pursuant to Section 24-75-220 (3) (b), C.R.S.	25.3	25.3	
Transfer to Other Funds - Existing Law Prior to March Forecast	39.1	43.9	
Transfer to Other Funds - Bills Passed During 2015 Session after March Forecast	<u>0.0</u>	<u>11.6</u>	
TOTAL GENERAL FUND OBLIGATIONS	\$9,560.5	\$10,249.1	
YEAR END GENERAL FUND RESERVE (Available Funds Less Obligations)	\$615.5	\$627.3	
<u>General Fund Reserve Information</u>			
STATUTORY RESERVE REQUIREMENT	\$576.5	\$611.3	
GENERAL FUND RESERVE IN EXCESS OF THE STATUTORY REQUIREMENT	\$39.0	\$16.0	

Beginning General Fund Reserve: These figures represent the total balance in the General Fund reserve at the start of the fiscal year, based on the assumptions used for revenues and obligations. The beginning General Fund reserve is the same as the prior fiscal year's ending General Fund reserve.

General Fund Nonexempt and Exempt Revenues: These figures represent estimates of the total General Fund revenues as reflected in the March 2015 LCS revenue estimate. The major components of state General Fund revenues include individual and corporate income, sales and use, insurance, liquor, and cigarette taxes. General Fund revenues must be applied to statutory obligations before the General Assembly can appropriate the remaining General Fund. These obligations include rebates and expenditures and the capital construction transfer (described below).

As a result of the passage of Referendum C in November 2005, the State is permitted to retain excess revenues that otherwise would have been refunded under the Taxpayer's Bill of Rights (TABOR). The General Fund Exempt Revenues represent the estimate of those retained amounts as reflected in the March 2015 LCS revenue estimate. Please see the section titled "2. Statutory and Constitutional Restrictions" in this Part I-A for a more detailed overview of TABOR and Referendum C. In addition, Appendix H details General Fund Exempt appropriations for FY 2014-15 and FY 2015-16.

Transfers from Other Funds - Existing Law Prior to March Forecast: This line reflects moneys transferred to the General Fund from various other funds based on existing statutes that were enacted before the March forecast was published.

Changes to General Fund Revenue - Bills Passed during 2015 Session after March Forecast and Transfers from Other Funds - Bills Passed During 2015 Session after March Forecast: These lines identify the impact of statutory changes and transfers on available General Fund revenues after the March forecast was published. Table 1 in this section provides a list of these bills, and these bills are described at the end of each relevant department in Part III.

General Fund Appropriations (excluding rebates and expenditures): These figures represent the total appropriations made in the Long Bill and in any separate bills. These amounts exclude General Fund appropriations related to "rebates and expenditures", which are described below and are not subject to the statutory restriction on General Fund appropriations. See Appendix H for details concerning General Fund appropriations for FY 2014-15 and FY 2015-16 that are excluded from these figures.

Estimated TABOR Refund Pursuant to Article X, Section 20 (7): This amount represents the estimated refund that will result pursuant to the Taxpayer's Bill of Rights (TABOR) because the State is estimated to exceed the amount permitted to be retained under the Colorado Constitution. Please note this amount may change based on actual revenue collections in the future.

Estimated TABOR Refund Pursuant to Article X, Section 20 (3) (c): According to an analysis by the Office of Legislative Legal Services regarding the election provisions of Article X, Section 20 of the Colorado Constitution, TABOR, if the FY 2014-15 revenues from the excise and special sales taxes on adult-use marijuana *or* fiscal year spending for the year exceed the Proposition AA Blue Book estimates for the same, the combined excess must be refunded to the taxpayers in FY 2015-16. However, the amount of the refund is capped at the total amount of the taxes actually collected for the fiscal year, and no refund is required if the State receives voter approval to keep the revenue. State fiscal year spending is expected to exceed the Proposition AA Blue Book estimate for FY 2014-15. The amount in this line represents the current estimate of

the required refund as a result of fiscal year spending exceeding the Blue Book estimate. Please note this amount may change based on actual revenue collections in the future or voter approval to retain the amount. For more information, see the description of H.B. 15-1367 (Retail Marijuana Taxes) at the end of the Department of Revenue in Part III.

Rebates and Expenditures: The quarterly revenue forecasts prepared by the Legislative Council Staff and the Office of State Planning and Budgeting include dollar amounts referred to as "rebates and expenditures". These amounts reflect various expenditures or diversions of funds from the General Fund which are exempt from or are not subject to the statutory restriction on General Fund appropriations. Some of these items are not reflected in General Fund appropriations, and the amounts that are reflected in General Fund appropriations are not routinely adjusted to reflect changes in projected expenditures or diversions. Appendix H provides more detail concerning rebates and expenditures, including the associated appropriations for FY 2014-15 and FY 2015-16. For purposes of making final adjustments to the FY 2014-15 budget and preparing the FY 2015-16 budget, the General Assembly used the projections of rebates and expenditures that are included in the LCS March 2015 revenue estimate. These amounts are detailed in the following table.

Table 2A		
Rebates and Expenditures (\$ in millions)		
Description	FY 2014-15	FY 2015-16
Sales and use taxes credited to the Old Age Pension Fund	\$98.2	\$102.1
Cigarette tax rebates to local governments	10.8	10.6
Sales and use taxes credited to the Older Coloradans Cash Fund	10.0	10.0
Old Age Heat and Fuel and Property Tax Assistance Grants	6.4	6.6
Retail marijuana sales tax distributions to local governments	5.7	6.3
Fire and police pension payments for local governments	4.7	4.7
Earnings related to cash flow loans to school districts	0.8	1.0
General Fund appropriations related to tobacco tax revenues	<u>0.8</u>	<u>0.9</u>
TOTAL	\$137.4	\$142.2

Senior Citizen and Disabled Veteran Property Tax Exemption: In 2000, Colorado voters approved a constitutional amendment that reduces property taxes for qualifying senior citizens. The property tax reduction, or "homestead exemption", is available to senior citizens 65 years of age or older who have owned and lived in their home for at least ten years. In 2006, Colorado voters approved a constitutional amendment extending the homestead exemption to veterans who are 100 percent disabled as a result of a service-connected disability. The cost of the exemption is borne by the State rather than by local governments or other property owners. The amounts shown for FY 2014-15 and FY 2015-16 represent estimated state expenditures as reflected in the March 2015 LCS revenue estimate (also shown in Appendix H).

Estimated Transfers to Highway Users Tax Fund pursuant to Section 24-75-219, C.R.S.: Section 24-75-219, C.R.S., requires a transfer from the General Fund to the Highway Users Tax Fund if certain triggers related to Colorado personal income and TABOR refunds are met. This amount reflects the amount of transfer required based on the March 2015 LCS forecast. This amount may change if the revenue forecast changes based on actual experience.

Estimated Transfer to Capital Construction Fund pursuant to Section 24-75-219, C.R.S.: Section 24-75-219, C.R.S., requires a transfer from the General Fund to the Capital Construction Fund if certain triggers related to Colorado personal income and TABOR refunds are met. This amount reflects the amount of transfer

required based on the March 2015 LCS forecast. This amount may change if the revenue forecast changes based on actual experience.

Transfer to the Capital Construction Fund: Section 24-75-302 (2), C.R.S., provides for transfers from the General Fund to the Capital Construction Fund. These transfers are not subject to the statutory restriction on General Fund appropriations. The General Assembly may change the amount of the annual transfer when necessary.

Transfer to the State Education Fund pursuant to Section 24-75-220 (3) (b), C.R.S.: Senate Bill 13-234 required the State Treasurer to transfer \$45.3 million from the General Fund to the State Education Fund on April 30, 2014. The bill further directs the State Treasurer to transfer \$25.3 million from the General Fund to the State Education Fund on April 30 of each year from 2015 through 2018. Finally, on April 30, 2019, the State Treasurer is directed to transfer \$25.0 million from the General Fund to the State Education Fund.

Transfer to Other 2015 Funds - Existing Law Prior to March Forecast: These amounts reflect moneys that will be transferred from the General Fund to various other funds based on existing statutes that were signed into law prior to the March revenue forecast.

Transfer to Other Funds - Bills Passed during 2015 Session after March Forecast: This line identifies statutory transfers of General Fund to various other funds that were enacted after the March 2015 forecast. Table 1 in this section also provides a list of these bills, and these bills are described at the end of each relevant department in Part III.

Year End General Fund Reserve (Available Funds Less Obligations): This figure represents the amount of General Fund in reserve after the transfers and other obligations described above have occurred. The ending General Fund reserve for one fiscal year becomes the beginning General Fund reserve for the next fiscal year.

Statutory Reserve Requirement: Section 24-75-201.1 (1) (d) (XIV), C.R.S., requires a reserve of at least 6.5 percent of General Fund appropriations for FY 2014-15 and FY 2015-16. Senate Bills 15-211 (Automatic Funding for Capital Assets) and 15-251 (Exclude Lease-purchase Payments from the General Fund Reserve) amended Section 24-75-201.1 (2), C.R.S., to except certain moneys from the base on which the statutory reserve is calculated. Please note that S.B. 15-211 and S.B. 15-251 did not except these same moneys from the base used to calculate the statutory restrictions on General Fund appropriations. Table 3 provides the calculations for the statutory reserve.

Table 3
Calculation of Statutory Reserve
(\$ in Millions)

	FY 2014-15	FY 2015-16
General Fund Appropriation (excluding rebates and expenditures)	\$8,869.0	\$9,442.1
Exceptions to Calculation of Statutory Reserve pursuant to Section 24-75-201.1 (2), C.R.S.:		
Department of Corrections - Capital Lease Purchase Payments	n/a	\$20.3
Department of Higher Education - Lease Purchase of Academic Facilities at Fitzsimons	n/a	\$7.2
Judiciary Department - Ralph L. Carr Colorado Judicial Center - Debt Service Payments	n/a	\$3.9
Department of Treasury - Lease Purchase of Academic Facilities Pursuant to Section 23-19.9-102, C.R.S.	<u>n/a</u>	<u>\$5.8</u>
Subtotal - Exceptions to Calculation of Reserve	\$0.0	\$37.2
General Fund Appropriation Base for Calculation of Reserve	\$8,869.0	\$9,404.9
Percent Reserve Required pursuant to Section 24-75-201.1 (1)(d), C.R.S.	<u>6.5%</u>	<u>6.5%</u>
Required Statutory Reserve	\$576.5	\$611.3

Section 24-75-201.5, C.R.S., requires the Governor to take action to reduce state spending if revenue estimates indicate the General Fund reserve would fall to half of the required reserve in a given fiscal year.

2. Statutory and Constitutional Restrictions

Statutory Restriction on Appropriations

Prior to FY 2009-10, Section 24-75-201.1, C.R.S., restricted the increase in state General Fund appropriations to the lesser of 5.0 percent of Colorado personal income or 6.0 percent over the total General Fund appropriations for the previous fiscal year. While this provision existed, the lesser amount was 6.0 percent over the previous fiscal year's General Fund appropriations. Subsequently, S.B. 09-228 amended Section 24-75-201.1, C.R.S., to restrict General Fund appropriations to an amount equal to 5.0 percent of Colorado personal income. Section 24-75-201.1 (1) (a) (III), C.R.S., exempts certain appropriations from this restriction, including those associated with new federal mandates, requirements of final court orders, and voter-approved revenue increases.

Table 4 shows the calculation of statutorily allowable General Fund appropriations for FY 2015-16. The table also shows the General Fund appropriations that are exempt from or not subject to the statutory restriction on General Fund appropriations for FY 2015-16, and the difference between General Fund appropriations and the restriction for FY 2015-16.

Table 4	
Statutory Restriction on Appropriations (\$ in millions)	
Calendar Year 2013 Colorado Personal Income (base as defined in Statute)	\$247,069.0
Multiplied by 5.0 Percent	<u>5.0%</u>
FY 2015-16 General Fund Appropriations Restriction	\$12,353.5
FY 2015-16 General Fund Appropriations	\$9,597.2
Less: General Fund Appropriations Exempt From/ Not Subject to Statutory Restriction	<u>(155.1)</u>
FY 2015-16 General Fund Appropriations Subject to Restriction	\$9,442.1
Over/(Under) FY 2015-16 General Fund Appropriations Restriction	(\$2,911.4)

Constitutional Restrictions

Article X, Section 20 (TABOR): In addition to the statutory restriction on General Fund appropriations, Article X, Section 20 of the Colorado Constitution (the Taxpayer's Bill of Rights or "TABOR") places restrictions on the amount of total General Fund and cash funds that may be collected and spent by the State. This section provides information about this constitutional revenue and spending restriction.

TABOR has several key provisions that impact the state budget:

- "State fiscal year" spending is defined as expenditures or reserve increases. In other words, *all* revenues received by the State that are not specifically exempt are considered "spending".
- The change in fiscal year spending for the next year is restricted to the percentage change in the consumer price index (inflation) plus the percentage change in state population in the prior calendar year, adjusted for revenue changes approved by the voters after 1991.
- The base for calculating the allowable growth is the *lesser* of either actual revenues or the allowable limit.

In order to comply with the limits contained in TABOR several calculations are necessary. Because this provision makes no distinction between General Fund and cash fund revenues collected by the State, it is necessary to make forecasts of revenues for all the separate cash funds as well as the General Fund. The sum of estimated General Fund and cash fund revenues are then increased by the estimated changes in inflation and population to project the allowable increase in state fiscal year spending.

Referendum C: Referendum C was referred to and passed by the voters in November 2005. This measure authorized the State to retain and spend moneys in excess of the constitutional limitation on state fiscal year spending as follows:

- For FY 2005-06 through FY 2009-10, this measure authorized the State to retain and spend all state revenues in excess of the limitation on state fiscal year spending.
- For FY 2010-11 and each succeeding fiscal year, this measure authorizes the State to retain and spend all state revenues in excess of the limitation on state fiscal year spending, but less than a newly defined "excess state revenues" cap for the given fiscal year. The excess state revenue cap is equal to the highest annual total state revenues from FY 2005-06 through FY 2009-10, adjusted each subsequent fiscal year for inflation, the percentage change in state population, enterprises, and debt service charges.

Within the state General Fund, the measure established the General Fund Exempt Account, which consists of the amount of state revenues in excess of the limitation on state fiscal year spending that the State would have refunded had Referendum C not passed. The measure further established that moneys in the Account would be appropriated or transferred to fund:

- health care;
- education, including related capital construction projects;
- retirement plans for firefighters and police officers, so long as the General Assembly determines that such funding is necessary; and
- strategic transportation projects included in the Department of Transportation's strategic transportation project investment program.

The measure clarified that the statutory restriction on General Fund appropriations and associated exceptions or exclusions applies to moneys in the General Fund Exempt Account.

The measure requires the Director of Research of the Legislative Council Staff to annually prepare a report that includes the amount of excess state revenues that the State retained and a description of how the excess state revenues were expended.

Table 5 summarizes the General Fund Exempt Account appropriations made in compliance with Referendum C (Sections 24-77-103.6 and 24-77-104.5, C.R.S.).

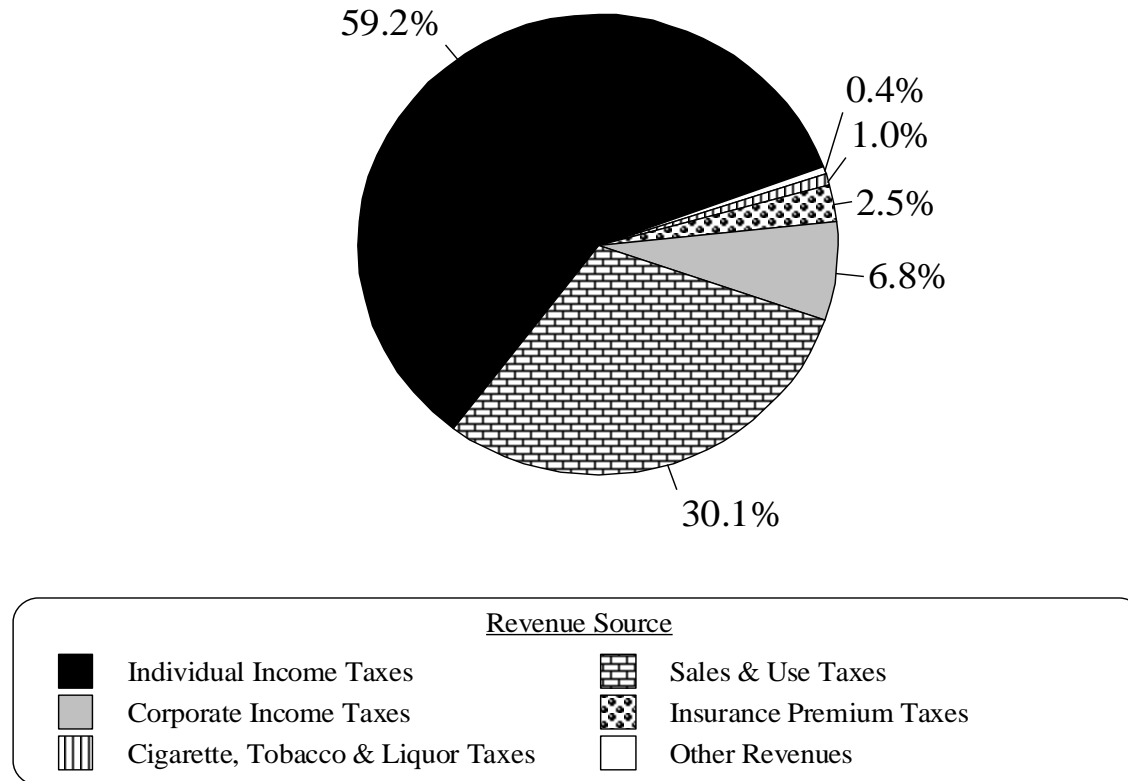
Table 5
Referendum C: General Fund Exempt Account Appropriations by Program
(\$ in millions)

Department	Line Item	FY 2013-14	FY 2014-15	FY 2015-16
Education	State Share of Districts' Total Program Funding	\$726.9	\$813.1	\$848.1
Health Care Policy and Financing	Medical Services Premiums	726.9	813.1	848.1
Higher Education	Various Line Items (including capital construction transfers)	666.7	753.0	788.0
Local Affairs	Volunteer Firefighter Retirement Plans	4.3	4.3	4.3
Transportation	Capital Construction - Transportation Highway Construction Projects	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>
Total General Fund Exempt Account Appropriations		\$2,125.3	\$2,384.0	\$2,489.0

B: SUMMARY CHARTS AND TABLES

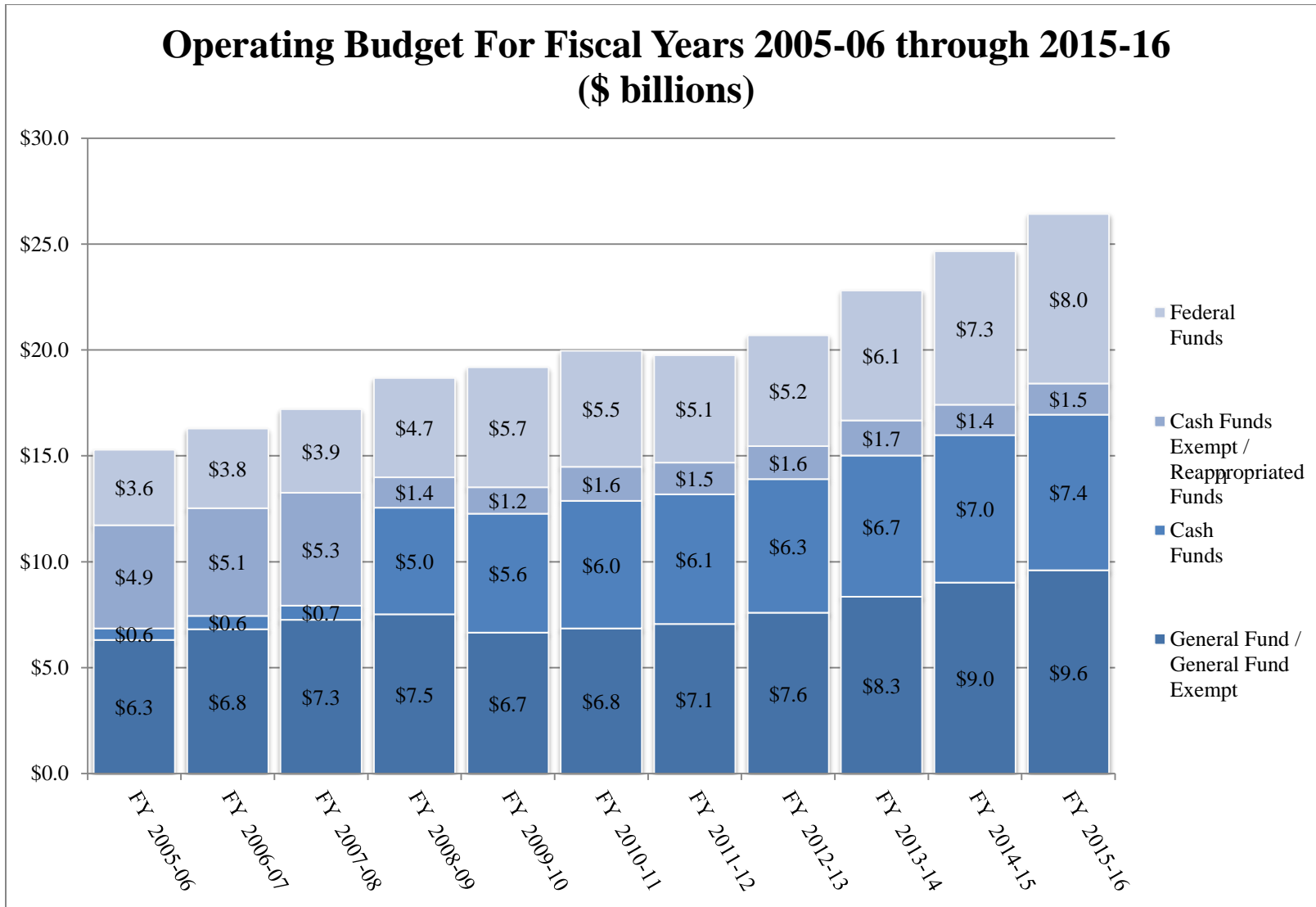
1. Sources of General Fund Revenue

Estimated Total General Fund Revenue FY 2015-16 = \$10,255.2 Million*



* Source: Legislative Council Staff March 2015 *Focus Colorado: Economic and Revenue Forecast*. These percentages are net of income tax receipts that are credited to the State Education Fund (\$538.0 million).

2. History of Appropriations by Funding Source

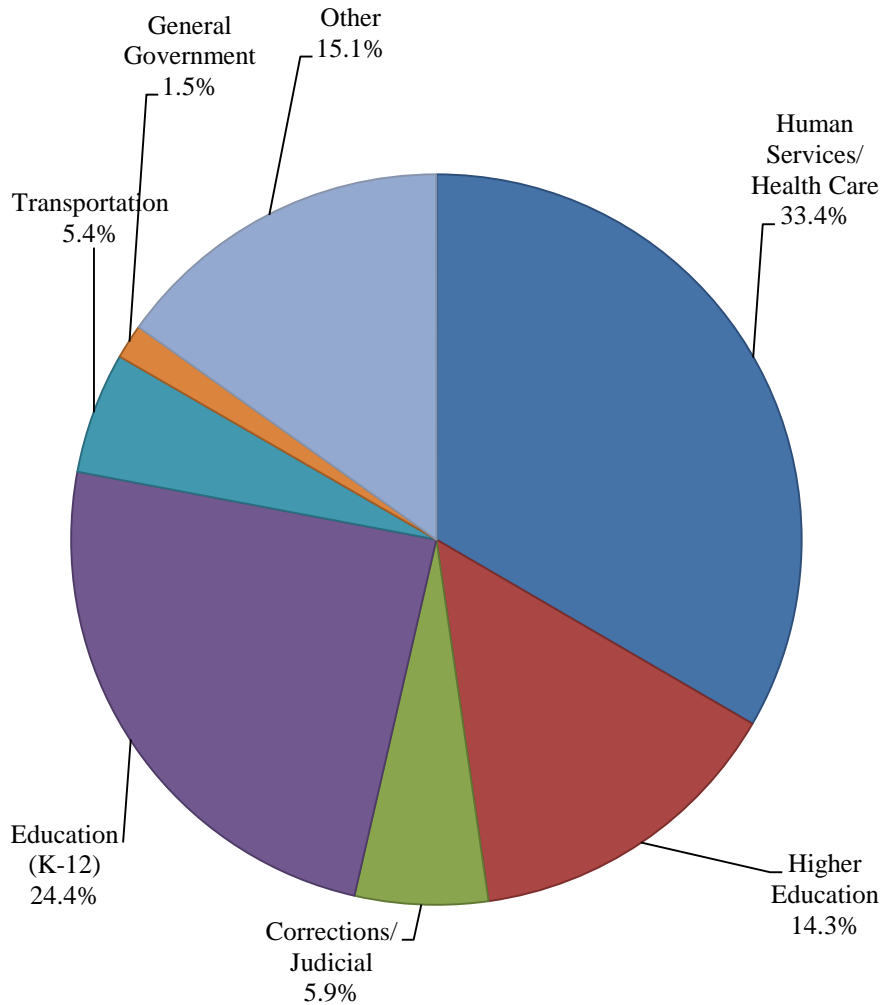


NOTE: Appropriated amounts have not been adjusted for inflation.

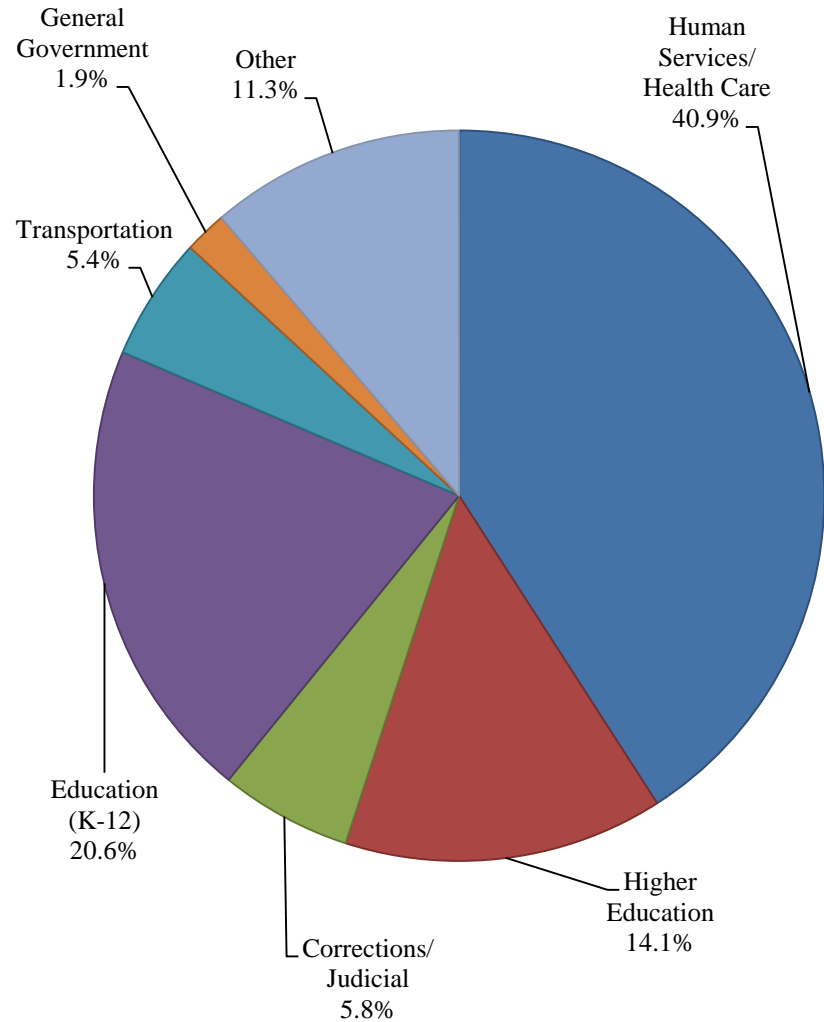
¹ Appropriations for FY 2008-09 and subsequent years are reflected in a new format, which redistributes funds previously classified "cash funds" and "cash funds exempt" into the newly defined "cash funds" and "reappropriated funds" categories. Cash Funds Exempt amounts are reflected for FY 2007-08 and prior years. Reappropriated Funds amounts are reflected for FY 2008-09 and subsequent years.

3. a. Comparison of Total Operating Appropriations by Program

FY 2005-06 = \$15.29 billion



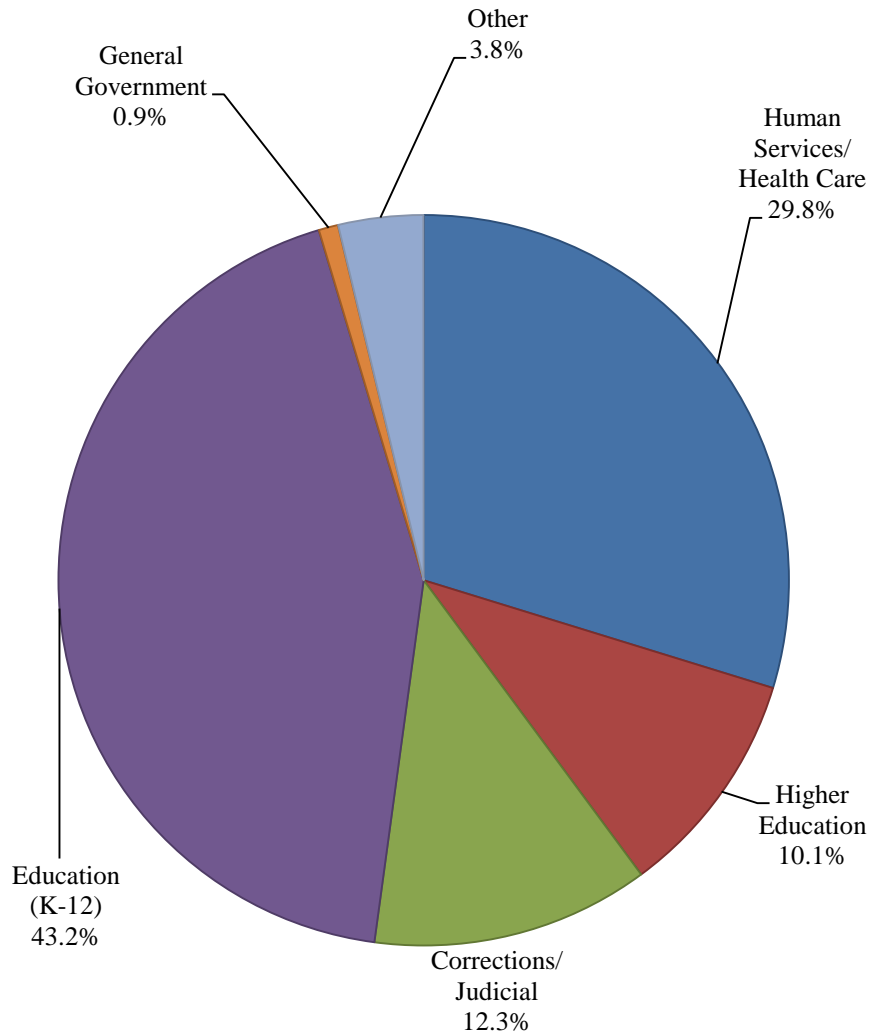
FY 2015-16 = \$26.42 billion



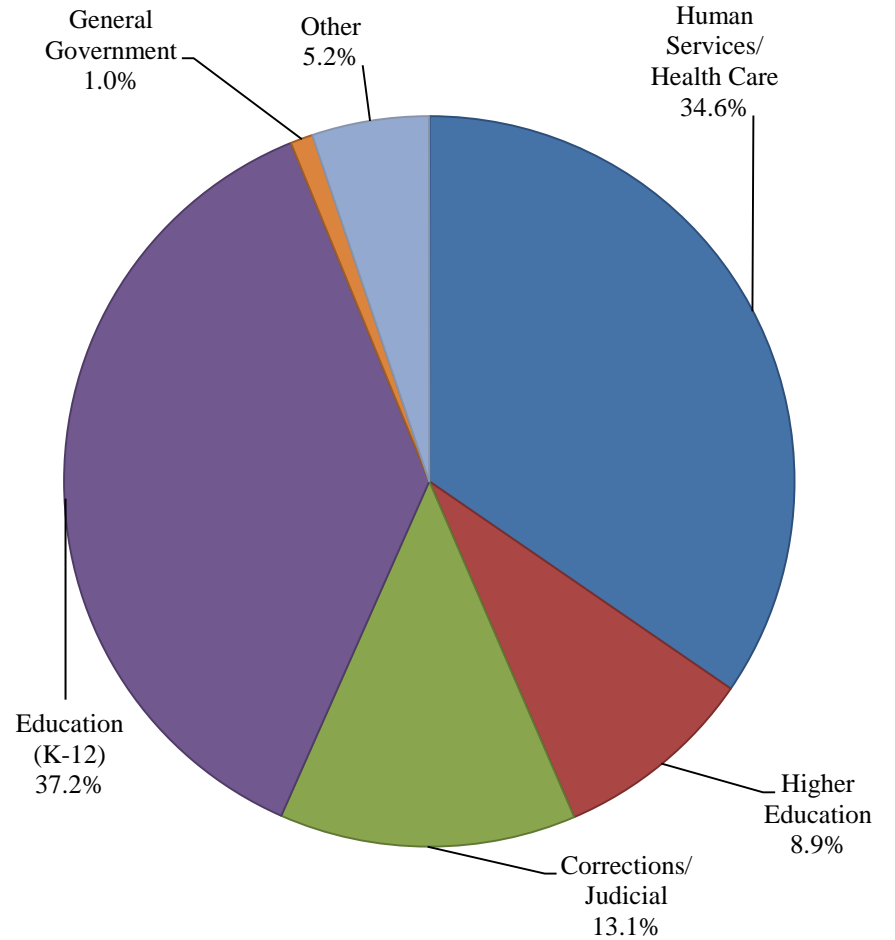
Note: the “General Government” category includes the Governor’s Office, the Legislative Department, and the Department of Personnel.

3. b. Comparison of General Fund Operating Appropriations by Program

FY 2005-06 = \$6.29 billion



FY 2015-16 = \$9.60 billion



Note: the “General Government” category includes the Governor’s Office, the Legislative Department, and the Department of Personnel.

4. FY 2014-15 Operating Appropriations by Department

FY 2014-15 Operating Appropriations By Department and Fund Source						
	Total Funds	General Fund ¹	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Agriculture	\$44,206,921	\$9,317,936	\$29,155,798	\$1,629,526	\$4,103,661	274.1
Corrections	808,625,772	720,902,032	40,096,980	46,402,892	1,223,868	6,209.2
Education ¹	5,248,362,136	3,357,973,487	1,192,935,611	61,142,113	636,310,925	582.0
Governor	293,323,703	34,983,120	41,899,571	210,000,641	6,440,371	1,073.1
Health Care Policy and Financing ¹	7,931,705,080	2,352,444,300	899,805,052	6,104,791	4,673,350,937	390.9
Higher Education ¹	3,467,576,248	762,082,525	2,048,656,281	634,406,378	22,431,064	23,455.2
Human Services	1,884,592,242	790,048,884	346,379,985	128,339,086	619,824,287	4,961.2
Judicial	617,042,608	446,285,574	135,533,939	30,798,095	4,425,000	4,522.3
Labor and Employment	167,508,765	661,690	66,168,686	650,740	100,027,649	1,016.5
Law	74,767,926	13,575,405	15,578,104	43,867,145	1,747,272	469.0
Legislature	42,045,491	40,962,675	179,000	903,816	0	278.6
Local Affairs ¹	310,844,001	22,039,101	209,046,453	9,412,579	70,345,868	168.4
Military and Veterans Affairs	225,377,743	8,244,667	1,282,783	1,100,000	214,750,293	1,391.2
Natural Resources	255,752,816	26,309,329	192,487,142	8,103,450	28,852,895	1,444.7
Personnel	174,822,433	7,130,338	14,873,826	152,818,269	0	393.1
Public Health and Environment ¹	552,219,752	64,322,851	161,438,088	35,141,182	291,317,631	1,265.0
Public Safety	401,936,770	134,566,411	175,622,518	33,311,956	58,435,885	1,688.6
Regulatory Agencies	86,743,142	1,884,591	78,741,802	4,725,487	1,391,262	587.6
Revenue	329,500,193	103,605,100	219,536,248	5,534,457	824,388	1,332.8
State	22,508,337	0	22,508,337	0	0	137.3
Transportation	1,283,277,981	700,000	748,479,175	19,773,476	514,325,330	3,326.9
Treasury	438,779,404	121,578,482	317,200,922	0	0	31.9
Controlled Maintenance Trust Fund	<u>111,264</u>	<u>111,264</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
OPERATING TOTAL²	\$24,661,630,728	\$9,019,729,762	\$6,957,606,301	\$1,434,166,079	\$7,250,128,586	54,999.6

¹ Includes General Fund Exempt.

² For information about Capital Construction, see the Capital Construction Sections of this report.

5. FY 2015-16 Operating Appropriations by Department

FY 2015-16 Operating Appropriations By Department and Fund Source						
	Total Funds	General Fund ¹	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Agriculture	\$46,274,053	\$9,706,234	\$30,740,614	\$1,656,548	\$4,170,657	280.4
Corrections	867,977,195	780,620,458	39,431,411	46,665,389	1,259,937	6,239.8
Education ¹	5,434,487,782	3,567,985,216	1,186,095,361	29,757,276	650,649,929	598.8
Governor	270,661,393	41,668,200	42,239,163	180,261,421	6,492,609	1,088.7
Health Care Policy and Financing ¹	8,890,454,397	2,507,080,610	1,031,847,224	7,805,549	5,343,721,014	421.2
Higher Education ¹	3,732,557,075	857,415,995	2,150,842,834	701,803,695	22,494,551	23,856.3
Human Services	1,914,659,158	811,905,208	348,624,954	131,723,226	622,405,770	4,970.9
Judicial	674,482,707	478,774,984	157,342,072	33,940,651	4,425,000	4,592.3
Labor and Employment	187,521,105	8,008,584	74,251,770	4,439,547	100,821,204	1,030.3
Law	77,512,023	15,058,065	15,796,431	44,863,650	1,793,877	477.6
Legislature	44,641,162	43,297,162	179,000	1,165,000	0	281.3
Local Affairs ¹	320,219,550	23,626,224	209,230,174	10,487,107	76,876,045	171.5
Military and Veterans Affairs	225,391,179	8,285,043	1,281,079	800,000	215,025,057	1,392.3
Natural Resources	263,919,227	27,671,518	198,404,864	8,701,045	29,141,800	1,462.6
Personnel	181,201,321	11,711,626	13,830,708	155,658,987	0	407.4
Public Health and Environment ¹	534,348,222	44,515,287	158,144,049	37,535,004	294,153,882	1,289.3
Public Safety	403,332,487	125,170,650	184,486,485	34,175,433	59,499,919	1,727.1
Regulatory Agencies	88,577,567	1,923,405	80,292,863	4,875,289	1,486,010	583.6
Revenue	324,177,457	97,621,597	220,417,302	5,314,170	824,388	1,367.1
State	21,580,286	0	21,580,286	0	0	137.3
Transportation	1,436,913,372	0	844,073,959	19,777,338	573,062,075	3,326.8
Treasury	<u>481,677,345</u>	<u>135,066,583</u>	<u>346,610,762</u>	<u>0</u>	<u>0</u>	<u>31.9</u>
OPERATING TOTAL²	\$26,422,566,063	\$9,597,112,649	\$7,355,743,365	\$1,461,406,325	\$8,008,303,724	55,734.5

¹ Includes General Fund Exempt.

² For information about Capital Construction, see the Capital Construction Sections of this report.

C: SUMMARY OF MAJOR CHANGES

FY 2014-15 Adjusted Appropriation and FY 2015-16 Long Bill and Special Bills Appropriations

	All Departments					
	Total Funds	General Fund ^{1/2}	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
FY 2014-15 Appropriation	\$24,583,116,456	\$8,916,045,149	\$6,985,960,345	\$1,444,115,647	\$7,236,995,315	54,936.1
2015 legislative session bills	<u>78,514,272</u>	<u>103,684,613</u>	<u>(28,354,044)</u>	<u>(9,949,568)</u>	<u>13,133,271</u>	<u>63.5</u>
TOTAL	\$24,661,630,728	\$9,019,729,762	\$6,957,606,301	\$1,434,166,079	\$7,250,128,586	54,999.6
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$24,661,630,728	\$9,019,729,762	\$6,957,606,301	\$1,434,166,079	\$7,250,128,586	54,999.6
Decision items	1,561,356,260	551,209,108	241,406,022	86,643,889	682,097,241	245.2
Technical changes	139,792,034	3,629,052	110,502,578	(35,351,885)	61,012,289	400.5
Centrally appropriated line items	88,205,088	42,589,991	27,272,071	12,208,509	6,134,517	0.1
Annualize prior year budget actions	(111,550,799)	(50,324,741)	(10,321,815)	(40,174,991)	(10,729,252)	(38.6)
Annualize prior year legislation	(18,616,111)	(16,593,976)	(7,670,756)	(6,094,312)	11,742,933	65.6
SB 15-234 (Long Bill) / SB 15- 191 (Legislative Appropriation)	\$26,320,817,200	\$9,550,239,196	\$7,318,794,401	\$1,451,397,289	\$8,000,386,314	55,672.4
Additional legislation	<u>101,748,863</u>	<u>46,873,453</u>	<u>36,948,964</u>	<u>10,009,036</u>	<u>7,917,410</u>	<u>62.1</u>
TOTAL	\$26,422,566,063	\$9,597,112,649	\$7,355,743,365	\$1,461,406,325	\$8,008,303,724	55,734.5
Increase/(Decrease)	\$1,760,935,335	\$577,382,887	\$398,137,064	\$27,240,246	\$758,175,138	734.9
Percentage Change	7.1%	6.4%	5.7%	1.9%	10.5%	1.3%

¹ Includes \$2,384,447,200 General Fund Exempt in FY 2014-15 and \$2,489,355,187 General Fund Exempt in FY 2015-16. See Part III for the Departments of Education, Health Care Policy and Financing, Higher Education, Local Affairs, and Public Health and Environment for information on General Fund Exempt appropriations.

² Includes \$149,943,508 in FY 2014-15 and \$155,055,186 in FY 2015-16 that is not subject to the statutory limit on state General Fund appropriations imposed by Section 24-75-201.1, C.R.S. See Part III for the Departments of Health Care Policy and Financing, Local Affairs, Public Health and Environment, Revenue, and Treasury for further information on General Fund appropriations that are exempt from the statutory limit.

Summary of Major Changes

FY 2014-15 Appropriation – Mid-year Adjustments

2015 legislative session bills: Represents the FY 2014-15 impact of legislation passed in the 2015 legislative session. These items increase the State budget by \$78.5 million total funds, including \$103.7 million General Fund for FY 2014-15. Major highlights include:

- Health Care Policy and Financing – Increase of \$54.8 million total funds (increase of \$88.0 million General Fund);
- Higher Education – Increase of \$24.8 million total funds (increase of \$0.1 million General Fund);
- Governor – Increase of \$8.4 million total funds (increase of \$0.6 million General Fund);
- Revenue – Increase of \$2.4 million total funds (increase of \$1.9 million General Fund);
- Judicial – Increase of \$2.1 million total funds (increase of \$2.2 million General Fund); and
- Personnel – Increase of \$1.5 million total funds (increase of \$0.4 million General Fund).

For more detailed information on specific legislation, see the relevant department sections in Parts II and III.

FY 2015-16 Appropriation Highlights

Decision items: Represents programmatic funding changes included in the FY 2015-16 appropriation. Examples include funding for new programs, expansion of existing programs, and reductions to or elimination of existing programs. These items increase the State budget by \$1.6 billion total funds, including \$551.2 million General Fund for FY 2015-16. Major highlights include:

- Health Care Policy and Financing – Increase of \$958.5 million total funds (increase of \$152.9 million General Fund);
- Higher Education – Increase of \$261.9 million total funds (increase of \$94.9 million General Fund);
- Education – Increase of \$153.7 million total funds (increase of \$186.3 million General Fund);
- Treasury – Increase of \$42.9 million total funds (increase of \$15.4 million General Fund);
- Human Services – Increase of \$36.1 million total funds (increase of \$20.8 million General Fund);
- Corrections – Increase of \$36.1 million total funds (increase of \$35.4 million General Fund); and
- Governor – Increase of \$20.4 million total funds (increase of \$10.6 million General Fund).

For more detailed information on specific decision items, see the relevant department sections in Parts II and III.

Technical changes: Represents revenue forecast adjustments and various technical adjustments included in the FY 2015-16 appropriation. These items increase the State budget by \$139.8 million total funds, including \$3.6 million General Fund for FY 2015-16. Major highlights include:

- Transportation – Increase of \$144.8 million total funds;
- Judicial – Increase of \$22.9 million total funds (increase of \$0.1 million General Fund);
- Corrections – Increase of \$7.7 million total funds (increase of \$7.6 million General Fund);
- Local Affairs – Increase of \$6.8 million total funds (increase of \$0.4 million General Fund); and
- Higher Education – Increase of \$1.7 million total funds (increase of \$0.3 million General Fund).

For more detailed information on specific technical changes, see the relevant department sections in Parts II and III.

Centrally appropriated line items: Represents the FY 2015-16 impact of changes to central appropriations, which are generally made to the Executive Director’s Office (or a comparable division) of each agency for use department-wide. Examples include salary increases and benefits, vehicle lease payments, Capitol complex

leased space, and information technology services. These items increase the State budget by \$88.2 million total funds, including \$42.6 million General Fund for FY 2015-16. Major highlights include:

- Judicial – Increase of \$21.2 million total funds (increase of \$19.3 million General Fund);
- Human Services – Increase of \$9.8 million total funds (increase of \$8.3 million General Fund);
- Transportation – Increase of \$9.2 million total funds;
- Governor – Increase of \$7.3 million total funds (decrease of \$0.1 million General Fund);
- Public Safety – Increase of \$6.2 million total funds (increase of \$0.3 million General Fund); and
- Corrections – Increase of \$4.7 million total funds (increase of \$4.8 million General Fund).

For more detailed information on specific centrally appropriated line items, see the relevant department sections in Parts II and III.

Annualize prior year budget actions: Represents the FY 2015-16 impact on appropriations of budgetary decision items approved for prior fiscal years. These items reduce the State budget by \$111.6 million total funds, including a decrease of \$50.3 million General Fund for FY 2015-16. Major highlights include:

- Corrections – Increase of \$11.7 million total funds (increase of \$11.3 million General Fund);
- Governor – Decrease of \$45.1 million total funds (decrease of \$4.8 million General Fund);
- Public Health and Environment – Decrease of \$27.3 million total funds (decrease of \$22.8 million General Fund);
- Human Services – Decrease of \$21.1 million total funds (decrease of \$16.8 million General Fund); and
- Health Care Policy and Financing – Decrease of \$14.2 million total funds (decrease of \$1.3 million General Fund).

For more detailed information on specific annualizations of prior year budget actions, see the relevant department sections in Parts II and III.

Annualize prior year legislation: Represents the FY 2015-16 impact on appropriations of legislation passed by the General Assembly in prior legislative sessions. These items reduce the State budget by \$18.6 million total funds, including a decrease of \$16.6 million General Fund for FY 2015-16. Major highlights include:

- Education – Increase of \$22.9 million total funds (decrease of \$0.5 million General Fund);
- Natural Resources – Decrease of \$11.9 million total funds;
- Governor – Decrease of \$7.0 million total funds (increase of \$0.7 million General Fund);
- Public Health and Environment – Decrease of \$5.7 million total funds (decrease of \$3.9 million General Fund); and
- Public Safety – Decrease of \$5.1 million total funds (decrease of \$9.7 million General Fund).

For more detailed information on specific annualizations of prior year legislation, see the relevant department sections in Parts II and III.

Additional legislation: Represents the FY 2015-16 impact of legislation passed in the 2015 legislative session in addition to S.B. 15-234 (Long Bill) and S.B. 15-191 (Legislative Appropriation Bill). These items increase the State budget by \$101.7 million total funds, including \$46.9 million General Fund for FY 2015-16. Major highlights include:

- Education – Increase of \$39.0 million total funds (increase of \$25.3 million General Fund);
- Health Care Policy and Financing – Increase of \$17.1 million total funds (increase of \$0.8 million General Fund);
- Natural Resources – Increase of \$13.1 million total funds (increase of \$0.2 million General Fund);
- Human Services – Increase of \$10.9 million total funds (increase of \$9.7 million General Fund); and
- Labor and Employment – Increase of \$8.6 million total funds (increase of \$5.3 million General Fund).

For more detailed information on specific legislation, see the relevant department sections in Part III.

PART II

DEPARTMENT SUMMARIES

DEPARTMENT OF AGRICULTURE

The Department of Agriculture regulates, promotes, and supports agricultural activities throughout Colorado and provides a wide range of services including: regulation and certification of the livestock industry; regulation of the use of pesticides and pesticide applicators; administration of inspection and consumer services programs; inspection of livestock brands; oversight of conservation services across the state; promotion of Colorado's agricultural industries; and administration of the State Fair and fairgrounds. The Department is comprised of the Commissioner's Office and Administrative Services, Agricultural Services, the Agricultural Markets Division, the Brand Board, the Colorado State Fair, and the Conservation Board.

Department Budget: Recent Appropriations

Funding Source	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
General Fund	\$6,863,921	\$7,723,805	\$9,317,936	\$9,706,234
Cash Funds	27,838,161	29,200,366	29,155,798	30,740,614
Reappropriated Funds	1,090,001	1,632,203	1,629,526	1,656,548
Federal Funds	<u>3,887,150</u>	<u>4,113,870</u>	<u>4,103,661</u>	<u>4,170,657</u>
Total Funds	\$39,679,233	\$42,670,244	\$44,206,921	\$46,274,053
Full Time Equiv. Staff	282.4	274.1	274.1	280.4

General Factors Driving the Budget

Funding for this department consists of 21.0 percent General Fund, 66.4 percent cash funds, 3.6 percent reappropriated funds, and 9.0 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

Agricultural Services

Funding appropriated to Agricultural Services is expended on four program areas: animal industry, plant industry, inspection and consumer services, and conservation services. Agricultural Services accounts for 31.3 percent of the Department's total appropriation in FY 2015-16, including 45.9 percent of the Department's total General Fund appropriation and 24.5 percent the of the Department's total cash fund appropriation.

The primary source of funding for the division is cash funds from license and inspection fees. The following table outlines some of the major workload measures driving the Agriculture Services budget:

Agricultural Services Workload Measures Driving the Budget				
	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Estimate	FY 2015-16 Estimate
Animal Industry Division				
Exported livestock	1,622,648	1,643,341	1,650,000	1,675,000
Animal abuse investigations	14,712	14,713	15,448	16,220
Disease traceability IDs	36,683	43,840	44,000	45,000
Inspection and Consumer Services Division				
Small & large devices tested	26,962	26,526	27,000	27,000
Egg inspections (by the dozen)	92,243	71,215	79,000	70,000
Plant Industry Division				
Pounds of seed sampled	1,065,377	8,416,901	5,106,865	5,000,000
Volume of nursery stock inspected	1,898,592	1,912,737	2,000,000	2,000,000

Department Workload

Cash funds make up the majority of funding for this Department and these appropriations respond to changes in workload for products or services associated with specific cash funds within the Department. The three largest cash funds are the State Fair Cash Fund; the Brand Inspection Cash Fund; and the Plant Health, Pest Control, and Environmental Protection Cash Fund. Appropriations from these funds account for 52.8 percent of the Department's total cash funds appropriation in FY 2015-16.

Agriculture Management Fund

The Agriculture Management Fund (AMF) was created by House Bill 08-1399 (Ag Unclaimed Property Trust Fund Interest) which authorized the transfer of interest earned on the Unclaimed Property Tourism Promotion Trust Fund, once the debt on the State Fair Events Center was repaid. Interest transfers began midway through FY 2008-09 and are divided between the following funds:

- 65.0 percent to the Agriculture Management Fund to be used for agricultural purposes and staff;
- 25.0 percent to the Colorado State Fair Authority Cash Fund to be used for expenses incurred by running the State Fair and fair ground maintenance; and
- 10.0 percent to the Colorado Travel and Tourism Fund in the Office of the Governor to be used for the promotion of agritourism.

The AMF supports projects and programs in various divisions, as well as a portion of expenses for the recent consolidation of non-fair divisions into a new office building and lab facility.

Appropriation Highlights – 2015 Legislative Session

Department of Agriculture						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$44,184,405	\$9,311,389	\$29,141,578	\$1,629,526	\$4,101,912	274.1
SB 15-143	<u>22,516</u>	<u>6,547</u>	<u>14,220</u>	<u>0</u>	<u>1,749</u>	<u>0.0</u>
TOTAL	\$44,206,921	\$9,317,936	\$29,155,798	\$1,629,526	\$4,103,661	274.1
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$44,206,921	\$9,317,936	\$29,155,798	\$1,629,526	\$4,103,661	274.1
Centrally appropriated line items	641,604	254,939	319,276	0	67,389	0.0
Move lease purchase payments to operating budget	529,063	0	529,063	0	0	0.0
Agriculture education and leadership program	300,000	0	300,000	0	0	0.0
Direct assistance grant inflation adjustment	92,053	92,053	0	0	0	0.0
Indirect cost assessment	54,044	0	27,022	27,022	0	0.0
State Fair financial stability study	50,000	50,000	0	0	0	0.0
Line item funding and title changes for ASD	0	0	0	0	0	0.0
Annualize prior year budget actions	(164,028)	(8,694)	(154,941)	0	(393)	0.0
SB 15-234	\$45,709,657	\$9,706,234	\$30,176,218	\$1,656,548	\$4,170,657	274.1
SB 15-196	249,763	0	249,763	0	0	2.0
HB 15-1367	<u>314,633</u>	<u>0</u>	<u>314,633</u>	<u>0</u>	<u>0</u>	<u>4.3</u>
TOTAL	\$46,274,053	\$9,706,234	\$30,740,614	\$1,656,548	\$4,170,657	280.4
Increase/(Decrease)	\$2,067,132	\$388,298	\$1,584,816	\$27,022	\$66,996	6.3
Percentage Change	4.7%	4.2%	5.4%	1.7%	1.6%	2.3%

FY 2014-15 Appropriation - Mid-year Adjustments

Senate Bill 15-143 adds a total of \$22,516 to the Department's FY 2014-15 appropriations, including \$6,547 General Fund, for adjustments to centrally appropriated line items for the CORE accounting system, payments to the Governor's Office of Information Technology, and administrative law judge services.

FY 2015-16 Appropriation Highlights

Centrally appropriated line items: The appropriation includes an increase of \$641,604 total funds for adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; workers' compensation; legal services;

administrative law judges; payment to risk management and property funds; vehicle lease payments; payments to the Governor's Office of Information Technology; and CORE operations.

Move lease purchase payments to operating budget: The appropriation moves lease purchase payment (certificates of participation) amounts that were previously appropriated in the capital construction section of the Long Bill into the operating budget. The appropriation includes an increase of \$529,063 cash funds for lease payments made by the Department for the office space at 305 Interlocken Parkway in Broomfield, Colorado. The State owns this building and the Department is assessed an annual per square footage charge to cover the State's obligations while accommodating the operating costs of the building.

Agriculture education and leadership program: The appropriation includes \$300,000 General Fund to provide support to non-profit and state efforts to enhance agricultural education and leadership through a grant program.

Direct assistance grant inflation adjustment: The appropriation includes an increase of \$92,053 General Fund for a 10-year inflation adjustment to the funding of a program to assist the state's Conservation Districts with operating expenses. Distributions are made via a competitive grant process according to evaluation criteria that examine a district's long range plans, annual workload, number of district meetings held each year, participation in conservation activities, and the district's plan to implement education programs.

Indirect cost assessment: The appropriation includes an increase of \$54,044 total funds in the Department's indirect cost assessment.

State Fair financial stability study: The appropriation includes an increase of \$50,000 General Fund to the Colorado State Fair to conduct a study of the Colorado State Fair Authority's finances in order to provide a comprehensive plan for long-term financial stability.

Line item funding and title changes for ASD: The appropriation includes a reorganization of the Agriculture Services Division (ASD) line items, including: an update to the section title, updates to the line items' titles, the discontinuation of bottom-line funding for the applicable line items, and adjustments to line items to more accurately reflect the Department's divisional organization. These adjustments have no appropriations impact.

Annualize prior year budget actions: The appropriation includes a reduction of \$164,028 total funds associated with a number of changes to the out-year impact of funding decisions made through the FY 2014-15 Long Bill, including a reduction of one-time funding for the replacement of vehicles for the Brand Board.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of Part III of this department.

DEPARTMENT OF CORRECTIONS

The Department is responsible for:

- Managing, supervising, and controlling the correctional facilities operated and supported by the State;
- Supervising the population of offenders placed in the custody of the Department, including inmates, parolees, and transition inmates who are placed into community corrections programs;
- Planning for the projected, long-range needs of the institutions under the Department's control; and
- Developing educational, treatment, and correctional industries programs that have a rehabilitative or therapeutic value for inmates and supply products for state and private purposes, as provided by law.

Department Budget: Recent Appropriations

Funding Source	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
General Fund	\$654,682,235	\$683,084,333	\$720,902,032	\$780,620,458
Cash Funds	39,619,027	40,092,306	40,096,980	39,431,411
Reappropriated Funds	45,644,484	45,892,992	46,402,892	46,665,389
Federal Funds	<u>1,014,328</u>	<u>1,010,514</u>	<u>1,223,868</u>	<u>1,259,937</u>
Total Funds	\$740,960,074	\$770,080,145	\$808,625,772	\$867,977,195
Full Time Equiv. Staff	6,077.1	6,051.6	6,209.2	6,239.8

General Factors Driving the Budget

Funding for this department consists of 89.9 percent General Fund, 4.5 percent cash funds, 5.4 percent reappropriated funds, and 0.1 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

Operating appropriations

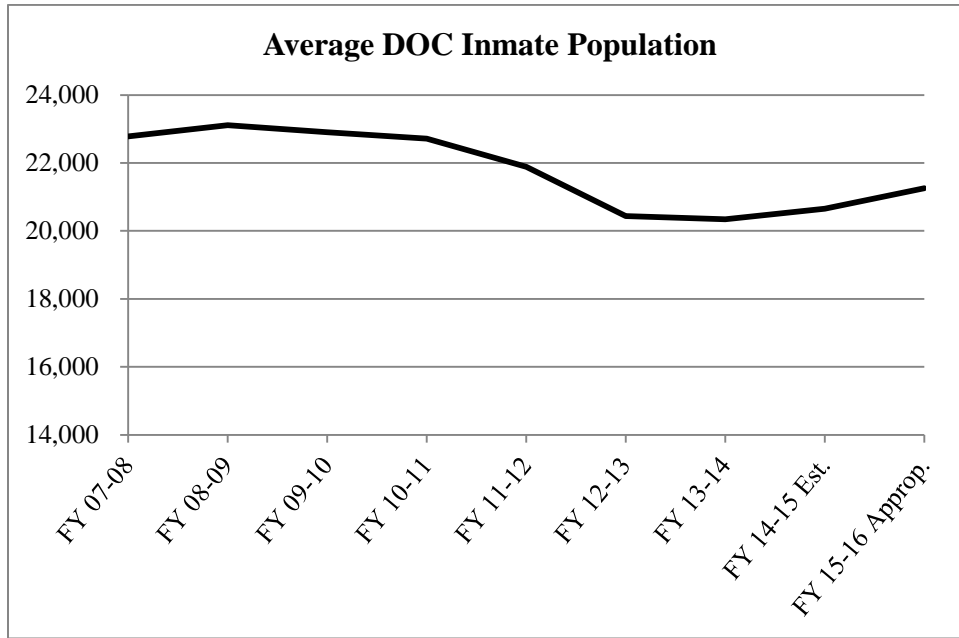
Appropriations for operating costs to the Department of Corrections (DOC) are largely dependent upon two key components of prison caseload:

- The DOC inmate population, which consists of DOC offenders with "inmate" status. These offenders have been sentenced to the DOC but have not yet been paroled. They are housed in state-operated prisons, private prisons, county jails, and community corrections facilities; a small portion live independently in the community under intensive supervision.
- The DOC parole population, which consists of DOC offenders who have been paroled but have not yet reached the end of their parole term. Parolees whose parole has been revoked are classified as inmates until reparaled.

Inmate Population

The following table and chart report the average DOC inmate population during recent fiscal years. This population peaked in FY 2008-09, declined for several years, and is now slowly rising.

Average DOC Inmate Population	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 Actual	FY 14-15 Estimate	FY 15-16 Approp.
Average DOC inmate population	22,717	21,890	20,437	20,346	20,655	21,252
Percentage change from prior year	(0.8%)	(3.6%)	(6.6%)	(0.4%)	1.5%	2.9%



DOC Offenders in County Jails

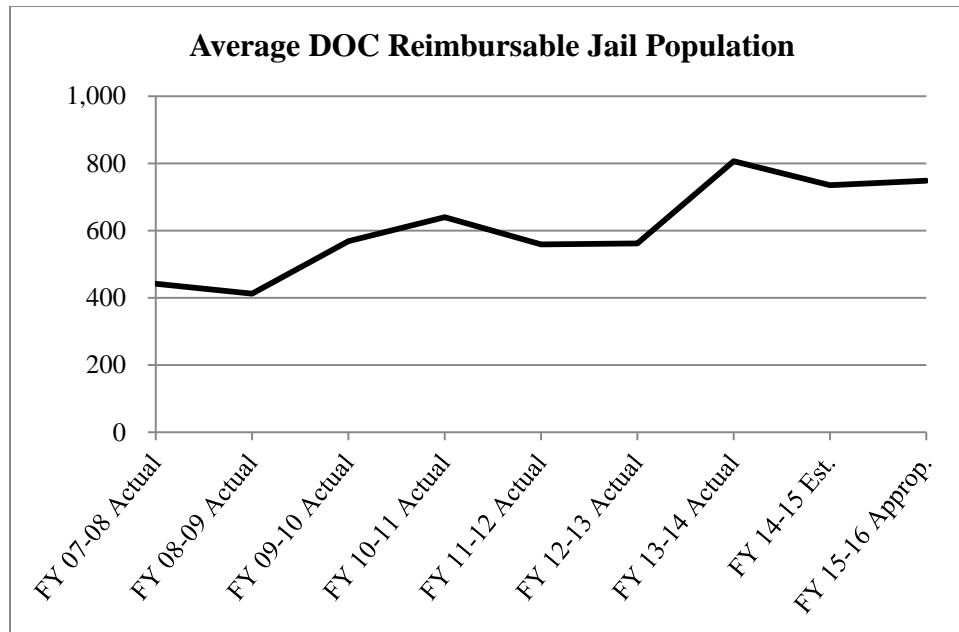
At any given time, more than a thousand of DOC’s inmates and parolees are housed in county jails. Some are newly sentenced by a court to the DOC and await transfer from jail to the DOC’s reception and diagnostic center. (Section 17-1-112 (1), C.R.S., requires the DOC to reimburse counties for holding newly-sentenced inmates starting 72 hours after sentencing.) Other offenders were paroled and, following a parole violation, have been placed in jail while awaiting a parole revocation hearing or while awaiting trial for a new crime. If revoked, the parolee remains in jail until transferred to another facility. In addition, the DOC has contracts with several county jails and places offenders in these facilities on a longer term basis.

The DOC pays jails to house some, but not all, of the DOC offenders who are in jail. The following table and chart show the average "reimbursable" jail population during recent years, i.e. the average number of jailed DOC offenders for whom DOC pays reimbursement; the substantial number of non-reimbursed DOC offenders who are in jails are excluded.

Reimbursable¹ DOC Offenders in County Jails	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 Actual	FY 14-15 Estimate	FY 15-16 Approp.
Average DOC reimbursable ¹ jail population	639	559	562	806	735	748
Percentage change from prior year	12.4%	(12.5%)	0.5%	43.4%	(8.8%)	1.8%

Reimbursable¹ DOC Offenders in County Jails	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 Actual	FY 14-15 Estimate	FY 15-16 Approp.
Daily reimbursement rate per offender	\$50.44	\$50.44	\$50.44	\$51.45	\$52.74	\$53.64
Percentage change from prior year	0.0%	0.0%	0.0%	2.0%	2.5%	1.7%
Total payments to jails	\$11,772,794	\$10,320,054	\$10,348,430	\$15,141,029	\$14,152,000	\$14,683,980
Percentage change from prior year	12.4%	(12.3%)	0.3%	46.3%	(6.5%)	(3.8%)

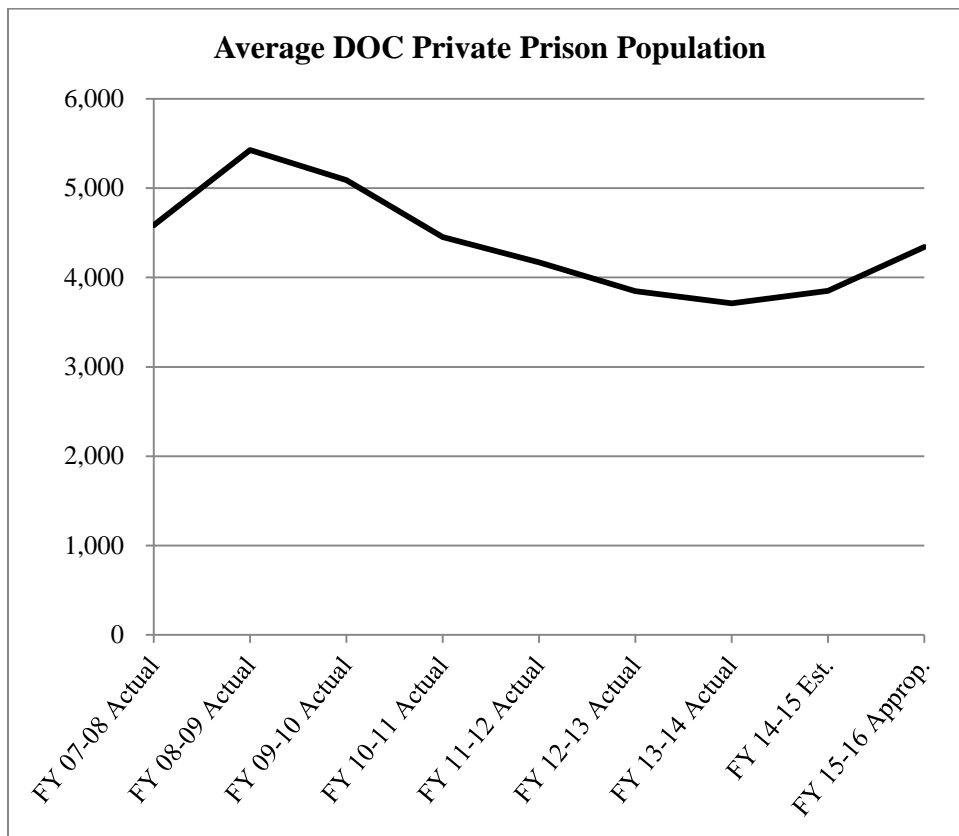
¹ The DOC does not reimburse jails for all DOC offenders that jails holds. This table reports the average number of offenders for whom the DOC pays reimbursement.



DOC Offenders in Private Prisons

During the 1990s, the DOC began contracting with out-of-state prisons and in-state private prisons to house Colorado offenders. The DOC continues to house offenders at in-state private prisons, but Colorado inmates have not been housed at out-of-state prisons since FY 2007-08. The following table summarizes the recent in-state private prison population and related costs to DOC.

DOC Inmates in Private Prisons	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 Actual	FY 14-15 Estimate.	FY 15-16 Approp.
Average private prison population	4,451	4,169	3,847	3,710	3,851	4,343
Percentage change from prior year	(12.5%)	(6.3%)	(7.7%)	(3.6%)	3.8%	12.8%
Daily reimbursement rate per offender	\$52.69	\$52.69	\$52.69	\$53.74	\$55.08	\$56.02
Percentage change from prior year	0.0%	0.0%	0.0%	2.0%	2.5%	1.7%
Total payments to private prisons	\$85,599,904	\$80,393,692	\$73,987,133	\$72,765,990	\$77,429,000	\$89,040,134
Percentage change from prior year	(12.5%)	(6.1%)	(8.0%)	(1.7%)	6.4%	15.0%



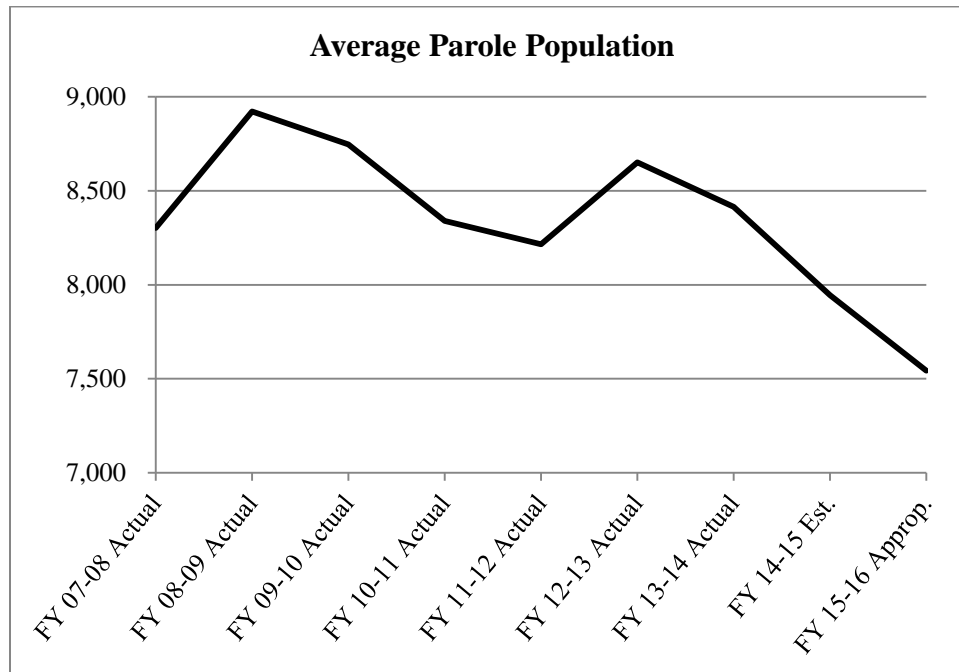
Transition and Parole – Costs of Returning Offenders to the Community

The process of returning an offender to the community almost always involves a period of parole, but may include placement in a community corrections facility (also known as a halfway house) and a period of intensely supervised independent living in the community before parole begins (known as the *Intensive Supervision-Inmate* or *ISP-Inmate* Program). Inmates living in halfway houses or participating in the ISP-Inmate program are often referred to as "transition" offenders. A significant number of transition offenders return to prison for violating their transition conditions and a significant number of parolees are reincarcerated for violating their parole conditions. If a parole violation does not involve a new crime, revocation lasts no more than six months.

The costs of returning offenders to the community are shared by the DOC and the Division of Criminal Justice (DCJ), which is part of the Department of Public Safety. The DCJ is responsible for payments to halfway houses, which are operated by private entities, non-profits, and local governments. The DOC shares responsibility with the halfway houses for oversight of DOC offenders in community-corrections. The DOC alone is responsible for oversight of parolees and ISP-Inmate offenders. In addition, the DOC pays (1) some of the jail costs that arise when community-corrections offenders, ISP-Inmate offenders, and parolees are jailed for violations, and (2) all the incarceration costs following revocation. Non-violent parolees whose parole is temporarily revoked are frequently reincarcerated in *Community Return-to-Custody* facilities, which are similar to halfway houses and are not run by the State. The DOC, rather than the DCJ, pays Community Return-to-Custody costs. Other revoked parolees are placed in DOC-operated prisons and in private prisons.

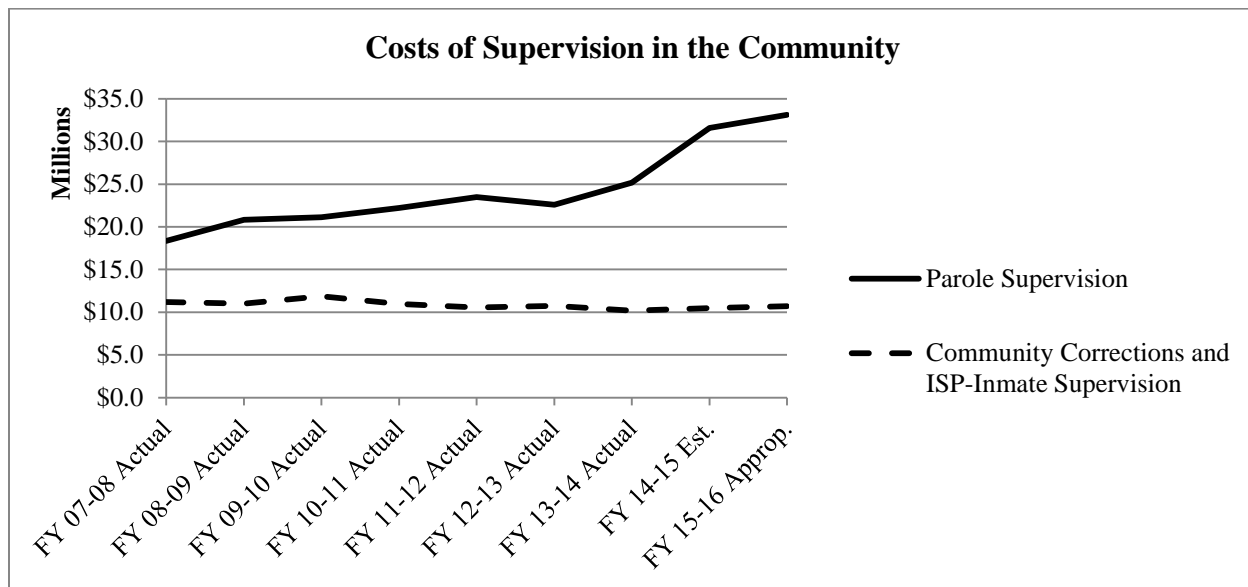
Costs of parole supervision are closely tied to caseloads. The following table and chart report the average parole population in recent fiscal years.

Average Parole Population	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 Actual	FY 14-15 Estimate	FY 15-16 Approp.
Average parole population	8,339	8,216	8,650	8,418	7,945	7,544
Percentage change from prior year	(4.7%)	(1.5%)	5.3%	(2.7%)	(5.6%)	(5.0%)



The next table and chart summarize DOC's recent costs of transition and parole supervision and recent payments to Community Return-to-Custody facilities.

Transition and Parole Costs	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 Actual	FY 14-15 Estimate.	FY 15-16 Approp.
Community Corrections and ISP-Inmate Supervision	\$10,962,880	\$10,565,106	\$10,726,721	\$10,168,595	\$10,470,720	\$10,712,352
Percentage change from prior year	(7.7%)	(3.6%)	1.5%	(5.2%)	3.0%	2.3%
Parole Supervision	\$22,219,683	\$23,483,761	\$22,600,157	\$25,183,437	\$31,569,181	\$33,111,892
Percentage change from prior year	5.2%	5.7%	(3.8%)	11.4%	25.4%	4.9%
Payments to Community Return-to-Custody Facilities	\$4,035,869	\$4,004,246	\$3,911,624	\$3,857,736	\$3,582,000	\$4,212,064
Percentage change from prior year	3.2%	(0.8%)	(2.3%)	(1.4%)	7.1%	17.6%



For more information on the cost of placing DOC offenders in community corrections facilities, see the material concerning Department of Public Safety’s Division of Criminal Justice in Part II and III of this document.

Capital Appropriations

In addition to the DOC's operating costs, there are also capital costs associated with new construction, controlled maintenance of existing capital resources, and payments for the certificates of participation that sometimes finance capital construction. Related appropriations and expenditures are summarized in the following table. These appropriations appear in the Institutions Division and in the Capital Construction section of the Long Bill.

Capital Construction	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16
Capital Construction Fund appropriations	\$2,012,428	\$18,952,353	\$20,798,083	\$27,225,308	\$29,120,526	\$25,035,747

Appropriation Highlights – 2015 Legislative Session

Department of Corrections						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$798,310,521	\$710,711,718	\$39,979,286	\$46,380,247	\$1,239,270	6,116.3
SB 10-128	4,482	4,482	0	0	0	0.0
HB 10-1081	28,800	28,800	0	0	0	0.0
HB 13-1154	124,063	124,063	0	0	0	0.0
HB 13-1318	20,816	20,816	0	0	0	0.0
HB 13-1325	20,816	20,816	0	0	0	0.0

Department of Corrections						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 14-064	1,565,025	1,565,025	0	0	0	24.0
HB 14-1355	7,953,877	7,953,877	0	0	0	71.9
SB 15-144	<u>597,372</u>	<u>472,435</u>	<u>117,694</u>	<u>22,645</u>	<u>(15,402)</u>	<u>(3.0)</u>
TOTAL	\$808,625,772	\$720,902,032	\$40,096,980	\$46,402,892	\$1,223,868	6,209.2
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$808,625,772	\$720,902,032	\$40,096,980	\$46,402,892	\$1,223,868	6,209.2
Move lease purchase payments to operating budget	20,254,768	20,254,768	0	0	0	0.0
Annualize prior year budget actions	11,399,133	11,035,398	363,735	0	0	0.9
External capacity caseload	8,529,413	8,529,413	0	0	0	0.0
Pharmaceutical and external medical costs	4,233,085	4,233,085	0	0	0	0.0
Earned time savings from H.B. 12-1223	3,250,176	3,250,176	0	0	0	0.3
Centrally appropriated line items	3,069,314	2,998,416	77,760	(6,862)	0	0.0
Community provider rate	2,198,517	2,198,517	0	0	0	0.0
Radio replacement plan	1,875,800	1,875,800	0	0	0	0.0
Mental health staffing	1,740,565	1,740,565	0	0	0	22.9
Inmate pay	842,130	300,000	372,430	169,700	0	0.0
Maintenance operating increase	834,175	834,175	0	0	0	0.0
Annualize prior legislation	644,641	644,641	0	0	0	6.5
Food service equipment and inflation	587,608	587,608	0	0	0	0.0
Leap day adjustment	289,979	289,979	0	0	0	0.0
Buena Vista wastewater	225,924	225,924	0	0	0	0.0
Transportation operating expenses	148,744	148,744	0	0	0	0.0
Indirect cost assessment	78,117	(78,117)	20,506	99,659	36,069	0.0
Adjustment for funding already in 5-year sentencing bills	(249,731)	(249,731)	0	0	0	0.0
Payments to District Attorneys	(18,024)	(18,024)	0	0	0	0.0
SB 15-234	\$868,560,106	\$779,703,369	\$40,931,411	\$46,665,389	\$1,259,937	6,239.8
HB 13-1154	121,773	121,773	0	0	0	0.0
HB 13-1318	14,987	14,987	0	0	0	0.0
HB 13-1325	5,551	5,551	0	0	0	0.0
SB 14-049	21,484	21,484	0	0	0	0.0
SB 14-092	21,484	21,484	0	0	0	0.0
SB 14-161	21,484	21,484	0	0	0	0.0
SB 14-176	21,484	21,484	0	0	0	0.0
HB 14-1037	21,484	21,484	0	0	0	0.0
SB 15-124	(853,476)	(853,476)	0	0	0	0.0
SB 15-185	9,800	9,800	0	0	0	0.0
SB 15-195	0	1,500,000	(1,500,000)	0	0	0.0

Department of Corrections						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 15-1341	<u>11,034</u>	<u>11,034</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$867,977,195	\$780,620,458	\$39,431,411	\$46,665,389	\$1,259,937	6,239.8
Increase/(Decrease)	\$59,351,423	\$59,718,426	(\$665,569)	\$262,497	\$36,069	30.6
Percentage Change	7.3%	8.3%	(1.7%)	0.6%	2.9%	0.5%

FY 2014-15 Appropriation - Mid-year Adjustments

Senate Bill 15-144 makes the following adjustments to the Department's FY 2014-15 appropriation:

- Increases the appropriation for external capacity, which pays for placement of some of the Department's offenders in private prisons and jails, by \$5,503,911 General Fund to house an increasing offender population;
- Increases the appropriation for utilities by \$1,438,788 total funds;
- Increases the appropriation for legal services provided by the Attorney General's office by \$441,090 total funds;
- Provides a net increase of \$163,146 total funds for a true-up of COFRS Modernization allocations and to fund CORE enhancements and ongoing configuration;
- Provides an extra \$109,747 General Fund for the Governor's Office of Information Technology to address necessary technical modifications to the State's human resources' computer systems;
- Provides an extra \$26,400 of cash and reappropriated funds to increase the base pay of offenders who work for Colorado Correctional Industries and for the Canteen program from 60¢ to 66¢ per day;
- Decreases the net appropriation for pharmaceuticals and external medical care by \$6,545,983 General Fund, comprised of an increase of \$2,988,117 for pharmaceuticals, an increase of \$958,293 for the purchase of medical services from other medical facilities, and a decrease of \$10,492,393 for catastrophic medical expenses;
- Reduces the appropriation for payments to district attorneys for prosecution of crimes that occur in Department facilities by \$381,976 General Fund; and
- Reduces the appropriation to the Executive Director's Office by \$157,751 General Fund and 3.0 FTE to align the number of FTE with the Department's needs.

FY 2015-16 Appropriation Highlights

Move lease purchase payments to operating budget: The appropriation moves \$20.3 million of General Fund lease purchase payments (certificates of participation) that were previously appropriated in the capital construction section of the Long Bill into the operating budget.

Annualize prior year budget actions: The appropriation includes an additional \$11.4 million total funds and 0.9 FTE for a number of changes that are due to the out year impact of funding decisions made through the FY 2014-15 Long Bill including:

- Annualization of the FY 2014-15 salary survey and merit pay;
- Funding for Prison Rape Elimination Act compliance;

- Additional parole board staff; and
- Providing ID's to all discharged offenders.

External capacity caseload: The appropriation includes an increase of \$8.5 million General Fund to accommodate an increasing number of offenders in jails, private prisons, and "community return to custody" facilities (halfway houses for parolees who have had their parole temporarily revoked).

Pharmaceutical and external medical costs: The appropriation adds \$4.2 million General Fund for pharmaceuticals and for the "external" expense of taking offenders to outside providers for medical care that cannot be provided by the Department's clinical staff. The increase reflects the expected increase in the offender population and the rising cost per offender of pharmaceuticals and external medical care.

Earned time savings from H.B. 12-1223: The appropriation provides an additional \$3.3 million General Fund and 0.3 FTE for inmate education and parole wraparound services. This equals the most recent savings generated by H.B. 12-1223 (Earned Time), a bill that gave offenders increased incentives to be well behaved and abide by Department of Corrections rules and accumulate earned time, thus shortening their stay in Department facilities. House Bill 12-1223 directed the resulting savings to inmate education and parole wraparound services.

Centrally appropriated line items: The appropriation adds \$3.1 million total funds to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; vehicle lease payments; workers' compensation; legal services; payment to risk management and property funds; Capitol complex leased space; and payments to the Governor's Office of Information Technology (OIT); and CORE operations.

Community provider rate: The appropriation includes an increase of \$2.2 million General Fund for a 1.7 percent community provider rate increase for private prisons, jails, and external providers of various clinical services.

Radio replacement plan: The appropriation increases the General Fund operating appropriation for the Superintendents Subprogram by \$1.9 million to begin an ongoing seven year plan that would replace over 3,000 radios. The appropriation also funds battery replacement.

Mental health staffing: The appropriation adds \$1.7 million General Fund and 22.9 FTE to: (1) provide more mental health staff and more corrections officers for the San Carlos Correctional Facility and (2) provide more mental health staff for the Denver Women's Correctional Facility. San Carlos houses male offenders with major mental health needs, as well as some offenders with developmental disabilities.

Inmate pay: The appropriation provides \$842,130 total funds (including \$300,000 General Fund) for pay increases for inmates. The average offender with a full-time assignment who is not in Correctional Industries is now paid 66¢ per day and this increase will raise that pay by 12¢ daily.

Maintenance operating increase: The appropriation adds \$834,175 General Fund and 6.5 FTE for maintenance to meet the demands of aging facilities and equipment, including \$134,175 to be paid to the Colorado Mental Health Institute at Pueblo for maintenance expenses.

Annualize prior year legislation: The appropriation adds \$644,641 General Fund to reflect the second year impact of H.B. 14-1355 (Reentry Programs for Adult Parolees, \$571,875) and S.B. 14-064 (Isolated Confinement for Mental Illness, \$72,766).

Food service equipment and inflation: The appropriation increases by \$587,608 the General Fund appropriation for food-related costs. The appropriation includes: (1) \$345,000 for the increased cost of the raw goods needed for food preparation; (2) \$200,000 for replacement of aging food service equipment; and (3) \$42,608 to increase the Department's payment for meals purchased from the Colorado Mental Health Institute at Pueblo (CMHIP), which is part of the Department of Human Services. CMHIP prepares the meals for the La Vista Correctional Facility, the San Carlos Correctional Facility and the Youthful Offender System main facility, which are all located on the CMHIP campus.

Leap day adjustment: The appropriation includes funding for the leap day that will occur in 2016. Private prisons, jails, and the community corrections facilities that house some of the State's revoked parolees are paid on a per offender per day basis; a leap day requires an extra day of payments.

Buena Vista wastewater: The appropriation increases the Department's utilities appropriation by \$225,924 General Fund in order to pay increased wastewater charges at the Buena Vista Correctional Complex.

Transportation operating expenses: The appropriation increases the General Fund appropriation for Transportation Subprogram operating expenditures by \$148,744.

Indirect cost assessment: The appropriation includes a net increase of \$78,117 total funds of the Department's indirect cost assessments.

Adjustment for funding already in 5-year sentencing bills: The appropriation is reduced by \$249,731 General Fund to reflect funding that is already in 5-year sentencing bills that were passed in previous years.

Payments to District Attorneys: The appropriation reduces by \$18,024 General Fund reimbursements to District Attorneys for the prosecution of crimes that occur in correctional facilities within their judicial districts, which reflects the expected decline of these expenditures in FY 2015-16.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of Part III this department.

DEPARTMENT OF EDUCATION

The elected members of the State Board of Education are responsible for the general supervision of public schools throughout Colorado. The Commissioner of Education, appointed by the State Board, advises the State Board concerning the operation and status of public schools and serves as the executive officer of the Department of Education. Among other tasks and responsibilities, the Department supports the Board in its duties by:

- accrediting public schools and school districts;
- developing and maintaining state model academic content standards and administering associated student assessments for certain subject areas and grade levels; and
- issuing school performance reports for every public school in the state.

The Department also administers a number of education-related programs, including: educator licensure and professional development; the School Finance Act and the distribution of state and federal funds to school districts; special education for children with disabilities; English language proficiency programs; the Colorado Preschool Program; educator effectiveness and evaluation programs; and adult basic education programs.

The Department includes three independent agencies: (1) the Board of Trustees for the Colorado School for the Deaf and the Blind; (2) the State Charter School Institute Board, which is responsible for authorizing and monitoring the operations of institute charter schools located within certain school districts; and (3) the Public School Capital Construction Assistance Board, which is responsible for assessing public school capital construction needs statewide and making recommendations concerning the prioritization and allocation of state financial assistance for school construction projects.

In addition to its responsibilities related to public schools, the Department is charged with promoting the improvement of library services statewide to ensure equal access to information, including providing library services to persons who reside in state-funded institutions and to persons who are blind or physically disabled.

Department Budget: Recent Appropriations

Funding Source	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
General Fund ¹	\$3,015,441,352	\$3,153,841,621	\$3,357,973,487	\$3,567,985,216
Cash Funds	767,189,974	895,916,330	1,192,935,611	1,186,095,361
Reappropriated Funds	24,078,570	30,459,207	61,142,113	29,757,276
Federal Funds	<u>628,704,003</u>	<u>625,583,593</u>	<u>636,310,925</u>	<u>650,649,929</u>
Total Funds	\$4,435,413,899	\$4,705,800,751	\$5,248,362,136	\$5,434,487,782
Full Time Equiv. Staff	565.7	563.8	582.0	598.8

¹ Includes General Fund Exempt.

General Factors Driving the Budget

Although local government revenues provide a significant source of funding for K-12 education in Colorado (\$2.1 billion anticipated in FY 2015-16), local funds are not reflected in the State's annual appropriations to the Department of Education. Funding for this department consists of 65.7 percent General Fund, 21.8 percent cash funds, 0.5 percent reappropriated funds, and 12.0 percent federal funds. Two primary factors driving the Department's budget, public school finance and categorical programs, are reviewed below.

Public School Finance

Section 2 of Article IX of the Colorado Constitution requires the General Assembly to provide for the "establishment and maintenance of a thorough and uniform system of free public schools throughout the state". To comply with this provision, the General Assembly has established a statutory public school finance formula that takes into consideration the individual characteristics of each school district in order to provide thorough and uniform educational opportunities throughout the state. The school finance formula allocates funds among school districts by calculating a per-pupil level of funding for each school district, as well as a specific state and local share of funding for each district.

The formula provides the same statewide base per-pupil funding amount for every school district (\$6,292 per pupil for FY 2015-16). The formula then increases this statewide base per-pupil funding amount for each district based on factors that affect districts' costs of providing educational services. Thus, per-pupil funding allocations vary for each district. For FY 2015-16, per-pupil funding allocations are anticipated to range from \$6,830 to \$16,636, with a statewide average of \$7,294 per pupil. Each district's per-pupil funding allocation is multiplied by its funded-pupil count to determine its total program funding. For FY 2015-16, pursuant to the formula, a total of \$6.2 billion in state and local funds will be allocated among school districts.

Constitutional Inflationary Requirement (Amendment 23)

Pursuant to Section 17 of Article IX of the Colorado Constitution, the General Assembly is required to provide annual inflationary increases in the statewide base per-pupil funding amount. For FY 2001-02 through FY 2010-11, this amount was required to increase annually by at least inflation plus one percent; for FY 2011-12 and subsequent fiscal years, this amount must increase annually by at least the rate of inflation. For example, for FY 2015-16, the General Assembly was required to increase the statewide base per-pupil funding amount by at least \$171 (from \$6,121 to \$6,292, or 2.8 percent), based on the actual 2.8 percent increase in the Denver-Boulder-Greeley consumer price index in calendar year 2014. Given an estimated funded-pupil count of more than 855,000, the General Assembly was thus required to provide a minimum of \$5.4 billion in state and local funds for FY 2015-16, equal to 86.3 percent of the \$6.2 billion in total program funding.

Factors Considered in Public School Finance Formula

The remaining 13.7 percent of state and local funds that will be allocated among school districts in FY 2015-16 is driven by other factors in the statutory school finance formula that increase the base per-pupil funding for each district by varying amounts to account for individual district characteristics. The formula includes three primary factors.

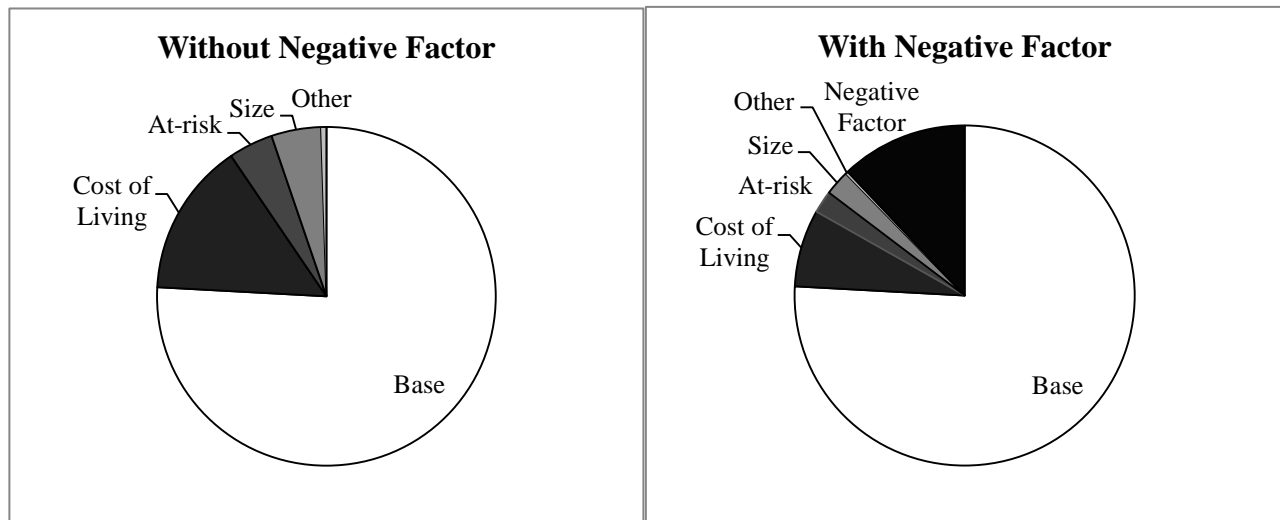
- Cost of Living Factor - Recognizes that the cost of living in a community affects the salaries required to attract and retain qualified personnel.
- Size Factor - Compensates districts lacking enrollment-based economies of scale.

- At-risk Factor - Provides additional funding for districts serving students who may be at risk of failing or dropping out of school. The formula utilizes a proxy to estimate the number of at-risk students: the number and concentration of students who are either eligible for free lunch under the federal school lunch program or English language learners.

In addition, the school finance formula requires a minimum level of per-pupil funding (\$6,920 per pupil for FY 2015-16), regardless of the impact of the above factors. For FY 2015-16, 13 districts are anticipated to receive funding based on this minimum level of per-pupil funding. The School Finance Act also provides a fixed amount of funding per pupil (established at \$6,667 for FY 2015-16) for two types of students:

- Students receiving full-time, on-line instruction through a multi-district program; and
- Students in their fifth year of high school who are participating in the Accelerating Students Through Concurrent Enrollment (ASCENT) Program.

Finally, since FY 2010-11 the formula has included a negative factor designed to reduce districts' total program funding to a specified total amount. For FY 2015-16, this factor is estimated to be -12.1 percent, requiring a \$855.2 million reduction in total program funding. Thus, the Department will calculate total program funding for each district based on the formula described above, and then reduce each district's total program funding by 12.1 percent. Because the General Assembly cannot decrease base per-pupil funding, this new factor has the effect of reducing the funding attributed to the other formula factors, as illustrated in the following graphic.



Determining the State and Local Shares of Funding

Once the total program funding amount is determined for each district, the state and local share of such funding is calculated for each district. Local property and specific ownership taxes provide the first source of revenue for each district's total program funding. Property taxes are based on each district's tax rate (the mill levy) and the portion of property value that is taxable (the assessment rate). Specific ownership taxes are paid when registering a motor vehicle. These local tax revenues are collected and expended by each school district, and thus are not reflected in the state budget. For FY 2015-16, \$2.1 billion in local tax revenues are anticipated to be available to support public schools pursuant to the statutory school finance formula. State funding is appropriated to fill the gap between local tax revenues and total program funding. Thus, the General Assembly

appropriated \$4.1 billion in state funding for FY 2015-16 to provide a total of \$6.2 billion for school district operations.

Two constitutional provisions, combined with a statutory provision in the School Finance Act of 1994, have limited property tax revenues available for public school operations:

- In 1982, voters approved a property tax reform measure that included a provision (generally called the "Gallagher amendment") which initially reduced the residential assessment rate from 30.0 percent to 21.0 percent, and capped the residential share of property taxes.
- In 1992 voters approved the Taxpayer's Bill of Rights (TABOR). Prior to TABOR, local governments could generally collect and spend the same amount of property tax revenue each year by periodically increasing or decreasing mill levies. With respect to school district property taxes, TABOR: (1) imposes a property tax revenue limit based on inflation and changes in student enrollment; (2) prohibits districts from increasing a mill levy without voter approval; and (3) requires voter approval for any increase in the assessment rate for a class of property.

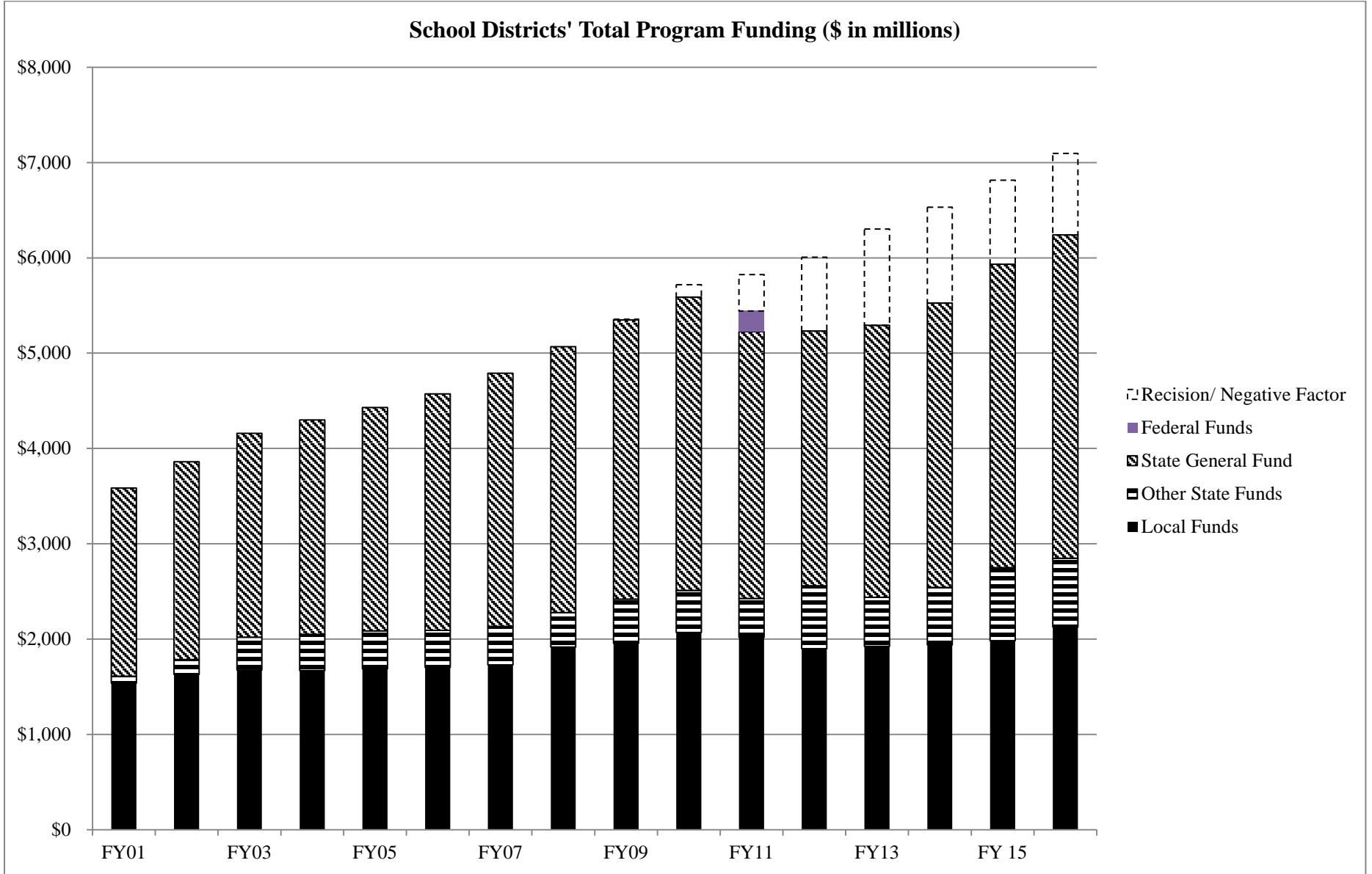
As a result of the combined impact of the Gallagher amendment and TABOR, the residential assessment rate has declined from 30.00 percent to 7.96 percent (to keep the residential share of property tax revenues at about 47.0 percent); school district mill levies have declined from the uniform mill of 40.080 (established by the General Assembly in 1988) to disparate mill levies that currently range from 1.680 to 27.000. These reductions, in combination with the inflationary spending increases required by Amendment 23, have caused the local share of total program funding to increase at a slower rate than overall funding, requiring the State's relative share of funding to increase. Specifically, from CY 1988 to FY 2006-07, the state share of funding rose from 43 percent to 64 percent, while the local share fell from 57 percent to 36 percent.

Senate Bill 07-199 changed the method for calculating school district property taxes, thereby allowing property tax revenues to increase at a rate more commensurate with overall funding. Due to the passage of S.B. 07-199 and increases in assessed valuation, the state share of funding (as a percentage of the total program) decreased in FY 2007-08 to 62.2 percent. Subsequently, due to declines in assessed valuation, the state share has increased and is projected to provide 65.9 percent of total program funding in FY 2015-16.

In summary, several factors affect the amount of state funding appropriated for public school finance, including:

- The number of pupils enrolled in public schools, including children attending state-supported preschool programs; students enrolled in full-time, on-line programs; and students participating in the ASCENT program;
- The rate of inflation;
- Changes in the relative cost-of-living in various regions of the state;
- The number of at-risk students enrolled in public schools;
- Fluctuations in local property and specific ownership tax revenues, as well as constitutional and statutory provisions that limit property tax revenues; and
- Changes in statutory definitions, procedures, or mathematical factors that impact the calculation of per-pupil funding or state aid for each district.

The graphic on the following page illustrates school districts' total program funding, by fund source, from FY 2000-01 through FY 2015-16. The stacked bar segments outlined with a dotted line illustrate the mid-year recisions required in FY 2008-09 and FY 2009-10 due to insufficient state appropriations, as well as the impact of the negative factor in subsequent fiscal years. The graphic is followed by key data related to school finance funding for the last four fiscal years, as well as appropriations for FY 2014-15 and FY 2015-16.



School Districts' Total Program Funding: Key Data						
Description	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Approp.	FY 2015-16 Approp.
Funded Pupil Count	798,600	808,139	817,645	830,831	844,546	855,433
<i>Annual Percent Change</i>	<i>1.2%</i>	<i>1.2%</i>	<i>1.2%</i>	<i>1.6%</i>	<i>1.7%</i>	<i>1.3%</i>
<i>Change in Denver-Boulder Consumer Price Index for Previous Calendar Year</i>	<i>(0.6%)</i>	<i>1.9%</i>	<i>3.7%</i>	<i>1.9%</i>	<i>2.8%</i>	<i>2.8%</i>
Statewide <u>Base</u> Per Pupil Funding	\$5,530	\$5,635	\$5,843	\$5,954	\$6,121	\$6,292
<i>Annual Percent Change</i>	<i>0.4%</i>	<i>1.9%</i>	<i>3.7%</i>	<i>1.9%</i>	<i>2.8%</i>	<i>2.8%</i>
Statewide <u>Average</u> Per Pupil Funding	\$6,814	\$6,474	\$6,480	\$6,652	\$7,026	\$7,294
<i>Annual Percent Change</i>	<i>(3.7%)</i>	<i>(5.0%)</i>	<i>0.1%</i>	<i>2.7%</i>	<i>5.6%</i>	<i>3.8%</i>
Total Program Funding¹	\$5,441,412,219	\$5,232,445,847	\$5,297,963,176	\$5,526,933,750	\$5,933,444,389	\$6,239,564,775
<i>Annual Percent Change</i>	<i>(2.6%)</i>	<i>(3.8%)</i>	<i>1.3%</i>	<i>4.3%</i>	<i>7.4%</i>	<i>5.2%</i>
<u>Local Share</u> of Total Program Funding	\$2,018,856,003	\$1,900,524,532	\$1,918,248,885	\$1,938,833,490	\$1,982,831,906	\$2,126,243,629
<i>Annual Percent Change</i>	<i>(2.4%)</i>	<i>(5.9%)</i>	<i>0.9%</i>	<i>1.1%</i>	<i>2.3%</i>	<i>7.2%</i>
Federal Funds allocated based on School Finance Act formula	\$216,358,164					
State Share of Total Program Funding	\$3,206,198,052	\$3,331,921,314	\$3,379,714,291	\$3,588,100,260	\$3,950,612,483	\$4,113,321,146
<i>Annual Percent Change</i>	<i>(8.9%)</i>	<i>3.9%</i>	<i>1.4%</i>	<i>6.2%</i>	<i>10.1%</i>	<i>4.1%</i>
<i>State Share as Percent of Districts' Total Program Funding</i>	<i>58.9%</i>	<i>63.7%</i>	<i>63.8%</i>	<i>64.9%</i>	<i>66.6%</i>	<i>65.9%</i>

¹ These figures reflect total program funding after application of the negative factor.

Categorical Programs

Programs designed to serve particular groups of students (e.g., students with limited proficiency in English) or particular student needs (e.g., transportation) have traditionally been referred to as "categorical" programs. Unlike public school finance funding, there is no legal requirement that the General Assembly increase funding commensurate with the number of students eligible for any particular categorical program.

However, Section 17 of Article IX of the Colorado Constitution requires the General Assembly to increase total state funding for all categorical programs annually by at least the rate of inflation plus one percent for FY 2001-02 through FY 2010-11, and by at least the rate of inflation for subsequent fiscal years. For example, in calendar year 2014 the percentage change in the Denver-Boulder-Greeley consumer price index was 2.8 percent, so the General Assembly was required to increase state funding for categorical programs by at least that amount (\$7,792,139) for FY 2015-16.

The General Assembly determines on an annual basis how to allocate the required increase among the various categorical programs. Since FY 2000-01, the General Assembly has increased annual state funding for categorical programs by \$143.9 million. In certain fiscal years, the General Assembly elected to increase state funding by more than the minimum, constitutionally-required amount, resulting in appropriations that are now \$62.6 million higher than the minimum amount that would have otherwise been required.

The following table details the allocation of the \$143.9 million increase since FY 2000-01 among categorical programs. For details concerning the allocation of the funding increase provided for FY 2015-16, please see the Assistance to Public Schools, Categorical Programs section of Part III of this department.

Increases in State Funding for Categorical Programs Since FY 2000-01				
Long Bill Line Item	FY 2000-01 Appropriation	FY 2015-16 Appropriation	Total Increase in Annual Appropriation of State Funds Since FY 2000-01	
Special education - children with disabilities	\$71,510,773	\$165,235,405	\$93,724,632	131.1%
English Language Proficiency Program	3,101,598	18,142,924	15,041,326	485.0%
Public school transportation	36,922,227	55,597,261	18,675,034	50.6%
Career and technical education programs	17,792,850	25,436,648	7,643,798	43.0%
Special education - gifted and talented children	5,500,000	12,095,065	6,595,065	119.9%
Expelled and at-risk student services grant program	5,788,807	7,493,560	1,704,753	29.4%
Small attendance center aid	948,140	1,076,550	128,410	13.5%
Comprehensive health education	600,000	1,005,396	405,396	67.6%
Total	\$142,164,395	\$286,082,809	\$143,918,414	101.2%

Appropriation Highlights – 2015 Legislative Session

Department of Education						
	Total Funds	General Fund¹	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$4,983,060,379	\$3,355,683,787	\$960,419,839	\$30,693,725	\$636,263,028	574.8
SB 14-075	68,921	68,921	0	0	0	0.0
SB 14-124	4,000,000	0	2,000,000	2,000,000	0	1.2
SB 14-150	5,000,000	0	5,000,000	0	0	1.0
SB 14-215	2,500,000	0	2,500,000	0	0	1.0
HB 14-1085	1,920,000	960,000	0	960,000	0	1.0
HB 14-1102	1,903,178	0	1,903,178	0	0	1.0
HB 14-1118	261,561	0	261,561	0	0	0.3
HB 14-1156	791,471	791,471	0	0	0	0.0
HB 14-1175	50,000	50,000	0	0	0	0.0
HB 14-1202	142,750	142,750	0	0	0	0.0
HB 14-1276	250,000	0	250,000	0	0	0.3
HB 14-1292	179,052,176	0	179,052,176	0	0	0.0
HB 14-1298	72,000,495	0	44,500,495	27,500,000	0	1.2
HB 14-1326	7,000	7,000	0	0	0	0.0
HB 14-1376	144,216	144,216	0	0	0	0.2
HB 14-1382	47,659	47,659	0	0	0	0.0
SB 15-145	59,758	77,683	(54,210)	(11,612)	47,897	0.0
SB 15-166	(2,897,428)	0	(2,897,428)	0	0	0.0
SB 15-234	(141,471)	(141,471)	0	0	0	0.0
SB 15-235	<u>141,471</u>	<u>141,471</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$5,248,362,136	\$3,357,973,487	\$1,192,935,611	\$61,142,113	\$636,310,925	582.0
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$5,248,362,136	\$3,357,973,487	\$1,192,935,611	\$61,142,113	\$636,310,925	582.0
Total program increase	137,708,663	183,789,887	(46,081,224)	0	0	0.0
Annualize prior year legislation	22,891,314	(488,453)	8,308,314	0	15,071,453	0.0
Categorical programs increase	7,792,139	0	7,792,139	0	0	0.0
BEST cash grant adjustment	5,000,000	0	5,000,000	0	0	0.0
BEST statewide priority assessment	3,209,311	0	3,209,311	0	0	6.0
Centrally appropriated line items	2,087,749	324,801	265,510	619,817	877,621	0.0
Counselor corps grant program increase	1,993,812	0	1,993,812	0	0	0.0
CSDB strategic plan implementation	930,677	845,031	0	85,646	0	11.5
Field implementation support	896,758	896,758	0	0	0	4.9
Indirect cost assessment	560,906	0	53,375	0	507,531	0.0
State grants to libraries increase	500,000	500,000	0	0	0	0.0

Department of Education						
	Total Funds	General Fund¹	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Hold-harmless full-day kindergarten	263,851	0	263,851	0	0	0.0
Educator licensure legal services	111,257	0	111,257	0	0	0.0
CSDB teacher salary adjustment	102,391	102,391	0	0	0	0.0
State Review Panel online portal	77,375	77,375	0	0	0	0.0
Security desk and measures	67,375	0	0	67,375	0	0.0
Reading services for the blind increase	50,000	50,000	0	0	0	0.0
CSDB utilities	20,220	20,220	0	0	0	0.0
Server hosting for CSI	3,496	0	0	3,496	0	0.0
Fund source adjustments	0	(19,593)	0	19,593	0	0.0
Educator effectiveness FTE reduction	0	0	0	0	0	(6.0)
Eliminate dual appropriations	(32,460,000)	6,530	7,275	(32,473,805)	0	0.0
Informational funds adjustment	(2,282,422)	0	0	0	(2,282,422)	(1.4)
Annualize prior year budget actions	(1,076,095)	(1,334,855)	10,708	274,629	(26,577)	1.0
Assessment cost adjustments	(566,502)	0	(757,900)	0	191,398	0.0
Basic skills placement adjustment	(270,917)	0	(270,917)	0	0	0.0
Marijuana tax revenue adjustment	(219,556)	0	(219,556)	0	0	0.0
Reflect revenue estimates	(136,836)	0	(155,248)	18,412	0	0.0
Other	(175,631)	(19,787)	(155,844)	0	0	0.0
SB 15-234	\$5,395,441,471	\$3,542,723,792	\$1,172,310,474	\$29,757,276	\$650,649,929	598.0
SB 15-056	935,180	0	935,180	0	0	0.0
SB 15-235	161,258	161,258	0	0	0	0.0
SB 15-267	30,000,000	25,000,000	5,000,000	0	0	0.0
SB 15-290	218,825	0	218,825	0	0	0.0
HB 15-1170	92,934	92,934	0	0	0	0.7
HB 15-1270	7,232	7,232	0	0	0	0.1
HB 15-1321	10,000,000	0	10,000,000	0	0	0.0
HB 15-1323	(2,369,118)	0	(2,369,118)	0	0	0.0
TOTAL	\$5,434,487,782	\$3,567,985,216	\$1,186,095,361	\$29,757,276	\$650,649,929	598.8
Increase/(Decrease)	\$186,125,646	\$210,011,729	(\$6,840,250)	(\$31,384,837)	\$14,339,004	16.8
Percentage Change	3.5%	6.3%	(0.6%)	(51.3%)	2.3%	2.9%

¹ Includes General Fund and General Fund Exempt.

FY 2014-15 Appropriation - Mid-year Adjustments

Senate Bill 15-145 provides supplemental appropriations to adjust the appropriations included in the FY 2014-15 Long Bill (H.B. 14-1336) for various centrally appropriated line items. Senate Bill 15-166 reduces state funding that is distributed to public schools through the School Finance Act by \$2.9 million cash funds from the State Education Fund to account for a \$2.9 million increase in the local revenues available to support school finance. By maintaining total program funding at a constant level with lower-than-anticipated student counts and at-risk student counts, S.B. 15-166 reduces the negative factor by \$14.0 million in FY 2014-15. Senate Bill

15-234 reduces FY 2014-15 appropriations for the Child Nutrition School Lunch Protection Program by \$141,471 General Fund to align with a statutory cap on appropriations for the program and adjusts the portion of the Department’s General Fund appropriations designated as General Fund Exempt. Senate Bill 15-235 increases the statutory cap on appropriations for the Child Nutrition School Lunch Protection Program and appropriates \$141,471 General Fund to support the program in FY 2014-15. For additional information, see the “Recent Legislation” section at the end of Part III of this department.

FY 2015-16 Appropriation Highlights

Total program increase: The appropriation increases total state and local funding that is distributed to public schools through the School Finance Act by \$306.1 million, increasing average per pupil funding to \$7,294 (3.8 percent). Local tax revenues for school finance are anticipated to increase by \$143.4 million, so appropriations of state funds increase by \$162.7 million (\$137.7 million through the Long Bill and \$25.0 million through S.B. 15-267). This increase in state funds includes an increase of \$208.8 million General Fund that is partially offset by a decrease of \$46.1 million cash funds.

Annualize prior year legislation: The appropriation includes adjustments for the second- and third-year impact of prior year legislation, as detailed in the following table.

Annualize prior year legislation					
	Total	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
HB 13-1006 (Breakfast After the Bell)	\$15,071,453	\$0	\$0	\$0	\$15,071,453
HB 14-1292 (Student Success Act)	8,500,000	0	8,500,000	0	0
HB 14-1156 (Eligibility Age School Lunch Protection)	19,787	19,787	0	0	0
HB 14-1276 (Grant Program to Train High School Students in CPR)	(185,000)	0	(185,000)	0	0
HB 14-1202 (Local Accountability)	(142,750)	(142,750)	0	0	0
SB 15-235 (Increasing Cap on Appropriation for Child Nutrition School Lunch Protection)	(141,471)	(141,471)	0	0	0
HB 14-1376 (Student Opportunity Gaps)	(126,360)	(126,360)	0	0	0
HB 14-1175 (Minority Teacher Study)	(50,000)	(50,000)	0	0	0
HB 14-1382 (K-12 On-line Education)	(47,659)	(47,659)	0	0	0
HB 14-1298 (School Finance)	(5,644)	0	(5,644)	0	0
HB 14-118 (Advanced Placement Incentives Pilot)	<u>(1,042)</u>	<u>0</u>	<u>(1,042)</u>	<u>0</u>	<u>0</u>
Total	\$22,891,314	(\$488,453)	\$8,308,314	\$0	\$15,071,453

Categorical programs increase: The appropriation increases total state funding for categorical programs by \$7.8 million cash funds from the State Education Fund to increase state funding for categorical programs by 2.8 percent as required by Section 17 (1) of Article IX of the State Constitution.

BEST cash grant adjustment: The appropriation includes an increase of \$5.0 million cash funds from the Public School Capital Construction Assistance Fund to support cash grants to be awarded by the Building Excellent Schools Today (BEST) Program in FY 2015-16.

BEST statewide priority assessment: The appropriation includes an increase of \$3.2 million cash funds from the Public School Capital Construction Assistance Fund and 6.0 FTE to reconfigure the Building Excellent

Schools Today (BEST) priority assessment database and provide additional assistance to schools and school districts applying for funding from the BEST program in response to a September 2013 performance audit.

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; vehicle lease payments; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; leased space; Capitol complex leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

Counselor corps program increase: The appropriation includes an increase of \$2.0 million cash funds from the State Education Fund for the Counselor Corps Grant Program.

CSDB strategic plan implementation: The appropriation includes an increase of \$0.9 million total funds (including \$0.8 million General Fund) and 11.5 FTE for the Colorado School for the Deaf and the Blind (CSDB) to enhance school services in accordance with the school's strategic plan.

Field implementation support: The appropriation includes an increase of \$0.9 million General Fund and 4.9 FTE to continue the Department's support of the field implementation of S.B. 10-191 (Educator Effectiveness).

Indirect cost assessment: The appropriation includes a net increase in the Department's indirect cost assessment.

State grants to libraries increase: The appropriation includes an increase of \$0.5 million General Fund for the State Grants to Publicly-Supported Libraries Program.

Hold-harmless full-day kindergarten: The appropriation includes an increase of \$0.3 million cash funds for certain districts for full-day kindergarten based on changes in per pupil funding.

Educator licensure legal services: The appropriation includes an increase of \$0.1 million cash funds to allow the Educator Licensure Program to purchase an additional 1,171 hours of legal services from the Department of Law.

CSDB teacher salary adjustment: The appropriation includes an increase of \$0.1 million General Fund for salary increases for teachers employed at the Colorado School for the Deaf and the Blind based on the Colorado Springs District 11 salary schedule, as required by Section 22-80-106.5, C.R.S.

State Review Panel online portal: The appropriation includes an increase of \$77,375 General Fund to enhance and maintain an online system to streamline the State Review Panel's reviews of schools and school districts with improvement plans.

Security desk and measures: The appropriation includes an increase of \$67,375 reappropriated funds to improve security at the Department's headquarters building at 201 East Colfax Ave.

Reading services for the blind increase: The appropriation includes an increase of \$50,000 General Fund for the Reading Services for the Blind program.

CSDB utilities: The appropriation includes an increase of \$20,220 General Fund to support increased utility costs at the Colorado School for the Deaf and the Blind (CSDB).

Server hosting for CSI: The appropriation includes an increase of \$3,496 reappropriated funds to allow the Department to host additional software and data for the State Charter School Institute (CSI).

Fund source adjustments: The appropriation includes a General Fund decrease which is offset by an increase in reappropriated funds.

Educator effectiveness FTE reduction: The appropriation reduces the FTE associated with educator effectiveness implementation based on the depletion of one-time state and federal funding supporting the program.

Eliminate dual appropriations: The appropriation includes a reduction of \$32.5 million total funds to eliminate a dual appropriation structure for five programs in the Department's budget pursuant to S.B. 15-108 (Direct Appropriations for CDE Programs).

Informational funds adjustment: The appropriation includes a reduction of \$2.3 million federal funds and 1.4 FTE shown for informational purposes to reflect a reduction in federal grant funds available for the Office of Dropout Prevention and Student Reengagement as a result of the expiration a federal grant.

Annualize prior year budget actions: The appropriation includes a number of changes to reflect the out-year impact of funding decisions made through the FY 2014-15 Long Bill, including the following significant changes:

- Annualization of the FY 2014-15 salary survey and merit pay;
- An increase of \$0.6 million total funds, including \$0.3 million General Fund associated with the start smart nutrition program; and
- A decrease of \$1.3 million General Fund to eliminate one-time funding for core network and information technology improvements.

Assessment cost adjustments: The appropriation includes a decrease of \$0.6 million total funds to reflect estimated contract costs for the administration of statewide standardized assessments in FY 2015-16.

Basic skills placement adjustment: The appropriation includes a reduction of \$0.3 million cash funds from the State Education Fund based on actual utilization of the Basic Skills Placement or Assessment Program.

Marijuana tax revenue adjustment: The appropriation includes a decrease of \$0.2 million cash funds based on the Legislative Council revenue forecast of available funds in the Marijuana Tax Cash Fund in FY 2015-16.

Reflect revenue estimates: The appropriation includes a net reduction of \$0.1 million total funds to reflect updated revenue estimates for specific fund sources.

Other: The appropriation includes other minor adjustments.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of Part III of this department.

DEPARTMENT OF GOVERNOR – LIEUTENANT GOVERNOR – STATE PLANNING AND BUDGETING

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, and the Office of Information Technology.

Department Budget: Recent Appropriations

Funding Source	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
General Fund	\$18,524,704	\$26,567,386	\$34,983,120	\$41,668,200
Cash Funds	33,007,504	37,122,540	41,899,571	42,239,163
Reappropriated Funds	149,228,302	165,570,329	210,000,641	180,261,421
Federal Funds	<u>5,618,193</u>	<u>6,755,621</u>	<u>6,440,371</u>	<u>6,492,609</u>
Total Funds	\$206,378,703	\$236,015,876	\$293,323,703	\$270,661,393
Full Time Equiv. Staff	1,036.1	1,060.9	1,073.1	1,088.7

General Factors Driving the Budget

Funding for this department consists of 15.4 percent General Fund, 15.6 percent cash funds, 66.6 percent reappropriated funds, and 2.4 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

Energy Efficiency and Renewable Energy Resource Development Initiatives

The Colorado Energy Office (CEO) has historically been funded with federal moneys associated with weatherization projects and petroleum violation escrow funds (PVE) awarded to the State beginning in the early 1980s. PVE is a fixed source of funding, with a total allocation to Colorado of \$70.5 million. In preparation for the depletion of PVE funds, CEO migrated funding for its programs to alternative sources, such as limited gaming tax revenue, which were later eliminated due to the influx of federal moneys from the American Recovery and Reinvestment Act of 2009 (ARRA). Under federal guidelines, the Office exhausted the ARRA moneys by the end of FY 2011-12.

To address the future of the Office, H.B. 12-1315 (Reorganization of Governor's Energy Office) changed the statutory mission of CEO from promoting renewable energy and energy efficiency to encouraging all sources of energy development. Additionally, it created the Clean and Renewable Energy Cash Fund and the Innovative Energy Fund. The Clean and Renewable Energy Cash Fund receives an annual transfer of \$1.6 million from the General Fund from FY 2012-13 through FY 2016-17, while the Innovative Energy Fund receives an annual transfer of \$1.5 million from the Severance Tax Trust Fund from FY 2012-13 through FY 2016-17.

Economic Development Programs

Funding for the Office of Economic Development and International Trade (OEDIT) is heavily dependent on cash funds. Much of the increase in cash funds occurred in the 2006 legislative session through the passage of H.B. 06-1201 (Increase Limited Gaming Funds for Tourism). The legislation increased the amount of Limited Gaming Fund moneys transferred to the Colorado Travel and Tourism Promotion Fund, and authorized additional transfers to the newly created State Council on the Arts Cash Fund, Film Operations and Incentives Cash Fund, and the New Jobs Incentives Cash Fund.

Revenues available for transfer to the Limited Gaming Fund vary considerably from year to year. Senate Bill 13-133 (Distribution of State Share of Ltd Gaming Revenues) modified the distribution of the State share of the Limited Gaming Fund to bring more consistency to the transfers. Specifically, the bill amended the distribution to various cash funds at the close of each fiscal year from a percentage-based amount to a fixed-dollar amount.

Gaming Transfers to OEDIT per S.B. 13-133	
Travel and Tourism Promotion Fund	\$15,000,000
Bioscience Discovery Evaluation / Advanced Industries	5,500,000
Creative Industries	2,000,000
Film, TV, and Media	500,000

In addition to limited gaming tax revenue, the legislature provided OEDIT with \$5.0 million General Fund for FY 2015-16 to provide new job creation incentives for companies relocating to Colorado and expanding in Colorado, \$5.0 million General Fund to accelerate the development of advanced industries in the state, and \$3.0 million General Fund for FY 2015-16 to provide job creation incentives for the film industry.

It is important to note that OEDIT is also responsible for implementing the State's Job Growth Incentive Tax Credit program established via H.B. 09-1001 (Income Tax Credit for CO Job Growth). The incentive provides a State income tax credit equal to 50.0 percent of FICA paid by the business on the net job growth for each calendar year in the credit period. To qualify, businesses need to create at least 20 new jobs in Colorado, with an average yearly wage of at least 110.0 percent of the county average wage rate based on where the business is located, and all new jobs must be maintained for at least one year after the positions are hired. For FY 2012-13 and FY 2013-14, tax credits of \$84.5 million (\$10,307 per job) were conditionally approved by the Economic Development Commission. This amount is based on 8,195 projected jobs created for an average annual salary of \$82,916. Final approval is based on a completed contract, and tax credits are not granted until jobs are created and maintained for one year. While this does not impact State appropriations, it does decrease the amount of General Fund revenue available to the State for appropriations.

Statewide Information Technology Consolidation

In May of 2007, the Governor issued Executive Order D 016 067 to begin centralizing the management of executive branch information technology resources in the Governor's Office of Information Technology (OIT). The purpose was to address infrastructure, purchasing, project planning and delivery, asset management, and strategic leadership needs. During the 2008 legislative session, the General Assembly passed and the Governor signed S.B. 08-155 (Centralize IT Management in OIT) that consolidated the responsibility for information technology oversight of most of the State's executive branch agencies in OIT.

Specifically, S.B. 08-155 transferred several information technology functions and staff positions from various State agencies to OIT in FY 2008-09. The largest single agency transfer involved moving the Division of Information Technology from the Department of Personnel, along with its 178.8 FTE, to OIT. The Division of

Information Technology transfer included the General Government Computer Center (GGCC), telecommunications coordination, public safety communications planning and maintenance, and statewide information technology management and support functions. Additionally, the Office's FY 2008-09 appropriation included the transfer of 33.4 FTE from various State agencies to OIT as part of the migration of agency chief information officers to OIT.

Senate Bill 08-155 also allowed for the transfer of other information technology employees from State agencies to OIT between July 1, 2008 and July 1, 2012. Per statutory authority, the State Chief Information Officer, department executive directors, and department chief information officers jointly identified the additional positions and functions affiliated with the management and administration of each agency's IT resources and enterprises to be transferred to OIT. The Department's FY 2010-11 appropriation included a transfer of 680.7 FTE and \$57.7 million from state agencies to OIT.

Funding historically dedicated to the associated information technology staff in specific State agencies and programs continues to be appropriated to those agencies in order for them to maintain consistency of program, state, and federal funding streams and reporting standards. Agencies make payments to OIT for their share of information technology staff payroll costs, including centrally appropriated items and personal services expenses.

The OIT budget has also been driven by phases one and two of the Colorado Benefits Management System (CBMS) modernization project, which began with the passage of H.B. 12-1339 (Colorado Benefits Management System Project). The bill reappropriated funds to OIT from the Department of Human Services and the Department of Health Care Policy and Financing, and implemented a system of oversight for the project. Moneys appropriated for FY 2014-15 are available for expenditure through FY 2015-16.

CBMS Modernization Project Appropriations to OIT	
FY 2011-12	\$8,950,260
FY 2012-13	12,279,762
FY 2013-14	14,571,587
FY 2014-15	35,342,773
Total	\$71,144,382

The following table summarizes total appropriation levels for OIT for FY 2009-10 through FY 2015-16. This period includes the Office's budget from the beginning of the consolidation of information technology personnel resources through the full implementation of the personnel consolidation.

Office of Information Technology - Appropriation Change from FY 2009-10 through FY 2015-16							
	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
FTE	218.8	898.8	902.8	897.5	920.0	925.9	935.8
Change	(3.7%)	310.8%	0.4%	(0.6%)	2.5%	0.6%	1.1%
Appropriation	\$44,974,711	\$121,981,006	\$125,669,817	\$136,339,882	\$151,424,250	\$194,477,902	\$185,786,242
Change	(3.9%)	171.2%	3.0%	8.5%	11.1%	28.4%	(4.5%)

Appropriation Highlights – 2015 Legislative Session

Governor - Lieutenant Governor - State Planning and Budgeting						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$276,156,502	\$31,523,647	\$41,178,760	\$197,025,868	\$6,428,227	1,068.6
SB 14-005	16,480	0	0	16,480	0	0.0
SB 14-012	13,764	0	0	13,764	0	0.0
SB 14-014	4,092	0	0	4,092	0	0.0
SB 14-030	824	0	0	824	0	0.0
SB 14-036	4,120	0	0	4,120	0	0.0
SB 14-041	4,120	0	0	4,120	0	0.0
SB 14-075	104,030	0	0	104,030	0	0.0
SB 14-087	43,260	0	0	43,260	0	0.0
SB 14-130	6,203	0	0	6,203	0	0.0
SB 14-166	171,600	86,600	0	85,000	0	0.0
SB 14-172	20,960	0	0	20,960	0	0.0
SB 14-194	6,077	0	0	6,077	0	0.0
SB 14-215	190,097	0	190,097	0	0	2.0
SB 14-223	(1,000,000)	(1,000,000)	0	0	0	0.0
HB 14-1012	80,307	0	80,307	0	0	0.5
HB 14-1029	4,120	0	0	4,120	0	0.0
HB 14-1034	4,120	0	0	4,120	0	0.0
HB 14-1066	6,592	0	0	6,592	0	0.0
HB 14-1093	200,000	100,000	0	100,000	0	0.0
HB 14-1100	97,850	0	0	97,850	0	0.0
HB 14-1203	7,000,000	3,500,000	0	3,500,000	0	0.0
HB 14-1311	106,283	106,283	0	0	0	0.5
HB 14-1317	1,387,841	0	0	1,387,841	0	0.0
HB 14-1326	412	0	0	412	0	0.0
HB 14-1350	226,454	50,000	176,454	0	0	0.0
HB 14-1360	53,560	0	0	53,560	0	0.0
HB 14-1367	33,990	0	0	33,990	0	0.0
SB 15-146	8,380,045	616,590	273,953	7,477,358	12,144	1.5
SB 15-234	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$293,323,703	\$34,983,120	\$41,899,571	\$210,000,641	\$6,440,371	1,073.1
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$293,323,703	\$34,983,120	\$41,899,571	\$210,000,641	\$6,440,371	1,073.1
Centrally appropriated line items	7,243,418	(93,423)	403,523	6,837,199	96,119	0.0
Backup Colorado, Phase II	3,804,115	(554,480)	0	4,358,595	0	0.0

Governor - Lieutenant Governor - State Planning and Budgeting

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
IT infrastructure refresh	3,407,200	0	0	3,407,200	0	0.0
Elevation data acquisition and GIS Personnel	2,574,716	2,574,716	0	0	0	4.0
Colorado Tourism Office funding increase	2,500,000	2,500,000	0	0	0	0.0
Film incentive rebate program funding	2,500,000	2,500,000	0	0	0	0.0
Colorado FIRST and Existing Industry Program funding increase	1,774,978	1,774,978	0	0	0	0.0
Competitive intelligence and marketing plan	1,100,000	1,100,000	0	0	0	1.0
IT Systems infrastructure staff	682,645	0	0	682,645	0	7.3
Active directory consolidation	606,956	0	0	606,956	0	0.0
Network infrastructure upgrade	508,200	0	0	508,200	0	0.0
Colorado Credit Reserve program continuation	400,000	400,000	0	0	0	0.0
Electric vehicle grant fund spending authority	313,000	0	313,000	0	0	0.0
Enterprise wireless solution	300,000	0	0	300,000	0	0.0
Aerospace and defense industry champion funding	233,393	233,393	0	0	0	1.0
Data governance and analytics planning	226,800	0	0	226,800	0	0.0
Ongoing staffing for Results First and performance planning	156,900	156,900	0	0	0	0.0
Serve Colorado funding	100,000	100,000	0	0	0	0.0
Indirect cost assessment	78,944	0	94,255	28,638	(43,949)	0.0
Colorado Information Marketplace service costs	65,000	65,000	0	0	0	0.0
Oil and Gas Task Force recommendation for the Department of Public Health and the Environment	50,000	0	0	50,000	0	0.0
Leading Edge Program funding increase	25,000	25,000	0	0	0	0.0
Colorado Grants Management System maintenance	18,147	0	0	18,147	0	0.0
Centrally appropriated line items reorganization	0	0	0	0	0	0.0
Annualize prior year budget actions	(45,091,822)	(4,812,134)	(55,950)	(40,223,806)	68	0.8
Annualize prior year legislation	(6,962,549)	723,896	(415,236)	(7,271,209)	0	0.5
Cloud computing migration	(532,397)	0	0	(532,397)	0	0.0
Disabled parking educational materials dissemination	(249,000)	(249,000)	0	0	0	0.0
CORE operational support transfer	(178,803)	0	0	(178,803)	0	(2.0)
SB 15-234	\$268,978,544	\$41,427,966	\$42,239,163	\$178,818,806	\$6,492,609	1,085.7
SB 15-014	1,068,560	0	0	1,068,560	0	0.0
SB 15-029	848	0	0	848	0	0.0
SB 15-185	9,800	0	0	9,800	0	0.0
SB 15-229	4,120	0	0	4,120	0	0.0
SB 15-239	59,280	0	0	59,280	0	0.0

Governor - Lieutenant Governor - State Planning and Budgeting						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 15-282	125,983	125,983	0	0	0	1.0
SB 15-290	218,825	0	0	218,825	0	1.0
HB 15-1004	4,120	0	0	4,120	0	0.0
HB 15-1026	52,942	0	0	52,942	0	0.0
HB 15-1170	20,000	0	0	20,000	0	0.0
HB 15-1219	20,000	20,000	0	0	0	0.0
HB 15-1313	4,120	0	0	4,120	0	0.0
HB 15-1366	<u>94,251</u>	<u>94,251</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1.0</u>
TOTAL	\$270,661,393	\$41,668,200	\$42,239,163	\$180,261,421	\$6,492,609	1,088.7
Increase/(Decrease)	(\$22,662,310)	\$6,685,080	\$339,592	(\$29,739,220)	\$52,238	15.6
Percentage Change	(7.7%)	19.1%	0.8%	(14.2%)	0.8%	1.5%

FY 2014-15 Appropriation - Mid-year Adjustments

Senate Bill 15-146 provides supplemental appropriations for various information technology projects and S.B. 15-234 provides authority for the Office of State Planning and Budgeting to expend \$25,000 total funds appropriated for FY 2014-15 up until June 30, 2016 for a prison utilization study.

FY 2015-16 Appropriation Highlights

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; vehicle lease payments; workers' compensation; legal services; payment to risk management and property funds; Capitol complex leased space; CORE operations; and payments to the Governor's Office of Information Technology (OIT).

Backup Colorado, Phase II: The appropriation includes an increase of \$3,804,115 total funds for the Office of Information Technology to implement standardized information technology backup and disaster recovery systems and processes across the executive branch agencies.

IT infrastructure refresh: The appropriation includes an increase of \$3,407,200 reappropriated funds for the Office of Information Technology to implement a standardized refresh (replacement) cycle for network, systems, and voice infrastructure. Network infrastructure consists of routers and switches, while systems infrastructure consists of physical servers, hosting storage, shared storage, and backup systems. Voice systems include newer Voice over IP (VoIP) technologies and Managed IP Communications (MIPC).

Elevation data acquisition and GIS personnel: The appropriation includes an increase of \$2,574,716 General Fund and 4.0 FTE for the Office of Information Technology to acquire digital elevation data for Mesa County and parts of Delta, Gunnison, Logan, and Weld Counties and to hire individuals to coordinate digital mapping data.

Colorado Tourism Office funding increase: The appropriation includes an increase of \$2,500,000 General Fund for the Office of Economic Development and International Trade to market Colorado to a wider audience in an effort to increase the number of visitors to the state. Specifically, the funds will be used for additional television and digital ads in primary markets, to buy ads in national magazines, to expand the Office's agritourism program, and to gain access to new international markets.

Film incentive rebate program funding: The appropriation includes \$2,500,000 General Fund for performance-based film incentives offered by the Office of Economic Development and International Trade. The appropriation also includes a footnote providing the Office with authority to expend moneys appropriated for FY 2015-16 for the film incentives program through June 30, 2017.

Colorado FIRST and Existing Industry Program funding increase: The appropriation includes an increase of \$1,774,978 General Fund to support the Colorado FIRST and Existing Industry Program. The moneys are reappropriated from the Office of Economic Development and International Trade to the Department of Higher Education for allocation to the State's community colleges. The Program provides grants to companies locating or expanding operations in Colorado to pay costs associated with job training.

Competitive intelligence and marketing plan: The appropriation includes an increase of \$1,100,000 General Fund and 1.0 FTE to enhance the Office of Economic Development and International Trade's ability to target businesses and markets to recruit to the state. Moneys are provided for three components: hiring a marketing officer dedicated to marketing Colorado to businesses worldwide and recruiting them to move to Colorado, hiring a contract employee to be a data analyst for the marketing officer to aid in formulating a marketing plan for the state, and procuring analytical tools and database subscriptions to better mine prospect data.

IT Systems infrastructure staff: The appropriation includes an increase of \$682,645 reappropriated funds and 7.3 FTE for the Office of Information Technology's enterprise server unit to provide enhanced operational support to agencies. The moneys are to be used to supplement the Office's staffing in the areas of physical server support, central virtual server support, and infrastructure administration support.

Active directory consolidation: The appropriation includes an increase of \$606,956 reappropriated funds to consolidate the information technology systems that are used to authenticate and authorize all users and computers in a network. The underlying system, known as an Active Directory, is used by the Office of Information Technology to assign and enforce security policies for all computers, install or update software, determine login settings, and grant permissions for access to resources (e.g. printers). The funding provided will be used to consolidate the disparate systems used for this purpose by 13 executive branch agencies.

Network infrastructure upgrade: The appropriation includes an increase of \$508,200 reappropriated funds transferred from the Department of Public Health and Environment (CDPHE) to the Office of Information Technology to enhance network connectivity between the State's data center (EFor) and the Department.

Colorado Credit Reserve Program continuation: The appropriation includes an increase of \$400,000 General Fund for the Office of Economic Development and International Trade to maintain the existing Colorado Credit Reserve Program that is administered by the Colorado Housing and Financing Authority (CHFA). Moneys will be used to provide lenders with an incentive to provide working capital to Colorado businesses.

Electric vehicle grant fund spending authority: The appropriation includes an increase of \$313,000 cash funds from the Electric Vehicle Grant Fund for the Colorado Energy Office's to provide grant funds to encourage the installation of charging stations.

Enterprise wireless solution: The appropriation includes an increase of \$300,000 reappropriated funds for the operating, maintenance, and licensing expenses associated with moving all State agency wireless access points to one wireless controller managed by the Office of Information Technology. The initiative will provide wireless access to employees across multiple locations, allow and control vendor and partner wireless access, and manage guest access at appropriate locations.

Aerospace and defense industry champion funding: The appropriation includes \$233,393 General Fund and 1.0 FTE for the Office of Economic Development and International Trade to oversee the implementation of the state's aerospace strategic plan and develop and align strategies for the state's military bases, including Base Realignment and Closure (BRAC) activities.

Data governance and analytics planning: The appropriation includes an increase of \$226,800 reappropriated funds for the Office of Information Technology to contract with a vendor to facilitate the creation of a data governance model. The moneys will be used for a study recommending whether a service that provides a central repository for analysis across departments is feasible, and if so what it would entail, what the optimal configuration would be, and where it would fit best structurally within the State. The current process is to create an independent data sharing infrastructure with interfaces requiring initial investment and ongoing maintenance.

Ongoing staffing for Results First and performance planning: The appropriation includes an increase of \$156,900 General Fund for the Office of State Planning and Budgeting to continue funding for two staff currently working on the Pew-MacArthur Results First Initiative. The goal of the project is to implement cost-benefit analysis tools to assist in analyzing programmatic funding.

Serve Colorado funding: The appropriation includes an increase of \$100,000 General Fund for the Office of the Lieutenant Governor to support the Serve Colorado program that strives to build a culture of civic engagement across Colorado by working in partnership with a vast array of community based organizations.

Indirect cost assessment: The appropriation includes a net increase of \$78,944 total funds in the Department's indirect cost assessment.

Colorado Information Marketplace service costs: The appropriation includes an increase of \$65,000 General Fund for the Office of Information Technology to fund the website subscription service that supports the Colorado Information Marketplace. The subscription covers services related to a data repository, data sharing, charting capabilities, mapping capabilities, and interfaces for entities to create mobile applications using public information.

Oil and Gas Task Force recommendation for the Department of Public Health and Environment: The appropriation includes \$50,000 reappropriated funds transferred to the Office of Information Technology from the Department of Public Health and Environment for the costs associated with tracking citizens' concerns related oil and gas operations.

Leading Edge Program funding increase: The appropriation includes an increase of \$25,000 General Fund for the Office of Economic Development and International Trade to increase business training opportunities

administered via the Office's Leading Edge Program through the state's Small Business Development Centers. The opportunities consist of comprehensive training on how to start and operate a small business.

Colorado Grants Management System maintenance: The appropriation includes an increase of \$18,147 reappropriated funds for the Office of Information Technology to maintain the system used by various departments to track grants received and dispensed.

Centrally appropriated line items reorganization: The appropriation includes a reorganization of the centrally appropriated line items in the Offices of the Governor and Information Technology. This change has no net fiscal impact.

Annualize prior year budget actions: The appropriation includes a number of changes to the out year impact of funding decisions made through the FY 2014-15 Long Bill. The adjustments are primarily driven by the anticipated conclusion of the Colorado Benefits Management System (CBMS) modernization (phase II) project and the one-time FY 2014-15 funding increases in the Office of Economic Development and International Trade.

Annualize prior year legislation: The appropriation includes a reduction of \$6,962,549 total funds, including an increase of \$723,896 General Fund, for the second or third year impact of legislation. The change is primarily driven by the anticipated conclusion of several information technology initiatives performed by the Office of Information Technology and funded by the Departments of Human Services and Revenue.

Cloud computing migration: The appropriation includes a decrease of \$532,397 reappropriated funds transferred from the Department of Human Services to the Office of Information Technology due to a decrease in the second-year costs associated with the migration of applications, including Trails and the Child Care Automated Tracking System (CHATS), to a hosted, cloud-based environment.

Disabled parking educational materials dissemination: The appropriation includes an appropriation of \$251,000 total funds, including \$250,000 General Fund, for the Office of the Governor to collaborate with Colorado Advisory Council for Persons With Disabilities to continue a project initiated in FY 2014-15 providing education and outreach to local government entities on the enforcement of disabled parking laws. The appropriation for this purpose represents a decrease of \$249,000 General Fund compared to FY 2014-15 appropriation due to a decrease in the second year costs of the project.

CORE operational support transfer: The appropriation includes a decrease of \$178,803 reappropriated funds and 2.0 FTE to transfer Colorado Operations Resource Engine (CORE) support staff from the Office of Information Technology to the Department of Personnel.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of Part III of this department.

DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

The Department helps pay health and long-term care expenses for low-income and vulnerable populations. To assist with these costs the Department receives significant federal matching funds, but must adhere to federal rules regarding program eligibility, benefits, and other features, as a condition of accepting the federal money. The major programs administered by the Department include:

- **Medicaid** – serves people with low income and people needing long-term care
- **Children's Basic Health Plan** – provides a low-cost insurance option for children and pregnant women with income slightly higher than the Medicaid eligibility criteria
- **Colorado Indigent Care Program** – defrays a portion of the costs to providers of uncompensated and under-compensated care for people with low income, if the provider agrees to program requirements for discounting charges to patients on a sliding scale based on income
- **Old Age Pension Health and Medical Program** – serves elderly people with low income who qualify for a state pension but do not qualify for Medicaid or Medicare.

The Department also performs functions related to improving the health care delivery system, including advising the General Assembly and the Governor, distributing tobacco tax funds through the Primary Care and Preventive Care Grant Program, financing Public School Health Services, and housing the Commission on Family Medicine Residency Training Programs.

Department Budget: Recent Appropriations

Funding Source	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
General Fund ¹	\$1,853,401,062	\$2,067,258,413	\$2,352,444,300	\$2,507,080,610
Cash Funds	936,836,405	986,463,698	899,805,052	1,031,847,224
Reappropriated Funds	7,174,145	10,483,522	6,104,791	7,805,549
Federal Funds	<u>2,804,733,050</u>	<u>3,592,923,500</u>	<u>4,673,350,937</u>	<u>5,343,721,014</u>
Total Funds	\$5,602,144,662	\$6,657,129,133	\$7,931,705,080	\$8,890,454,397
Full Time Equiv. Staff	327.1	358.3	390.9	421.2

¹ Includes General Fund Exempt.

General Factors Driving the Budget

Funding for this department consists of 28.2 percent General Fund, 11.6 percent cash funds, 0.1 percent reappropriated funds, and 60.1 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

Medical Services Premiums

The Medical Services Premiums section provides funding for the health care services of individuals qualifying for the Medicaid program. Health care services include both acute care services (such as physician visits, prescription drugs, and hospital visits) and long-term care services (provided within nursing facilities and community settings). The Department contracts with health care providers through fee-for-service and managed care organizations (MCOs) in order to provide these services to eligible clients. Total costs for the program are driven by the number of clients, the costs of providing health care services, and the utilization of health care services.

The largest change for Medical Services Premiums is an adjustment for enrollment and utilization trends based on the February 2015 forecast by the Department of Health Care Policy and Financing of expenditures under current eligibility and benefit policies. The total funds increase is primarily attributable to the eligibility expansions authorized in S.B. 13-200 and changes in booster payments financed from the Hospital Provider Fee. The General Fund increase is the result of enrollment growth. The tables beginning on the next page show the projected year-over-year changes in enrollment, expenditures, and per capita costs by detailed enrollment category. The enrollment categories in the tables are mostly defined by income expressed as a percentage of the federal poverty guidelines (FPL) or eligibility for Supplemental Security Income (SSI). The bullets below highlight key factors contributing to the projected enrollment growth for populations with a significant effect on the expected General Fund expenditures.

- **Children** – The Department attributes the strong projected enrollment growth to two factors. First, the Department believes there is increased enrollment among people previously eligible but not enrolled (ENBE). The Department describes this as a "welcome mat" effect due to national attention on the Affordable Care Act (ACA) implementation and the individual mandate. Second, continuous eligibility for children locks clients into Medicaid eligibility for 12 months, even if their income changes. This was implemented March 2014 in conjunction with S.B. 13-200. Not only does Medicaid caseload have a lagged response to improvements in the economy, but as Medicaid clients experience these improvements, children will stay enrolled until they reach 12 months. This slows the rate at which clients leave Medicaid, which puts upward pressure on caseload.
- **Parents/Caretakers to 68% FPL** – Similar to children, the Department believes the "welcome mat" effect associated with the ACA implementation is contributing to strong enrollment growth. While there is no continuous eligibility for adults, there is Transitional Medicaid that allows qualifying adults to stay on Medicaid for up to 12 months following an increase in income. Not only does Medicaid caseload have a lagged response to improvements in the economy, but as Medicaid clients experience these improvements, parents/caretakers who qualify for Transitional Medicaid can stay enrolled until they reach 12 months. This slows the rate at which clients leave Medicaid.
- **Individuals with Disabilities to age 59** – According to the American Community Survey, the proportion of Colorado's population that is reported as having a disability is growing. In 2009, 9.4% of Colorado's population reported having a disability. By 2013, 10.1% of Colorado's population reported having a disability. The enrollment trends have been fairly steady, but small changes in enrollment drive significant changes in expenditures, due to the high base per capita costs for these clients.
- **Adults age 65+ to SSI** – Colorado's population is aging, putting upward pressure on enrollment in this category. Although the rate of growth has been fairly steady, small changes in enrollment drive significant changes in expenditures, due to the high base per capita costs for these clients.

Category	Enrollment			
	FY 14-15	FY 15-16	Difference	Percent
Adults 65+ to SSI	42,087	42,971	884	2.1%
Adults with Disabilities 60 to 64	10,581	11,307	726	6.9%
Individuals with Disabilities to 59	66,821	69,501	2,680	4.0%
Disabled Buy-In to 450% FPL	3,425	4,327	902	26.3%
Parents / Caretakers to 68% FPL	163,685	180,612	16,927	10.3%
Breast & Cervical Cancer to 250% FPL	379	179	(200)	-52.8%
Children to 107% FPL	448,326	480,322	31,996	7.1%
SB 11-008 Children 107% to 147% FPL	47,107	56,118	9,011	19.1%
Foster Care to 26 years	20,129	20,237	108	0.5%
Pregnant Adults to 142% FPL	14,883	14,862	(21)	-0.1%
SB 11-250 Pregnant 142% to 200% FPL	1,751	1,923	172	9.8%
Non-Citizens - Emergency Services	2,573	2,551	(22)	-0.9%
Adults 65+ SSI to 135% FPL-Medicare premiums	<u>28,124</u>	<u>32,033</u>	<u>3,909</u>	13.9%
Subtotal	849,871	916,943	67,072	7.9%
<u>ACA "Newly Eligible"</u>				
Parents / Caretakers 69% to 138% FPL	70,900	85,311	14,411	20.3%
Adults w/out Dependent Children to 138% FPL	<u>240,362</u>	<u>287,239</u>	<u>46,877</u>	19.5%
Subtotal	311,262	372,550	61,288	19.7%
Forecast Enrollment	1,161,133	1,289,493	128,360	11.1%
HB 15-1186 Services for Children with Autism	0	302	302	n/a
TOTAL	1,161,133	1,289,795	128,662	11.1%

Category	Expenditures			
	FY 14-15	FY 15-16	Difference	Percent
Adults 65+ to SSI	\$965,072,783	\$992,245,289	\$27,172,506	2.8%
Adults with Disabilities 60 to 64	189,137,331	196,828,204	7,690,873	4.1%
Individuals with Disabilities to 59	1,032,439,469	1,063,910,216	31,470,747	3.0%
Disabled Buy-In to 450% FPL	33,970,150	44,058,607	10,088,457	29.7%
Parents / Caretakers to 68% FPL	483,937,147	520,995,541	37,058,394	7.7%
Breast & Cervical Cancer to 250% FPL	6,083,145	2,875,930	(3,207,215)	-52.7%
Children to 107% FPL	782,651,898	843,598,502	60,946,604	7.8%
SB 11-008 Children 107% to 147% FPL	71,341,980	85,123,040	13,781,060	19.3%
Foster Care to 26 years	82,415,074	83,653,569	1,238,495	1.5%
Pregnant Adults to 142% FPL	147,666,078	148,231,695	565,617	0.4%
SB 11-250 Pregnant 142% to 200% FPL	15,296,638	16,873,759	1,577,121	10.3%
Non-Citizens - Emergency Services	42,883,621	43,928,964	1,045,343	2.4%
Adults 65+ SSI to 135% FPL-Medicare premiums	<u>33,942,733</u>	<u>39,085,411</u>	<u>5,142,678</u>	15.2%
Subtotal	\$3,886,838,047	\$4,081,408,727	\$194,570,680	5.0%

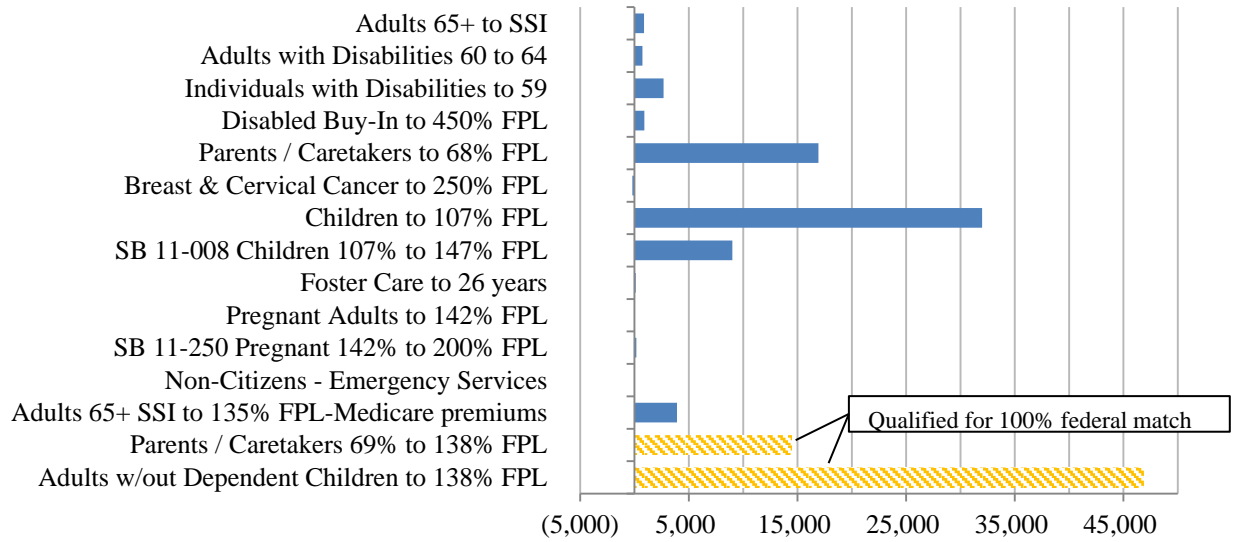
Category	Expenditures			
	FY 14-15	FY 15-16	Difference	Percent
<u>ACA "Newly Eligible"</u>				
Parents / Caretakers 69% to 138% FPL	\$165,304,640	\$194,024,374	\$28,719,734	17.4%
Adults w/out Dependent Children to 138% FPL	1,026,921,227	1,289,398,478	262,477,251	25.6%
Subtotal	\$1,192,225,867	\$1,483,422,852	\$291,196,985	24.4%
Medical Services Subtotal	\$5,079,063,914	\$5,564,831,579	\$485,767,665	9.6%
Booster Payments / Financing	<u>726,420,437</u>	<u>946,489,862</u>	<u>220,069,425</u>	30.3%
Forecast Expenditures	\$5,805,484,351	\$6,511,321,441	\$705,837,090	12.2%
Provider rates/other policies in Long Bill (SB 15-234)	\$0	\$73,042,119	\$73,042,119	n/a
SB 15-011 Spinal Cord Injury Alternative Medicine	0	250,547	250,547	n/a
HB 15-1186 Services for Children with Autism	0	10,205,160	10,205,160	n/a
HB 15-1309 Restorations by Dental Hygienists	0	11,217	11,217	n/a
TOTAL	\$5,805,484,351	\$6,594,830,484	\$789,346,133	13.6%

Category	Forecasted Medical Services Per Capita Expenditures*			
	FY 14-15	FY 15-16	Difference	Percent
Adults 65+ to SSI	\$22,930.42	\$23,091.04	\$160.62	0.7%
Adults with Disabilities 60 to 64	\$17,875.18	\$17,407.64	(\$467.54)	-2.6%
Individuals with Disabilities to 59	\$15,450.82	\$15,307.84	(\$142.98)	-0.9%
Disabled Buy-In to 450% FPL	\$9,918.29	\$10,182.25	\$263.96	2.7%
Parents / Caretakers to 68% FPL	\$2,956.51	\$2,884.61	(\$71.90)	-2.4%
Breast & Cervical Cancer to 250% FPL	\$16,050.51	\$16,066.65	\$16.14	0.1%
Children to 107% FPL	\$1,745.72	\$1,756.32	\$10.60	0.6%
SB 11-008 Children 107% to 147% FPL	\$1,514.47	\$1,516.86	\$2.39	0.2%
Foster Care to 26 years	\$4,094.35	\$4,133.69	\$39.34	1.0%
Pregnant Adults to 142% FPL	\$9,921.80	\$9,973.87	\$52.07	0.5%
SB 11-250 Pregnant 142% to 200% FPL	\$8,735.94	\$8,774.71	\$38.77	0.4%
Non-Citizens - Emergency Services	\$16,666.78	\$17,220.29	\$553.51	3.3%
Adults 65+ SSI to 135% FPL-Medicare premiums	\$1,206.90	\$1,220.16	\$13.26	1.1%
<u>ACA "Newly Eligible"</u>				
Parents / Caretakers 69% to 138% FPL	\$2,331.52	\$2,274.32	(\$57.20)	-2.5%
Adults w/out Dependent Children to 138% FPL	\$4,272.39	\$4,488.94	\$216.55	5.1%
TOTAL Forecasted Medical Services Per Capita	\$4,374.23	\$4,315.52	(\$58.71)	-1.3%

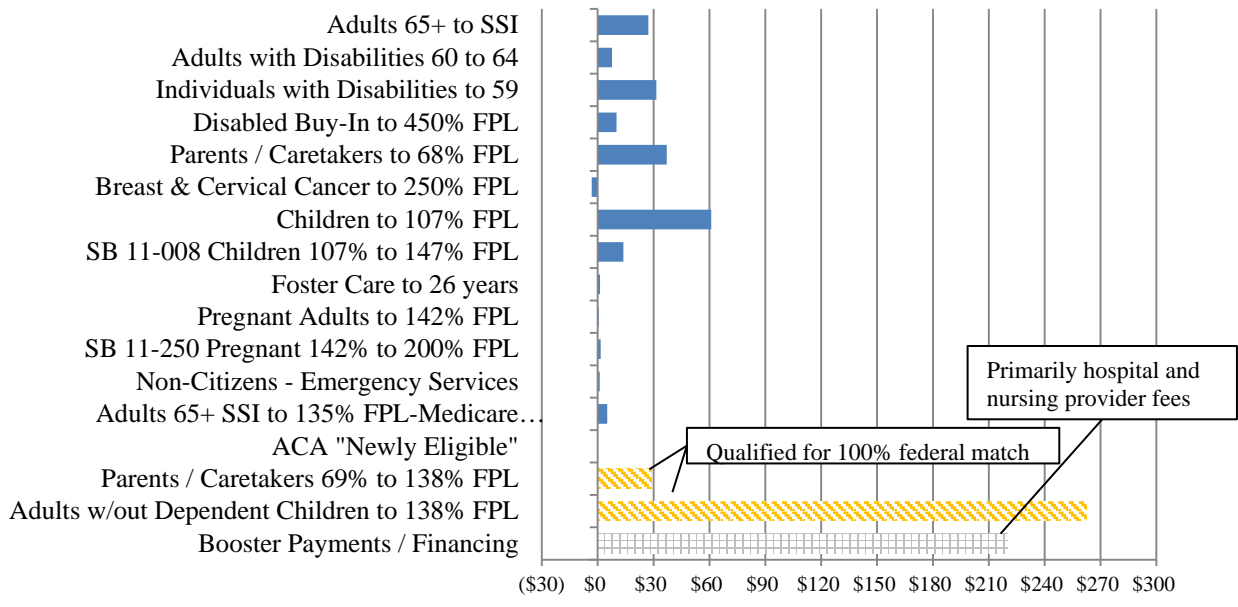
* These are the per capita expenditures forecasted by the Department for medical services and do not include booster payments or financing. The forecasted per capita rates also do not include the effects of provider rate increases and other new policies approved in the Long Bill and other bills passed in the FY 2015-16 session.

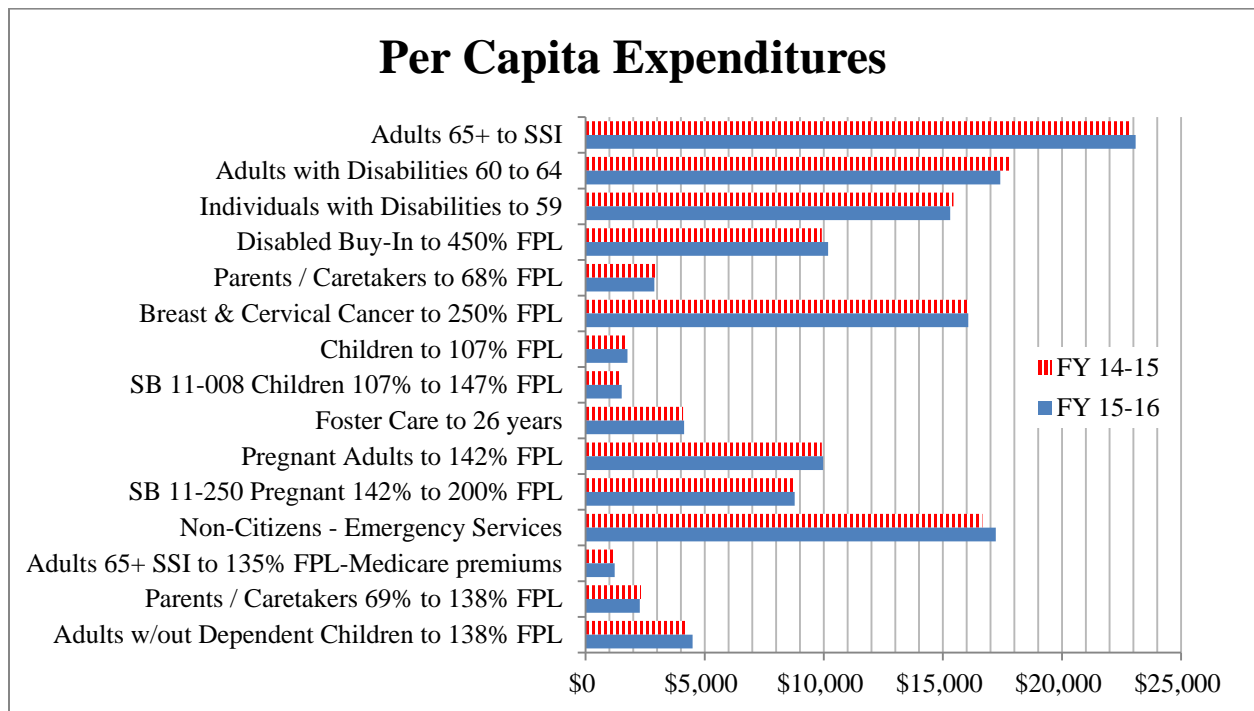
Below is a series of graphs that present the same information that was contained in the previous tables, but in a pictorial format to highlight the year-over-year changes in enrollment, expenditures, and per capita expenditures.

Enrollment Changes FY 14-15 to FY 15-16



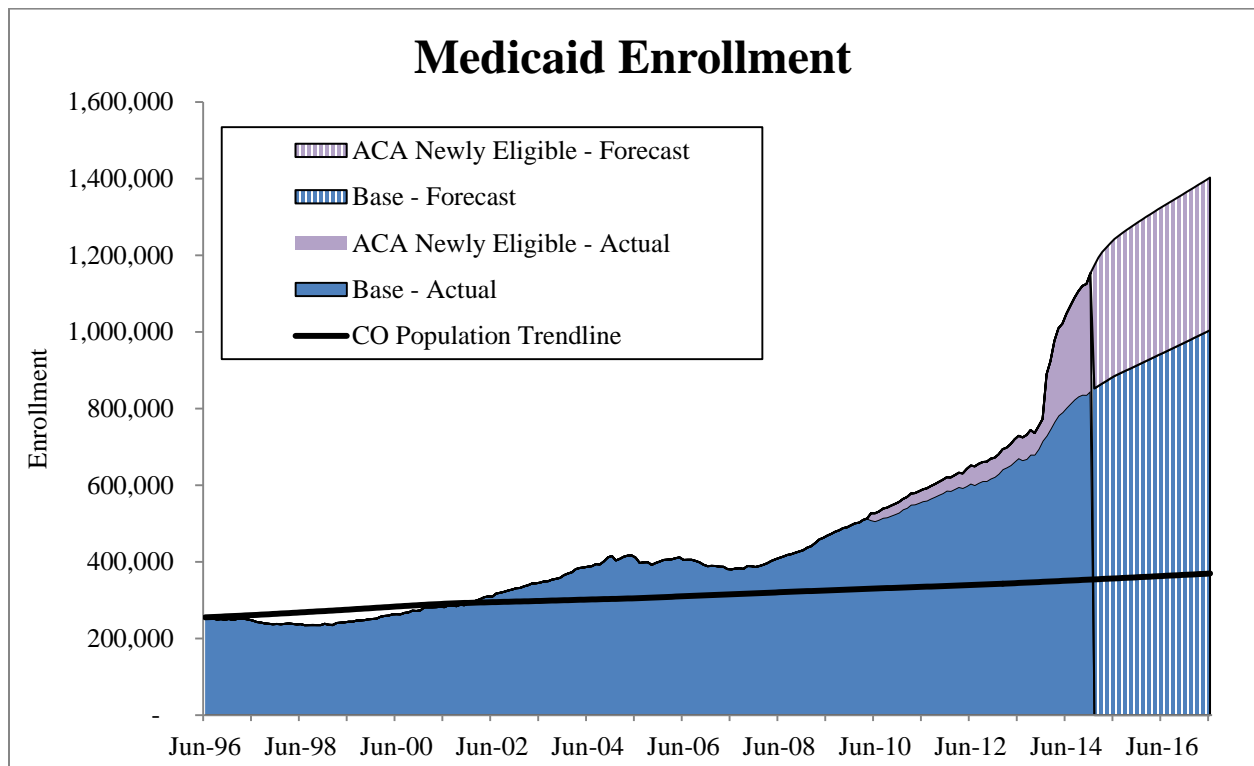
Expenditure Changes FY 14-15 to FY 15-16



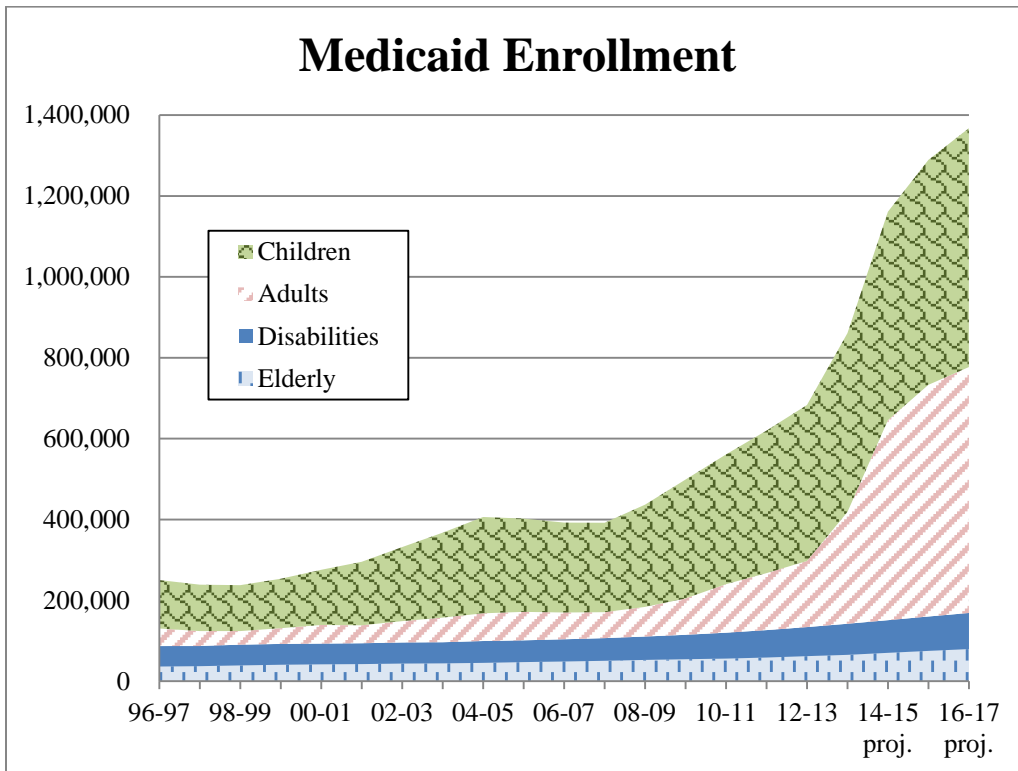


Rather than focusing on the year-over-year changes, the next several graphs focus on long-term trends and aggregate the data at a higher level.

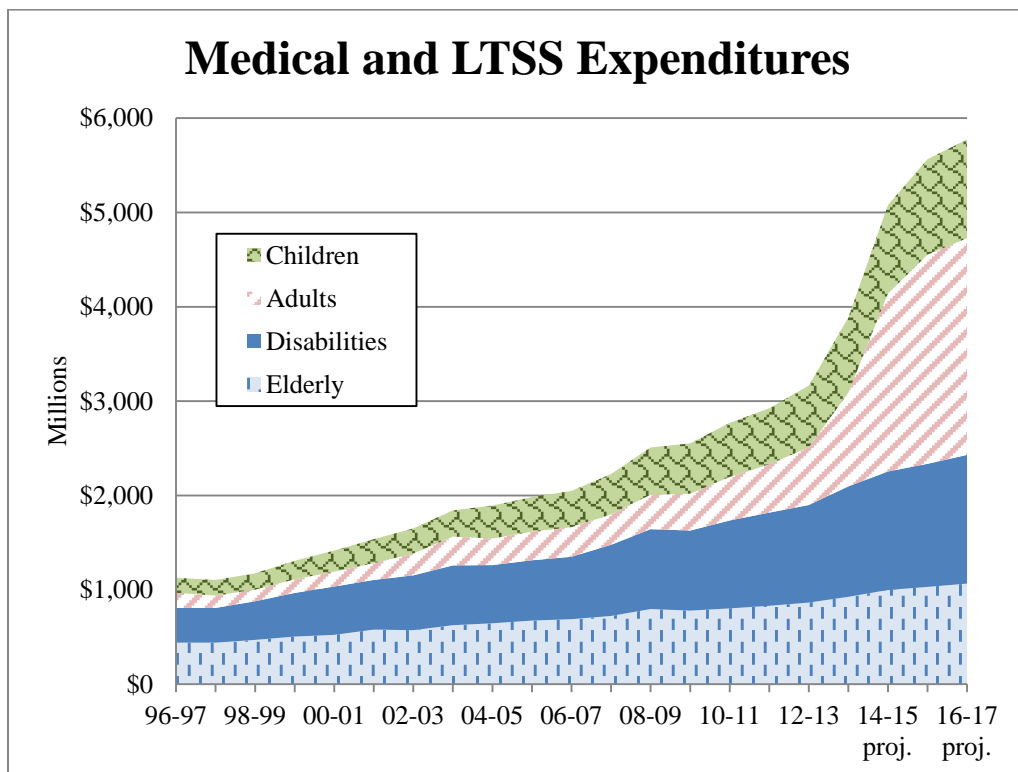
The graph below summarizes projected changes in Medicaid enrollment, highlighting the population that is defined as "newly eligible" pursuant to the ACA and therefore eligible for a 100 percent federal match. The "CO Population Trendline" shows the projected trajectory of enrollment if Medicaid had grown at the same rate as Colorado's population since June 1996. Medicaid currently covers an estimated 20 percent of Colorado's population and HCPF is projecting that it will cover almost 25 percent by the end of FY 2016-17.



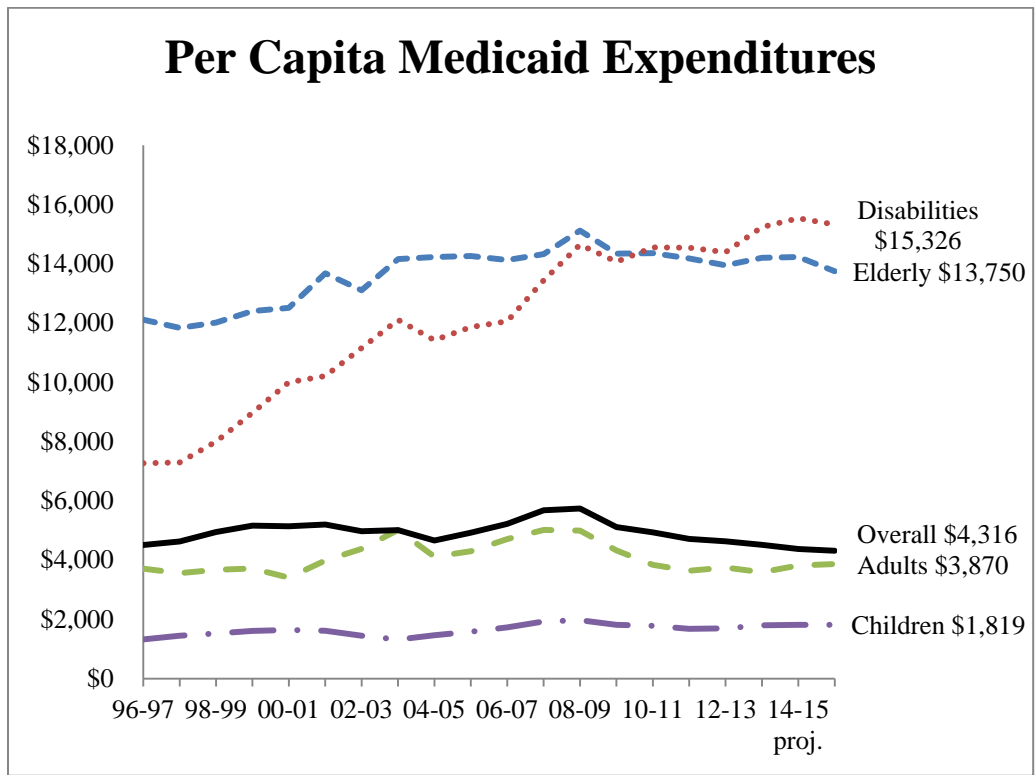
The next graph breaks the Medicaid enrollment into broad categories of children, adults, people with disabilities, and the elderly. Historically, most of the variability in enrollment trends is among children and adults. These populations are more sensitive to changes in the economy. The recent growth is primarily due to the Medicaid expansion authorized in S.B. 13-200. In addition to new eligibility criteria, there has been increased enrollment from among people previously eligible but not enrolled (ENBE). The Department describes this as a "welcome mat" effect due to national attention on the ACA implementation and the individual mandate.



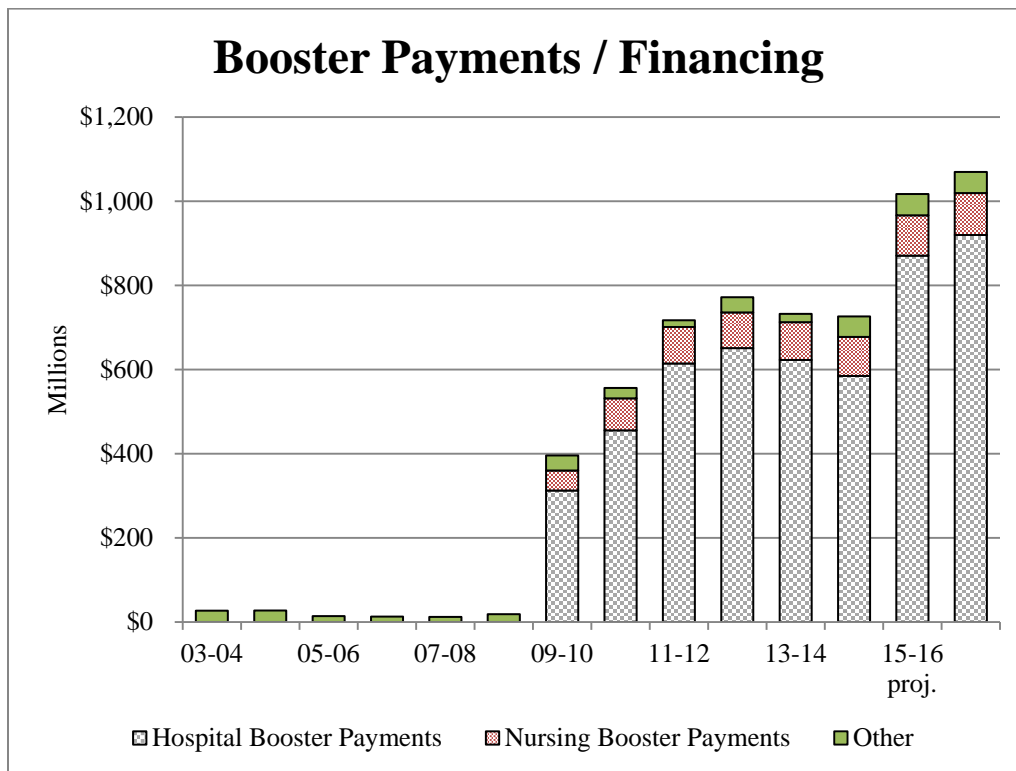
The next graph shows trends in expenditures for medical services and long-term services and supports for the same four broad eligibility categories. For FY 2015-16, the elderly and disabled represent 12 percent of the projected enrollment, but 42 percent of the projected expenditures.



The next graph provides projected changes in per capita expenditures by enrollment category, not including booster payments/financing or provider rate increases and other new policies approved in the Long Bill and other bills passed in the FY 2015-16 session.



The table below summarizes the trends in booster payments/financing. Although this expenditure category includes some miscellaneous other financing mechanisms, it is primarily composed of booster payments to hospitals and nursing facilities that are financed with provider fees.



Most of the variability in this expenditure category is being driven by the hospital booster payments. According to the Department, the decrease in expenditures from FY 2012-13 to FY 2013-14, and then again to FY 2014-15, is attributable to two main factors. First, the Department is making audit adjustments for prior-year overpayments relative to the federal allowable limits on booster payments. These audit adjustments reduce both expenditures and the Hospital Provider Fee revenue collected. Second, the Hospital Provider Fee plan for FY 2013-14 intentionally paid less than the maximum allowable under the federal limits. The Department and hospitals negotiated the payments to be less than the federal limits based on increased scrutiny from the Centers for Medicare and Medicaid Services and in an attempt to prevent the need for future audit adjustments. In FY 2015-16 expenditures are expected to increase dramatically due to the Medicaid expansion increasing the federal limits on booster payments. Some of the growth projected in FY 2015-16 should be occurring in FY 2014-15, but the Department is currently operating under an outdated Hospital Provider Fee plan that doesn't account for the Medicaid expansion, due to delays in CMS approval. The Department does not anticipate the new model taking effect until FY 2015-16.

Behavioral Health Capitation Payments

Behavioral health services, which include both mental health and substance use-related services, are provided to Medicaid clients through a statewide managed care or "capitated" program. The Department contracts with regional entities, known as behavioral health organizations (BHOs), to provide or arrange for behavioral health services for clients within their geographic region who are eligible for and enrolled in the Medicaid program. In order to receive services through a BHO, a client must have a covered diagnosis and receive a covered service or procedure that is medically necessary.

The enrollment changes that are described in detail above for the Medical Services Premiums section also apply to services that are funded in this section, with two exceptions. Two Medicaid populations that are eligible for certain medical benefits are not eligible for behavioral health services: (1) non-citizens; and (2) adults who are

eligible for both Medicaid and Medicare but for whom the Medicaid benefit is limited to payment of Medicare premiums and co-insurance payments.

Each BHO receives a pre-determined monthly amount for each Medicaid client who is *eligible* for behavioral health services within its geographic area. The "per-member-per-month" rates paid to each BHO are unique for each Medicaid eligibility category in each geographic region. These rates are adjusted annually based on client utilization and BHO expenditures.

Capitated behavioral health program expenditures are thus affected by caseload changes, rate changes, and changes to the Medicaid State Plan or waiver program that affect the diagnoses, services, and procedures that are covered for Medicaid clients. Caseload changes include changes in Medicaid eligibility, as well as demographic and economic changes that affect the number of individuals eligible within each category. The State's share of expenditures is also affected by changes in the federal match rate for various eligibility categories. The following table details recent expenditure and caseload trends for Medicaid Behavioral Health Capitation Payments.

Medicaid Behavioral Health Capitation Payments						
	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15 ^{/1}	FY 2015-16 ^{/2}
	Actual	Actual	Actual	Actual	Adjusted Appropriation	Appropriation
Capitation Payments	\$249,352,665	\$273,376,614	\$301,303,046	\$415,933,333	\$553,659,183	\$646,025,263
Annual Dollar Change	\$22,731,847	\$24,023,949	\$27,926,432	\$114,630,287	\$137,725,850	\$92,366,080
Annual Dollar % Change	10.0%	9.6%	10.2%	38.0%	33.1%	16.7%
Caseload (eligible clients)	540,456	598,322	659,104	835,098	1,130,436	1,255,060
Annual Caseload Change	61,271	57,866	60,782	175,994	295,338	124,624
Annual Caseload % Change	12.8%	10.7%	10.2%	26.7%	35.4%	11.0%
Expenditures per capita	\$461	\$457	\$457	\$498	\$490	\$515

^{/1} The "Capitation Payments" figures for FY 2014-15 exclude amounts appropriated for BHOs' school-based substance abuse prevention and intervention programs (S.B. 14-215).

^{/2} The "Capitation Payments" figures for FY 2015-16 include \$295,672 and an additional 151 Medicaid-eligible children for the projected impact of the Department's request (R8) to expand services for children with autism. This request was approved and enacted through H.B. 15-1186.

Please note that in addition to capitation payments to BHOs, the Department makes fee-for-service payments for behavioral health services provided to Medicaid clients who are not enrolled in a BHO and for the provision of behavioral health services that are not covered by the BHO contract. In FY 2013-14, the Department made fee-for-service payments totaling \$5.3 million; \$8.4 million is appropriated for this purpose for FY 2015-16.

The three tables below show the year-over-year changes projected for FY 2015-16 in Medicaid enrollment, payments made to BHOs through the capitation program, and expenditures per capita by enrollment category.

Behavioral Health Capitation Program: Enrollment				
Category	FY 14-15	FY 15-16	Difference	Percent
Children to 147% FPL	495,433	536,440	41,007	8.3%
Parents / Caretakers to 138% FPL; and Pregnant Adults to 200% FPL	251,219	282,708	31,489	12.5%
Adults w/out Dependent Children to 138% FPL	240,362	287,239	46,877	19.5%
Adults with Disabilities to 64	80,827	85,286	4,459	5.5%
Adults age 65+ (up to SSI)	42,087	42,971	884	2.1%
Foster Care to 26 years	20,129	20,237	108	0.5%
Breast & Cervical Cancer to 250% FPL	379	179	(200)	(52.8%)
TOTAL	1,130,436	1,255,060	124,624	11.0%

Behavioral Health Capitation Program: Annual Expenditures				
Category	FY 14-15	FY 15-16	Difference	Percent
Children to 147% FPL	\$112,428,298	\$126,732,162	\$14,303,864	12.7%
Parents / Caretakers to 138% FPL; and Pregnant Adults to 200% FPL	75,815,247	95,548,001	19,732,754	26.0%
Adults w/out Dependent Children to 138% FPL	165,830,645	208,653,660	42,823,015	25.8%
Adults with Disabilities to 64	141,562,724	154,906,187	13,343,463	9.4%
Adults age 65+ (up to SSI)	6,969,616	7,277,158	307,542	4.4%
Foster Care to 26 years	51,437,491	53,264,149	1,826,658	3.6%
Breast & Cervical Cancer to 250% FPL	77,673	60,207	(17,466)	(22.5%)
Date of death retractions	(462,511)	(416,261)	46,250	(10.0%)
TOTAL	\$553,659,183	\$646,025,263	\$92,366,080	16.7%

Behavioral Health Capitation Program: Annual Per Capita Expenditures				
Category	FY 14-15	FY 15-16	Difference	Percent
Children to 147% FPL	\$227	\$236	\$9	4.1%
Parents / Caretakers to 138% FPL; and Pregnant Adults to 200% FPL	302	338	36	12.0%
Adults w/out Dependent Children to 138% FPL	690	726	36	5.3%
Adults with Disabilities to 64	1,751	1,816	65	3.7%
Adults age 65+ (up to SSI)	166	169	4	2.3%
Foster Care to 26 years	2,555	2,632	77	3.0%
Breast & Cervical Cancer to 250% FPL	205	336	131	64.1%
TOTAL	\$490	\$515	\$25	5.1%

Office of Community Living

Division of Intellectual and Developmental Disabilities

Intellectual and developmental disability waiver services are not subject to standard Medicaid State Plan service and duration limits. As part of the waiver, Colorado is allowed to limit the number of waiver program participants which has resulted in a large number of individuals being unable to immediately access the services they need. The General Assembly is not required to appropriate funds for services for individuals waiting for services, but has made the policy decision to provide additional funds for waiver services in past years. Those decisions include:

- Funding for youth transition to adult services;
- Funding for individuals requiring services resulting from emergency situations and funding to eliminate the Supported Living Services(SLS) and Children's Extensive Services (CES) waiting lists; and
- Provider rate increases.

Youth with intellectual and developmental disabilities (IDD) receive services through the Children's Extensive Support waiver (CES), or the child welfare system. Funding for adult services for these youth when they age out of children's services is not required, but the General Assembly has regularly made the decision that once an individual receives services, they should continue to receive those services regardless of age. The following table summarizes the number of new enrollments funded each year for youth transitioning to adult services.

	Funding for Youth Transitions			
	CES Transitions to Adult Services		Youth Aging out of Foster Care Transitions to the CES Waiver	
	New Enrollments	Full Year Cost	New Enrollments	Full Year Cost
FY 2008-09	28	584,752	45	\$4,211,460
FY 2009-10	29	578,318	37	3,425,127
FY 2010-11	0	0	0	0
FY 2011-12	35	433,615	66	4,167,900
FY 2012-13	50	868,950	46	3,734,004
FY 2013-14	38	619,134	50	3,635,500
FY 2014-15 Long Bill	61	907,131	55	3,744,895
FY 2014-15 H.B. 14-1368	n/a	n/a	186	5,746,227
FY 2015-16	61	1,310,472	55	3,682,108

In FY 2013-14 the General Assembly approved funding to enable all children who qualify for services through the children's extensive support waiver to receive services. For FY 2014-15 the General Assembly appropriated funding sufficient to provide services to all adults seeking support living services (i.e. non-residential community-based services for adults). The table on the following page shows how many enrollments, since FY 2008-09, have been funded for individuals who are either waiting for services or required services due to an emergency situation.

Number of New Emergency and Waiting List Enrollments			
Fiscal Year	Adult Comprehensive	Supported Living Services	Children's Extensive Support
FY 2008-09	260	200	0
FY 2009-10	0	0	0
FY 2010-11	0	0	0
FY 2011-12	30	0	0
FY 2012-13	47	30	0
FY 2013-14	267	7	811
FY 2014-15	40	2,040	0
FY 2015-16	40	92	49

Two primary factors driving the Division's budget are the amount of services consumed and the cost of those services. As more individuals are served the total cost of services will increase. This increase is compounded either positively or negatively by adjustments made to provider rates through both the annual budget process and as a budgeting mechanism by the Department. The following table summarizes the percent changes to the provider service reimbursement rates since FY 2008-09.

Community Provider Rate Changes							
FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 13-14	FY 14-15	FY 15-16
3.25%	1.50%	1.50%	(2.50%)	(2.00%)	4.00%	2.50%	1.70%
\$4,149,332	\$2,257,019	\$2,594,770	(\$4,343,556)	(\$4,427,894)	\$7,446,715	\$5,788,375	\$8,461,129

There was no provider rate increase in FY 2011-12 and FY 2012-13.

The Family Support Services Program (FSSP) is General Fund dollars provided directly to Community-Centered Boards for distribution to individuals and families for services and supports. Individuals and families use this funding to purchase assistive technology, make home and vehicle modifications, pay for medical and dental expenses, respite care, and transportation. Community-Centered Boards manage the eligibility determinations for FSSP and ensure that services and supports are targeted towards families that are most in need. Funding for FSSP has fluctuated over the years as cuts were made due to the economic downturn. The following table summarizes the funding for FSSP over the past four years.

Family Support Services Program				
	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Appropriation
General Fund Appropriation	\$2,173,467	\$3,065,802	\$6,828,718	\$6,960,204
Change from Prior Year	n/a	892,335	3,762,916	131,486

Indigent Care Program

The Indigent Care Program distributes Medicaid funds to hospitals and clinics that have uncompensated costs from treating uninsured or underinsured Coloradans. Unlike the rest of Medicaid, this is not an insurance program or an entitlement. Funding for this program is based on policy decisions at the state and federal levels and is not directly dependent on the number of individuals served or the cost of the services provided. The

majority of the funding is from federal sources. State funds for the program come from the Hospital Provider Fee, certifying public expenditures at hospitals, and the General Fund.

Colorado Indigent Care Program				
	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Appropriation
Safety Net Provider Payments	\$299,175,424	\$309,976,756	\$311,296,186	\$311,296,186
Clinic Based Indigent Care	6,119,760	6,119,760	6,119,760	6,119,760
Pediatric Specialty Hospital	<u>11,799,938</u>	<u>11,799,938</u>	<u>13,455,012</u>	<u>13,455,012</u>
TOTAL	\$317,095,122	\$327,896,454	\$330,870,958	\$330,870,958
General Fund	8,959,849	8,959,849	9,639,107	9,639,107
Cash Funds	149,587,712	154,988,378	153,307,474	153,307,474
Federal Funds	158,547,561	163,948,227	167,924,377	167,924,377
Total Funds Change		\$10,801,332	\$2,974,504	\$0
Percent Change		3.41%	0.91%	0.00%

Children's Basic Health Plan

The Children's Basic Health Plan (marketed by the Department as the Children's Health Plan *Plus* and abbreviated as CHP+) compliments the Medicaid program, providing low-cost health insurance for children and pregnant women in families with slightly more income than Medicaid eligibility criteria allow. Annual membership premiums are variable based on income, with an example being \$75 to enroll one child in a family earning 205 percent of the federal poverty guidelines. Coinsurance costs are nominal. Federal funds pay 65.0 percent of the program costs not covered by member contributions and state funds pay the remaining 35.0 percent as a match. CHP+ typically receives approximately \$28 million in revenue from the tobacco master settlement agreement and the remaining state match comes from the General Fund.

Enrollment in CHP+ is highly changeable, in part because eligibility for the program is sandwiched between an upper income limit and a lower income limit below which an applicant is eligible for Medicaid and not eligible for CHP+. In addition, the program has experienced frequent adjustments to state and federal eligibility criteria and to administrative procedures for handling eligibility determinations that have impacted enrollment.

CHP+ Enrollment and Per Capita Expenditure Assumptions			
	Total	Children	Prenatal
FY 2014-15			
Caseload	55,707	54,979	728
Per Capita	\$2,852.03	\$2,691.13	\$15,003.19
Expenditures	\$158,878,131	\$147,955,808	\$10,922,323
Recoveries/disallowances	<u>\$2,264,196</u>		
TOTAL	\$161,142,327		
FY 2015-16			
Caseload	59,448	58,580	868
Per Capita	\$2,762.01	\$2,610.70	\$12,973.90
Subtotal: SB 15-234	\$164,196,117	\$152,934,772	\$11,261,345
Recoveries/disallowances	\$2,525,718		
HB 15-1309	<u>\$1,189</u>		
TOTAL	\$166,723,024		
Difference			
Caseload	3,741	3,601	140
Per Capita	(\$90.02)	(\$80.43)	(\$2,029.29)
Expenditures	\$5,317,986	\$4,978,964	\$339,022

CHP+ Enrollment and Per Capita Expenditure Assumptions			
	Total	Children	Prenatal
Percent Difference			
Caseload	6.7%	6.5%	19.2%
Per Capita	-3.2%	-3.0%	-13.5%
Expenditures	3.3%	3.4%	3.1%

Medicare Modernization Act State Contribution

The federal Medicare Modernization Act requires states to reimburse the federal government for a portion of prescription drug costs for people dually eligible for Medicare and Medicaid. In 2006 Medicare took over responsibility for these drug benefits, but to defray federal costs the federal legislation required states to make an annual payment based on a percentage of what states would have paid for this population in Medicaid, as estimated by a federal formula. This payment is sometimes referred to as the "clawback." In recent years, in order to offset General Fund costs, Colorado has applied bonus payments received from the federal government for meeting performance goals in CHP+ toward this obligation. The table below summarizes Colorado's payments to the federal government.

	Medicare Modernization Act			
	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
	Actual	Actual	Appropriation	Appropriation
State Contribution	<u>\$101,817,855</u>	<u>\$106,376,992</u>	<u>\$107,948,850</u>	<u>\$116,816,749</u>
General Fund	52,136,848	68,306,130	107,519,425	116,816,749
Federal Funds	49,681,007	38,070,862	429,425	0
State Contribution change		\$4,559,137	\$1,571,858	\$8,867,899
Percent		4.48%	1.48%	8.21%
General Fund change		\$16,169,282	\$39,213,295	\$9,297,324
Percent		31.01%	57.41%	8.65%

Department of Human Services Medicaid-Funded Programs

Many programs administered by the Department of Human Services (DHS) qualify for Medicaid funding. The federal government requires that one state agency receive all federal Medicaid funding. Therefore, the state and federal funding for all DHS programs that qualify for Medicaid funding is first appropriated in the Department of Health Care Policy and Financing and then transferred to DHS (as reappropriated funds). For detail regarding the changes in the Department of Human Services Medicaid-Funded programs, please see the Department of Human Services section of this report.

Appropriation Highlights – 2015 Legislative Session

Department of Health Care Policy and Financing						
	Total Funds	General Fund¹	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$7,855,593,433	\$2,259,525,686	\$946,748,434	\$7,782,578	\$4,641,536,735	389.1
SB 14-012	4,697	2,301	41	0	2,355	0.0
SB 14-014	1,397	684	13	0	700	0.0
SB 14-130	1,081,934	530,056	9	0	551,869	0.0

Department of Health Care Policy and Financing

	Total Funds	General Fund¹	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 14-144	75,000	0	0	0	75,000	0.0
SB 14-151	165,000	0	165,000	0	0	0.0
SB 14-159	128,688	128,688	0	0	0	0.0
SB 14-180	55,000	55,000	0	0	0	0.8
SB 14-215	6,363,807	4,000,000	0	0	2,363,807	0.0
HB 14-1045	7,006,802	0	2,424,016	0	4,582,786	1.0
HB 14-1211	51,133	16,533	0	0	34,600	0.0
HB 14-1213	129,831	44,519	0	0	85,312	0.0
HB 14-1317	44,529	21,813	391	0	22,325	0.0
HB 14-1357	297,985	145,983	0	0	152,002	0.0
HB 14-1360	110,000	0	110,000	0	0	0.0
HB 14-1368	5,746,227	0	2,829,586	0	2,916,641	0.0
SB 15-147	135,848,721	89,830,809	35,353,260	(1,677,787)	12,342,439	0.0
SB 15-167	(1,081,344)	(1,081,344)	0	0	0	0.0
SB 15-234	<u>(79,917,760)</u>	<u>(776,428)</u>	<u>(87,825,698)</u>	<u>0</u>	<u>8,684,366</u>	<u>0.0</u>
TOTAL	\$7,931,705,080	\$2,352,444,300	\$899,805,052	\$6,104,791	\$4,673,350,937	390.9

FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$7,931,705,080	\$2,352,444,300	\$899,805,052	\$6,104,791	\$4,673,350,937	390.9
Enrollment/utilization trends						
Medical Services Premiums - services	490,270,926	92,338,953	7,971,326	0	389,960,647	0.0
Medical Services Premiums – booster payments / financing	290,785,123	9,409,493	150,996,434	0	130,379,196	0.0
Behavioral health programs	92,715,806	18,692,358	1,251,435	0	72,772,013	0.0
Office of Community Living	18,967,057	8,417,480	1,546,987	0	9,002,590	0.0
Medicare Modernization Act	8,867,899	9,297,324	0	0	(429,425)	0.0
Public school health services	6,110,799	0	2,786,520	0	3,324,279	0.0
Children's Basic Health Plan	<u>2,394,019</u>	<u>11,763,217</u>	<u>(15,796,089)</u>	<u>0</u>	<u>6,426,891</u>	<u>0.0</u>
<i>Subtotal - Enrollment/utilization trends</i>	<i>910,111,629</i>	<i>149,918,825</i>	<i>148,756,613</i>	<i>0</i>	<i>611,436,191</i>	<i>0.0</i>
Eligibility/benefit changes						
Consumer direction for supported living services	1,253,761	592,765	0	0	660,996	0.0
Lifetime cap on home modifications	<u>711,238</u>	<u>350,000</u>	<u>0</u>	<u>0</u>	<u>361,238</u>	<u>0.0</u>
<i>Subtotal - Eligibility/benefit changes</i>	<i>1,964,999</i>	<i>942,765</i>	<i>0</i>	<i>0</i>	<i>1,022,234</i>	<i>0.0</i>
Provider rate changes						
Community provider rate	22,566,820	8,611,911	714,545	0	13,240,364	0.0
Targeted rate increases	<u>60,017,210</u>	<u>22,735,234</u>	<u>1,496,448</u>	<u>0</u>	<u>35,785,528</u>	<u>0.0</u>
<i>Subtotal - Provider rate changes</i>	<i>82,584,030</i>	<i>31,347,145</i>	<i>2,210,993</i>	<i>0</i>	<i>49,025,892</i>	<i>0.0</i>
MMIS adjustments	18,996,593	3,169,969	934,236	0	14,892,388	0.0
Annualize prior year legislation	4,966,540	4,124,877	505,611	0	336,052	0.2

Department of Health Care Policy and Financing

	Total Funds	General Fund ¹	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Human Services programs	3,271,079	1,447,683	0	0	1,823,396	0.0
Rural residency slots	2,743,345	1,350,000	0	0	1,393,345	0.0
Centrally appropriated line items	2,676,412	981,566	(231,641)	139,466	1,787,021	0.0
Customer service center	2,042,250	661,840	359,286	0	1,021,124	20.8
CBMS funding simplification	1,286,557	2,439,108	(148,585)	(151,059)	(852,907)	0.0
Personal health records	772,570	122,257	0	0	650,313	0.0
Person-centered planning rules and Olmstead	352,313	138,657	37,500	0	176,156	0.0
Community First Choice planning	314,041	157,020	0	0	157,021	0.9
Audits-managed care and primary care fund	300,000	150,000	0	0	150,000	0.0
IT stability and security	267,129	133,563	0	0	133,566	0.0
ACC reprourement preparation	250,000	125,000	0	0	125,000	0.0
Comprehensive primary care	84,952	42,476	0	0	42,476	0.0
Predictive analytics FTE	78,723	7,873	0	0	70,850	0.9
Transfers to other departments	33,958	424,743	(110,000)	0	(280,785)	0.0
FMAP change	0	(20,320,555)	(9,311,141)	(978)	29,632,674	0.0
Continuous eligibility financing	(42,715,698)	(21,020,395)	0	0	(21,695,303)	0.0
Chronically acute long-stay clients	(28,000,000)	0	(14,000,000)	0	(14,000,000)	0.0
Annualize prior year budget actions	(15,445,371)	355,299	(4,308,422)	30,440	(11,522,688)	0.0
Marijuana tax revenue adjustment	(5,282,463)	(2,918,656)	0	0	(2,363,807)	0.0
Indirect cost adjustment	(27,612)	27,612	23,339	(12,111)	(66,452)	0.0
SB 15-234	\$8,873,331,056	\$2,506,252,972	\$1,024,522,841	\$6,110,549	\$5,336,444,694	413.7
SB 15-011	362,649	179,347	0	0	183,302	0.8
SB 15-228	539,823	269,912	0	0	269,911	4.0
HB 15-1186	10,616,568	367,564	4,840,203	0	5,408,801	0.0
HB 15-1309	37,606	10,815	833	0	25,958	0.0
HB 15-1318	2,176,695	0	788,347	0	1,388,348	2.7
HB 15-1368	<u>3,390,000</u>	<u>0</u>	<u>1,695,000</u>	<u>1,695,000</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$8,890,454,397	\$2,507,080,610	\$1,031,847,224	\$7,805,549	\$5,343,721,014	421.2
Increase/(Decrease)	\$958,749,317	\$154,636,310	\$132,042,172	\$1,700,758	\$670,370,077	30.3
Percentage Change	12.1%	6.6%	14.7%	27.9%	14.3%	7.8%

¹ Includes General Fund and General Fund Exempt.

FY 2014-15 Appropriation - Mid-year Adjustments

Senate Bill 15-147 modified the FY 2014-15 appropriations primarily to reflect the most recent forecasts of expenditures for the Department's health programs. Senate Bill 15-167 modified the FY 2014-15 appropriations from marijuana revenue. Senate Bill 15-234 modified the FY 2014-15 appropriations primarily to reflect the most recent forecasts of expenditures for the Department's health programs.

FY 2015-16 Appropriation Highlights

Enrollment/utilization trends: The appropriation includes a net increase of \$910.1 million, including \$149.9 million General Fund, for revised caseload and expenditure estimates, including:

- An increase of \$490.3 million, including \$92.3 million General Fund, for the Medical Services Premiums line item for medical services and long-term services and supports;
- An increase of \$290.8 million, including \$9.4 million General Fund, for the Medical Services Premiums line item for booster payments to hospitals through the Hospital Provider Fee and miscellaneous other financing;
- An increase of \$92.7 million, including \$18.7 million General Fund, for the capitation and fee-for-service Medicaid behavioral health programs;
- An increase of \$19.0 million, including \$8.4 million General Fund, for services provided by the Office of Community Living for people with intellectual and developmental disabilities;
- An increase of \$8.9 million, including \$9.3 million General Fund, for the state's obligation pursuant to the Medicare Modernization Act to pay the federal government for prescription drugs for people dually eligible for Medicaid and Medicare;
- An increase of \$6.1 million due to an increase in certified public expenditures by school districts and boards of cooperative education for public school health services; and
- An increase of \$2.4 million, including \$11.8 million General Fund, for the Children's Basic Health Plan.

Eligibility/benefit changes: The appropriation includes an increase of \$2.0 million, including \$942,765 General Fund, for changes to the Medicaid benefit package, including:

- An increase of \$1.3 million, including \$592,765 General Fund, to provide consumer directed attendant support services to people with intellectual and developmental disabilities who qualify for supported living services; and
- An increase of \$711,238, including \$350,000 General Fund, to increase the lifetime cap on home modifications from \$12,500 to an estimated \$14,067.

Provider rate changes: The appropriation includes \$82.6 million, including \$31.3 million General Fund, for increases in provider rates, including:

- \$22.6 million, including \$8.6 million General Fund, for across-the-board increases of 0.5 percent for providers paid from the Medical Services Premiums line item and 1.7 percent for all other providers; and
- \$60.0 million, including \$22.7 million General Fund, for several targeted rate increases summarized in the table below:

Targeted Rate Increases				
	TOTAL	General Fund	Cash Funds	Federal Funds
Dental fillings and extractions to 65% of customary	\$15,058,255	\$4,094,339	\$1,349,220	\$9,614,696
Anesthesia services	12,862,698	4,300,000	23,153	8,539,545
Personal care/homemaker to \$17 per hour	14,547,292	7,073,723	38,420	7,435,149
Private duty nursing to \$45 per hour	5,167,006	2,512,143	13,805	2,641,058
Eye materials for children	3,995,056	1,837,053	0	2,158,003
Physical and occupational therapy devices	3,587,269	1,075,534	33,475	2,478,260
Dental sealants for children	1,484,511	682,625	0	801,886
Emergency medical transportation	1,109,263	300,000	2,252	807,011
Prenatal and postpartum care services	624,511	306,442	0	318,069
Diabetic self-management education group visits	485,433	162,280	874	322,279
Vision retinal services	407,583	136,255	734	270,594
Dental X-rays	365,089	99,278	32,736	233,075
Special Connections per diem rate	227,604	111,683	0	115,921

Targeted Rate Increases				
	TOTAL	General Fund	Cash Funds	Federal Funds
In-home respite	66,320	30,977	1,761	33,582
Special Connections outpatient group rate	23,835	11,696	0	12,139
Prostate biopsy	5,485	1,206	18	4,261
TOTAL	\$60,017,210	\$22,735,234	\$1,496,448	\$35,785,528

MMIS adjustments: The appropriation includes \$19.0 million, including \$3.2 million General Fund, to address unanticipated costs associated with the development of the new Medicaid Management Information System (MMIS). In total, the project modification adds \$31.1 million from FY 2014-15 through FY 2016-17, including \$4.4 million General Fund. Of the General Fund cost over the three years, approximately \$2.6 million is driven by the need to extend the current MMIS contract and another \$2.2 million is driven by an underestimate of the cost of commercial off-the-shelf software used for the Pharmacy Benefits Management System and the Business Intelligence and Data Management analytical tools. These General Fund costs are offset by some roll-forwards from previous years. For the rest of the work, the Department receives a 90 percent federal match and the General Fund share of costs is relatively small.

Annualize prior year legislation: The appropriation includes the following annualizations of prior year legislation:

Annualize prior year legislation					
	Total	General Fund	Cash Funds	Federal Funds	FTE
SB 13-200 Medicaid eligibility expansion	\$3,877,336	\$228,067	\$1,760,518	\$1,888,751	0
SB 14-180 Dental health seniors	2,967,800	2,967,800	0	0	0.2
SB 14-130 Personal care allowance nursing facility	1,619,993	793,623	(8)	826,378	0
HB 14-1357 In-home support services	893,956	437,949	0	456,007	0
HB 14-1213 Pharmacy benefit manager	189,164	9,838	0	179,326	0
HB 14-1211 Complex rehab	764	191	0	573	0
HB 14-1045 Breast & Cervical Cancer Prevention reauthorization	(3,621,882)	0	(1,254,454)	(2,367,428)	0
HB 08-1373 Breast & Cervical Cancer Fund	(834,968)	(287,793)	0	(547,175)	0
SB 14-144 Family medicine residency training in rural areas	(75,000)	0	0	(75,000)	0
HB 14-1317 Child care assistance	(44,529)	(21,813)	(391)	(22,325)	0
SB 14-012 Aid to the needy disabled	(4,697)	(2,301)	(41)	(2,355)	0
SB 14-014 Heat fuel grants	(1,397)	(684)	(13)	(700)	0
Total	\$4,966,540	\$4,124,877	\$505,611	\$336,052	0.2

The annualizations for S.B. 13-200 shown above are related to administrative costs. Costs for the expansion populations authorized by S.B. 13-200 are included in the Enrollment/utilization trends amounts.

Human Services programs: The appropriation includes \$3.3 million, including \$1.4 million General Fund, for programs administered by the Department of Human Services. See the narrative for the Department of Human Services for more detail.

Rural residency slots: The appropriation includes \$2.7 million, including \$1.4 million General Fund, for five additional family medicine residency placements in rural communities.

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; vehicle lease payments; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; Capitol complex leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

Customer service center: The appropriation provides \$2.0 million, including \$661,840 General Fund, for the Department to hire 25 additional staff (20.8 FTE in the first year) and pay the associated operating costs to address an increase in call volume experienced by the customer service center.

CBMS funding simplification: The appropriation includes \$1.3 million, including \$2.4 million General Fund, to align various sources of funding applicable to CBMS with the current cost allocation trends.

Personal health records: The appropriation includes \$772,570, including \$122,257 General Fund, to create a secure, centralized web portal through which Medicaid clients can access online health education materials, view their personal health records, and communicate securely with their providers.

Person-centered planning rules and Olmstead: The appropriation includes \$352,313, including \$138,657 General Fund, to annualize funding provided in FY 2014-15 to analyze new federal rules regarding person-centered planning for home and community based services and Colorado's response to the Olmstead decision.

Community First Choice planning: The appropriation provides \$314,041, including \$157,020 General Fund, and one new staff position (0.9 FTE in the first year) to manage the planning process and perform analysis related to the Community First Choice (CFC) option. The CFC is an option under the Affordable Care Act to include participant-directed waiver services in the Medicaid state plan. Adopting this option would make participant-directed services available to a broader population. It would also provide a six percentage point increase in the federal match for these services. The funding is intended to ensure that the General Assembly has the information necessary to decide whether to implement the CFC option, and in what form.

Audits – managed care and Primary Care Fund: The appropriation includes \$300,000, including \$150,000 General Fund, to audit the financial and encounter data submitted by managed care providers to ensure accuracy and consistency and to explore the use of medical loss ratios for managed care contracts, based on recommendations from the Government Accountability Office. Also included in the appropriation is a transfer from the Primary Care Fund to pay for audits necessary to distribute the grants appropriately.

IT stability and security: The appropriation includes \$267,129, including \$133,563 General Fund, to address stability and security issues with the DDDWeb application that is used for case management for clients with intellectual and developmental disabilities and the Business Utilization Services application that is used for case management of long term services and supports.

ACC reprocurement preparation: The appropriation provides \$250,000, including \$125,000 General Fund, for consulting services in preparation for the reprocurement of Regional Care Collaborative Organizations responsible for administering the Accountable Care Collaborative.

Comprehensive primary care: The appropriation includes \$84,952, including \$42,476 General Fund, for Medicaid's allocated share of the Comprehensive Primary Care initiative (CPCi) that connects payer information with health outcomes.

Predictive analytics FTE: The appropriation includes \$78,723, including \$7,873 General Fund, for one new staff position (0.9 FTE in the first year) to manage technology that identifies and prevents potentially fraudulent claims.

Transfers to other departments: The appropriation includes an increase of \$33,958 total funds for Medicaid appropriations transferred to other departments, including the Department of Public Health and Environment and the Department of Human Services.

FMAP change: The appropriation includes a reduction of General Fund and cash funds and an offsetting increase of federal Medicaid funds due to the increase in Colorado's Federal Medical Assistance Percentage (FMAP) rate on October 1, 2015. The average FMAP for state FY 2015-16 will be 50.79 percent. Most of the General Fund difference is attributable to the Children's Basic Health Plan (CHP+) that receives a federal match rate derived from the FMAP. Pursuant to the Affordable Care Act, from October 1, 2015 through September 30, 2019 the federal match rate for CHP+ is scheduled to increase 23 percentage points, in addition to changing with the Medicaid FMAP.

Medicaid Federal Medical Assistance Percentage (FMAP)					
State	Ave.	FMAP by Quarter (of state fiscal year)			
Fiscal Year	FMAP	Q1	Q2	Q3	Q4
FY 12-13	50.00	50.00	50.00	50.00	50.00
FY 13-14	50.00	50.00	50.00	50.00	50.00
FY 14-15	50.76	50.00	51.01	51.01	51.01
FY 15-16	50.79	51.01	50.72	50.72	50.72

CHP+ Enhanced Federal Medical Assistance Percentage (eFMAP)					
State	Ave.	eFMAP by Quarter (of state fiscal year)			
Fiscal Year	FMAP	Q1	Q2	Q3	Q4
FY 12-13	65.00	65.00	65.00	65.00	65.00
FY 13-14	65.00	65.00	65.00	65.00	65.00
FY 14-15	65.53	65.00	65.71	65.71	65.71
FY 15-16	82.80	65.71	88.50	88.50	88.50

Continuous eligibility financing: The appropriation includes a decrease of \$42.7 million, including \$21.0 million General Fund, for a change in the way continuous eligibility for children is financed. Previously, of the children eligible for Medicaid based on continuous eligibility, an estimated portion that would have been eligible based on Transitional Medicaid were financed with General Fund. The new policy finances all children eligible based on continuous eligibility with the Hospital Provider Fee, consistent with statute. This reduces the amount of Hospital Provider Fee available for booster payments, thereby reducing the federal funds.

Chronically acute long-stay clients: The appropriation includes a decrease \$28,000,000 to better reflect anticipated expenditures for an intergovernmental agreement with Denver Health to finance nursing services as an alternative to hospitalization for chronically acute long-stay patients.

Annualize prior year budget actions: The appropriation includes annualizations for the following prior year budget actions:

Annualizations of prior year budget actions					
	Total	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 14-15 R8 New IDD enrollments	\$16,226,241	\$7,857,035	(\$1,593,428)	\$0	\$9,962,634
FY 14-15 R11 Provider rate increase	7,222,552	2,399,275	90,097	0	4,733,180
FY 14-15 R5 Medicaid health information exchange	3,967,250	396,725	0	0	3,570,525
FY 14-15 Removal of five-year bar	3,339,276	505,750	0	0	2,833,526
FY 14-15 R7 SLS funding	3,122,439	1,561,220	0	0	1,561,219
FY 14-15 Full denture benefit	2,430,715	0	546,729	0	1,883,986
FY 14-15 BA11 Alignment of CHP+ oral health benefits to CHIPRA	1,178,100	(1,334,347)	599,171	0	1,913,276
FY 14-15 FQHC rate increases	660,159	198,819	10,424	0	450,916
FY 14-15 Raise cap on home modifications	253,846	125,000	0	0	128,846
FY 14-15 Family planning rates	165,207	26,063	0	0	139,144
FY 14-15 R9 Medicaid community living initiative	8,203	3,109	0	0	5,094
FY 14-15 Hospice rate increase	1,155	518	0	0	637
Prior year merit pay and salary survey	550	(14,785)	90	30,440	(15,195)
FY 14-15 End of CBMS Phase 2	(25,221,597)	(6,326,058)	(1,294,609)	0	(17,600,930)
FY 14-15 BA12 Enroll dual eligibles in ACC	(10,959,812)	140,692	0	0	(11,100,504)
FY 14-15 BA10 Dental provider incentives	(5,000,000)	(2,500,000)	0	0	(2,500,000)
FY 14-15 R12 Administrative contract reprocurments	(4,296,940)	(1,134,165)	(991,260)	0	(2,171,515)
FY 14-15 R6 Eligibility determination enhanced match	(2,536,068)	0	0	0	(2,536,068)
FY 14-15 S6 BA6 Leased space	(1,154,948)	(596,619)	19,145	0	(577,474)
FY 13-14 R5 MMIS reprocurement	(1,033,939)	(92,349)	(18,798)	0	(922,792)
FY 14-15 R10 Primary care specialty collaboration	(711,484)	(270,277)	(6,707)	0	(434,500)
FY 14-15 Person-centered training and dual diagnosis cost analysis	(675,000)	0	(675,000)	0	0
FY 15-16 CLAG implementation	(496,575)	(248,288)	0	0	(248,287)
FY 15-16 S12/BA12 Leased space	(444,117)	(284,307)	62,247	0	(222,057)
FY 14-15 BA13 Disability determinations contract reprocurement	(293,406)	(146,703)	0	0	(146,703)
FY 14-15 Correct technical error in SB 15-147	(203,752)	(101,876)	0	0	(101,876)
FY 12-13 BA8 MMIS adjustments	(200,000)	(17,863)	(3,636)	0	(178,501)
FY 12-13 R12 Hospital Provider Fee administration	(200,000)	0	(50,000)	0	(150,000)
FY 15-16 S15/BA15 PACAP contractor	(159,073)	(79,537)	0	0	(79,536)
FY 14-15 Rate setting study	(150,000)	(75,000)	0	0	(75,000)
FY 14-15 R15 LTSS for individuals with complex medical conditions	(125,000)	(62,500)	0	0	(62,500)
FY 14-15 OIT policies	(53,104)	(26,551)	0	0	(26,553)
FY 14-15 provider rate (IDD)	(47,342)	478,883	(1,000,000)	0	473,775
FY 14-15 BA13 Disability determinations contract reprocurement	(28,584)	(14,292)	0	0	(14,292)
FY 14-15 Human Services	(23,850)	(11,925)	0	0	(11,925)

Annualizations of prior year budget actions					
	Total	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 15-16 S14/BA14 Medical identification card adjustment	(6,473)	(348)	(2,887)	0	(3,238)
Total	(\$15,445,371)	\$355,299	(\$4,308,422)	\$30,440	(\$11,522,688)

Marijuana tax revenue adjustment: For this department, S.B. 14-215 included General Fund appropriations for two programs for FY 2014-15 and then transferred marijuana tax revenues to the General Fund to offset the costs of these programs. Based on the Legislative Council revenue forecast for the marijuana industry for FY 2015-16, the appropriation eliminates appropriations totaling \$5,282,463 including: (1) an appropriation of \$4,363,807 (including \$2,000,000 General Fund and \$2,363,807 federal funds) for school-based prevention and early intervention services provided by behavioral health organizations; and (2) a \$918,656 General Fund appropriation for the School-based Substance Abuse Prevention and Intervention Grant Program.

Indirect cost adjustment: The appropriation includes a net decrease in the Department's indirect cost assessment.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of Part III of this department.

DEPARTMENT OF HIGHER EDUCATION

The 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 state higher education institutions. Financial aid programs also fall under the purview of CCHE and, for state-funded programs, are included in the higher education budget. The executive director of CCHE is the executive director of the Department and appoints the directors of College Assist and CollegeInvest, which are both statutorily authorized state enterprises with responsibilities related to student loans and college savings programs. In addition, the Department administers various state and federal programs designed to promote higher education participation and success.

The College Opportunity Fund Program provides stipends for undergraduate resident students to attend public colleges and participating private colleges in Colorado. The section also includes appropriations for fee-for-service contracts with public higher education institutions for educational services not covered by the stipends. These contracts support institutional roles and missions, student outcomes, and specialty programs such as medical and veterinary schools. Tuition, stipend, and fee-for-service spending authority for public higher education institutions is provided in the Governing Boards section.

The Division of Occupational Education oversees Colorado Vocational Act programs, the Area Vocational Schools, federal Perkins technical training programs, and resources for the promotion of job development, job training, and job retraining supported through state and federal funds.

The Department also includes: state subsidies for Local District Junior Colleges; History Colorado; and the Auraria Higher Education Center, which maintains the single shared campus of the Community College of Denver, Metropolitan State College of Denver, and the University of Colorado at Denver and Health Sciences Center.

Department Budget: Recent Appropriations

Funding Source	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
General Fund ¹	\$628,569,790	\$659,108,061	\$762,082,525	\$857,415,995
Cash Funds	1,835,273,931	1,933,397,850	2,048,656,281	2,150,842,834
Reappropriated Funds	552,186,789	576,697,493	634,406,378	701,803,695
Federal Funds	<u>19,113,229</u>	<u>19,290,300</u>	<u>22,431,064</u>	<u>22,494,551</u>
Total Funds	\$3,035,143,739	\$3,188,493,704	\$3,467,576,248	\$3,732,557,075
Full Time Equiv. Staff	21,458.9	22,842.3	23,455.2	23,856.3

¹ Includes General Fund Exempt.

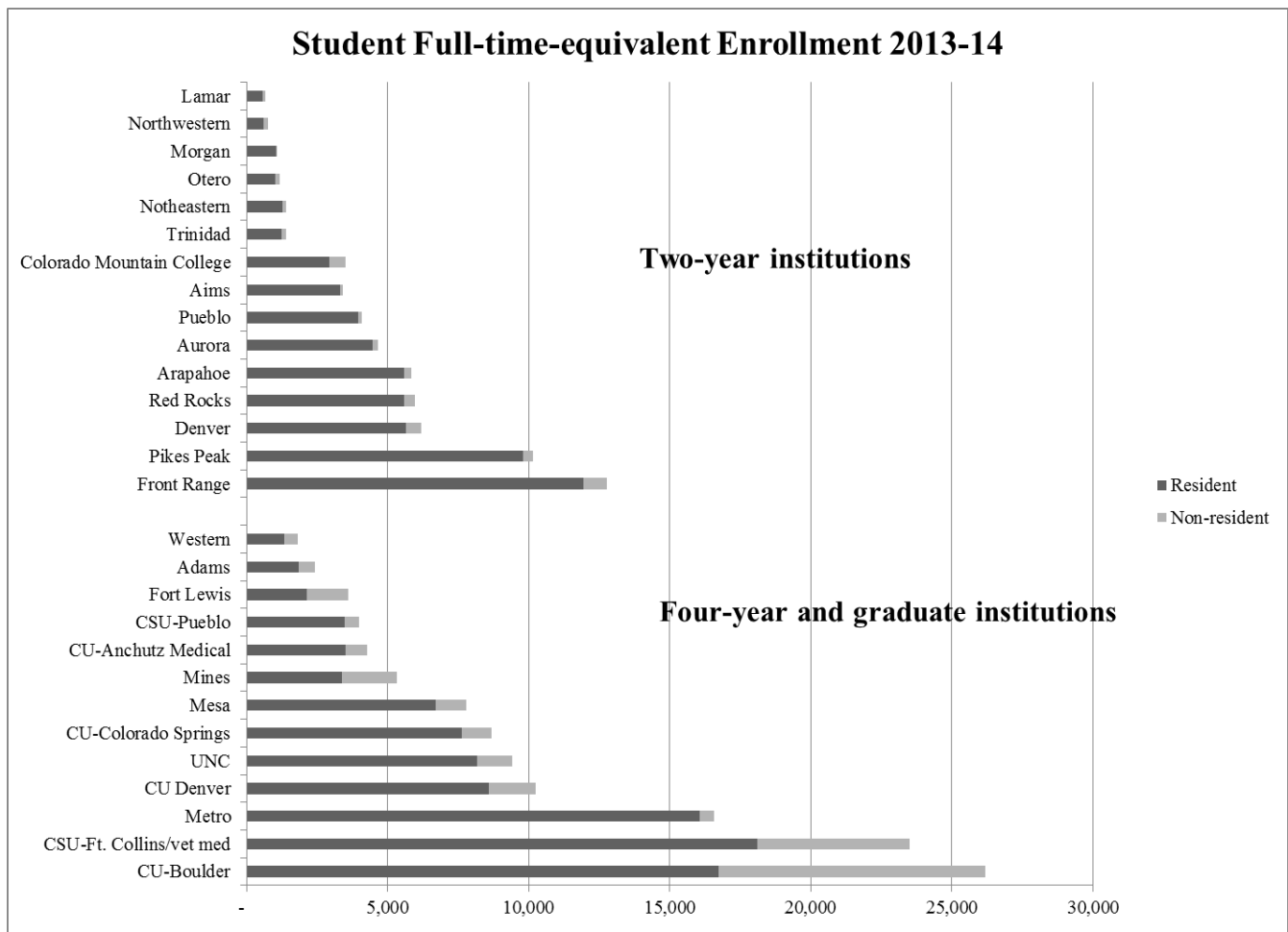
General Factors Driving the Budget

Funding for this department consists of 23.0 percent General Fund, 57.6 percent cash funds, 18.8 percent reappropriated funds, and 0.7 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

Overview and Organization

The state higher education system served about 180,000 full-time equivalent students (FTE) in FY 2013-14, including just over 150,000 Colorado residents. About 10,000 additional FTE were served by local district junior colleges, which receive regional property tax revenues in addition to state funding, and area vocational schools, which offer occupational certificates and serve both secondary and post-secondary students. About thirty-five percent of student FTE attend 2-year and certificate institutions. Students attending institutions that offer baccalaureate and higher degrees are concentrated at the University of Colorado, Colorado State University, and Metropolitan State University of Denver.

The Colorado Commission on Higher Education (Commission) coordinates the higher education delivery system, including requests for state funding. However, each institution has a governing board that makes policy and budget decisions for the institution.

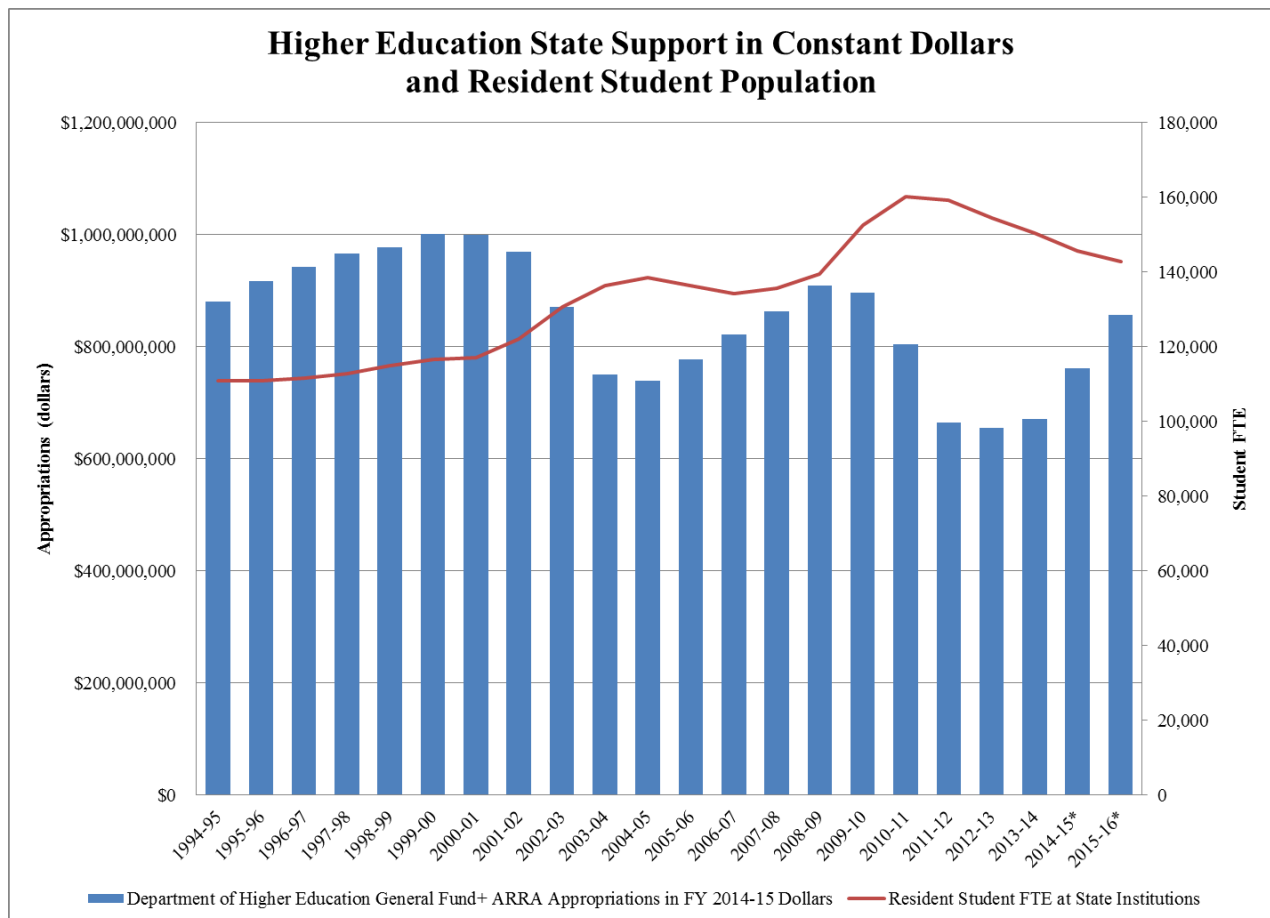


Impact of the Statewide Budget Outlook

The State has historically subsidized higher education at state institutions based on the public benefits of providing educational access to all citizens and promoting a more educated population. An educated population is associated with higher wages, lower unemployment, and lower dependence on public resources. Higher education may also be part of strategies to fill unmet needs in the community, such as nurses or teachers or engineers. Finally, subsidizing higher education is frequently described as a form of economic development for the community, as it attracts business and cultural resources.

While there are many potential benefits to supporting higher education, there are no statutes, constitutional provisions, or federal guidelines requiring specific amounts of state funding per student. As a result, this is one of the budget areas most affected by the availability of state funds.

The chart below shows how statewide General Fund support for higher education has declined during economic downturns in FY 2002-03 through FY 2004-05 and again in FY 2008-09 through FY 2011-12. The decreases in General Fund appropriations for higher education were disproportionately larger than decreases for other state agencies during the same time frames. As the economy has improved, funding has increased, including a \$103.0 million (15.6 percent) General Fund increase for FY 2014-15 and a further increase of \$95.3 million (12.5 percent) General Fund for FY 2015-16. As also reflected in the chart, student demand for higher education tends to be higher during recessions and lower as the economy improves.



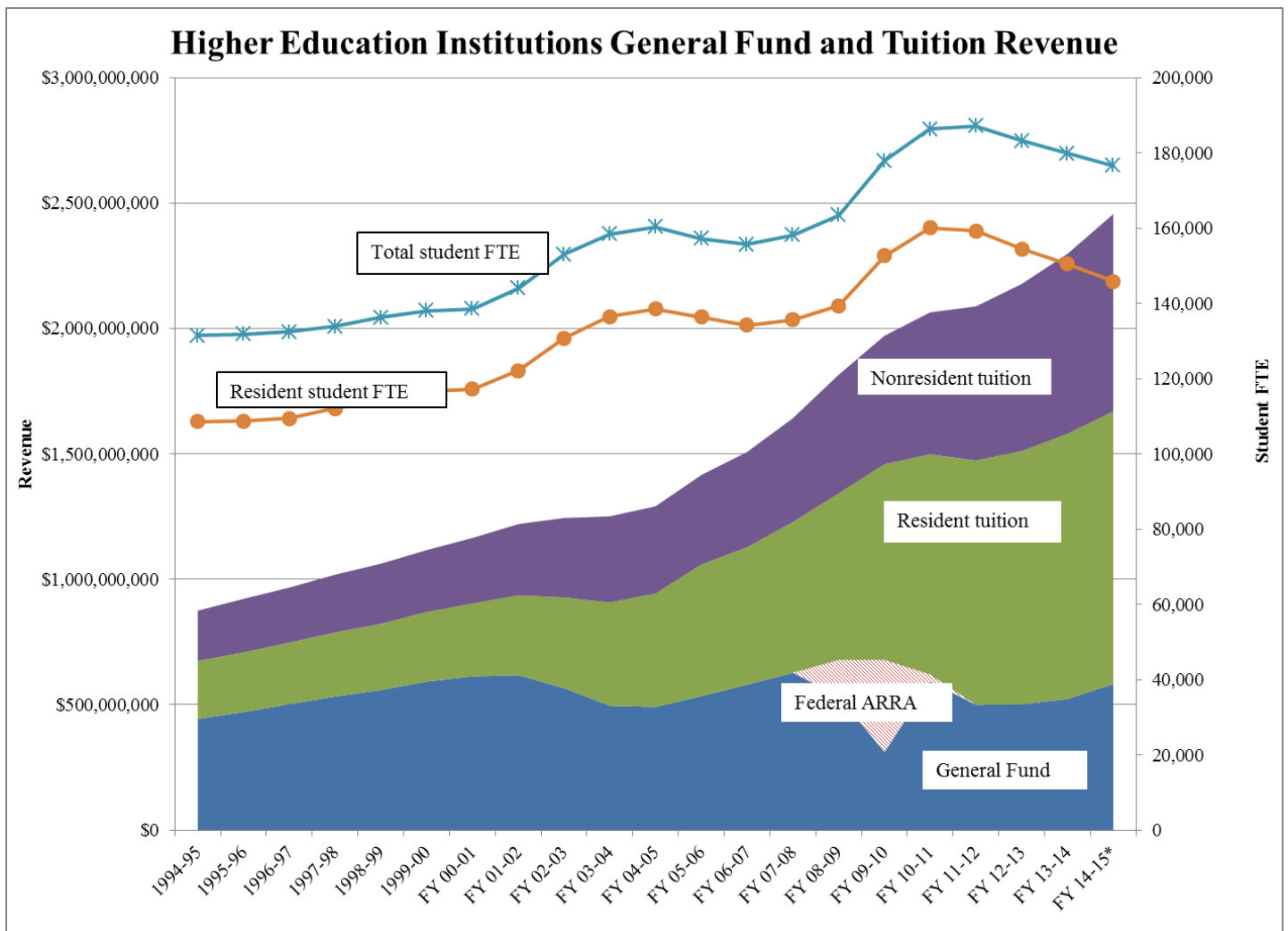
*For FY 2014-15 through FY 2015-16, reflects nominal appropriations; resident student FTE for FY 2014-15 and FY 2015-16 are based on Legislative Council Staff projections. Students at local district junior colleges or are vocational schools are not included.

The table below shows the allocation of the overall increase in General Fund support from FY 2014-15 to FY 2015-16 by governing board and funding category.

Department of Higher Education Operating Budget: General Fund Appropriations Increases by Category and Governing Board FY 2014-15 to FY 2015-16				
Governing Boards/Institutions*	FY 2014-15	FY 2015-16	Amount Change	Percentage Change
Adams State University	\$12,837,288	\$14,121,017	\$1,283,729	10.0%
Colorado Mesa University	22,027,251	24,465,356	2,438,105	11.1%
Metropolitan State University	43,681,193	50,153,399	6,472,206	14.8%
Western State Colorado University	10,585,447	11,643,992	1,058,545	10.0%
Colorado State University System	121,978,483	134,660,184	12,681,701	10.4%
Ft. Lewis College	10,594,604	11,822,422	1,227,818	11.6%
University of Colorado System	167,097,810	184,615,667	17,517,857	10.5%
Colorado School of Mines	18,669,456	20,547,328	1,877,872	10.1%
University of Northern Colorado	37,357,027	41,092,729	3,735,702	10.0%
Community College System	137,465,925	153,549,541	16,083,616	11.7%
Colorado Mountain College	6,435,286	7,143,039	707,753	11.0%
Aims Community College	7,609,305	8,446,176	836,871	11.0%
Area Vocational Schools	<u>8,983,694</u>	<u>9,971,721</u>	<u>988,027</u>	11.0%
Subtotal - Governing Boards/Institutions	\$605,322,769	\$672,232,571	\$66,909,802	11.1%
Financial Aid	\$152,747,922	\$174,082,678	\$21,334,756	14.0%
Move Lease Purchase Payments to Operating Budget from Capital Budget	n/a	\$7,204,931	\$7,204,931	n/a
Other	\$4,011,834	\$3,895,815	(\$116,019)	(2.9%)
Total - Department of Higher Education	\$762,082,525	\$857,415,995	\$95,333,470	12.5%
*Includes College Opportunity Fund stipends, fee-for-service contracts, and grants to local district junior colleges and area vocational schools in all enacted bills.				

One reason this budget area is more subject to state-funding adjustments than some others is that there is an alternative funding source: individual tuition payments. Colorado has always expected that individuals and families who benefit from higher education will bear at least some portion of the cost. Policymakers differ in the extent to which they believe higher education should be an individual versus a public responsibility. However, limited state funds and the ability to increase tuition have, together, pushed Colorado and other states toward a funding model in which the share of higher education costs borne by individuals and families has increased dramatically while state funding has declined.

The chart below illustrates how tuition, as well as temporary federal American Recovery and Reinvestment Act (ARRA) funds, have augmented and substituted for General Fund revenues for the higher education institutions. As shown, tuition revenue increases have more-than-compensated for declines in General Fund support since FY 2007-08.



*FY 2014-15 tuition revenue and student FTE reflect Legislative Council Staff projections.

Tuition and Fees

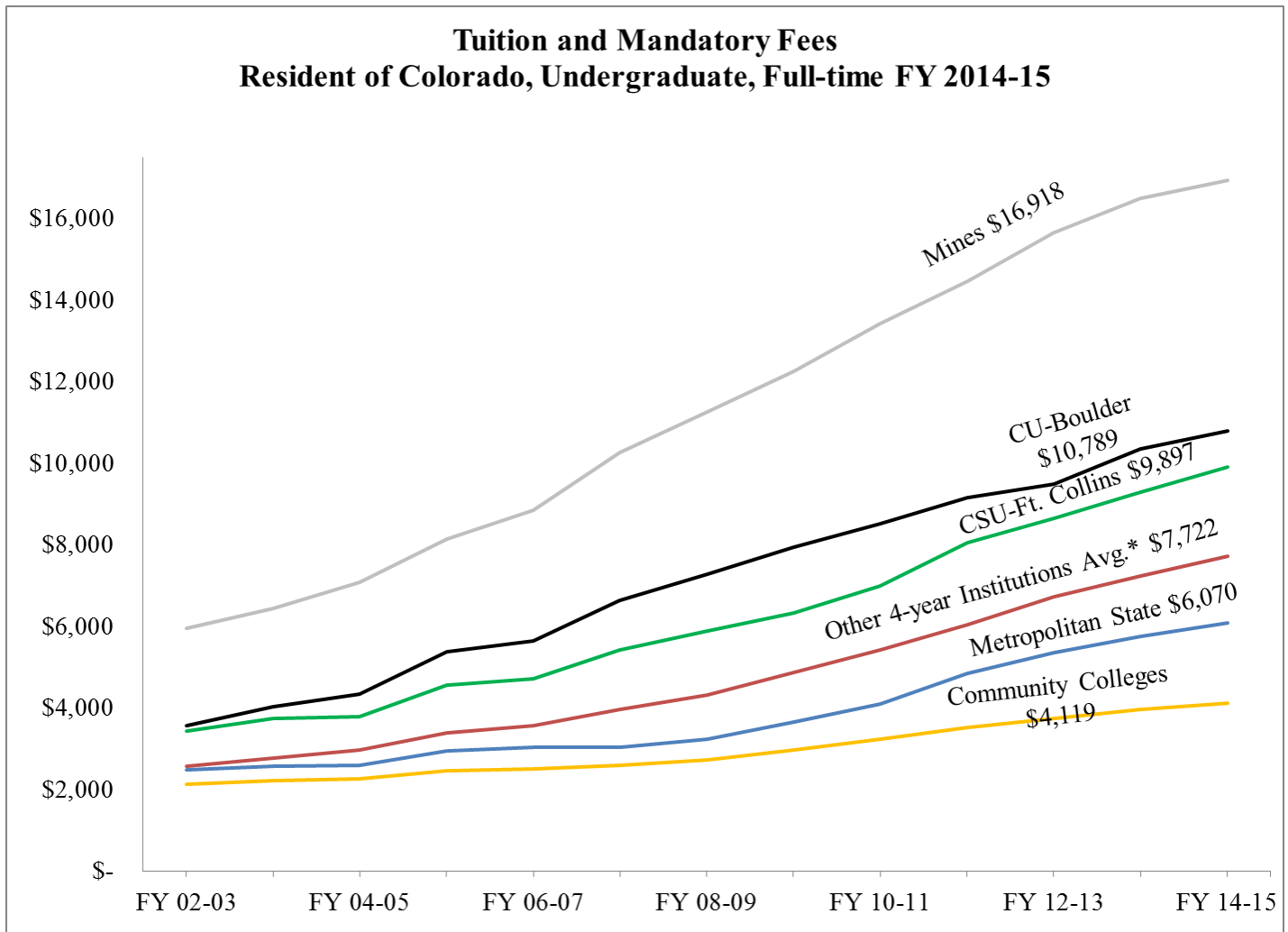
Public access to higher education is significantly influenced by tuition and fee rates: high rates may discourage participation or may result in high debt loads for those who do participate. Nonetheless, Colorado and other states have often used tuition increases to substitute for higher education General Fund support due to the multiple demands on state General Fund revenue.

The General Assembly has provided more flexibility for institutions to increase tuition revenue in times of state General Fund cuts and has restricted tuition growth when more state revenue is available for higher education.

- Prior to FY 2011-12, the General Assembly appropriated tuition revenue to the institutions and set forth its assumptions about tuition increases in a Long Bill footnote.
- Senate Bill 10-003 temporarily delegated tuition authority to higher education governing boards from FY 2011-12 through FY 2015-16 (five years).
- From FY 2011-12 through FY 2013-14, governing boards could increase resident undergraduate tuition rates up to 9.0 percent per year, and could submit a plan to ensure access and affordable tuition for low- and middle-income students to the Commission for permission to implement larger rate increases.

- For FY 2014-15 and FY 2015-16, the General Assembly paired increases in state funding with a 6.0 percent “hard” cap on undergraduate resident tuition increases through S.B. 14-001 (College Affordability Act).
- Beginning in FY 2016-17, the responsibility to set tuition spending authority reverts to the General Assembly for all institutions except the Colorado School of Mines [Section 23-5-129 (10), C.R.S.], and the tuition increases used to derive the total spending authority for each governing board will be detailed in a footnote to the Long Bill [Section 23-18-202 (3) (b), C.R.S.].

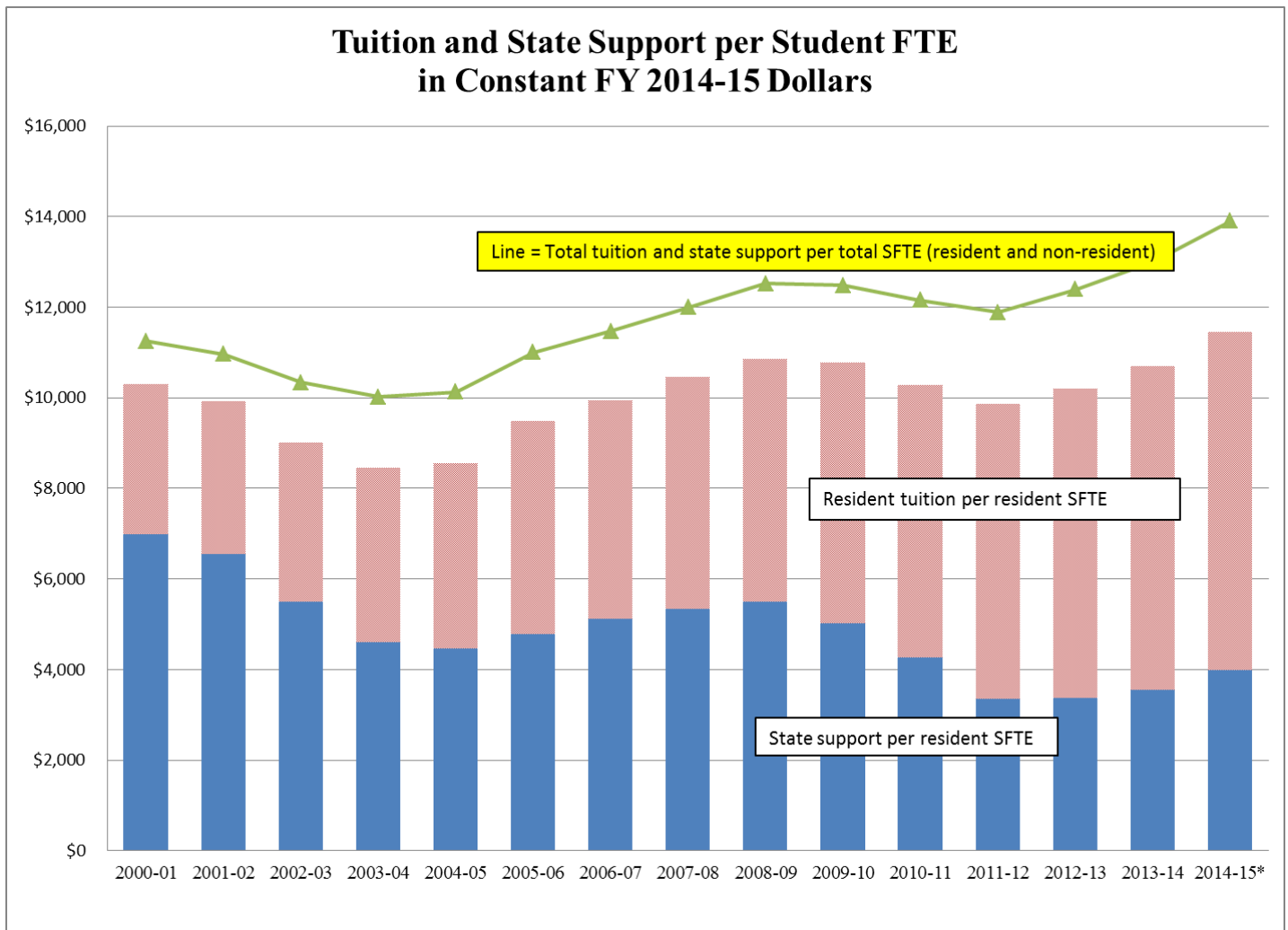
The chart below shows rates through FY 2014-15. All rates are for students who are full-time (30 credit hours per year), beginning their studies, Colorado resident, undergraduate, and taking liberal arts and sciences courses.



*CSU-Pueblo, Fort Lewis College, University of Northern Colorado, Adams State University, Colorado Mesa University, Western State Colorado University

Most, but not all, tuition increases in recent years are explained by declines in state support per student FTE. The following chart shows the change in General Fund and tuition revenue to the institutions per student since FY 2000-01 after adjusting for inflation (years prior to FY 2014-15 are reflected in FY 2014-15 dollars, based on the Denver-Boulder-Greeley consumer price index/CPI). Fiscal year 2014-15 amounts are based on Legislative Council Staff projections.

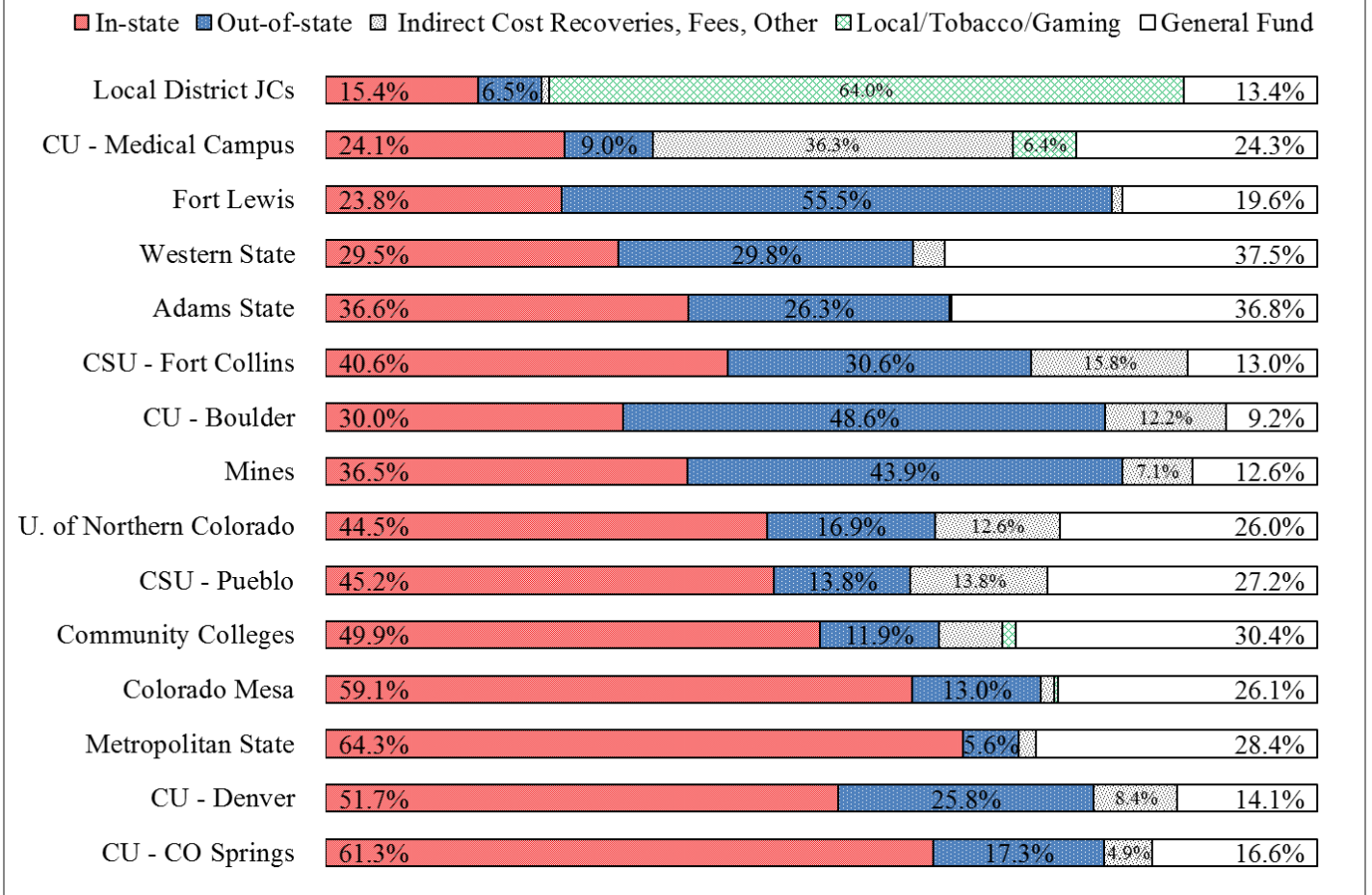
- The share of costs covered by the *resident* student—as opposed to the General Fund—has changed substantially, as reflected by the bars on the chart. In FY 2000-01, the General Fund provided about two-thirds of the revenue per resident student; for FY 2014-15, it is expected to provide 34.9 percent.
- Revenue to the institutions per resident student (bars on the chart; combination of General Fund and resident tuition revenue) is projected to increase 11.1 percent from FY 2000-01 to FY 2014-15, after adjusting for inflation, but has not grown as quickly or consistently as total revenue.
- When non-resident students and related revenue are included, overall revenue to the institutions per student (the line on the chart) has increased far more rapidly than CPI inflation: per-student revenue is projected to increase 23.6 percent from FY 2000-01 to FY 2014-15 after adjusting for inflation. This revenue, however, is not equally distributed across institutions.



*FY 2014-15 tuition revenue and student FTE reflect Legislative Council Staff projections.

Institutions have different abilities to bring in out-of-state student tuition revenue or to raise tuition above that of other institutions based upon their individual missions and the populations they serve. The chart below compares the revenue mix at various state institutions for educational expenditures reported to the General Assembly in FY 2013-14. Note that this excludes revenue and expenditures for research grants and auxiliary facilities such as dormitories and dining halls.

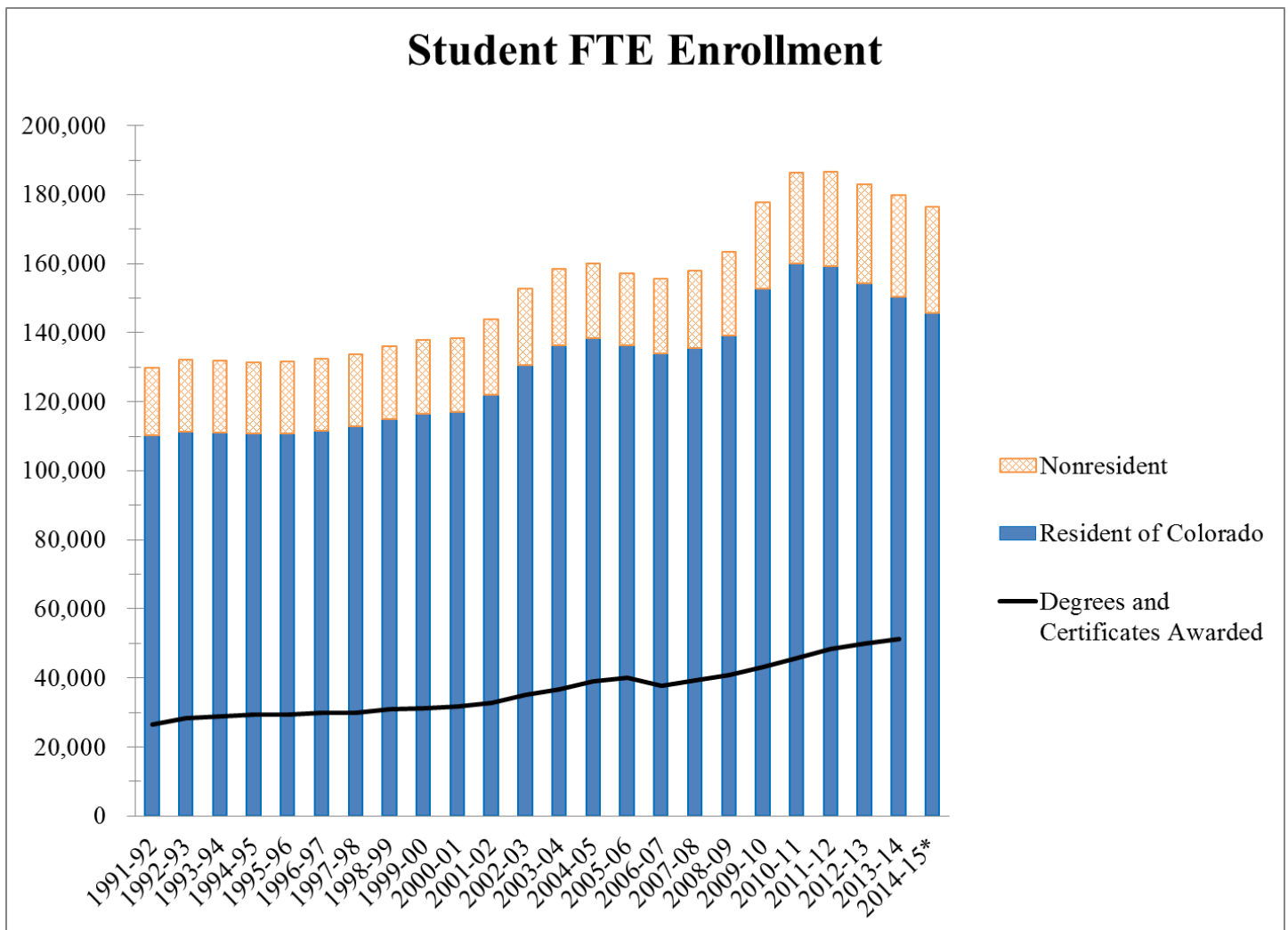
Proportion of Funding from Students vs the State FY 2013-14



Enrollment

Enrollment is both a workload and performance measure for campuses, and it affects tuition and fee revenue. For some institutions, nonresident enrollment is important because nonresident tuition helps subsidize resident education. Increases in enrollment also drive costs for faculty, advising, and general operating.

Enrollment tends to be counter-cyclical: when the economy slows, higher education enrollment grows more rapidly. The following chart reports student FTE since FY 1991-92 (excluding Local District Junior College and Area Vocational School data). Thirty credit hours in a year equals one full-time-equivalent student. The chart also includes a trend line for degrees awarded through the most recent year of data (FY 2013-14). This is an unduplicated count of graduates. The chart reflects relatively modest enrollment growth in the 1990's and significant growth in the 2000's, correlating (inversely) with the economic circumstances of the state during those time frames. As the economy began to improve in FY 2012-13, resident enrollment began to decline, particularly at two-year institutions. Although enrollment is projected to continue to fall in FY 2014-15 and FY 2015-16, overall enrollment levels are unlikely to decline to pre-recession levels.



*Legislative Council Staff February 2015 forecast.

Personnel

Higher education governing boards are allowed by statute to determine the number of employees they need, but the Long Bill reflects estimates provided by the governing boards of the numbers of employees at their institutions. In FY 2014-15, the institutions employ an estimated 22,022.7 FTE, excluding employees of self-supporting auxiliary programs such as food services, book stores, or housing.

Of the amount state-operated institutions spend on education, approximately two-thirds is spent on salaries and benefits, and most of this is spent on instructional faculty. Some higher education FTE such as administrative support and maintenance staff are classified staff for whom salaries and benefits are defined by the state personnel system and the policies of the General Assembly. However, the majority of FTE and personal services expenditures are for exempt staff such as faculty for whom governing boards have control of compensation. Four-year institutions that employ tenure-track faculty in high-demand fields may need to offer compensation to professors competitive with peer institutions in other states and, in some cases, the private sector. This is a significant cost driver at some institutions. However, four-year institutions have increasingly relied on less-expensive adjunct faculty to limit associated cost increases. At two year institutions, the vast majority of staff are adjunct faculty who carry part-time teaching loads and receive modest compensation.

College Opportunity Fund and the Higher Education Funding Model

Pursuant to the provisions of H.B. 14-1319 (Outcomes-based Funding for Higher Education), Colorado adopted a new model for allocating funds among the higher education governing boards in FY 2015-16. The new model includes three major components:

- funding for institutional roles and missions;
- funding for institutional outcomes (such as numbers of graduates); and
- funding provided per resident undergraduate student (student stipends).

The new model refines and restructures the funding system first adopted during the 2004 legislative session through S.B. 04-189. The new model still distributes higher education funding through two mechanisms: student stipends and fee-for-service contracts. Funding for stipends for resident undergraduates is appropriated into a fund that pays each institution a stipend for each eligible resident undergraduate student. The balance of the appropriation is used for fee-for-service contracts between the Commission and the governing boards to address services that are not accounted for in the student stipends. The sum of stipends and fee-for-service contracts is the state General Fund support provided to each institution for their operations.

The fee-for-service portion of the model under H.B. 14-1319 is different from prior years. Under the new model, the fee-for-service contract components now explicitly address: funding for specialty education programs (such as medical and veterinary schools), payments for student outcomes (such as degrees), and payments for costs associated with maintaining institutional roles and missions (such as serving low-income students or operating small rural programs). The Colorado Commission on Higher Education developed an initial version of the model which was used for the FY 2015-16 budget submission. The General Assembly used the model, with some adjustments to the original submission, to set FY 2015-16 budget allocations for the governing boards. Details of the model will likely be adjusted further for FY 2016-17.

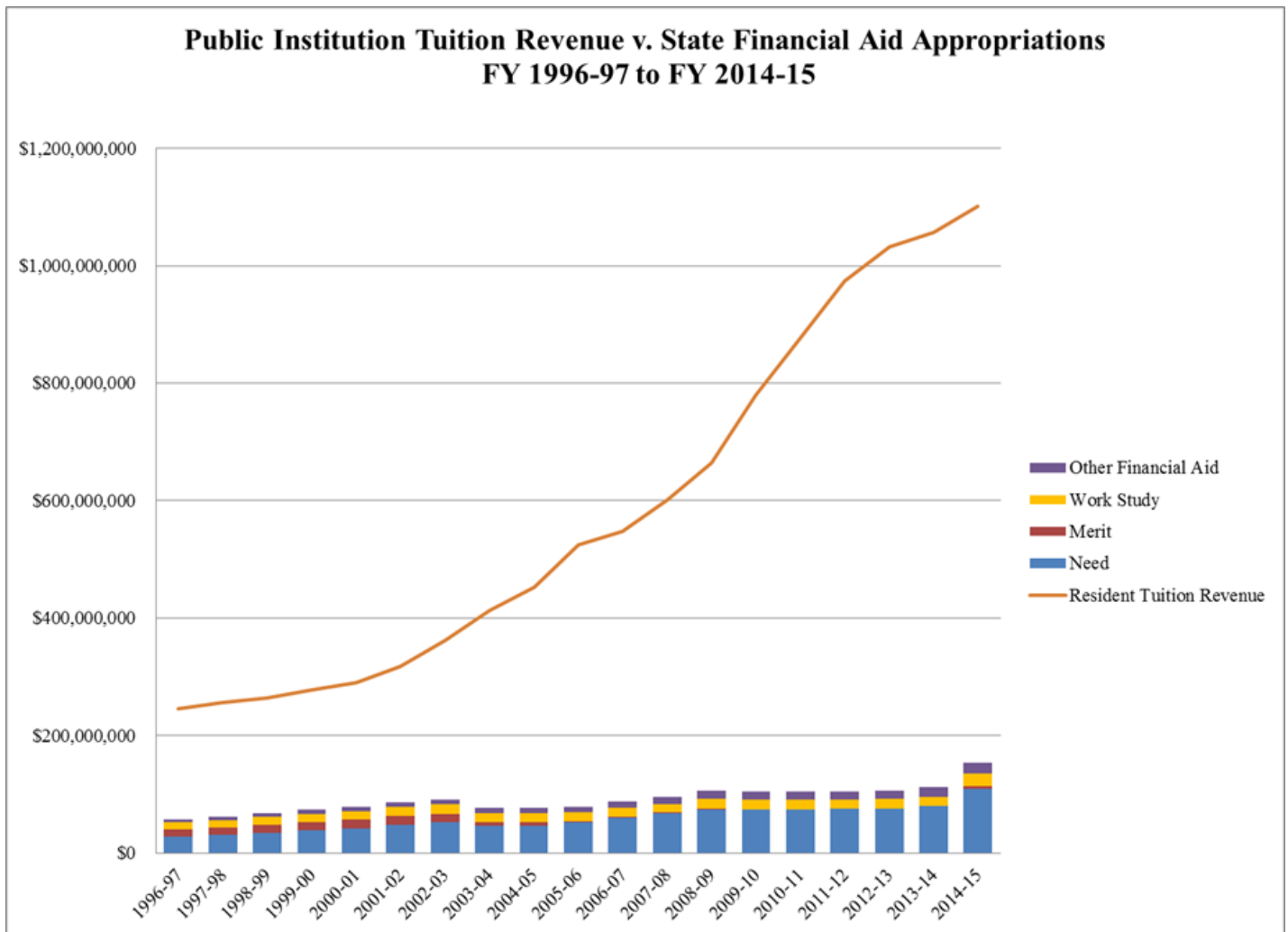
One benefit of both S.B. 04-189 and H.B. 14-1319 is that they have enabled the State to designate qualifying state higher education institutions as enterprises under Article X, Section 20 of the Colorado Constitution (TABOR). Revenue, such as tuition, that is generated by enterprises is exempt from the limits imposed by TABOR and has no impact on any refund that may be due pursuant to TABOR. To achieve enterprise status under TABOR, a program must: (1) be a government-owned business; (2) have authority to issue revenue bonds; and (3) receive less than 10 percent of annual revenue from state and local grants. Stipends and fee-for-service contracts are defined in statute as different from a state grant. All of the institutions have been designated as TABOR enterprises.

Financial Aid

Of the state General Fund appropriations for higher education in FY 2015-16, \$174.1 million (20.3 percent) is for financial aid. The majority of the money goes for need-based aid and work study. A small appropriation for merit-based grants was restored in FY 2014-15 and continued in FY 2015-16, and there are a number of smaller, special purpose financial aid programs. These include the Colorado Opportunity Scholarship Initiative, added in FY 2014-15, to fund services, supports, and scholarships for high achieving low income students in collaboration with private funders and agencies.

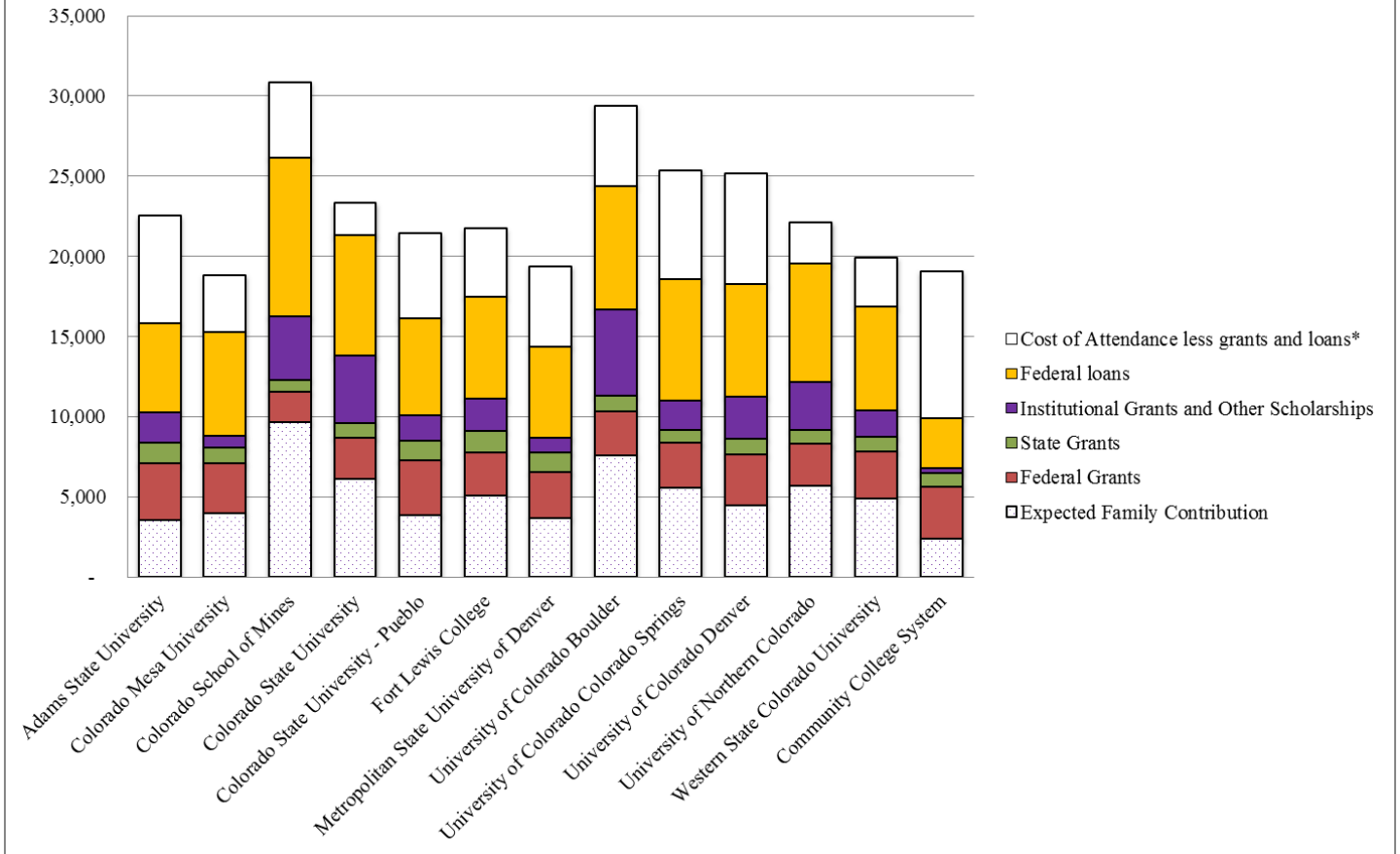
For most of the financial aid programs, the General Assembly appropriates financial aid funds to the Colorado Commission on Higher Education, which allocates them to institutions, including to some private institutions, based on formulas that consider financial need at the schools, total student enrollment, student retention, and program eligibility criteria. A total of 68,382 students received state-supported financial aid in FY 2013-14.

For FY 2014-15, the General Assembly provided a 37.0 percent increase in financial aid, and for FY 2015-16 it provided a 14.0 percent increase. These increases will have a significant impact for some students, although the overall demand for aid will still far outstrip available funding, as suggested by the chart below.



Most sources of student financial aid are not reflected in the state budget. However, even when these other funding sources are included, financial aid support is far less than the cost of higher education. The following chart compares grants and loans awarded in FY 2013-14 to full-time resident undergraduate students with financial need (calculated based on federal formulas) and the average cost of attendance for a resident student at each governing board. Of the funding sources shown, only state grants are reflected in the state budget.

Average Student Grants, Federal Student Loans, and Unmet Need by Institution for Full-time Resident Undergraduate Students Qualifying for Financial Aid FY 2013-14



*This shortfall may be addressed by the student by reducing their out-of-pocket costs, e.g., by living with family or in less expensive accommodation than the cost of attendance formula calculates, by additional earned income or savings, or by private unsubsidized loans taken out by the student or family.

- As reflected in the chart, state grants represent only one relatively small component of financial aid. The average state need-based aid grant was \$1,324 in FY 2013-14
- The largest source of need-based aid is the federal government, which provides student grants that are not reflected in the state budget. The federal Pell grant program provided up to up to \$5,730 per eligible student in FY 2014-15. The families of dependent students receiving a full Pell had an average adjusted gross income of \$17,139 while the average for students receiving any Pell award was \$29,520. In FY 2013-14, 34.7% of Colorado resident student FTE (60,641 FTE) received a Pell grant.
- Students may also receive grants from the higher education institutions they attend. Some institutions make significant funds available from their operating budgets and donated funds, based on moneys available and the number of students who qualify for institutional aid. About one-third of institutional aid is used for need-based aid, primarily for resident students, and this is reflected in the chart above.
- The calculated “Cost of Attendance” is far greater than just tuition and academic fees. It includes expenses related to room, board, transportation, and learning materials, in addition to tuition. Depending on the

institution, these other costs of attendance may dwarf the price of tuition. As shown, the total cost of attendance for a resident student in FY 2013-14, including room and board and fees, ranged from just over \$17,000 at some rural community colleges to over \$30,000 at the Colorado School of Mines.

- In order to fill the gap between cost of attendance and available grant funds, students typically rely heavily on student loans. In addition to grant funds, the federal government provides guaranteed loans and tax credits and deductions for tuition.
 - Seventy percent of students completing a bachelor’s degree from a public institution graduated with debt in FY 2013-14, and the average federal student loan debt at graduation was \$26,057.
 - Sixty-five percent of students completing an associate’s degree from a public institution graduated with debt in FY 2013-14, and the average student loan debt at graduation was \$14,344.
 - There is a substantial gap between the calculated cost of attendance for students with need and known sources of student support. A portion of this gap may be filled with additional unsubsidized student or family loans which are not included in these figures.

Appropriation Highlights – 2015 Legislative Session

Department of Higher Education						
	Total Funds	General Fund ¹	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$3,282,561,278	\$659,765,586	\$2,023,919,592	\$576,442,493	\$22,433,607	23,452.2
SB 14-001	157,876,365	100,162,480	0	57,713,885	0	0.0
SB 14-211	500,000	250,000	0	250,000	0	0.0
HB 14-1319	804,986	804,986	0	0	0	3.0
HB 14-1384	1,000,000	1,000,000	0	0	0	0.0
SB 15-148	131,276	99,473	34,346	0	(2,543)	0.0
SB 15-234	<u>24,702,343</u>	<u>0</u>	<u>24,702,343</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$3,467,576,248	\$762,082,525	\$2,048,656,281	\$634,406,378	\$22,431,064	23,455.2
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$3,467,576,248	\$762,082,525	\$2,048,656,281	\$634,406,378	\$22,431,064	23,455.2
Increase for public colleges and universities	130,613,033	66,572,842	0	64,040,191	0	0.0
Tuition and fee adjustments	96,189,900	0	96,189,900	0	0	0.0
Move lease purchase payments to operating budget	17,411,772	7,204,931	10,206,841	0	0	0.0
Increase need based financial aid	15,223,943	15,223,943	0	0	0	0.0
Colorado Opportunity Scholarship Initiative	4,000,000	4,000,000	0	0	0	0.0
Colorado First/Existing Industry Job Training	1,774,978	0	0	1,774,978	0	0.0
Fort Lewis Native American Tuition Waiver	1,315,637	1,315,637	0	0	0	0.0
Centrally appropriated line items	930,774	167,226	611,724	32,239	119,585	0.0

Department of Higher Education						
	Total Funds	General Fund¹	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Auraria Higher Education Center adjustment	579,000	0	0	579,000	0	0.0
Alzheimer's disease center	500,000	250,000	0	250,000	0	0.0
Gaming cities Historical Fund revenue	500,000	0	500,000	0	0	0.0
Career and technical education	452,860	0	0	452,860	0	0.0
Department data and research personnel	190,268	164,000	0	26,268	0	0.0
Geologic Hazard Mitigation FTE	105,494	105,494	0	0	0	1.0
Public colleges gaming revenue adjustment	75,233	0	75,233	0	0	0.0
Purchase Tableau software	40,000	40,000	0	0	0	0.0
Indirect cost and fund source adjustments	0	293,171	54,499	(347,670)	0	0.0
FTE adjustment	0	0	0	0	0	400.0
History Colorado reorganization	0	0	0	0	0	0.0
Break-out line items	0	0	0	0	0	0.0
General Fund Exempt adjustment	0	0	0	0	0	0.0
History Colorado budget reductions	(4,520,510)	0	(4,520,510)	0	0	0.0
Tobacco Master Settlement revenue adjustment	(847,125)	0	(847,125)	0	0	0.0
Annualize prior year actions	(319,915)	(547,966)	(70,660)	302,491	(3,780)	0.0
Federal funds adjustment	(52,318)	0	0	0	(52,318)	0.0
SB 15-234	\$3,731,739,272	\$856,871,803	\$2,150,856,183	\$701,516,735	\$22,494,551	23,856.2
SB 15-186	(13,349)	0	(13,349)	0	0	0.0
HB 15-1270	7,232	7,232	0	0	0	0.1
HB 15-1274	373,920	86,960	0	286,960	0	0.0
HB 15-1275	<u>450,000</u>	<u>450,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$3,732,557,075	\$857,415,995	\$2,150,842,834	\$701,803,695	\$22,494,551	23,856.3
Increase/(Decrease)	\$264,980,827	\$95,333,470	\$102,186,553	\$67,397,317	\$63,487	401.1
Percentage Change	7.6%	12.5%	5.0%	10.6%	0.3%	1.7%

¹ Includes General Fund and General Fund Exempt.

FY 2014-15 Appropriation - Mid-year Adjustments

Senate Bill 15-148 modifies FY 2014-15 appropriations for the CORE accounting system, payments to the Governor's Office of Information Technology, and administrative law judge services. Senate Bill 15-234 adjusts higher education tuition and fee revenue estimates and modifies the portion of General Fund designated as General Fund Exempt, reducing the General Fund appropriation by \$102.3 million and increasing the General Fund Exempt appropriation by the same amount.

FY 2015-16 Appropriation Highlights

Increase for public colleges and universities: The appropriation includes an increase of \$66.6 million General Fund (11.0 percent), reappropriated to the governing boards, for public institutions of higher education allocated through the new funding model authorized pursuant to H.B. 14-1319. All state governing boards receive increases of at least 10.0 percent, and some receive more. The appropriation restores state funding for the governing boards to about \$34 million short of the FY 2008-09 peak of \$706 million. The chart below shows the allocation of the funding by governing board.

Department of Higher Education General Fund Appropriations Increases by Governing Board FY 2014-15 to FY 2015-16				
Governing Boards/Institutions	FY 2014-15	FY 2015-16	Amount Change	Percentage Change
Adams State University	\$12,837,288	\$14,121,017	\$1,283,729	10.0%
Colorado Mesa University	22,027,251	24,465,356	2,438,105	11.1%
Metropolitan State University	43,681,193	50,153,399	6,472,206	14.8%
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Ft. Lewis College	10,594,604	11,822,422	1,227,818	11.6%
University of Colorado System*	167,097,810	184,365,667	17,267,857	10.3%
Colorado School of Mines	18,669,456	20,547,328	1,877,872	10.1%
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Colorado Mountain College	6,435,286	7,143,039	707,753	11.0%
Aims Community College	7,609,305	8,446,176	836,871	11.0%
Area Vocational Schools	<u>8,983,694</u>	<u>9,971,721</u>	<u>988,027</u>	11.0%
Subtotal - Governing Boards/Institutions*	\$605,322,769	\$671,895,611	\$66,572,842	11.0%

*FY 2015-16 excludes increase for Alzheimer's Research Center, which is reflected separately below.

Of the total allocations to the governing boards:

- \$294,582,047 is for student stipends for an estimated 130,925 student FTE attending state higher education institutions. The stipend rate (\$2,250 per student FTE) and estimated number of students is the same as the figures used for FY 2014-15 appropriations.
- \$351,752,627 is for fee-for-service contracts with state institutions and includes:
 - \$143,428,824 to support institutional roles and missions. This includes funding based on credit hours provided by each institution that are weighted based on the relative costs of providing various types of classes, funding for Pell-eligible resident students served, a “tuition stability factor” designed to address issues such the excess costs at small rural institutions, and amounts to ensure no institution receives less than a 10.0 percent increase for the first year of the new model);
 - \$115,883,797 for specialty education programs (the medical school at the University of Colorado and the veterinary school and agricultural extension programs at Colorado State University); and
 - \$92,440,006 for institutional outcomes (degrees and certificates awarded and degrees and certificates awarded per enrolled FTE, weighted depending upon the type of degree, whether the

degree/certificate is awarded to a Pell-eligible student, and whether it is in a science or technology field).

- \$25,560,936 is for grant funds allocated to the local district junior colleges (Aims Community College and Colorado Mountain College) and the area vocational schools (Emily Griffith, Pickens, and Delta Montrose Technical Colleges). These local district junior colleges and area vocational schools are public, but not state, institutions.

Tuition and fee adjustments: The appropriation incorporates projected tuition and fee revenue for each state governing board, based on the Legislative Council Staff projection (for tuition) and institutional projections (for fee revenue). The table below summarizes the actual, estimated, and projected tuition and fee growth by governing board. Consistent with the provisions of S.B. 14-001, undergraduate resident tuition increases are capped at 6.0 percent for FY 2014-15 and FY 2015-16. The amounts below include nonresident and graduate tuition and fees, which are not capped, in addition to resident undergraduate tuition and fees. Tuition and fee revenue is shown for informational purposes only for FY 2014-15 and FY 2015-16.

Department of Higher Education Tuition and Fee Increases by Governing Board				
FY 2014-15 to FY 2015-16				
Governing Boards/Institutions	FY 2014-15	FY 2015-16	Amount Change	Percentage Change
Adams State University	\$23,535,869	\$25,154,850	\$1,618,981	6.9%
Colorado Mesa University	55,336,694	59,046,777	3,710,083	6.7%
Metropolitan State University	110,465,887	115,132,310	4,666,423	4.2%
Western State Colorado University	18,758,792	20,130,291	1,371,499	7.3%
Colorado State University System	374,852,131	395,430,996	20,578,865	5.5%
Ft. Lewis College	39,957,973	41,587,403	1,629,430	4.1%
University of Colorado System	901,973,703	951,421,217	49,447,514	5.5%
Colorado School of Mines	115,590,498	122,489,777	6,899,279	6.0%
University of Northern Colorado	85,485,172	87,700,778	2,215,606	2.6%
Community College System	<u>267,283,087</u>	<u>271,335,307</u>	<u>4,052,220</u>	1.5%
Subtotal - Governing Boards/Institutions	\$1,993,239,806	\$2,089,429,707	\$96,189,900	4.8%

Move lease purchase payments to operating budget: The appropriation moves lease purchase payment (certificates of participation) amounts that were previously appropriated in the capital construction section of the Long Bill into the operating budget.

Increase need based financial aid: The appropriation includes an increase of \$15.2 million General Fund to comply with Section 23-3.3-103, C.R.S., which requires increases in annual appropriations for student financial assistance at least consistent with increases for the governing boards. The total FY 2015-16 appropriation for all financial aid programs is \$153.1 million.

Colorado Opportunity Scholarship Initiative: The appropriation includes an increase of \$4.0 million General Fund (and total funding of \$5.0 million General Fund) for the Colorado Opportunity Scholarship Initiative Fund (COSI) so that this initiative continues to provide grants at the same level as in FY 2014-15. The grants are for programs that assist students who might not otherwise pursue or be successful in college.

Colorado First/Existing Industry Job Training: The appropriation includes an increase of \$1.8 million reappropriated funds for the Colorado First/Existing Industry Job Training program from funds transferred from the Governor's Office. The total FY 2015-16 appropriation for this program, which provides job training services to attract and retain industries in Colorado, is \$4.5 million.

Fort Lewis Native American Tuition Waiver: The appropriation includes an increase of \$1.3 million General Fund for the Fort Lewis College Native American tuition waiver. This increase is mandated by Section 23-52-105 (1) (b) (I), C.R.S., which requires the General Assembly to fund 100 percent of the tuition obligations for qualifying Native American students attending Fort Lewis College. The total appropriation for this program for FY 2015-16 is \$16.2 million General Fund.

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; short-term disability; supplemental state contributions to the Public Employees Retirement Association (PERA) pension fund; salary survey; merit pay; workers compensation; administrative law judges; payment to risk management and property funds; payments to OIT; CORE operations and leased space. Centrally appropriated line items in this department support the operations of the Colorado Commission on Higher Education, Department of Higher Education central offices, the Colorado Geological Survey at the Colorado School of Mines, and History Colorado but do not fund the higher education institutions.

Auraria Higher Education Center adjustment: The appropriation increases spending authority for the Auraria Higher Education Center (AHEC) for moneys received for operating costs from the three institutions that share the AHEC campus: the University of Colorado at Denver, Metropolitan State University of Denver, and the Community College of Denver.

Alzheimer's disease center: The appropriation includes an increase of \$250,000 General Fund for the new Alzheimer's disease center at the University of Colorado Health Sciences Center, bringing the total state contribution to \$500,000.

Gaming cities Historical Fund revenue: The appropriation includes an increase of \$500,000 cash funds for current projections of limited gaming revenues distributed to gaming cities for historic preservation, consistent with state constitutional requirements.

Career and technical education: The appropriation increases funding for career and technical education based on moneys transferred from the Department of Education.

Department data and research personnel: The appropriation adds funds to ensure consistent support for the Department's data and research unit.

Geologic Hazard Mitigation FTE: The appropriation adds \$105,494 General Fund and 1.0 FTE for geologic hazard mapping at the Colorado Geological Survey.

Public colleges gaming revenue adjustment: The appropriation adjusts amounts shown for informational purposes based on the FY 2013-14 actual gaming revenue received by two-year institutions from gaming revenue authorized pursuant to 2008 amendment 50 to the state constitution, a total of \$5,874,216.

Purchase Tableau software: The appropriation adds \$40,000 General Fund to enable the Department to purchase the Tableau software used to operate the funding allocation model pursuant to H.B. 14-1319. This is a one-time amount that will annualize to \$6,000 in future years.

Indirect cost and fund source adjustments: The appropriation includes a decrease in reappropriated funds, offset by an increase in General Fund and cash funds. Reappropriated funds (indirect cost collections) are typically applied to centrally appropriated line items and Department staff costs. However, because growth in these line items is greater than increases in indirect costs collected (which remain largely flat for FY 2015-16 at \$5,080,030), General Fund is required to make up the shortfall.

FTE adjustment: The appropriation adjusts employee FTE shown in the Long Bill for each governing board to reflect the most recent estimates available (estimates for FY 2014-15 are included in the FY 2015-16 Long Bill), reflecting a net increase of 400.0 FTE. FTE figures are shown for informational purposes only.

Full Time Equivalent (FTE) Employees				
	FY 2014-15	FY 2015-16	Change	Percent
Adams State University	327.1	330.0	2.9	0.9%
Colorado Mesa University	657.9	695.3	37.4	5.7%
Metropolitan State University of Denver	1,347.6	1,362.6	15.0	1.1%
Western State Colorado University	234.8	241.4	6.6	2.8%
Colorado State University System	4,324.7	4,587.2	262.5	6.1%
Ft. Lewis College	392.1	415.0	22.9	5.8%
University of Colorado System	7,402.3	7,825.2	422.9	5.7%
Colorado School of Mines	848.6	878.5	29.9	3.5%
University of Northern Colorado	1,247.1	1,141.9	(105.2)	-8.4%
Community College System	6,240.5	5,935.4	(305.1)	-4.9%
Auraria Higher Education Campus	177.8	188.0	10.2	5.8%
TOTAL	23,200.5	23,600.5	400.0	1.72%

History Colorado reorganization: The appropriation includes a reorganization of the History Colorado section of the Long Bill. This change has no net fiscal impact.

Break-out line items: The appropriation includes adjustments to break-out fee-for-service appropriations provided for higher education specialty education programs (such as the medical and veterinary schools) and to separate line items for Colorado Mountain College and Aims Community College to align the appropriation structure with the requirements of Sections 23-18-303 and 304, C.R.S.

General Fund Exempt adjustment: The appropriation reduces General Fund appropriations by \$35.0 million and increases General Fund Exempt appropriations by the same amount.

History Colorado budget reductions: The appropriation reduces spending authority for limited gaming funds deposited to the State Historical Fund, as well as amounts shown for informational purposes from the same source. There is insufficient revenue to support the previous level of appropriations. The reductions include \$695,408 from line items that support the operation of History Colorado museums and facilities, including cuts of 11.5 percent from this fund source in most operating line items. The appropriation also includes a reduction of \$3,825,102 for State Historical Fund statewide preservation grants to better reflect funds anticipated to be

available for new grants in FY 2015-16. Amounts for grants (unlike museum and administrative costs) are continuously appropriated and shown for informational purposes only.

Tobacco Master Settlement revenue adjustment: The appropriation includes a reduction based on the Legislative Council FY 2015-16 Tobacco Master Settlement revenue projection. The total appropriation from this source, which is allocated to the University of Colorado Health Sciences Center, is \$12,500,677 for FY 2015-16.

Annualize prior year actions: The appropriation includes a number of changes to the out-year impact of funding decisions made through the FY 2014-15 Long Bill and new legislation reflected in the table below.

Annualize prior year actions					
	Total	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
S.B. 14-175 (Prosecution Fellowship Program)	\$356,496	\$356,496	\$0	\$0	\$0
H.B. 14-1319 (Outcomes-based Funding)	(498,820)	(804,984)	0	306,169	0
FY 14-15 supplementals for CORE accounting system, Payments to OIT, and administrative law judge services	(131,276)	(99,473)	(34,346)	0	2,543
FY 14-15 salary survey and merit pay	(31,315)	0	(21,314)	(3,678)	(6,323)
FY 13-14 HCl Cumbres and Toltec Railroad	(15,000)	0	(15,000)	0	0
Total	(\$319,915)	(\$547,961)	(\$70,660)	\$302,491	(\$3,780)

Federal funds adjustment: The appropriation adjusts federal amounts shown for informational purposes.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of Part III of this department.

DEPARTMENT OF HUMAN SERVICES

The Department of Human Services is responsible for the administration and supervision of all non-medical public assistance and welfare activities of the State, including assistance payments, the Supplemental Nutrition Assistance Program (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 persons with developmental disabilities, and ten institutions for juvenile delinquents. The Department also provides funding for the care of indigent mentally ill people, contracts with community centered boards for services for children qualifying for early intervention services, and contracts for the supervision and treatment of delinquent juveniles.

Department Budget: Recent Appropriations

Funding Source	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
General Fund	\$645,580,781	\$719,139,332	\$790,048,884	\$811,905,208
Cash Funds	340,677,547	359,967,114	346,379,985	348,624,954
Reappropriated Funds	485,925,073	497,587,819	128,339,086	131,723,226
Federal Funds	<u>615,983,428</u>	<u>612,167,352</u>	<u>619,824,287</u>	<u>622,405,770</u>
Total Funds	\$2,088,166,829	\$2,188,861,617	\$1,884,592,242	\$1,914,659,158
Full Time Equiv. Staff	4,872.8	4,879.0	4,961.2	4,970.9

General Factors Driving the Budget

Funding for this department consists of 42.4 percent General Fund, 18.2 percent cash funds, 6.9 percent reappropriated funds, and 32.5 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

Centrally Appropriated Costs

Consistent with statewide policy, the Department of Human Services receives appropriations for centrally appropriated costs including health, life, and dental benefits, and the Public Employees' Retirement Association (PERA) pension fund contributions, as well as salary survey and merit pay increases. Funding for these costs is particularly significant for the Department of Human Services, due to the large number of employees. Many of these employees work in 24-hour institutional facilities such as the mental health institutes, regional centers for people with developmental disabilities, and youth corrections facilities. Employee benefits typically drive major annual funding increases, although this growth has been limited in recent years by statewide revenue restrictions. The following table compares the FY 2014-15 centrally appropriated costs with the FY 2015-16 centrally appropriated costs.

Summary of Centrally Appropriated Costs for the Department of Human Services					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds*	Federal Funds
FY 2014-15 Appropriation					
Health, Life, and Dental	\$29,878,414	\$16,716,310	\$656,675	\$8,651,612	\$3,853,817
Short-term Disability	483,061	309,283	9,749	91,502	72,527
AED	9,025,063	5,782,949	178,449	1,735,859	1,327,806
SAED	8,462,750	5,423,268	167,296	1,627,368	1,244,818
Salary Survey	5,906,568	3,771,885	120,276	1,126,556	887,851
Merit Pay	2,315,460	1,457,382	41,289	443,366	373,423
Shift Differential	<u>5,211,427</u>	<u>3,462,404</u>	<u>8,486</u>	<u>1,728,870</u>	<u>11,667</u>
FY 2014-15 Total	\$61,282,743	\$36,923,481	\$1,182,220	\$15,405,133	\$7,771,909
FY 2015-16 Appropriation					
Health, Life, and Dental	\$33,990,114	\$21,590,760	\$647,045	\$7,515,685	\$4,236,624
Short-term Disability	492,114	318,746	11,054	92,824	69,490
AED	10,152,863	6,585,233	222,977	1,941,356	1,403,297
SAED	9,797,755	6,351,748	215,376	1,875,174	1,355,457
Salary Survey	2,443,776	1,571,453	56,428	466,303	349,592
Merit Pay	2,380,606	1,494,087	51,234	467,204	368,081
Shift Differential	<u>5,311,304</u>	<u>3,590,643</u>	<u>0</u>	<u>1,720,661</u>	<u>0</u>
FY 2015-16 Total	\$64,568,532	\$41,502,670	\$1,204,114	\$14,079,207	\$7,782,541
Change	\$3,285,789	\$4,579,189	\$21,894	(\$1,325,926)	\$10,632

*The majority of reappropriated funds increases reflect an increase of Medicaid reappropriated funds which originate in the Department of Health Care Policy and Financing as a mix of General Fund and federal Medicaid funds.

AED = S.B. 04-257 Amortization Equalization Disbursement

SAED = S.B. 06-235 Supplemental Amortization Equalization Disbursement

Community Provider Rates

The Department contracts with community providers to provide services to eligible clients. To ensure that community provider arrangements are viable over the long term, the General Assembly has generally awarded annual inflationary increases, also known as cost of living adjustments (COLAs) for community provider programs. The following Department programs have typically received COLAs: County Administration, Child Welfare, Child Care, Mental Health Community Programs, Developmental Disability Services, Vocational Rehabilitation, and community programs in Youth Corrections. For FY 2015-16 the General Assembly approved a 1.7 percent provider rate increase. The following table summarizes the provider rate increases by division for FY 2015-16.

Summary of Community Provider Rate Increases by Division					
Division	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
Executive Director's Office	\$28,259	\$10,851	\$0	\$17,408	\$0
County Administration	942,511	328,748	174,463	0	439,300
Division of Child Welfare	6,816,349	3,771,262	1,231,066	254,042	1,559,979
Office of Early Childhood	1,881,897	524,164	222,765	83,550	1,051,418
Behavioral Health Services	1,876,953	1,728,281	11,467	137,205	0
People with Disabilities	47,338	47,338	0	0	0
Adult Assistance	236,792	108,022	75,111	0	53,659
Division of Youth Corrections	985,294	948,180	0	37,114	0
Total	\$12,815,393	\$7,466,846	\$1,714,872	\$529,319	\$3,104,356

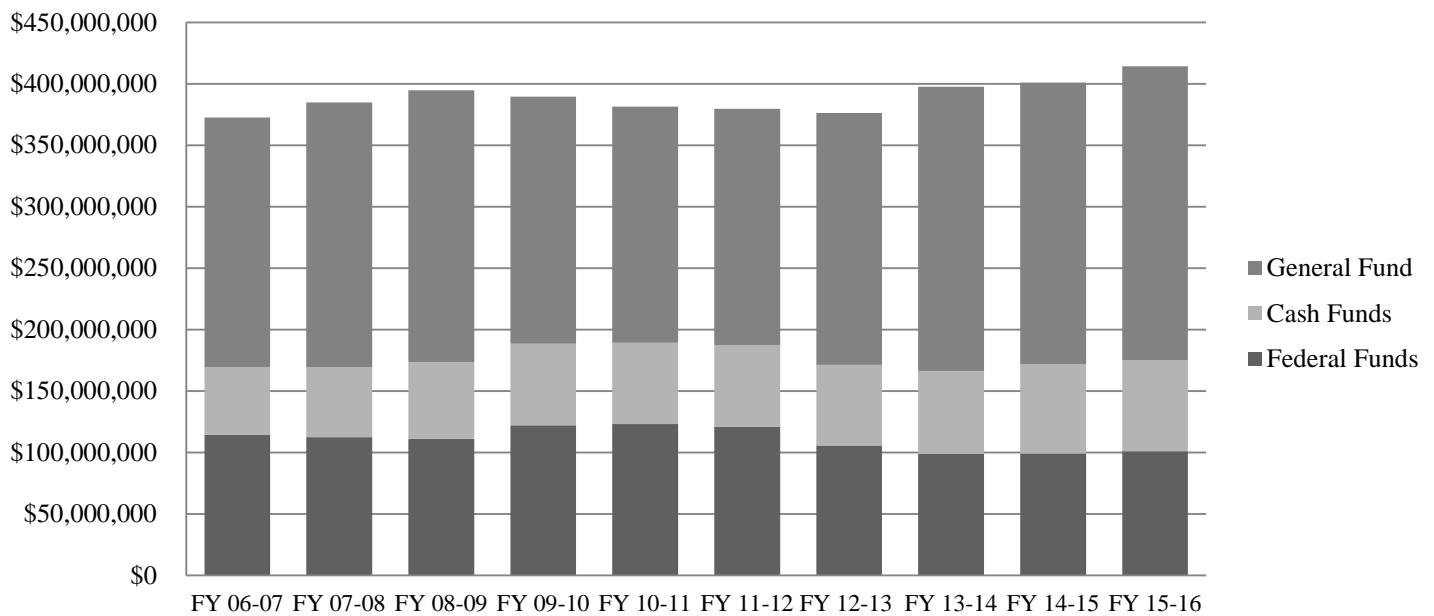
The following table lists the rate changes for community provider programs from FY 2007-08 through FY 2015-16.

Changes in Community Provider Rates									
	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16
Rate Change	1.50%	1.50%	0.00%	(2.00%)	0.00%	0.00%	2.00%	2.50%	1.70%

Child Welfare Services

County departments of human or social services receive and respond to reports of potential child abuse or neglect under the supervision of the Department. Appropriations for child welfare programs for FY 2015-16 total \$463.8 million and consist of 57.3 percent General Fund, 23.5 percent federal funds, and 19.2 percent county funds and various cash fund sources. The majority of funds appropriated for child welfare (over 89.3 percent) are made available to county departments as "block allocations" for the provision of child welfare services. In the 2015 Legislative Session, the Joint Budget Committee sponsored and the General Assembly adopted S.B. 15-242 in which \$6.1 million total funds, including \$5.4 million General Fund, was appropriated to the newly created County Level Child Welfare Staffing line item. Funding allocated to counties through this block grant may only be used to fund new county level child welfare staff positions. The chart below provides the history of appropriations for county block allocations (appropriations for Child Welfare Services, County Level Child Welfare Staffing, and Family and Children's Programs line items) by fund source.

Appropriations for Child Welfare County Block Allocations



Counties are required to provide a specific funding match for each of the block allocations. For the County Level Child Welfare Staffing block grant, counties are required to cover 10.0 percent of the costs associated with hiring newly created child welfare case aide, case worker, and supervisor positions. For block allocations provided through the Child Welfare Services and Family and Children’s Programs line items, counties are required to cover 20.0 percent of most child welfare costs. If counties spend more than the capped allocations, they are responsible for covering any shortfall with other funds, which may include federal Temporary Assistance for Needy Families (TANF) block grant funds or county tax revenue.

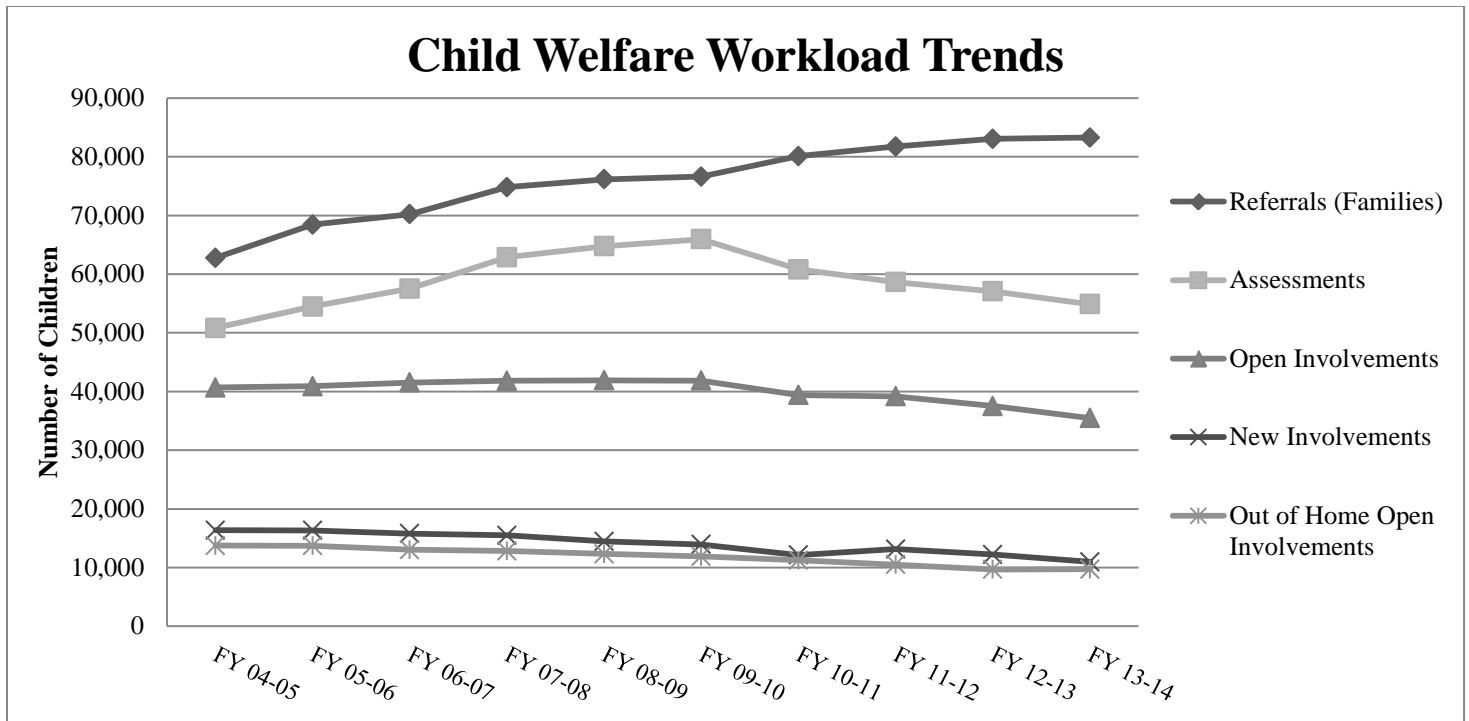
Counties have been able to decrease spending for child welfare services because they have considerable control over their child welfare expenditures. Over the last several years, counties have made significant changes in how they respond to allegations of abuse and neglect and the kinds of services they offer, based on funding constraints and on changes in what is considered to be best practice.

At the county level, expenditures for child welfare services are driven by:

- the number of reports of abuse or neglect received;
- the number of reports that the county determines require further investigation (assessments);
- the number of children requiring child welfare services (open involvements);
- the number of children with open child welfare cases who receive residential services versus alternative services; and
- the costs of the various services provided.

Among these drivers, certain elements are largely beyond county control, such as the number of reports of abuse or neglect, the number of reports that require a child welfare case to be opened based on the severity of an incident and risk to a child, and judicial decisions regarding client placements. Other drivers are within county

control, such as the types of services offered and the rates paid for services. The trends in county child welfare workload are reflected in the chart below.



As shown in the chart, referrals have continued to increase, while the numbers of child welfare assessments (investigations), open child welfare involvements, and new child welfare involvements have declined since FY 2009-10. The number of out-of-home placements has remained steady for the past three years; however the percentage of reports of abuse or neglect that result in county intervention through the child welfare system has declined substantially.

Title IV-E of the federal Social Security Act entitles states to claim a partial reimbursement for the cost of providing foster care, adoption assistance, and kinship guardianship assistance to children who meet federal eligibility criteria. This program provides funds for case management activities, training, data collection, and other program administration costs, in addition to support for monthly payments on behalf of qualifying children. Though increased emphasis is being placed on avoiding out-of-home placements, serving children and families in the home, and reunifying families if this can be done safely, Title IV-E does not provide reimbursement for services provided in order to keep a child in the family home. As a result of a decline in the number of out-of-home placements across the state and other factors, Colorado's Title IV-E revenue has been declining since FY 2006-07. The Department projected that Title IV-E revenue would continue to fall at the rate of 5.0 to 10.0 percent per year due to anticipated ongoing reductions in the use of congregate care placements.

For the first time since 2006, Title IV-E waivers were authorized under the 2011 Child and Family Services Improvement and Innovation Act. Colorado was awarded one of ten waivers from federal Title IV-E spending requirements for fiscal years 2013-14 through 2017-18. This waiver provides Colorado with a guaranteed stream of capped federal Title IV-E funds for five years for major portions of its Title IV-E revenue stream, including foster care maintenance (room and board) and administrative costs for case planning, management, and eligibility-determination. The total amount of the award is \$489.1 million and is distributed through

scheduled quarterly draws that began July 1, 2013 and continues through April 1, 2018 for both foster care demonstration maintenance and demonstration administration. A portion of the Title IV-E revenue stream related to adoption assistance, training, some other administration costs, and computer systems is excluded from the waiver and will continue to be reimbursed based on expenditures and federal reimbursement formulas.

Office of Early Childhood

Early Intervention Services

Early Intervention Services (EI services) are provided to infants and toddlers, through age two, with one of the following three conditions:

- a developmental delay or disability diagnosis;
- a physical or mental condition with a high probability of resulting in a significant delay in development; or
- a parent or caretaker who has a developmental disability.

Funding for EI services for FY 2015-16 totals \$51.1 million and consists of 49.9 percent General Fund, 22.6 percent cash funds from local funds and the Early Intervention Services Trust Fund, 11.6 percent Medicaid reappropriated funds, and 15.9 percent federal funds. As a condition of receiving federal funds, the State is required to provide EI services to all eligible infants and toddlers whose families seek services. The table below provides a breakdown by funding source of appropriations made to the Early Intervention Services and Early Intervention Services Case Management line items in FY 2014-15 and FY 2015-16.

Early Intervention Services and Case Management Annual Appropriation				
Fund Source	FY 2014-15		FY 2015-16	
	Early Intervention Services	Early Intervention Services Case Management	Early Intervention Services	Early Intervention Services Case Management
General Fund	\$19,074,451	\$3,386,293	\$21,519,365	\$3,998,538
Cash Funds	10,895,900	0	11,557,457	0
Medicaid Funds	0	5,550,855	0	5,928,683
Federal Funds	8,041,400	0	8,142,632	0
Subtotal	\$38,011,751	\$8,937,148	\$41,219,454	\$9,927,221
Total Funding		\$46,948,899		\$51,146,675

Behavioral Health Services

The Department's Office of Behavioral Health administers funding for community-based mental health and substance use-related services (referred to as "behavioral health" services) that are not otherwise available. This includes services for people with a low income who are not eligible for Medicaid, as well as services for Medicaid-eligible clients who are not covered by the Medicaid program. The Department also operates two mental health institutes, which provide inpatient hospitalization for individuals with mental illness.

Community-based Programs and Services

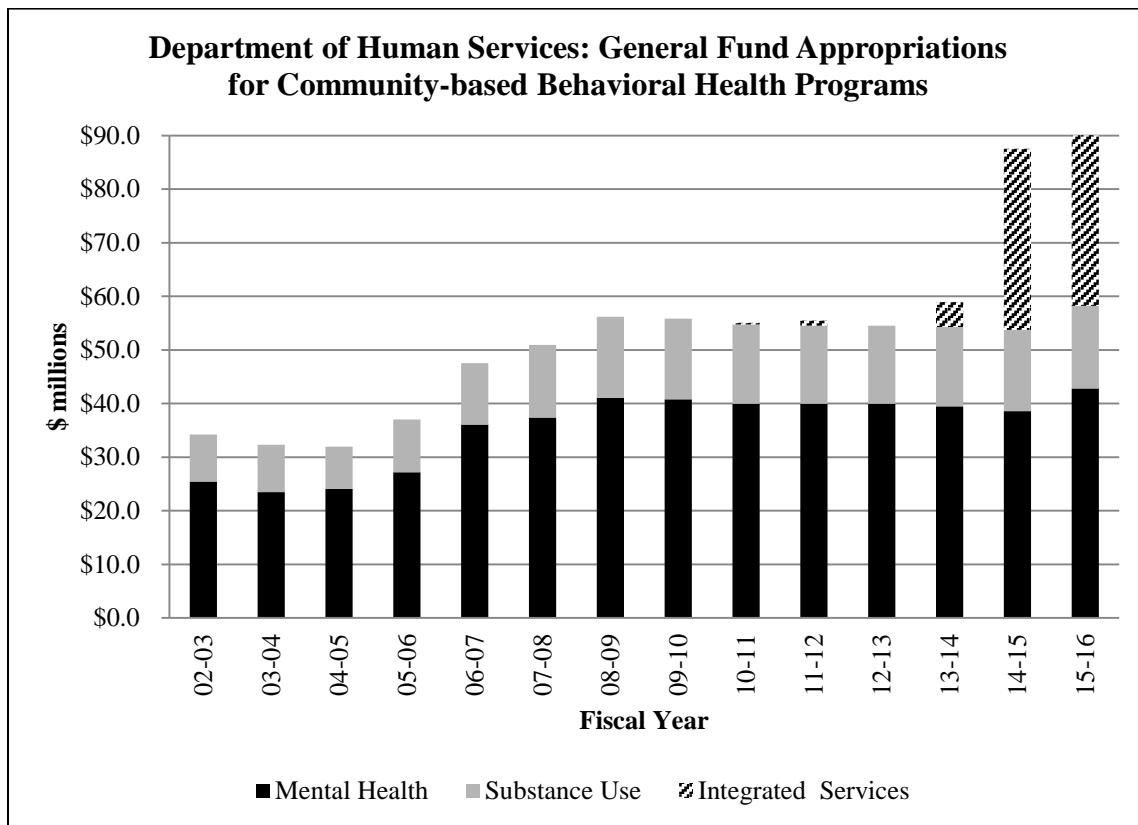
The Office contracts with 17 community mental health centers (CMHCs) across the state to provide mental health services to low income individuals who are not eligible for Medicaid and do not receive mental health care from any other source. Each CMHC is responsible for providing a set of core services, ranging from public education to inpatient services. Each CMHC has access to a certain number of inpatient beds at one of the mental health institutes, and is responsible for managing admissions to the allotted beds for adults within

their service area. The Office also contracts with four managed service organizations (MSOs) for the provision of substance use disorder treatment and detoxification services to low income individuals who are not eligible for Medicaid. MSOs subcontract with local treatment providers with locations around the state to deliver these services. In addition, since FY 2010-11, the Department has administered funding for programs that integrate mental health and substance use-related services. While the majority of community-based behavioral health funding is allocated to CMHCs and MSOs, the Department does contract with other organizations to provide certain types of treatment services or services targeting specific populations.

Unlike the Medicaid program, these behavioral health services are not an entitlement. Thus, the number of individuals receiving services and the level of service provided is largely driven by the level of General Fund support available each year. The General Assembly periodically adjusts funding for CMHCs, MSOs, and other community providers to account for inflationary changes and to ensure that programs are viable over the long-term. The rate changes are generally consistent with the common policy adopted by the Joint Budget Committee for a variety of community providers (as discussed above).

In addition, the General Assembly periodically makes other adjustments to funding for behavioral health services based on available revenues. The General Assembly also appropriates additional funds for the provision of specific treatment services or services targeting specific populations (*e.g.*, alternative placements for people who would otherwise require hospitalization at a state mental health institute, school-based behavioral health services for children, and services for juvenile and adult offenders).

The following chart depicts General Fund appropriations for community-based behavioral health services from FY 2002-03 through FY 2015-16. The significant increases provided since FY 2013-14 primarily relate to the creation of a statewide behavioral health crisis response system and an effort to expand CMHCs' capacity to deliver emergency behavioral health stabilization services to individuals who are voluntarily or involuntarily committed to the State's behavioral health treatment system.

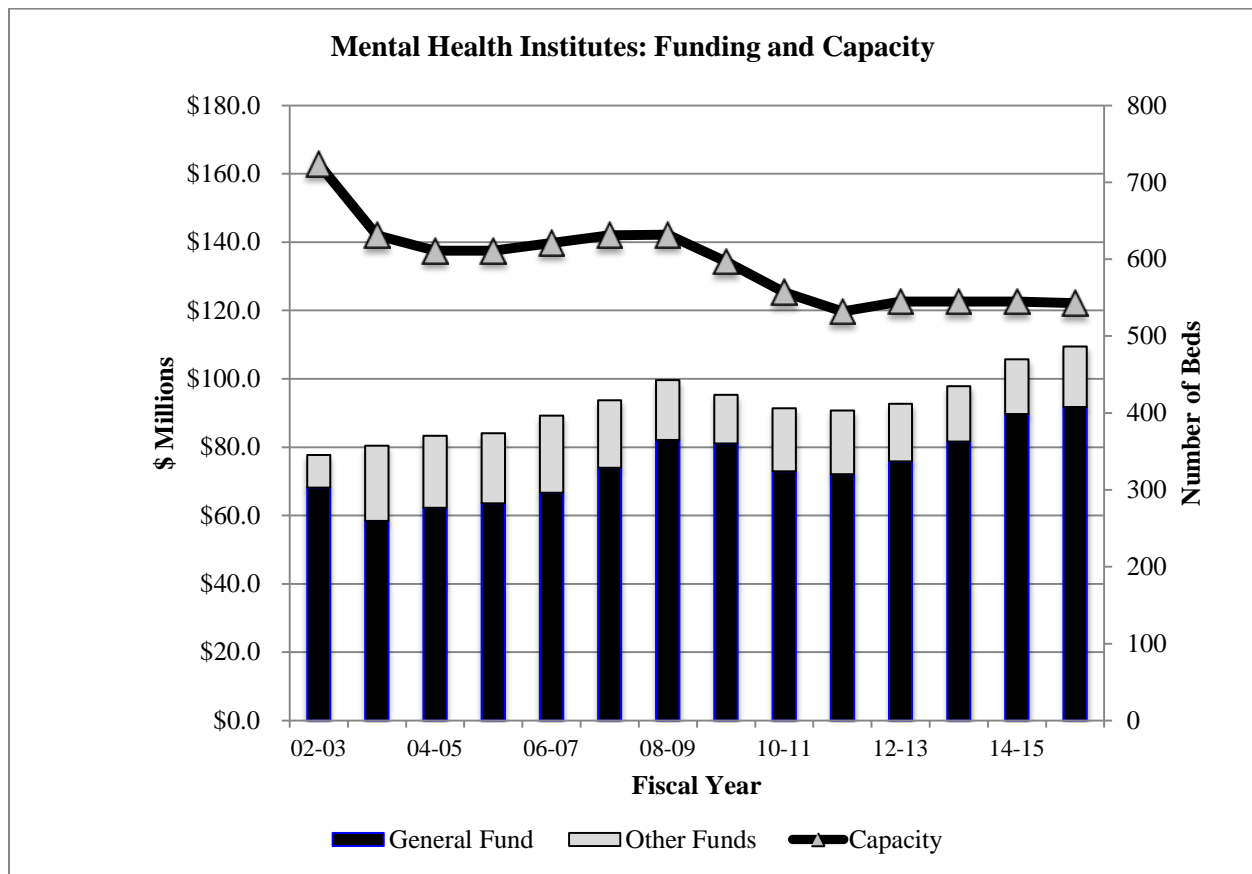


In addition to General Fund appropriations (\$90.4 million for FY 2015-16), the Office administers funds from the federal Mental Health Services Block Grant, the federal Substance Abuse Prevention and Treatment Block Grant, moneys transferred from the Department of Health Care Policy and Financing, moneys transferred from the Judicial Branch, marijuana tax revenues, and tobacco settlement moneys that are credited to the Offender Mental Health Services Fund. These other fund sources are anticipated to provide an additional \$46.2 million to support community-based behavioral health services in FY 2015-16.

Mental Health Institutes

The Department administers and operates two mental health institutes that provide inpatient hospitalization for up to 543 individuals with a serious mental illness; one institute is located in Pueblo and the other is located on the Fort Logan campus in southwest Denver. The institutes serve three populations: (1) individuals with pending criminal charges who require evaluations of competency to stand trial and services to restore competency; (2) individuals who have been found not guilty by reason of insanity; and (3) adults and adolescents who are referred for admission by community mental health centers, private providers, the courts, or the Division of Youth Corrections.

The institutes are primarily supported by General Fund appropriations. Other sources of revenue include: patient revenues (including federal Medicare funds and federal Medicaid funds transferred from the Department of Health Care Policy and Financing), funds transferred from the Department of Corrections (DOC) for food services provided to DOC facilities located on the Pueblo campus, and marijuana tax revenues. Funding for the institutes is affected by capacity, personnel costs, and operational costs (including medication expenses and the cost of purchasing medical services from local hospitals and medical providers). The graph below depicts changes in the institutes' bed capacity since FY 2002-03, along with associated funding.



As depicted in the above chart, the total capacity of the institutes has declined by 187 beds (more than one third) since FY 2002-03. Most recently, the General Assembly approved the closure of the children's, adolescent, and geriatric treatment divisions at Fort Logan (in FY 2009-10) and the closure of the therapeutic residential childcare facility treatment division at Fort Logan (in FY 2011-12). In September 2014, the Department elected to repurpose an existing forensic unit to house patients who were previously transferred to the DOC. This change reduced the number of forensic beds by two.

Services for People with Developmental Disabilities

Regional Centers

Regional Centers are state operated facilities for individuals with developmental disabilities. Regional Centers provide residential services, medical care, and active treatment programs based on individual assessments and habilitation plans. Services are provided in one of two settings: large congregate residential settings on a campus or group homes which serve four to eight individuals in a community setting. The state operates regional centers in Wheat Ridge, Grand Junction, and Pueblo.

The Wheat Ridge Regional Center and the campus facility at Grand Junction are licensed as Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IID). The groups homes at Pueblo and Grand Junction are licensed as comprehensive developmental disability waiver homes (waiver), which is the same license used by community run group homes. The following table shows the type of licensure at each of the Regional Centers.

Regional Center Bed Setting and License Type					
Regional Center	Setting	Number of Group Homes	License Type	Total Beds	Number of Homes Offline
Grand Junction	Campus		ICF/IID	36	2
	Community	12 Group Homes	Waiver	55	1
Wheat Ridge	Campus*	5 Group Homes			
	Community	14 Group Homes	ICF/IID	127	0
Pueblo	Community	11 Group Homes	Waiver	70	1

*The five group homes on the campus are known as Kipling Village and serve men, in secure settings, who are intellectually and developmentally disabled and who exhibit problematic sexual behaviors.

The FY 2015-16 appropriation for Regional Centers was calculated using the following methodology: facility census multiplied by FY 2014-15 average per client cost. The following table summarizes the total cost for each regional center in FY 2015-16. Since FY 2015-16 is the first year this methodology was utilized to calculate the appropriation there is not a prior year appropriation which would provide a useful comparison.

Regional Center Census Used to Calculate the Appropriation				
Waiver	Census	Average Annual Per Capita Cost	Total Cost	
Wheat Ridge Regional Center Intermediate Care Facility	126	\$235,246	\$29,640,996	
Grand Junction Regional Center Intermediate Care Facility	23	346,557	7,970,811	
Grand Junction Regional Center Waiver Services	55	234,217	12,881,935	
Pueblo Regional Center Waiver Services	66	176,689	11,661,474	
Total/Average	270	\$230,205	\$62,155,216	

Division of Vocational Rehabilitation

The Division of Vocational Rehabilitation assists individuals whose disabilities result in barriers to employment or independent living with attaining and maintaining employment and/or independent living. At any of the 43 field and satellite offices located throughout the state, rehabilitation counselors work with clients to assess their needs and identify appropriate vocational rehabilitation services. The Division also administers state and federal grants to independent living centers working to enable individuals with disabilities to live independently and to programs that provide assistance to elderly blind individuals. The federal government provides reimbursement for 78.7 percent of eligible rehabilitation expenditures up to the total annual federal grant for Colorado, therefore General Fund or funds from contracts with school districts cover the remaining 21.3 percent of program costs. The matching funds for these federal dollars are either General Fund dollars or local government funds, primarily from school districts for the School to Work Alliance Program. Senate Bill 15-239 transfers the Division of Vocational Rehabilitation Programs to the Department of Labor and Employment on July 1, 2016.

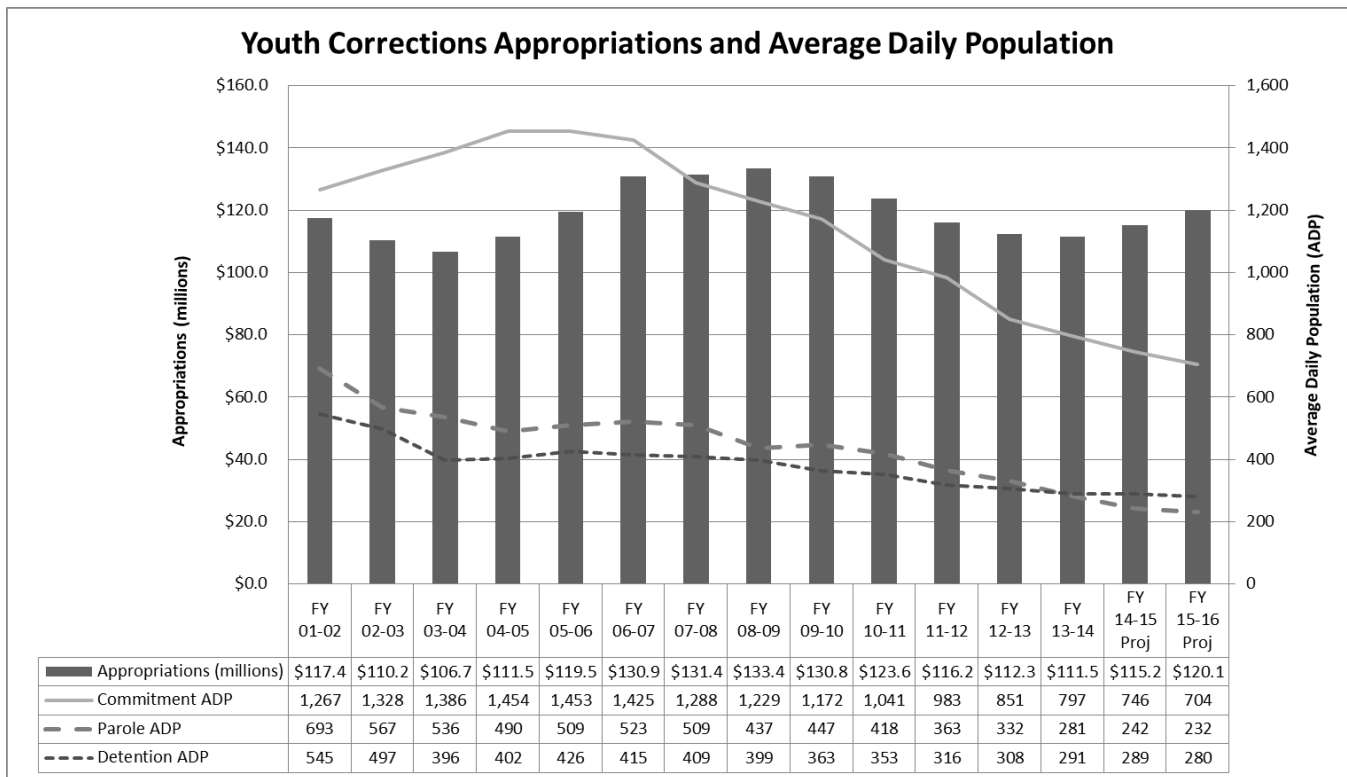
Division of Youth Corrections

The Division of Youth Corrections provides for the housing of juveniles who are detained while awaiting adjudication (similar to adult jail), or committed for a period of time as a result of a juvenile delinquent adjudication (similar to adult prison). The Division also supervises juveniles during a mandatory parole period following all commitment sentences. The vast majority of the appropriation is from the General Fund. The size of the population of detained, committed and paroled juveniles significantly affects funding requirements. For FY 2013-14, the General Assembly decreased funding to (1) reflect a reduction in the number of youth placed in private contract commitment and detention beds due to lower caseloads, (2) to close five pods (living units)

at Division of Youth Corrections facilities, and (3) to consolidate three Front Range juvenile assessment programs for newly committed youth into a single assessment program. All of these decreases were due to the reduced size of the population. However, funding increases and declines have not always aligned with population changes.

- From FY 2000-01 through FY 2003-04, appropriations declined, despite increases in the population of committed youth, in response to state revenue constraints. Parole services and funding for alternatives to secure detention were cut due to a statewide revenue shortfall. For detained (as opposed to committed) youth, S.B. 03-286 capped the youth detention population at 479, limiting any further funding increases associated with growth in the detention population.
- From FY 2006-07 through FY 2009-10, appropriations remained relatively flat, despite sharp declines in the population of committed youth, based on the redirection of funds within the Division's budget. During this period, savings derived from a reduction in the commitment population were in part used to increase services for youth transitioning to parole, and funding was provided for other program enhancements.
- Beginning in mid-FY 2010-11 and continuing in FY 2011-12, reductions were taken in response to the sharp declines in the population of committed and detained youth, as well as in response to statewide revenue constraints. Division funding was more closely aligned with the youth population, and cuts were taken in parole program services and in funding for alternatives to secure placements. In addition, pursuant to S.B. 11-217, the detention cap was lowered to 422, based on lower arrest rates and a reduction in the number of youth in secure detention.
- For FY 2012-13, the funding was increased to eliminate overcrowding in state facilities and to address some staffing coverage issues, although the population served is projected to continue to decline.
- For FY 2014-15 and FY 2015-16, the General Assembly increased funding for S.B. 91-94 programming which provides alternative to incarceration by \$2.0 million from the Marijuana Tax Cash Fund.
- For FY 2015-16, the General Assembly added funds for 75.0 FTE additional correctional youth security officers at State-owned and State-operated juvenile justice facilities to address concerns about inadequate staffing.

The following table summarizes appropriations for the Division and the average daily population of youth in commitment, parole, or detention.



Assistance for Low-income Families and Disabled and Elderly Adults

A wide variety of programs to support low-income families and elderly and disabled adults are included in the budget for the Department of Human Services. This includes programs located in the County Administration, Self Sufficiency, Office of Early Childhood, and Adult Assistance budget sections. Most of these programs are administered at the county level, under the supervision of the Department. The largest share of funding for these programs is from federal sources, including funding shown in the state budget for informational purposes and federal funds that are appropriated by the state General Assembly, pursuant to federal law. The budget also includes some state-funded programs for low-income populations. The sections below describe the budget and caseload trends for some of the most significant programs from a state budget perspective.

Colorado Works and the Temporary Assistance to Needy Families Block Grant

The Colorado Works Program implements the federal Temporary Assistance for Needy Families (TANF) block grant program created in the 1996 welfare reform law (P.L. 104-193). The program provides financial and other assistance to families to enable children to be cared for in their own homes and to assist needy parents in achieving self-sufficiency. Per the 1996 federal law, the State receives a fixed amount of \$136.1 million per year in TANF block grant funds. The majority of the TANF funds received each year are appropriated as block allocations to counties for the Colorado Works program. Federal TANF funds are also used by the State and counties to support related programs that assist needy families, including child welfare and child care subsidy programs.

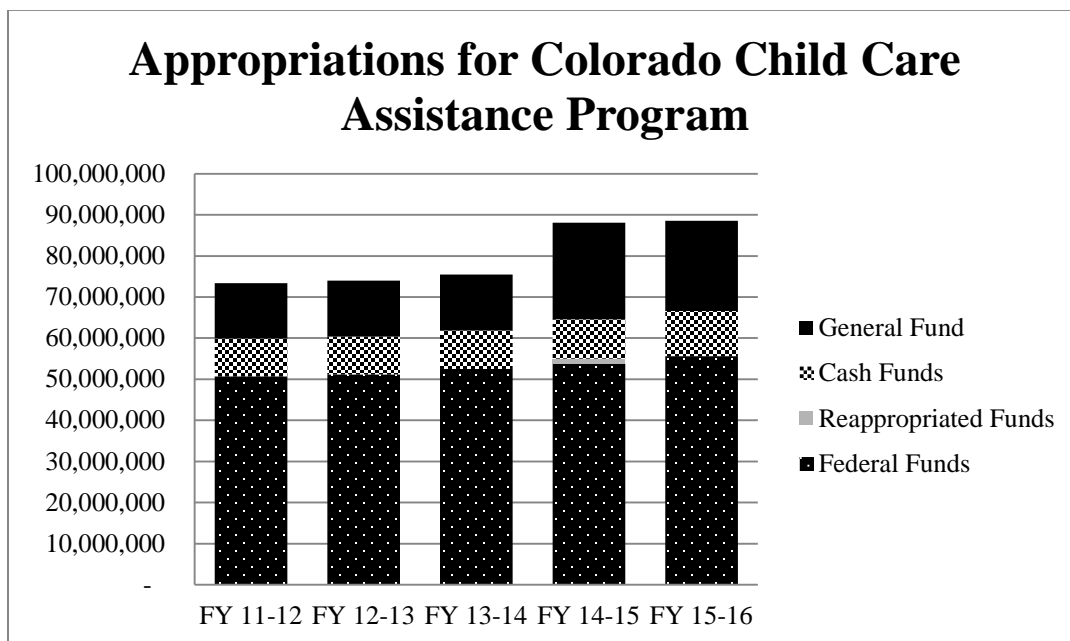
The yearly, fixed amount of TANF block grant funds are not the only TANF moneys received by the State over the past few fiscal years. Colorado was one of 17 states that received funding in addition to its fixed amount in the form of supplemental grants provided to states that meet the criterion of high population growth and/or low historic grants per poor person. However, no federal funding was made available for supplemental grants in recent years, as the moneys were not reauthorized by Congress. As a result, Colorado's federal allocation in

addition to the fixed amount of \$136.1 million per year was cut by \$13.6 million in FY 2012-13 and FY 2013-14. Additionally, pursuant to the American Recovery and Reinvestment Act of 2009 (ARRA), Colorado was able to access \$68.0 million in supplemental TANF funds in FY 2008-09 and FY 2009-10 through a combination of the TANF Emergency Fund created through ARRA and the Contingency Fund created in 1996. These enhanced funds, too, were discontinued, although the State does continue to receive moneys from the Contingency Fund at a lesser level than peak recession fiscal years.

Although federal and State funding available for the Colorado Works program has been flat or declined, the demand for Colorado Works basic cash assistance climbed sharply starting in FY 2008-09 due to the effects of the recession. From FY 2008-09 through FY 2010-11, counties increased spending for the Colorado Works program in response to the increased demand, relying on county-controlled TANF reserves to support higher spending levels. In FY 2011-12, county expenditures fell in response to reduced federal funding. Finally, as State-controlled TANF reserves have been spent down, the General Assembly has refinanced TANF appropriations for child welfare services with General Fund. By FY 2012-13, only \$3.0 million of the Child Welfare appropriation was comprised of TANF funds, and these remaining funds were replaced by General Fund starting in FY 2013-14.

Child Care Assistance Program

The Colorado Child Care Assistance Program (CCCAP) provides subsidized child care for low income families and those transitioning from the Colorado Works program, subject to available appropriations. The majority of appropriations are comprised of federal Child Care Development block grant funds, which are subject to appropriation by the General Assembly under federal law. Funding for CCCAP is allocated to counties, which are responsible for administering the program. In addition to appropriated amounts, counties may transfer a portion of their TANF block grant funding to support child care programs. Such transfers are not reflected in the appropriation, but are a driver of overall program expenditures. The following chart provides a history of appropriations for the CCCAP. FY 2014-15 and FY 2015-16 appropriations include funding provided for the CCCAP Cliff Effect Pilot Grant Program through S.B. 14-003.



Old Age Pension Program

The Old Age Pension (OAP) Program, authorized by the State Constitution, provides cash assistance to low-income individuals ages 60 and over. It is funded through excise and State sales taxes which are deposited to the OAP cash fund in lieu of the General Fund. Costs for this program are driven by the size of the benefit and the number of qualified individuals. The General Assembly has limited control over OAP expenditures, as benefit levels are set by the State Board of Human Services, and the funds are continuously appropriated by the State Constitution. The Long Bill appropriation reflects anticipated expenditures and is shown for informational purposes.

Increases in expenditures through FY 2008-09 were driven primarily by cost-of-living (COLA) increases approved by the State Board of Human Services, while the caseload remained flat or declined between 24,000 and 23,000. Between January 2009 and June 2012, no cost-of-living increases were approved. Additionally, expenditures were significantly reduced starting in FY 2010-11 by S.B. 10-1384, which imposed a five year waiting period for most new legal immigrants to become eligible for OAP benefits. Pursuant to H.B. 12-1326, the General Assembly encouraged the State Board of Human Services to provide a COLA increase of 3.7 percent. The Board approved this adjustment effective July 1, 2012, driving an increase of \$6.7 million for FY 2012-13. In December 2012, the Board approved an additional 1.7 percent COLA for the program, effective January 1, 2013, driving an increase of \$1.8 million for FY 2013-14. However, this increase was eclipsed by H.B. 10-1384, which drove a further reduction of \$7.4 million in FY 2013-14.

For FY 2013-14 and FY 2014-15, the legislature provided funding for a 3.0 percent COLA increase (\$1.3 million cash funds for FY 2013-14 and \$2.7 million cash funds for FY 2014-15). For FY 2015-16, the legislature provided a COLA increase of 1.7 percent (\$1.3 million cash funds).

Aid to the Needy Disabled and Home Care Allowance Programs

The Aid to the Needy Disabled (AND) and Home Care Allowance (HCA) programs provide cash assistance for low income individuals with disabilities. For some beneficiaries, these funds supplement federal Supplemental Security Income (SSI) payments. Other beneficiaries either do not qualify for federal SSI or have pending applications for federal SSI. Funding for these programs is comprised of General Fund, county matching funds, and federal reimbursements for payments to individuals who initially receive a State-only subsidy, but are ultimately deemed eligible for federal SSI.

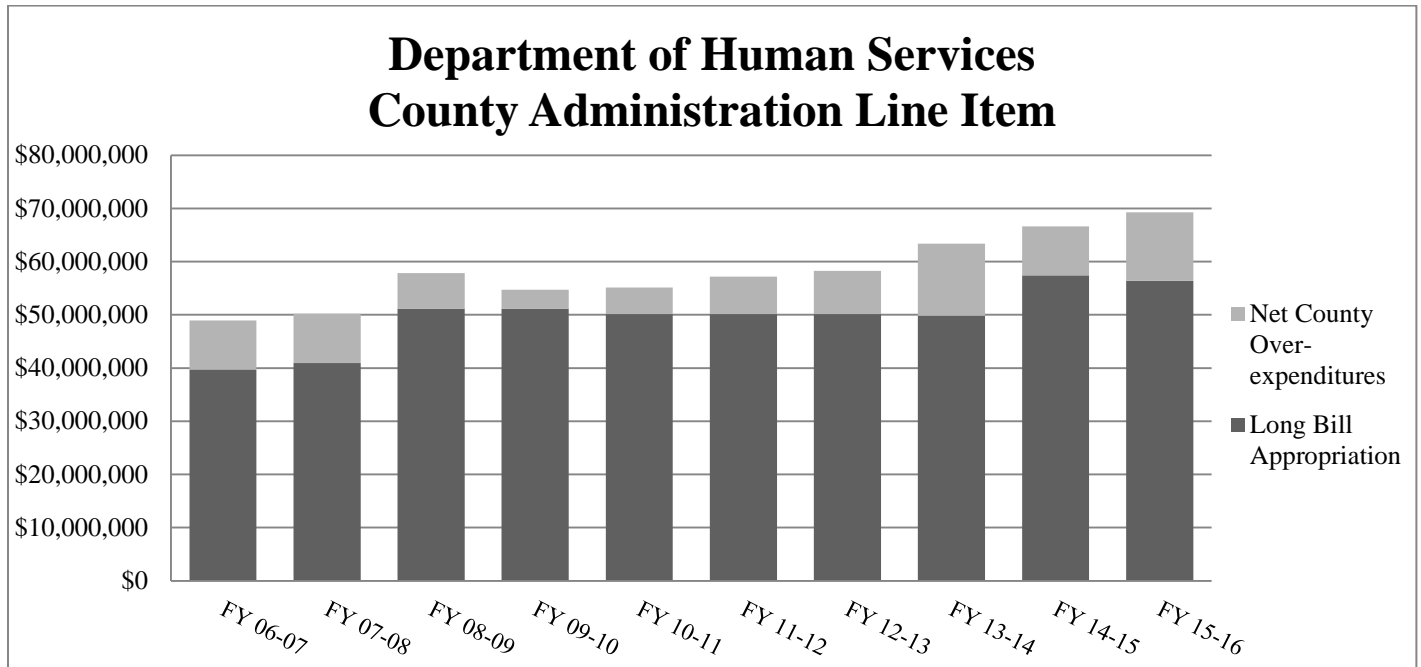
In the last few years, the programs' appropriations have remained relatively flat, and benefits have been adjusted by the Department so that total expenditures remain within appropriated levels. However, some funding adjustments have been required to ensure that the State complies with a federal maintenance-of-effort (MOE) agreement with the Social Security Administration. The MOE applies to state spending for those individuals who receive federal SSI payments. Spending for the population that is not SSI-eligible has been reduced in the past (most notably in FY 2003-04) in response to state revenue shortfalls.

Community Services for the Elderly

The State distributes State and federal funds to Area Agencies on Aging, which provide a variety of community services for the elderly such as transportation, congregate meals, "meals on wheels," and in-home support services. Funding levels are adjusted based on available federal and State funding. Funding from State sources increased significantly through FY 2008-09 and again in FY 2013-14 based on statutory changes to increase funding from the Older Coloradans Cash Fund, which originates as State sales and excise taxes. Additionally, the General Assembly provided an increase of \$4.5 million General Fund for FY 2014-15 to improve services for seniors and individuals who are blind or visually impaired. For FY 2015-16, the legislature provided an increase of \$4.0 million total funds for senior services.

County Administration

The majority of public welfare programs in Colorado are state-supervised and county administered. County Administration includes funding for eligibility determination for the Supplemental Nutrition Assistance Program (food stamps) and Aid to the Needy Disabled, as well as funding to assist some poorer counties in maintaining program operations. Funding provided by the State for county administration is capped, and county costs and caseload only affect appropriations to the extent the General Assembly chooses to make related adjustments. Many counties supplement state appropriations with county tax revenues. The following chart provides historical information on the County Administration Long Bill line item appropriation as compared with overall expenditures for county administration.



Note: FY 14-15 estimated expenditures and FY 2015-16 projected expenditures are based on data provided by counties.

Information Technology Systems

The budget for the Office of Information Technology Systems (OITS) is primarily driven by the personnel, contracting, and operating expenses of the Colorado Benefits Management System (CBMS). CBMS is the computer system used to determine a citizen's eligibility for public assistance programs like Medicaid, the Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), and many others. CBMS is developed and maintained by the State for use by county social service organizations and various medical assistance sites throughout the state. The majority of employees assigned directly to CBMS reside in the Governor's Office of Information Technology.

OITS' FY 2015-16 appropriation for CBMS-related expenditures totaled \$19.2 million total funds, including \$8.1 million General Fund, which equals 32.2 percent of OITS' full FY 2015-16 appropriation of \$59.4 million total funds. CBMS expenses are driven by standard operating costs, including contract services, personal services, postage, personal computers, hardware/software, network equipment, and printing supplies. OITS' budget has also been driven by phases one and two of the CBMS modernization project begun with the passage of H.B. 12-1339 (Becker/Lambert). This project concludes in FY 2015-16.

CBMS is not the only system administered with moneys appropriated to OITS. The following tools support a variety of programs:

- Colorado TRAILS - a statewide system, operational since 2002, that supports activities in the Division of Child Welfare and the Division of Youth Corrections. It provides case management, financial tools, and other resources to users of the program.
- County Financial Management System (CFMS) - the system tracks expenditures by program, by funding source, by county, tracks and allocates administrative costs by program, and tracks expenditures that are estimated to count toward federal maintenance of effort requirements. The system manages over \$1.0 billion in payments annually.
- Child Care Automated Tracking System (CHATS) - a new information technology system for eligibility and payment for the Child Care Assistance Program. The program provides child care subsidies for low-income families, TANF families, and families transitioning from the Colorado Works program.

Appropriation Highlights – 2015 Legislative Session

Department of Human Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$1,879,020,661	\$773,025,447	\$336,536,384	\$143,098,145	\$626,360,685	4,903.0
SB 14-003	2,469,453	1,269,453	0	1,200,000	0	1.0
SB 14-012	1,495,144	1,237,766	247,339	4,697	5,342	0.0
SB 14-014	4,092	976	131	1,397	1,588	0.0
SB 14-021	3,746	3,746	0	0	0	0.0
SB 14-129	38,250	0	38,250	0	0	0.0
SB 14-130	6,203	2,356	(22,130)	24,634	1,343	0.0
SB 14-215	7,600,000	0	7,600,000	0	0	0.0
HB 14-1015	395,270	395,270	0	0	0	1.0
HB 14-1298	68,084	68,084	0	0	0	1.1
HB 14-1317	9,922,744	8,578,187	7,032	44,529	1,292,996	0.0
HB 14-1338	250,000	250,000	0	0	0	0.0
HB 14-1368	0	(2,829,586)	2,829,586	0	0	0.0
SB 15-149	(16,957,851)	7,317,952	(403,820)	(16,034,316)	(7,837,667)	31.3
SB 15-167	(452,787)	0	(452,787)	0	0	0.0
SB 15-234	<u>729,233</u>	<u>729,233</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>23.8</u>
TOTAL	\$1,884,592,242	\$790,048,884	\$346,379,985	\$128,339,086	\$619,824,287	4,961.2

Department of Human Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$1,884,592,242	\$790,048,884	\$346,379,985	\$128,339,086	\$619,824,287	4,961.2
Community provider rate	12,815,393	7,466,846	1,714,872	529,319	3,104,356	0.0
Centrally appropriated line items	9,596,606	8,194,439	(48,551)	(331,178)	1,781,896	0.0
Senior services	3,850,000	3,850,000	0	0	0	0.0
Early intervention caseload	3,686,734	2,790,476	601,980	294,278	0	0.0
Regional Center methodology	2,474,478	0	0	2,474,478	0	(59.3)
Senate Bill 91-94 programs increase	2,000,000	0	2,000,000	0	0	0.0
State-owned and -operated youth corrections facilities' staffing increases and caseload adjustments	1,991,780	2,129,594	0	(97,146)	(40,668)	51.2
MHI equipment replacement	1,711,403	1,711,403	0	0	0	0.0
IT systems interoperability	1,323,360	132,336	0	0	1,191,024	0.0
Old Age Pension cost-of-living adjustment	1,268,896	0	1,268,896	0	0	0.0
Tobacco Master Settlement revenue adjustment	1,155,457	0	1,155,457	0	0	0.0
Community-based child abuse prevention	1,035,415	1,035,415	0	0	0	(1.0)
Childcare Automated Tracking System hybrid enhancement	900,000	0	0	0	900,000	0.0
Family Support Services	750,000	750,000	0	0	0	0.5
Enterprise content management	731,400	731,400	0	0	0	0.0
Oversight of medical care for youth in the child welfare and youth corrections systems	512,848	305,609	0	207,239	0	3.2
Rural co-occurring disorder services	500,000	500,000	0	0	0	0.0
Leap year adjustment	365,272	272,294	68,074	24,904	0	0.0
Child care micro loans	338,200	0	0	0	338,200	0.0
BEP spending authority	300,000	0	63,900	0	236,100	0.0
Supplemental Nutrition Assistance Program (SNAP) study	300,000	150,000	0	0	150,000	0.0
Child care micro grants	250,000	0	0	0	250,000	0.0
Provider rate spending authority	228,794	0	0	0	228,794	0.0
Circle program business plan analysis	225,000	225,000	0	0	0	0.0
Respite services	225,000	225,000	0	0	0	0.0
Electronic health record system for youth corrections	204,000	204,000	0	0	0	0.0
CMHIP treatment unit	198,327	198,327	0	0	0	6.1
DOC payments to CMHIP	176,783	0	0	176,783	0	0.0
Child welfare case management	156,857	130,191	0	0	26,666	2.7
Senior services data evaluation	150,000	150,000	0	0	0	0.0
Reverse supplemental	93,890	93,890	0	0	0	0.0
Food inflation	59,390	59,390	0	0	0	0.0

Department of Human Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
CBMS funding rebalance	16,526	(833,297)	3,623	(479)	846,679	0.0
Colorado Grants Management System maintenance	6,050	6,050	0	0	0	0.0
Consolidate ACT funding	0	0	0	0	0	0.0
Adult Protective Services data system licenses	0	0	0	0	0	0.0
Consolidate funding for Circle Program	0	0	0	0	0	0.0
Annualize prior year budget actions	(18,820,873)	(14,433,192)	(1,039,592)	(60,897)	(3,287,192)	3.6
Informational funds adjustment	(3,641,415)	0	(2,109,415)	0	(1,532,000)	0.0
Marijuana tax revenue adjustment	(3,597,213)	(1,911,612)	(1,685,601)	0	0	0.0
Annualize prior year legislation	(3,014,119)	(1,689,395)	1,194,911	(1,218,870)	(1,300,765)	(0.5)
SWAP adjustments	(839,814)	0	0	(178,881)	(660,933)	0.0
Cloud computing migration	(532,397)	(240,633)	0	0	(291,764)	0.0
Other	41	(14,549)	0	14,590	0	0.0
SB 15-234	\$1,903,744,311	\$802,237,866	\$349,568,539	\$130,173,226	\$621,764,680	4,967.7
SB 15-012	868,895	315,509	0	0	553,386	0.0
SB 15-204	(270,372)	(270,372)	0	0	0	0.0
SB 15-240	2,000,000	2,000,000	0	0	0	0.0
SB 15-241	1,856,635	1,856,635	0	0	0	1.5
SB 15-242	6,408,147	5,714,028	606,415	0	87,704	1.0
HB 15-1131	14,404	14,404	0	0	0	0.3
HB 15-1248	37,138	37,138	0	0	0	0.4
HB 15-1367	<u>0</u>	<u>0</u>	<u>(1,550,000)</u>	<u>1,550,000</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$1,914,659,158	\$811,905,208	\$348,624,954	\$131,723,226	\$622,405,770	4,970.9
Increase/(Decrease)	\$30,066,916	\$21,856,324	\$2,244,969	\$3,384,140	\$2,581,483	9.7
Percentage Change	1.6%	2.8%	0.6%	2.6%	0.4%	0.2%

FY 2014-15 Appropriation - Mid-year Adjustments

Three bills from the 2015 Session modified FY 2014-15 appropriations:

- Senate Bill 15-149 reduced appropriations by \$17.0 million total funds (including an increase of \$7.3 million General Fund and 31.3 FTE). The most significant changes included: (a) an increase of \$2,413,428 General Fund and 30.6 FTE for a new security-enhanced treatment unit at the Colorado Mental Health Institute at Pueblo; (b) an increase of \$2,339,035 total funds, including \$2,057,079 General Fund, for early intervention services and early intervention services case management; and (c) a reduction of \$1,388,163 General Fund due to delays in implementing new services for patients transitioning from the mental health institutes to the community.
- Senate Bill 15-167 reduced the FY 2014-15 cash funds appropriation from the Marijuana Tax Cash Fund for jail-based behavioral health services by \$452,787.
- Senate Bill 15-234 increased FY 2014-15 appropriations by \$729,233 General Fund and 23.8 FTE to add additional correctional youth security officers at state-owned and state-operated juvenile justice facilities.

FY 2015-16 Appropriation Highlights

Community provider rate: The appropriation includes an increase of \$12,815,393 total funds for the 1.7 percent community provider rate increase and for targeted rate increases for the Special Connections Program.

Centrally appropriated line items: The appropriation includes an increase for adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; vehicle lease payments; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; Capitol complex leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

Senior services: The appropriation includes an increase of \$3,850,000 General Fund to provide services for elderly adults to enable them to live independently in the community.

Early intervention caseload: The appropriation includes a net increase of \$3,686,734 total funds, including \$2,790,476 General Fund, to primarily cover costs associated with early intervention services and early intervention services case management caseload growth.

Regional Center methodology: The appropriation includes an increase of \$2,474,478 Medicaid reappropriated funds and a decrease of 59.3 FTE due to increased operating costs for the Regional Centers. The following table summarizes the census data and average annual cost per capita used to calculate the total appropriation for the Regional Centers.

Regional Center Census Used to Calculate the Appropriation			
Waiver	Census	Average Annual Per Capita Cost	Total Cost
Wheat Ridge Regional Center Intermediate Care Facility	126	\$235,246	\$29,640,996
Grand Junction Regional Center Intermediate Care Facility	23	346,557	7,970,811
Grand Junction Regional Center Waiver Services	55	234,217	12,881,935
Pueblo Regional Center Waiver Services	66	176,689	11,661,474
Total	270		\$62,155,216

Senate Bill 91-94 programs increase: The appropriation includes \$2,000,000 cash funds from the Marijuana Tax Cash Fund to support Senate Bill 91-094 programs administered by local jurisdictions that provide a continuum of services designed to ensure that youth are supervised and/or incarcerated at a level that is commensurate with their risk to the community.

State-owned and -operated youth corrections facilities' staffing increases and caseload adjustments: The appropriation includes an increase of \$1,991,780 total funds, including \$2,129,594 General Fund, and 51.2 FTE to add additional correctional youth security officers at the State's detention and commitment facilities. This incremental change also includes a reduction of total funds and General Fund due to a projected decrease in caseload.

MHI equipment replacement: The appropriation includes \$1,711,403 General Fund for a variety of equipment replacements, repairs, and minor renovations at both mental health institutes (MHIs).

IT systems interoperability: The appropriation includes an increase of \$1,323,360 total funds, including an increase of \$132,336 General Fund, for the operating component of a new system that will standardize all Department existing information technology systems into one environment, while leaving the core systems in place.

Old Age Pension cost-of-living adjustment: The appropriation includes an increase of \$1,268,896 from the Old Age Pension (OAP) Fund to implement a 1.7 percent cost-of-living increase for OAP recipients.

Tobacco Master Settlement revenue adjustment: The appropriation includes an increase of \$1,155,457 cash funds based on the Legislative Council FY 2015-16 Tobacco Master Settlement revenue projection.

Community-based child abuse prevention: The appropriation includes an increase of \$1,035,415 General Fund and a reduction of 1.0 FTE to expand the SafeCare and Community Response Program pilot projects.

Childcare Automated Tracking System (CHATS) hybrid enhancement: The appropriation includes an increase of \$900,000 federal funds for operating expenses associated with the CHATS capital construction project.

Family support services: The appropriation includes an increase of \$750,000 General Fund and 0.5 FTE for grants to entities meeting the statutory requirements of Section 26-18-101, C.R.S., regarding the delivery of evidence based integrated family support services.

Enterprise content management: The appropriation includes an increase of \$731,400 General Fund to implement a department-wide system to manage documents and files. The system that would be deployed would use the same content management software that the Governor's Office of Information Technology uses for the Colorado Operations Resource Engine (CORE), Colorado Benefits Management System (CBMS), and Colorado Program Eligibility and Application Kit (PEAK).

Oversight of medical care for youth in the child welfare and youth corrections systems: The appropriation includes an increase of \$512,848 total funds, including \$305,609 General Fund, and 3.2 FTE to oversee the medical, behavioral health, and dental well-being of all children involved in child welfare and youth corrections systems.

Rural co-occurring disorder services: The appropriation includes an increase of \$500,000 General Fund for co-occurring behavioral health treatment services in southern and southeastern Colorado.

Leap year adjustment: The appropriation includes an increase of \$365,272 total funds, including \$272,294 General Fund, to cover costs associated with services charged at a daily rate.

Child care micro loans: The appropriation includes an increase of \$338,200 spending authority from the federal Child Care Development Fund Block Grant for the micro loan program to increase child care capacity in communities around the state.

BEP spending authority: The appropriation includes an increase of \$300,000 total funds, including \$63,900 cash funds for additional spending authority to access cash fund reserves and drawn down matching federal funds for the Business Enterprise Program (BEP) which trains legally blind individuals in business management and food service.

Supplemental Nutrition Assistance Program (SNAP) study: The appropriation includes an increase of \$300,000 total funds, including \$150,000 General Fund, to procure consulting services to evaluate SNAP and determine the source of the Program's error rate (over-payments, underpayments, and procedural errors).

Child care micro grants: The appropriation includes an increase of \$250,000 spending authority from the federal Child Care Development Fund Grant for the micro grant program to increase child care capacity in communities around the state.

Provider rate spending authority: The appropriation includes an increase of \$228,794 spending authority from the federal Child Care Development Fund Block Grant to cover actual costs of contracted child care licensing inspectors.

Circle program business plan analysis: The appropriation includes \$225,000 General Fund to allow the Department to contract with a vendor to analyze the potential for the Circle program to operate as an autonomous program, separate from the Colorado Mental Health Institute Pueblo (CMHIP).

Respite services: The appropriation includes an increase of \$225,000 General Fund for respite services for caregivers of at-risk adults and juveniles.

Electronic health record system for youth corrections: The appropriation includes an increase of \$204,000 General Fund for contracted personal services and operating expenses to support the implementation of an electronic health record system.

CMHIP treatment unit: The appropriation includes an increase of \$198,327 General Fund and 6.1 FTE to provide a full 12 months of funding for the new treatment unit at the Colorado Mental Health Institute at Pueblo (CMHIP) for patients who were previously transferred to the Department of Corrections (DOC) for safety reasons.

DOC payments to CMHIP: The appropriation includes an increase of \$176,783 reappropriated funds transferred from the Department of Corrections (DOC) to the Colorado Mental Health Institute at Pueblo (CMHIP) for services that are provided to DOC facilities on the CMHIP campus.

Child welfare case management: The appropriation includes an increase of \$156,857 total funds and 2.7 FTE for operating expenses associated with the Modernizing the Child Welfare Case Management System capital construction project.

Senior services data evaluation: The appropriation includes an increase of \$150,000 General Fund for a contract with an entity which will make recommendations on the data collection and analysis practices that are needed to measure the impact of the State's investment in services for seniors.

Reverse supplemental: The appropriation includes an increase of \$93,890 General Fund to reverse the following mid-year changes to FY 2014-15 appropriations:

- Restore a mid-year reduction of \$1,388,163 General Fund due to delays in implementing services for patients transitioning from the mental health institutes to the community;
- Eliminate a temporary \$795,194 General Fund increase in the appropriation for CMHIP pharmaceutical expenses; and
- Eliminate a one-time appropriation of \$499,079 General Fund for expenses incurred by CMHIP for sanity evaluation expenses.

Food inflation: The appropriation includes an increase \$59,390 General Fund for increases in the raw food costs incurred by the Division of Youth Corrections and the mental health institutes.

CBMS funding rebalance: The appropriation includes an increase of \$16,526 total funds, including a decrease of \$833,297 General Fund, to align various sources of funding applicable to CBMS with the current cost allocation trends.

Colorado Grants Management System maintenance: The appropriation includes an increase of \$6,050 General Fund to maintain the information technology system used by the Department to track grants it receives and grants it dispenses.

Consolidate ACT funding: The appropriation transfers \$4,117,539 General Fund within subsections of the Behavioral Health Services section to consolidate funding for Assertive Community Treatment (ACT) services for adults with serious and persistent mental illness.

Adult Protective Services data system licenses: The appropriation transfers \$19,200 General Fund from the Adult Assistance Programs division to the Office of Information Technology Services for the ongoing costs associated with licensing the data system that supports the Department’s Adult Protective Services unit.

Consolidate funding for Circle Program: The appropriation transfers \$347,969 General Fund from the Executive Director's Office to the Behavioral Health Services section to consolidate funding for the Circle Program.

Annualize prior year budget actions: The appropriation includes adjustments related to prior year budget actions.

	Annualize prior year budget actions					
	Total	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 14-15 R11 MHIs electronic health record system	\$149,909	\$149,909	\$0	\$0	\$0	3.2
FY 14-15 R1 Increased staffing for child care licensing	36,254	36,254	0	0	0	0.0
FY 14-15 R6 Information Technology Services	16,503	16,503	0	0	0	0.0
FY 14-15 DYC Education	12,949	12,949	0	0	0	0.0
FY 14-15 BA1 Child Abuse and Neglect Hotline	3,943	3,943	0	0	0	0.4
FY 14-15 - CBMS, Phase II	(11,911,079)	(9,826,985)	(621,236)	0	(1,462,858)	0.0
FY 14-15 Food assistance backlog	(2,000,000)	(600,000)	(400,000)	0	(1,000,000)	0.0
FY 14-15 R-16 OITS Windows Support	(1,350,909)	(1,350,909)	0	0	0	0.0

Annualize prior year budget actions						
	Total	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 14-15 NP6 Information Technology Services	(927,889)	(465,881)	(11,687)	(16,613)	(433,708)	0.0
Workforce tools (Child Welfare)	(723,000)	(600,090)	0	0	(122,910)	0.0
FY 14-15 R20 Information Technology Services	(593,067)	(593,067)	0	0	0	0.0
FY 14-15 R15 Mental Health First Aid	(540,000)	(540,000)	0	0	0	0.0
FY 14-15 NP4 Redundant Apps	(321,954)	(161,648)	(4,055)	(5,765)	(150,486)	0.0
BA2 Child Welfare Public Awareness Campaign	(204,800)	(204,800)	0	0	0	0.0
Prior year merit based pay	(160,717)	(100,436)	(2,006)	(16,442)	(41,833)	0.0
FY 14-15 R21 HIMS Line Increase	(132,790)	(132,790)	0	0	0	0.0
FY 14-15 NP5 Information Technology Services	(94,742)	(62,313)	(819)	(8,289)	(23,321)	0.0
Prior year salary survey	(74,369)	(8,716)	211	(13,788)	(52,076)	0.0
FY 14-15 R7 DYC Trauma Informed Care	<u>(5,115)</u>	<u>(5,115)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
Total	(\$18,820,873)	(\$14,433,192)	(\$1,039,592)	(\$60,897)	(\$3,287,192)	3.6

Informational funds adjustment: The appropriation includes an adjustment to cash and federal funds appropriated for informational purposes.

Marijuana tax revenue adjustment: For FY 2014-15 and prior fiscal years, the Circle program was supported by General Fund appropriations, and marijuana tax revenues were annually transferred to the General Fund to offset program costs. The appropriation replaces \$1,911,612 in General Fund appropriations for the Circle Program with a direct cash funds appropriation from the Marijuana Tax Cash Fund. The appropriation also includes a decrease of \$3,597,213 cash funds based on the Legislative Council revenue forecast for the marijuana industry available for appropriation in FY 2015-16. The following table details the appropriation changes by program area.

Marijuana tax revenue adjustment						
	Total	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Behavioral Health Services, Jail-based Behavioral Health Services	\$2,787	\$0	\$2,787	\$0	\$0	0.0
Behavioral Health Services, CMHIP, Circle Program	0	(1,911,612)	1,911,612	0	0	0.0
Division of Youth Corrections, S.B. 91-94 Programs	(2,000,000)	0	(2,000,000)	0	0	0.0
Behavioral Health Services, Treatment and Detoxification Contracts	(1,500,000)	0	(1,500,000)	0	0	0.0
Division of Child Welfare, Training	<u>(100,000)</u>	<u>0</u>	<u>(100,000)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
Total	(\$3,597,213)	(\$1,911,612)	(\$1,685,601)	\$0	\$0	0.0

Annualize prior year legislation: The appropriation includes a reduction of \$3,014,119 total funds for the subsequent year impact of recently passed legislation.

Annualize prior year legislation						
	Total	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 14-1015 Extend Transitional Jobs Program	\$804,730	\$804,730	\$0	\$0	\$0	0.0
SB 14-012 Aid to the Needy Disabled Expansion	167,496	141,725	35,810	(4,697)	(5,342)	0.0
SB 14-130 Regional Center per diem	0	0	(33,563)	33,563	0	0.0
H.B. 14-1317 Colorado Child Care Assistance Program	(2,117,744)	(773,187)	(7,032)	(44,529)	(1,292,996)	0.0
S.B. 14-003 Colorado Child Care Assistance Program	(1,204,703)	(1,204,703)	1,200,000	(1,200,000)	0	0.0
SB 13-040 Homelake Cemetery Expansion	(284,844)	(284,844)	0	0	0	(0.5)
HB 14-1338 Regional Center Taskforce	(250,000)	(250,000)	0	0	0	0.0
SB 15-149 Supplemental Bill	(114,886)	(114,886)	0	0	0	0.0
H.B. 14-1298 Financing of Public Schools	(5,173)	(5,173)	0	0	0	0.0
SB 14-130 Increase Personal Care Allowance Nursing Facility	(4,903)	(2,081)	(173)	(1,810)	(839)	0.0
SB 14-014 Seniors with Disabilities	<u>(4,092)</u>	<u>(976)</u>	<u>(131)</u>	<u>(1,397)</u>	<u>(1,588)</u>	<u>0.0</u>
Total	(\$3,014,119)	(\$1,689,395)	\$1,194,911	(\$1,218,870)	(\$1,300,765)	(0.5)

SWAP adjustments: The appropriation includes a reduction of \$839,814 total funds based on anticipated School to Work Alliance Program (SWAP) contract amounts.

Cloud computing migration: The appropriation includes a decrease of \$532,397 total funds, including \$240,633 General Fund, due to a decrease in the second year costs associated with the migration of applications, including Trails and the Child Care Automated Tracking System (CHATS), to a hosted, cloud-based environment.

Other: The appropriation includes other minor adjustments.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of Part III of this department.

JUDICIAL DEPARTMENT

The Judicial Department consists of the Supreme Court, the Court of Appeals, district courts, the Denver probate and juvenile courts, and all county courts except the Denver county court. In addition to resolving disputes and delivering justice in criminal and civil cases, the Judicial Department supervises juvenile and adult offenders who are sentenced to probation. The Judicial Department also includes six independent agencies:

- The Office of the State Public Defender (OSPD) and the Office of Alternate Defense Counsel (OADC) provide legal representation for indigent criminal defendants. Such cases are first assigned to the OSPD, and cases are referred to the OADC if the OSPD has an ethical conflict of interest.
- The Office of the Child's Representative oversees the provision of legal services to children entitled to legal representation at state expense.
- The Office of the Respondent Parent's Counsel, beginning January 1, 2016, will oversee the provision of legal services to indigent parents or guardians who are respondents in a dependency and neglect case.
- The Office of the Child Protection Ombudsman, beginning January 1, 2016, will receive complaints concerning child protection services and make recommendations to improve the child protection system.
- The Independent Ethics Commission provides advice and guidance on ethics-related matters concerning public officers, members of the General Assembly, local government officials, and government employees.

Department Budget: Recent Appropriations

Funding Source	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
General Fund	\$353,411,788	\$387,197,626	\$446,285,574	\$478,774,984
Cash Funds	134,221,003	139,499,079	135,533,939	157,342,072
Reappropriated Funds	19,319,022	25,814,561	30,798,095	33,940,651
Federal Funds	<u>4,425,000</u>	<u>4,425,000</u>	<u>4,425,000</u>	<u>4,425,000</u>
Total Funds	\$511,376,813	\$556,936,266	\$617,042,608	\$674,482,707
Full Time Equiv. Staff	4,269.6	4,358.7	4,522.3	4,592.3

General Factors Driving the Budget

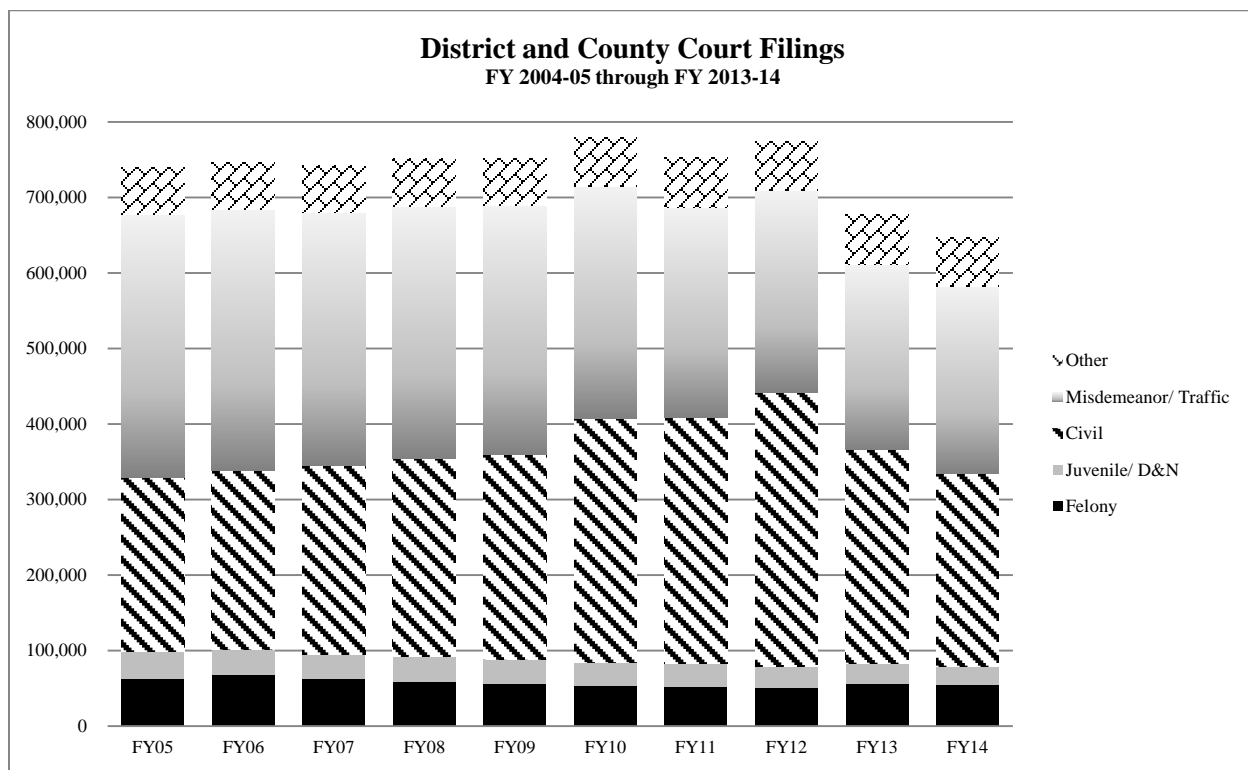
Funding for this department consists of 71.0 percent General Fund, 23.3 percent cash funds, 5.0 percent reappropriated funds, and 0.7 percent federal funds. Cash funds primarily include: various court docket fees and surcharges that support court operations; fees paid by individuals sentenced to probation; and attorney licensing fees that are used by the Supreme Court to regulate the practice of law in Colorado.

The main factor driving the budget for the Judicial Department is caseload. Judges, attorneys, probation officers, and support staff can only manage a certain number of cases each year. As the caseload grows, so does the need for resources if the Department is to continue fulfilling its constitutional and statutory duties in a timely and professional manner. Caseloads are generally driven by: (1) population changes; (2) changes in the

state's economic climate (which can affect the number of civil filings for cases such as foreclosures and collections, as well as the crime rate and the proportion of clients who are financially eligible for state-funded legal representation); and (3) changes in state laws and sentencing provisions. Workload is also impacted by the types of cases filed, as some cases require more time and resources than others.

Case Filings and the Need for Court Staff

In FY 2013-14, approximately 651,000 cases were filed in the state court system, including 430,398 (66.1 percent) in county courts, 216,970 (33.3 percent) in district and water courts, 2,458 in the Court of Appeals, and 1,465 in the Supreme Court. The following chart depicts the number of cases filed annually in county and district courts (collectively called "trial courts") since FY 2004-05, by case type. Cases are depicted using the following categories: felony; juvenile/ dependency and neglect; civil; misdemeanor/ traffic; and other.



From FY 2004-05 through FY 2011-12, the total number of trial court case filings increased by 4.6 percent, with a compound annual growth rate of 0.6 percent. The most significant increase occurred in civil cases, and in particular cases concerning tax liens and foreclosures. In FY 2012-13 this trend reversed, and total trial court case filings have declined by 16.4 percent in the last two fiscal years (more than 126,000 cases). This decline primarily included: a 29.7 percent decrease in civil cases (including a decrease of 68,247 tax lien and foreclosure district court cases and a decrease of 34,756 civil cases in county courts); and a 7.2 percent decrease in misdemeanor and traffic cases (a decline of 19,155 cases).

Generally, tax lien, foreclosure, misdemeanor, and traffic cases do not require a significant amount of judge and court staff time, so the workload impact of changes in the numbers of these case types is less significant than implied by the above chart. For those case types that do have a significant workload impact, the caseload trend for the last two fiscal years is mixed. While the number of felony, probate, and mental health cases has increased in the last two fiscal years (by a total of 6,050), the number of dependency and neglect, and juvenile cases has declined (by a total of 3,428).

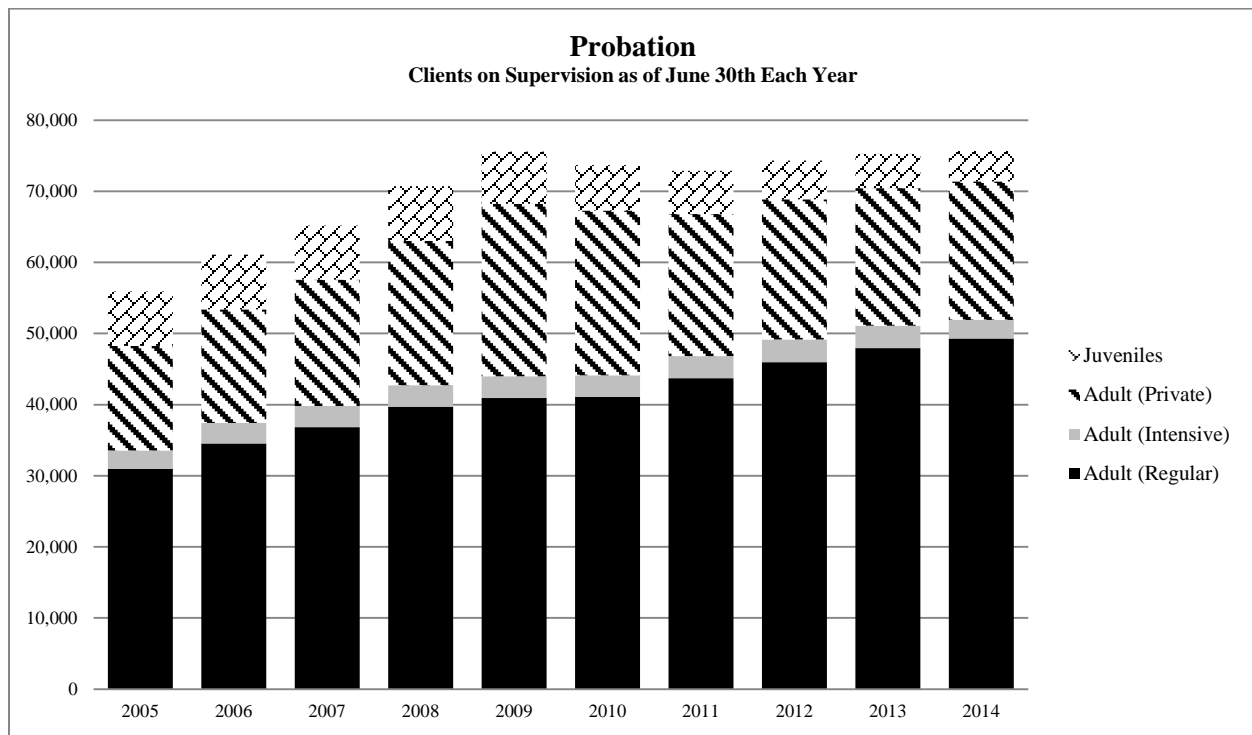
In response to workload increases, the General Assembly periodically passes legislation to increase the number of judges within one or more judicial districts. Most recently, H.B. 14-1050 added two district court judges and the associated court support staff for the 18th judicial district (Arapahoe, Douglas, Elbert, and Lincoln counties), and H.B. 15-1034 added one judgeship to the 12th judicial district court (Alamosa, Conejos, Costilla, Mineral, Rio Grande, and Saguache counties).

Probation and Related Services Caseload

Individuals sentenced to probation, as an alternative to incarceration, remain under the supervision of the court. Failure to meet the terms of probation set forth in the court's sentencing order may result in incarceration. Managed by the chief probation officer in each judicial district, approximately 1,250 employees prepare assessments, provide pre-sentence investigation services to the courts, and supervise offenders sentenced to probation. Supervision services are provided based on each offender's risk of re-offending.

Funding for probation services is primarily driven by the number and types of offenders sentenced to probation and statutory requirements concerning probation eligibility and supervision time frames. Those offenders that present a higher risk of re-offending require more resources. For example, the most recent data available indicates that the average annual cost of probation supervision ranges from \$1,424 for an adult on "regular" probation to \$3,928 for an adult on "intensive" supervision; similarly the average annual cost of probation supervision ranges from \$2,390 for a juvenile on regular probation to \$5,583 for a juvenile on intensive supervision.

The following chart depicts the total number of adults and juveniles on probation from 2005 through 2014. The total number of these offenders increased rapidly from 2005 to 2009 (increasing from 55,931 to 75,559), and has remained relatively stable in subsequent years. The chart also illustrates the number of offenders by age (adults versus juveniles), the level of required supervision (regular versus intensive), and nature of supervision (state versus private). State employees currently supervise all juvenile offenders, and approximately 73 percent of adult offenders, and private probation providers supervise the remaining adult offenders. About two-thirds of privately supervised offenders were sentenced to probation for offenses related to driving under the influence of alcohol or drugs. As illustrated in the chart below, the number of offenders supervised by private probation providers increased significantly from 2008 through 2010. This change appears to be primarily related to a hiring freeze and funding reductions that occurred during that time frame due to the economic downturn. As funding was restored, this trend reversed and the number of offenders supervised by private probation providers has remained between 19,000 and 20,000 since 2011. The number of adult and juvenile offenders who are supervised by state staff has increased steadily since 2005, increasing from 41,228 in June 2005 to 56,221 in June 2014 (36.4 percent). As this number of offenders supervised by state staff grows, so does the need for probation supervisors, officers, and support staff to adequately supervise offenders.



In addition, the General Assembly appropriates state funds to subsidize the cost of required treatment and services for offenders on probation who have inadequate financial resources. From FY 2007-08 to FY 2014-15, state funding for treatment and services for probation clients more than doubled, increasing from \$8.5 million to \$17.5 million. In FY 2013-14, nearly half of available state funding was used for substance abuse testing and treatment, and another 19.0 percent was used for sex offender assessment, treatment, and polygraph expenses.

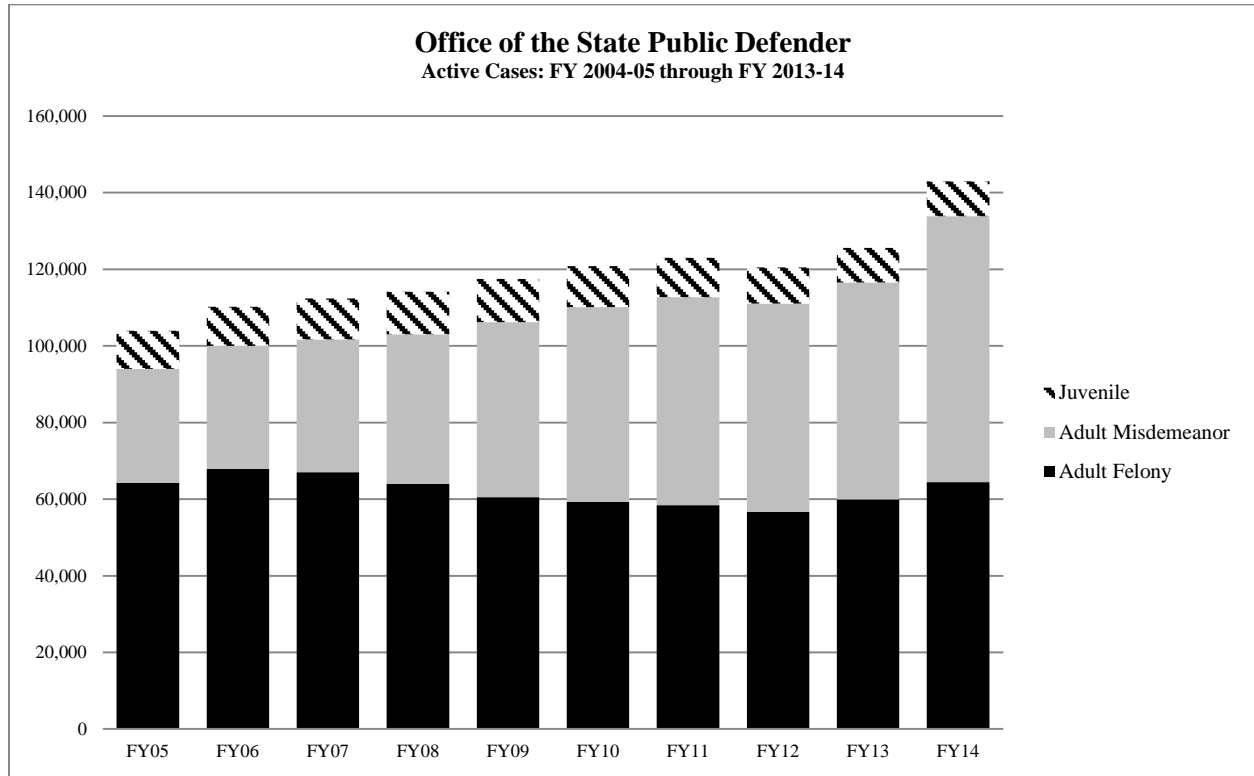
Caseload Impacts Unique to Independent Agencies

The independent agencies that provide legal representation are affected in different ways by changes in the number of cases filed, based on the clients they represent. The three largest independent agencies are discussed below.

The *Office of the State Public Defender (OSPD)* represents criminal defendants who have inadequate financial resources to pay for their own defense. The OSPD's caseload is affected by the number and types of cases filed, as well as the proportion of clients who are eligible for state-funded representation. As in the court system, more complicated cases consume more resources than simpler cases: felonies require more time than misdemeanors, and homicides require more time than assaults or robberies. For example, the most recent data indicates that the OSPD spends an average of \$508 to represent a juvenile defendant, \$529 to represent an adult misdemeanor defendant, and \$817 to represent an adult felony defendant. Further, approximately 87 percent of adult felony defendants receive state funded representation (either through the OSPD or the Office of the Alternate Defense Counsel, discussed below), while approximately 65 percent of adult misdemeanor defendants receive state-funded representation. Thus, the number of felony cases is the primary factor driving OSPD staffing needs.

As illustrated in the following chart, the total number of cases requiring public defender involvement has increased in every year but one since FY 2004-05, reaching 142,907 in FY 2013-14. In the last fiscal year alone the total number of cases increased by 17,301 (13.8 percent). This primarily includes an increase of 12,782 adult misdemeanor cases largely due to the passage of H.B. 13-1210, which repealed a statute that required an

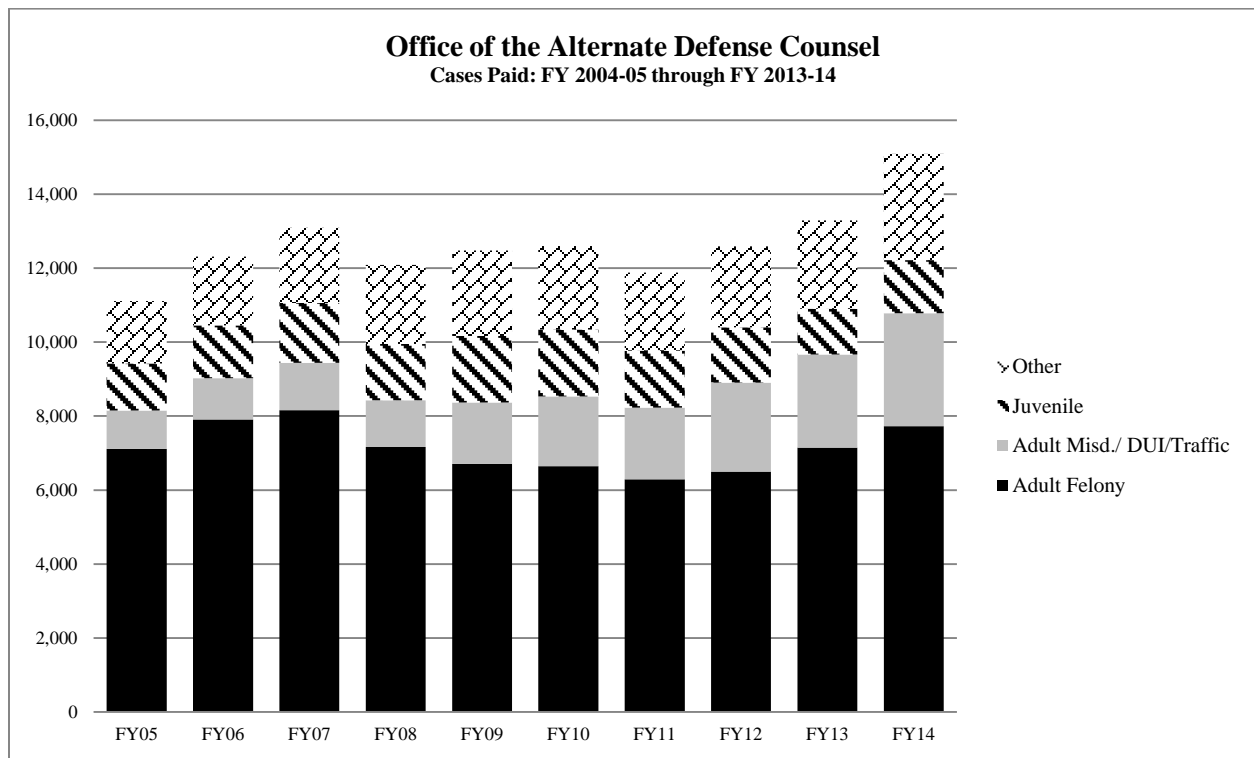
indigent person charged with a misdemeanor or other minor offenses to meet with the prosecuting attorney for plea negotiations before legal counsel is appointed¹. In addition, the number of adult felony cases increased by 4,559 (7.6 percent) in FY 2013-14. The OSPD routinely monitors its workload and periodically requests additional funding to ensure that staffing levels are sufficient to provide legal representation in an ethical and responsible manner.



The *Office of the Alternate Defense Counsel (OADC)* contracts with private attorneys to represent indigent defendants in cases where the OSPD has an ethical conflict of interest in providing legal representation. The OADC paid for legal representation in 15,085 cases in FY 2013-14, at an average cost of \$1,615 per case. Similar to the OSPD, certain types of cases (*e.g.*, death penalty cases) are more expensive than others; these cases require more hours of attorney time and a higher hourly rate. For example, in FY 2013-14 the OADC paid for an average of 18 attorney hours per case; however, the average number of attorney hours per case ranged from six for adult misdemeanor and juvenile cases to 2,600 for death penalty cases.

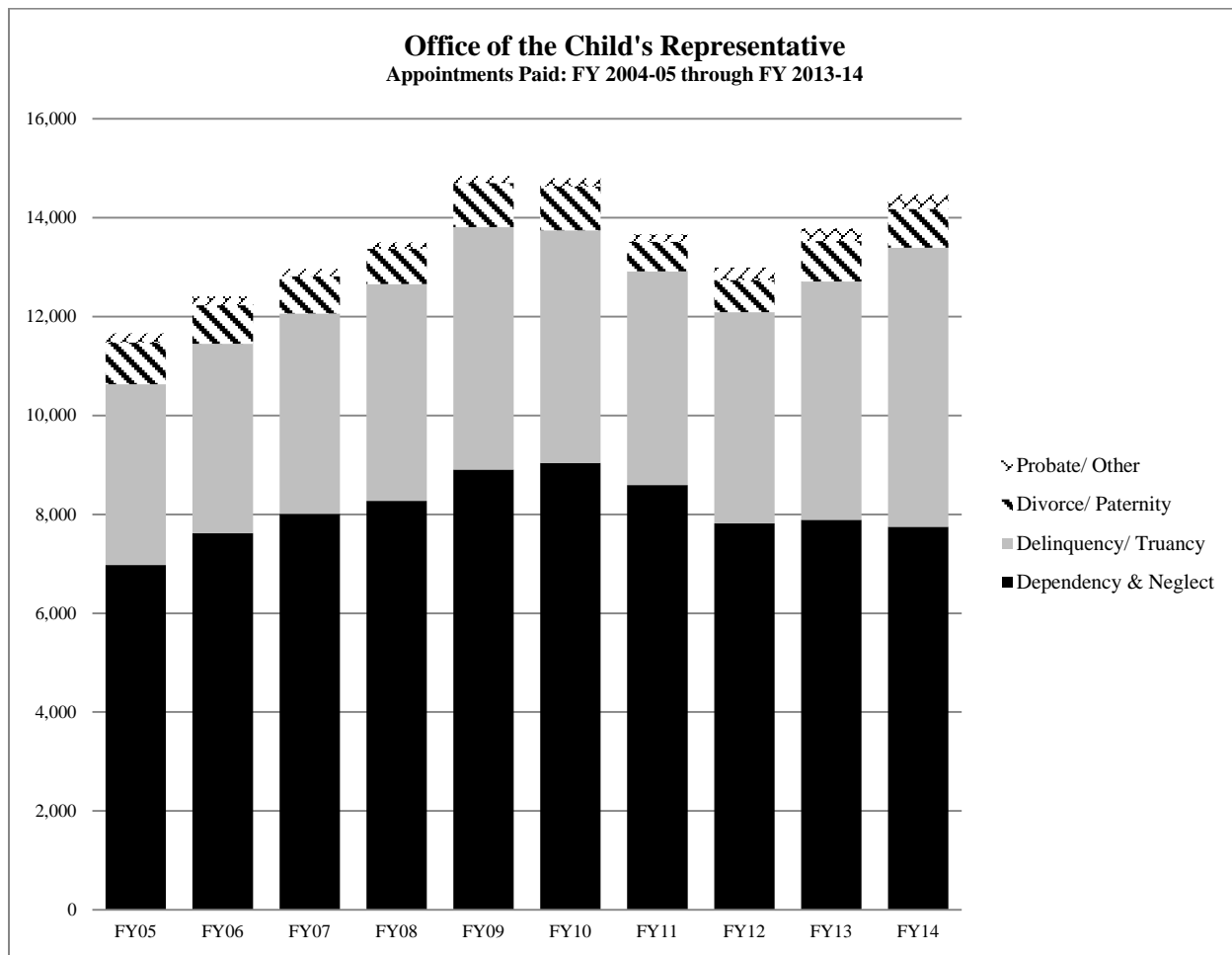
As illustrated in the chart on the next page, the OADC’s overall caseload is more variable than that of the OSPD. In FY 2013-14, the OADC experienced a caseload increase similar to that of the OSPD (an increase of 1,795 cases or 13.5 percent). The OADC saw increases in every case type, with the largest increases in adult misdemeanors (21.5 percent) and juvenile cases (16.4 percent). As the OADC contracts with private attorneys, it routinely submits requests for budget adjustments to ensure that it has sufficient funding to cover payments for all assigned cases.

¹ The act specified that these changes became effective January 1, 2014, and apply to misdemeanors, petty offenses, class 2 and class 3 misdemeanor traffic offenses, and municipal or county ordinance violations committed on or after that date.



The *Office of the Child's Representative (OCR)* is responsible for providing legal representation for children involved in the court system due to abuse or neglect, delinquency, truancy, high conflict divorce, alcohol or drug abuse, mental health issues, and probate matters. The OCR paid for legal representation in 14,471 court appointments in FY 2013-14 at an average cost of \$1,218 per appointment. Similar to the OSPD and OADC, the average cost per appointment varies significantly for different types of cases. For example, in FY 2013-14 the OCR spent an average of \$342 per appointment in truancy cases, \$670 per appointment in domestic relations cases, and \$1,811 per appointment in cases involving abuse and neglect (called dependency and neglect or "D&N" cases). Thus, the OCR's expenditures are primarily driven by the number of D&N cases, as these cases account for the most court appointments and require the most attorney time.

As illustrated in the chart on the next page, the overall number of appointments has increased in the last two fiscal years. This overall increase is primarily related to increases in the number of appointments involving juvenile delinquency or truancy; these appointments now account for 39.0 percent of the total, compared to 31.3 percent in FY 2004-05.



Appropriation Highlights – 2015 Legislative Session

Judicial Department						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$606,373,925	\$436,154,841	\$135,845,989	\$29,948,095	\$4,425,000	4,500.0
SB 14-190	5,300,000	5,300,000	0	0	0	0.0
HB 14-1023	455,983	455,983	0	0	0	8.0
HB 14-1032	645,102	698,452	(53,350)	0	0	11.7
HB 14-1050	837,824	837,824	0	0	0	8.8
HB 14-1096	1,400,000	700,000	0	700,000	0	1.0
HB 14-1266	(69,408)	(69,408)	0	0	0	(1.2)
SB 15-150	2,097,882	2,207,882	(260,000)	150,000	0	(6.0)
SB 15-234	<u>1,300</u>	<u>0</u>	<u>1,300</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$617,042,608	\$446,285,574	\$135,533,939	\$30,798,095	\$4,425,000	4,522.3

Judicial Department						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$617,042,608	\$446,285,574	\$135,533,939	\$30,798,095	\$4,425,000	4,522.3
Move lease purchase payments to operating budget	21,543,903	0	21,543,903	0	0	0.0
Centrally appropriated line items	21,144,786	19,464,548	1,680,238	0	0	0.0
Courthouse capital and infrastructure maintenance	4,307,550	2,316,000	1,991,550	0	0	0.0
Network bandwidth and networking equipment	3,913,000	0	3,913,000	0	0	0.0
Probation supervisors and staff	2,712,610	2,681,860	30,750	0	0	22.9
Office of the Respondent Parents' Counsel	1,578,138	1,555,638	22,500	0	0	3.8
Informational funds adjustment	1,275,000	0	1,275,000	0	0	2.0
Reverse supplemental	716,741	718,041	(1,300)	0	0	0.0
Family violence justice grants	500,000	500,000	0	0	0	0.0
Self-represented litigant coordinators and family court facilitators	477,448	470,068	7,380	0	0	5.5
Regional trainers	279,587	275,897	3,690	0	0	2.8
Rate increase for mental health professionals	279,153	279,153	0	0	0	0.0
Rate increase for transcripts	226,800	226,800	0	0	0	0.0
Senior Judge Program	204,384	204,384	0	0	0	0.0
Appellate court FTE	195,716	193,256	2,460	0	0	1.8
Problem-solving courts FTE	183,040	179,658	3,382	0	0	2.8
Indirect cost assessment	120,691	0	118,447	2,244	0	0.0
OADC staff support	115,461	115,461	0	0	0	1.4
District attorney mandated costs	100,000	100,000	0	0	0	0.0
Recruitment and retention	93,230	92,000	1,230	0	0	0.9
Language access administration	80,094	78,864	1,230	0	0	0.9
Restorative justice coordinator	40,048	0	40,048	0	0	0.5
OCR FTE increase	38,928	38,928	0	0	0	1.5
OCR Mandated costs	17,200	17,200	0	0	0	0.0
IEC legal services and operating	4,444	4,444	0	0	0	0.0
Fund source adjustment	0	(120,691)	(160,231)	280,922	0	0.0
Annualize prior year budget actions	(3,334,311)	(2,503,548)	(830,763)	0	0	1.3
Annualize prior year legislation	(2,993,547)	(4,317,146)	23,599	1,300,000	0	3.9
General Fund support of cash funds	(900,000)	8,500,000	(9,400,000)	0	0	0.0
Eliminate second FTE for IEC	(84,161)	(84,161)	0	0	0	(1.0)
Other	130,861	121,471	0	9,390	0	0.0
SB 15-234	\$670,009,402	\$477,393,699	\$155,800,052	\$32,390,651	\$4,425,000	4,573.3
SB 15-204	351,086	351,086	0	0	0	2.2
HB 15-1034	340,651	333,631	7,020	0	0	3.2

Judicial Department						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 15-1043	1,272,133	1,272,133	0	0	0	14.2
HB 15-1149	(618,145)	(603,145)	(15,000)	0	0	(1.1)
HB 15-1153	27,580	27,580	0	0	0	0.5
HB 15-1367	<u>3,100,000</u>	<u>0</u>	<u>1,550,000</u>	<u>1,550,000</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$674,482,707	\$478,774,984	\$157,342,072	\$33,940,651	\$4,425,000	4,592.3
Increase/(Decrease)	\$57,440,099	\$32,489,410	\$21,808,133	\$3,142,556	\$0	70.0
Percentage Change	9.3%	7.3%	16.1%	10.2%	0.0%	1.5%

FY 2014-15 Appropriation - Mid-year Adjustments

Senate Bill 15-150 provides supplemental appropriations to the Department to modify FY 2014-15 appropriations included in the FY 2014-15 Long Bill (H.B. 14-1336). Senate Bill 15-234 added \$1,300 cash funds to authorize the Independent Ethics Commission to receive and spend a grant for equipment and streaming services.

FY 2015-16 Appropriation Highlights

Move lease purchase payments to operating budget: The appropriation moves lease purchase payment (certificates of participation) amounts that were previously appropriated in the capital construction section of the Long Bill into the operating budget.

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; vehicle lease payments; workers' compensation; legal services; payment to risk management and property funds; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

Courthouse capital and infrastructure maintenance: The appropriation includes a total of \$4,307,550 (including \$2,316,000 General Fund) to fulfill the State's responsibility for court facility furnishings, information technology infrastructure and systems, and phone systems.

Network bandwidth and networking equipment: The appropriation includes \$3,913,000 cash funds from the Judicial Department Information Technology Cash Fund for network equipment upgrades, increased network bandwidth costs for court and probation locations across the state, and hardware and software needs throughout the Department.

Probation supervisors and staff: The appropriation includes a total of \$2,712,610 (primarily General Fund) to add twenty probation supervisors and five support staff to better align the staffing level of probation supervisors and support staff to that of probation officers.

Office of the Respondent Parents' Counsel: The appropriation includes an increase of \$1,578,138 (primarily General Fund) and 3.8 FTE to establish a new independent office within the Judicial Branch to oversee the

provision of legal representation for parents who are respondents in dependency and neglect cases as required by S.B. 14-203. [Please note that H.B. 15-1149 modifies the timing of the implementation of this new office and reduces the appropriations required for FY 2015-16 by \$618,145.]

Informational funds adjustment: The appropriation includes an increase of \$1,275,000 cash funds and 2.0 FTE reflected in the Long Bill for informational purposes only. This includes an increase of \$1,225,000 from the Crime Victim Compensation Fund and an increase of \$50,000 from attorney registration fees.

Reverse supplemental: The appropriation reflects an increase of \$716,741 (primarily General Fund) to reverse several mid-year adjustments recently approved for FY 2014-15 that were one-time in nature.

Family violence justice grants: The appropriation includes an increase of \$500,000 General Fund for grants to organizations that provide legal advice, representation, and advocacy for indigent clients who are victims of family violence.

Self-represented litigant coordinators and family court facilitators: The appropriation includes a total of \$477,448 (primarily General Fund) and 5.5 FTE to add two self-represented litigant coordinators and four family court facilitators within various trial courts.

Regional trainers: The appropriation includes \$279,587 (primarily General Fund) and 2.8 FTE to improve the quality and availability of training for trial court staff.

Rate increase for mental health professionals: The appropriation includes \$279,153 General Fund to cover the costs of increasing the maximum hourly compensation rate paid to expert witnesses and professionals who conduct mental health evaluations related to competency or sanity from \$100 to \$150.

Rate increase for transcripts: The appropriation includes \$226,800 General Fund to cover the costs of increasing the per-page compensation rate paid to court employees who prepare transcripts from \$2.75 to \$3.00.

Senior Judge Program: The appropriation includes \$204,384 General Fund to increase from 46 to 49 the number of retired judges available to cover sitting district and county court judges in case of disqualifications, vacations, sick leave, over-scheduled dockets, judicial training and education, and conflicts of interest.

Appellate court FTE: The appropriation includes a total of \$195,716 (primarily General Fund) and 1.8 FTE to add two staff to improve the efficiency and effectiveness of the Colorado Supreme Court and the Court of Appeals.

Problem-solving courts FTE: The appropriation includes a total of \$183,040 (primarily General Fund) and 2.8 FTE to permanently fund problem-solving court positions that were previously funded by a federal grant.

Indirect cost assessment: The appropriation includes a net increase in the department's indirect cost assessments.

OADC staff support: The appropriation includes \$115,461 General Fund and 1.4 FTE for the Office of the Alternate Defense Counsel to address workload increases.

District attorney mandated costs: The appropriation includes an increase of \$100,000 General Fund to reimburse district attorneys for costs incurred for prosecution of state matters.

Recruitment and retention: The appropriation includes \$93,230 (primarily General Fund) and 0.9 FTE to develop and implement a strategic approach to recruiting and retaining Department employees.

Language access administration: The appropriation includes \$80,094 (primarily General Fund) and 0.9 FTE to improve the quality of language interpreter and translator services provided by Department employees and external agencies.

Restorative justice coordinator: The appropriation includes \$40,048 cash funds from the Restorative Justice Cash Fund to increase the Restorative Justice Coordinator position that was added through H.B. 13-1254 from a half-time to a full-time position. The appropriation also transfers funding for this position from the Administration and Technology subsection to the Centrally Administered Programs subsection to consolidate funding for restorative justice programs.

OCR FTE increase: The appropriation includes \$38,928 General Fund to add 1.0 FTE administrative position in the Office of the Child's Representative's (OCR's) El Paso county *guardian ad litem* office and 0.5 FTE administrative position in the OCR's central office to address workload increases.

OCR mandated costs: The appropriation includes \$17,200 General Fund to cover OCR's costs of expert witnesses, discovery and reproduction services, transcripts, interpreter services outside the courtroom, and process servers.

IEC legal services and operating: The appropriation includes \$4,444 General Fund to allow the Independent Ethics Commission (IEC) to purchase a total of 1,800 hours of legal services and to cover one-time equipment costs.

Fund source adjustment: The appropriation includes an increase of \$120,691 in the amount of total department indirect cost recoveries (reappropriated funds) that are applied to offset the need for General Fund in the Administration and Technology subsection. The appropriation also includes a shift of \$160,231 from cash funds to reappropriated funds to properly reflect the amount of leased space payments that will support the operations of the Carr Center.

Annualize prior year budget actions: The appropriation includes a number of changes to reflect the out year impact of funding decisions made through the FY 2014-15 Long Bill, as detailed in the following table.

Annualize prior year budget actions						
	Total	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
IT Staff	\$71,548	\$71,548	\$0	\$0	\$0	0.0
Regional technicians for IT support	7,030	7,030	0	0	0	0.0
OSPD Appellate staffing	2,994	2,994	0	0	0	1.3
Language access	2,702	2,702	0	0	0	0.0
Courthouse capital and infrastructure maintenance	(2,462,500)	(2,462,500)	0	0	0	0.0
Network bandwidth	(732,000)	0	(732,000)	0	0	0.0
Restitution enforcement	(98,763)	0	(98,763)	0	0	0.0
FY 2014-15 salary survey and merit pay	(77,312)	(77,312)	0	0	0	0.0
Self-represented litigant coordinators	(47,845)	(47,845)	0	0	0	0.0
Probation background checks	(165)	(165)	0	0	0	0.0

Annualize prior year budget actions						
	Total	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Total	(\$3,334,311)	(\$2,503,548)	(\$830,763)	\$0	\$0	1.3

Annualize prior year legislation: The appropriation includes a reduction of \$2,993,547 total funds for the second or subsequent year impact of legislation, as detailed in the following table:

Annualize prior year legislation						
	Total	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 14-1096 Underfunded courthouse facilities grants	\$2,600,000	\$1,300,000	\$0	\$1,300,000	\$0	0.0
HB 14-1032 Defense counsel for juvenile offenders	378,705	385,106	(6,401)	0	0	8.3
SB 08-054 Judicial performance evaluations	30,000	0	30,000	0	0	0.0
SB 14-190 Statewide discovery sharing system	(5,300,000)	(5,300,000)	0	0	0	0.0
HB 11-1300 Conservation easements	(541,792)	(541,792)				(5.0)
HB 14-1050 Add two judges	(94,994)	(94,994)	0	0	0	0.8
HB 14-1023 Social workers for juveniles	(37,624)	(37,624)	0	0	0	0.0
SB 13-250 Drug crime sentencing	(17,140)	(17,140)	0	0	0	0.0
HB 14-1266 Penalties for value-based offenses	<u>(10,702)</u>	<u>(10,702)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(0.2)</u>
Total	(\$2,993,547)	(\$4,317,146)	\$23,599	\$1,300,000	\$0	3.9

General Fund support of cash funds: The appropriation includes an increase of \$8.5 million General Fund and a decrease of \$9.4 million cash funds to maintain support for several programs that are affected by declining revenues in four cash funds.

Eliminate second FTE for IEC: The appropriation includes a reduction of \$84,161 General Fund and 1.0 FTE to eliminate funding for a second staff position for the Independent Ethics Commission (IEC) that is currently vacant. In addition, the appropriation consolidates multiple line items that support IEC personnel-related expenses and operating expenses into a single line item appropriation.

Other: The appropriation includes other minor adjustments.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of Part III of this department.

DEPARTMENT OF LABOR AND EMPLOYMENT

The Department is divided into six divisions:

1. The Executive Director's Office is responsible for providing common services to all divisions, including human resources and accounting services.
2. The Division of Unemployment Insurance is responsible for the administration and monitoring of the integrity of Colorado's unemployment insurance programs, including project management of ongoing unemployment insurance technology improvements.
3. The Division of Employment and Training is responsible for the administration of the workforce development programs and State run one-stop centers, and research and analysis on Colorado's employment trends.
4. The Division of Labor is responsible for ensuring employer compliance with State and federal employment laws.
5. The Division of Oil and Public Safety is responsible for the inspection of boilers, conveyances, amusement park and carnival rides, distribution centers of petroleum products, storage sites for explosive materials, and monitoring the clean-up of leaking underground storage tanks.
6. The Division of Workers' Compensation is responsible for enforcing workers' compensation laws and the administration of the Major Medical Insurance and Subsequent Injury Funds.

Department Budget: Recent Appropriations

Funding Source	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
General Fund	\$0	\$98,519	\$661,690	\$8,008,584
Cash Funds	60,492,110	65,399,832	66,168,686	74,251,770
Reappropriated Funds	651,881	650,740	650,740	4,439,547
Federal Funds	<u>96,982,910</u>	<u>97,192,944</u>	<u>100,027,649</u>	<u>100,821,204</u>
Total Funds	\$158,126,901	\$163,342,035	\$167,508,765	\$187,521,105
Full Time Equiv. Staff	1,006.3	1,012.5	1,016.5	1,030.3

General Factors Driving the Budget

Funding for this department consists of 4.3 percent General Fund, 39.6 percent cash funds, 2.4 percent reappropriated funds, and 53.8 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

Workforce Development Package Bills

The General Assembly enacted several bills during the 2015 legislative session that were collectively referred to as the “Workforce Development Bill Package.” In FY 2015-16, the Workforce Development Bill Package will increase the total appropriation for the Department of Labor and Employment by 4.7 percent and will increase the General Fund appropriated to the Department by more than ten times the Department’s FY 2014-15 appropriation. The Department typically has very minimal support provided by the General Fund, and therefore any increase appears significant. The list of bills included in the package is provided below, and for information on each specific piece of legislation, see the "Recent Legislation" section at the end of Part III of this department.

Workforce Development Package Bills in Department of Labor and Employment in FY 2015-16	
Bill Number	Short Title
H.B. 15-1030	Employment Services for Veterans Pilot Program
H.B. 15-1170	Increasing Postsecondary and Workforce Readiness
H.B. 15-1230	Innovative Industry Workforce Development
H.B. 15-1274	Creation of Career Pathways for Students
H.B. 15-1276	Skilled Worker Outreach, Recruitment, and Key Training Grant Program

Additionally, many workforce development programs are funded with pass-through federal funds. These programs provide employment services for businesses and job training and placement services for job seekers through a network of state and county one-stop workforce centers. Workforce development programs, including those funded by State and federal funds, account for 35.9 percent of the total funding for the Department.

Unemployment Insurance Programs

The Unemployment Insurance Programs (UI Programs) provide temporary compensation to individuals who are laid off through no fault of their own. Claimants are eligible for weekly benefits, yet are paid on a bi-weekly basis. Benefit payments range from \$25 to a maximum of \$532 per week. The UI Programs appropriation in the Long Bill reflects the cost of administering the UI Programs. Pursuant to Section 8-77-104 (1), C.R.S., the funds used to pay benefits are not subject to appropriation by the General Assembly, and do not appear in the Long Bill.

The appropriation for the UI Programs accounts for 24.5 percent of the Department’s total FY 2015-16 appropriation. Approximately 63.2 percent of the UI Programs appropriation is federal funds. Unemployment Insurance claims are paid from the Unemployment Insurance Trust Fund (UITF), which resides in the federal treasury and is maintained by the federal Unemployment Insurance Program. In a healthy economy the number of claims is lower resulting in fewer benefits being paid, which builds up the fund balance. During challenging economic times, the number of claims and benefits paid increases, resulting in a decrease in the balance of the UITF. The following table outlines annual benefit payment amounts and the associated UITF balance from FY 2011-12 to FY 2015-16:

UI Benefit Payments for FY 2011-12 to FY 2015-16				
Fiscal Year	Benefit Payments	Change from Previous Year	Ending Trust Fund Balance	Change from Previous Year
FY 2011-12 Actual	\$606,531,633	(\$112,344,612)	\$593,429,081	\$623,423,417
FY 2012-13 Actual	601,296,250	(5,235,383)	533,677,101	(59,751,980)

UI Benefit Payments for FY 2011-12 to FY 2015-16

Fiscal Year	Benefit Payments	Change from Previous Year	Ending Trust Fund Balance	Change from Previous Year
FY 2013-14 Actual	580,251,974	(21,044,276)	577,552,928	43,875,827
FY 2014-15 Estimated	515,806,110	(64,445,864)	602,392,928	24,840,000
FY 2015-16 Projected	495,000,000	(20,806,110)	611,032,928	8,640,000

During FY 2009-10 the UITF became insolvent which resulted in Colorado borrowing funds from the federal Unemployment Trust Fund. Pursuant to H.B. 12S-1002 (Unemployment Insurance Revenue Bonds), the Department is authorized to use bonds to finance the federal debt in order to avoid a federal tax credit reduction for Colorado employers. Colorado employers are currently obligated to pay assessments for the principal and interest owed on the federal debt. The solvency surcharge was turned off as a result of issuance of the bonds in 2013 and the Department forecasts the surcharge will remain turned off through at least 2019. The employer bond principal surcharge, which is assessed against employers to repay annual principal on the bonds, will remain in effect through 2017.

Workers' Compensation

Colorado employers are required to carry workers' compensation insurance to pay for medical expenses incurred during the treatment of work-related injuries and for partial wage replacement. The Division of Workers' Compensation provides services to support this mandate including customer service, claims resolution, employer and employee education, and cost containment programs. The budget for the Worker's Compensation Division is driven by the number of workers injured in a given year, and the number of hearings requested by an employer, insurance company, or injured worker to determine what benefits should be provided. The Workers' Compensation program offers claims intervention, mediation, pre-hearing conferences, settlement conferences, and arbitration to assist with dispute resolution.

Appropriation Highlights – 2015 Legislative Session

Department of Labor and Employment						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$167,047,063	\$259,785	\$66,014,571	\$650,740	\$100,121,967	1,016.0
SB 14-005	333,403	320,903	12,500	0	0	0.0
SB 14-015	56,665	56,665	0	0	0	0.5
SB 15-151	<u>71,634</u>	<u>24,337</u>	<u>141,615</u>	<u>0</u>	<u>(94,318)</u>	<u>0.0</u>
TOTAL	\$167,508,765	\$661,690	\$66,168,686	\$650,740	\$100,027,649	1,016.5
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$167,508,765	\$661,690	\$66,168,686	\$650,740	\$100,027,649	1,016.5
Unemployment insurance automation initiatives	6,565,464	0	6,565,464	0	0	0.0
Centrally appropriated line items	2,405,671	1,657,577	661,525	484,624	(398,055)	0.0

Department of Labor and Employment						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Annualize prior year budget actions	2,157,922	(21,547)	936,381	4,183	1,238,905	0.0
Annualize prior year legislation	408,671	400,874	7,797	0	0	7.0
Indirect cost assessment	(135,378)	0	(88,083)	0	(47,295)	0.0
SB 15-234	\$178,911,115	\$2,698,594	\$74,251,770	\$1,139,547	\$100,821,204	1,023.5
SB 15-239	665,330	665,330	0	0	0	0.0
HB 15-1030	157,950	157,950	0	0	0	0.3
HB 15-1170	118,969	118,969	0	0	0	1.0
HB 15-1230	582,698	582,698	0	0	0	1.0
HB 15-1274	485,043	485,043	0	0	0	2.5
HB 15-1276	<u>6,600,000</u>	<u>3,300,000</u>	<u>0</u>	<u>3,300,000</u>	<u>0</u>	<u>2.0</u>
TOTAL	\$187,521,105	\$8,008,584	\$74,251,770	\$4,439,547	\$100,821,204	1,030.3
Increase/(Decrease)	\$20,012,340	\$7,346,894	\$8,083,084	\$3,788,807	\$793,555	13.8
Percentage Change	11.9%	1,110.3%	12.2%	582.2%	0.8%	1.4%

FY 2014-15 Appropriation - Mid-year Adjustments

Senate Bill 15-151 includes a net increase of \$71,634, including \$24,337 General Fund, for the following adjustments:

- An increase of \$82,985 cash funds for additional demand on administrative law judges made by the Department;
- An increase of \$24,337 General Fund for the Governor's Office of Information Technology to address necessary technical modifications to the State's human resources' computer systems; and
- A net decrease of \$35,688 total funds for a true-up of COFRS modernization allocations and to fund Colorado Operational Resource Engine enhancements and ongoing configuration.

FY 2015-16 Appropriation Highlights

Unemployment insurance automation initiatives: The appropriation includes an increase of \$6,565,464 cash funds from the Employment and Training Technology Cash Fund for the Department to continue its efforts leading a multi-state consortium that is developing a comprehensive system for unemployment insurance benefits and premiums. The appropriation includes a footnote that identifies this appropriation as being available until the end of FY 2016-17 to ensure the vendor can be paid only once all milestones are completed.

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; shift-differential; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; workers' compensation; administrative law judge services; payment to risk management and property funds; Capitol complex leased space; and statewide indirect cost assessments.

Annualize prior year budget actions: The appropriation includes a number of changes to the out year impact of funding decisions made through the FY 2014-15, appropriation including annualization of the FY 2014-15 salary survey and merit pay.

Annualize prior year legislation: The appropriation includes an increase of \$408,671 total funds for the second year impact of two bills: S.B 14-005 (Wage Protection Act) and S.B. 14-015 (Hospitality Grant Program).

Indirect cost assessment: The appropriation includes a net decrease in the department's indirect cost assessment.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of Part III of this department.

DEPARTMENT OF LAW

The Attorney General is one of five independently elected constitutional officers of the State, whose powers and duties are prescribed by the General Assembly. As the chief executive officer of the Department of Law, the Attorney General represents and defends the legal interests of the people of the State of Colorado, and serves as chief legal counsel and advisor to state government, its statewide elected officials, and its many state agencies, boards, and commissions.

The Attorney General also has primary authority for: enforcement of consumer protection and antitrust laws; prosecution of criminal appeals and some complex white-collar crimes; the statewide grand jury; training and certification of peace officers; and certain natural resource and environmental matters. The Attorney General and his staff also work concurrently with Colorado's 22 locally elected district attorneys and other local, state, and federal law enforcement authorities to carry out the criminal justice responsibilities and activities of the office.

Department Budget: Recent Appropriations

Funding Source	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
General Fund	\$10,452,022	\$12,168,714	\$13,575,405	\$15,058,065
Cash Funds	10,979,963	12,833,181	15,578,104	15,796,431
Reappropriated Funds	35,476,528	42,227,639	43,867,145	44,863,650
Federal Funds	<u>1,576,165</u>	<u>1,770,364</u>	<u>1,747,272</u>	<u>1,793,877</u>
Total Funds	\$58,484,678	\$68,999,898	\$74,767,926	\$77,512,023
Full Time Equiv. Staff	432.7	452.5	469.0	477.6

General Factors Driving the Budget

Funding for this department consists of 19.4 percent General Fund, 20.4 percent cash funds, 57.9 percent reappropriated funds, and 2.3 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

Legal Services to State Agencies

Prior to 1973, most state agencies were represented by "assistant solicitors" who were housed within and paid by the agencies they represented. The system became problematic as there were serious differences in legal policy between agencies, resulting in an inconsistent legal policy for the State in the courts. In 1973, the General Assembly passed legislation that moved all the assistant solicitors into the Department of Law, and prohibited any state agency from employing a person to perform legal services. As a trade-off, the Department of Law became subject to the "Oregon Plan", whereby the General Assembly appropriates moneys for legal services to the various state agencies, who in turn purchase services from the Department of Law at hourly rates

(one rate for attorneys and one rate for legal assistants). The General Assembly provides spending authority to the Department of Law to spend moneys received from other state agencies.

For FY 2015-16, the General Assembly has authorized the Department of Law to spend up to \$39.0 million providing legal services to state agencies (including associated central appropriations for items such as employee benefits, leased space, and information technology costs). This amount represents 50.4 percent of the Department's total appropriation. As shown in the table below, eight agencies account for more than 80.0 percent of these services. The table also details the total number of hours of legal services provided and the blended hourly rate charged by the Department.

Legal Services to State Agencies: FY 2011-12 to FY 2015-16						
State Department	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 Actual	FY 14-15 Approp./ Estim.	FY 15-16 Approp./ Estim.	% of Total
Regulatory Agencies	\$7,359,709	\$7,383,603	\$8,969,467	\$11,020,252	\$10,458,308	27.1%
Natural Resources	3,323,637	3,514,961	4,563,407	5,210,681	4,842,850	12.8%
Revenue	2,864,901	2,740,083	3,409,251	4,226,440	4,183,656	10.4%
Personnel	2,550,581	2,379,484	3,504,482	4,416,035	4,636,956	10.8%
Public Health and Environment	2,275,229	2,393,330	2,840,844	3,632,358	3,249,247	8.9%
Human Services	1,394,458	1,401,843	1,680,642	1,825,645	1,751,889	4.5%
Transportation	1,132,068	956,102	1,265,248	1,626,932	1,561,205	4.0%
Corrections	1,010,582	1,273,306	1,240,836	1,955,746	1,876,733	4.8%
Other agencies 1/	<u>5,198,384</u>	<u>4,446,571</u>	<u>5,674,798</u>	<u>6,818,163</u>	<u>6,484,704</u>	16.7%
Total Expenditures/ Appropriation	\$27,109,549	\$26,489,283	\$33,148,975	\$40,732,252	\$39,045,548	100.0%
<i>% change of total from prior year</i>	5.0%	(2.3%)	25.1%	22.9%	(4.1%)	
<i>% of total Department of Law appropriations</i>	49.9%	45.3%	48.0%	55.1%	50.4%	
<i>% of total state operating appropriations</i>	0.1%	0.1%	0.1%	0.2%	0.1%	
Blended Legal Rate	\$75.71	\$77.25	\$91.08	\$99.01	\$95.01	
<i>% change from prior year</i>	3.2%	2.0%	17.9%	8.7%	(4.0%)	
Total Hours	357,139	341,814	403,161	411,395	410,963	
<i>% change from prior year</i>	2.3%	(4.3%)	17.9%	2.0%	(0.1%)	

1/ Actual expenditures for FY 2011-12 through FY 2013-14 are provided by the Department of Law. The appropriation columns include the Department's estimates of legal services to be provided to institutions of higher education and to the Public Employees' Retirement Association (PERA).

Fluctuations in legal services expenditures are due to: (1) changes in the Department's hourly rates; and (2) changes in the number of hours of legal services provided to state agencies by attorneys and legal assistants. The hourly rates fluctuate based on the costs of employee salaries and benefits as well as operating expenses.

Criminal Justice and Appellate

The largest allocation of General Fund in the Department is for the Criminal Justice and Appellate section, which accounts for more than 38.0 percent of General Fund appropriations to the Department for FY 2015-16. More than half of the General Fund in this section is devoted to the Appellate Unit, which represents the State in criminal appeals, and about one-third is devoted to the Special Prosecutions Unit, which investigates and prosecutes a variety of crimes. The following table provides expenditure and workload data for the Appellate Unit. In FY 2013-14, the General Assembly appropriated funding to add 6.0 attorney FTE to allow the Department to address a growing backlog of criminal appeals cases. The FY 2014-15 appropriation added an additional administrative assistant to support the expanded Appellate Unit.

Appellate Unit Data: FY 2010-11 to FY 2015-16						
	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 Actual	FY 14-15 Approp.	FY 15-16 Approp.
Expenditures/Appropriations (excluding central appropriations)	\$2,646,858	\$2,603,619	\$2,709,335	\$3,230,248	\$3,697,461	\$3,782,761
FTE	31.6	30.9	31.3	37.0	38.9	39.0
Opening briefs received	1,050	1,171	1,018	911	n/a	n/a
Answer briefs filed	1,021	894	885	1,149	n/a	n/a
Case backlog	398	608	564	272	n/a	n/a

District Attorneys' Salaries

The Colorado Constitution requires each judicial district to elect a district attorney. Similar to the Attorney General, district attorneys (DAs) are part of the executive branch of government and their powers and duties are prescribed by the General Assembly. Each DA is responsible for representing the legal interests of the people of the State of Colorado and prosecuting on behalf of the people criminal cases for crimes committed within his or her judicial district. Upon request, DAs provide legal advice and legal representation to county officers and employees, and render legal advice to peace officers pertaining to affidavits and warrants for arrests, searches, seizures, and court orders for the production of records.

While DAs' office budgets are primarily set and provided by their respective boards of county commissioners within each judicial district, the State provides direct funding for DAs, via state agencies, for certain purposes. The Department of Law's budget includes an annual appropriation for DA salaries. Pursuant to Section 20-1-306, C.R.S., the State contributes 80.0 percent of the funding for a minimum DA salary that is established in statute (including the associated costs of employer Public Employees' Retirement Association contributions). In 2007 (H.B. 07-1170), the General Assembly raised the statutory minimum salary for DAs over a four-year period. A judicial district may choose to pay a salary that exceeds the statutory minimum using local funds.

The appropriation to the Department of Law for the State's contribution for DA salaries currently accounts for 18.0 percent of total General Fund appropriations to the Department. The following table details recent expenditures/appropriations for this purpose.

State Expenditures for District Attorney Salaries: FY 2007-08 to FY 2015-16

Fiscal Year	Expenditures/ Appropriations	Annual Increase	Cumulative Increase
2007-08	\$1,315,985	n/a	n/a
2008-09	1,654,605	\$338,620	\$338,620
2009-10	2,096,027	441,422	780,042
2010-11	2,263,229	167,202	947,244
2011-12	2,479,847	216,618	1,163,862
2012-13	2,656,471	176,624	1,340,486
2013-14	2,676,960	20,489	1,360,975
2014-15 (approp.)	2,697,656	20,696	1,381,671
2015-16 (approp.)	2,718,249	20,593	1,402,264

Appropriation Highlights – 2015 Legislative Session

Department of Law						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$69,567,702	\$12,917,348	\$12,369,385	\$42,532,558	\$1,748,411	454.9
SB 14-002	281,952	266,952	15,000	0	0	2.5
SB 14-005	23,225	0	0	23,225	0	0.0
SB 14-029	9,108	0	0	9,108	0	0.0
SB 14-099	18,216	0	0	18,216	0	0.1
SB 14-123	1,612,467	0	1,612,467	0	0	1.4
SB 14-125	9,108	0	0	9,108	0	0.1
SB 14-133	9,057	0	0	9,057	0	0.0
SB 14-172	182	0	0	182	0	0.0
SB 14-188	163,944	0	0	163,944	0	1.0
SB 14-215	1,624,760	0	1,624,760	0	0	3.0
HB 14-1144	350,000	350,000	0	0	0	0.0
HB 14-1199	3,643	0	0	3,643	0	0.0
HB 14-1202	20,000	0	0	20,000	0	0.0
HB 14-1227	56,925	0	0	56,925	0	0.3
HB 14-1319	18,216	0	0	18,216	0	0.0
HB 14-1328	55,741	0	27,324	28,417	0	0.4
HB 14-1329	18,216	0	0	18,216	0	0.1
HB 14-1331	105,653	0	0	105,653	0	0.6
HB 14-1380	3,643	0	3,643	0	0	0.0
HB 14-1398	14,573	0	0	14,573	0	0.0

Department of Law						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 15-152	877,595	41,105	1,525	836,104	(1,139)	4.6
SB 15-167	<u>(76,000)</u>	<u>0</u>	<u>(76,000)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$74,767,926	\$13,575,405	\$15,578,104	\$43,867,145	\$1,747,272	469.0
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$74,767,926	\$13,575,405	\$15,578,104	\$43,867,145	\$1,747,272	469.0
Centrally appropriated line items	2,927,831	957,173	178,376	1,734,009	58,273	0.2
Office of Community Engagement	221,405	221,405	0	0	0	1.8
Provision of legal services	176,044	0	0	176,044	0	6.7
CP & AT operating and litigation	167,823	64,547	83,911	19,365	0	0.0
Legislative liaison	101,205	0	0	101,205	0	1.0
CORA and open meetings attorney	87,635	87,635	0	0	0	0.9
Tobacco litigation legal assistant	80,389	0	80,389	0	0	1.0
Half-time contract administrator	48,956	0	0	48,956	0	0.0
Move POST FTE to Administration	46,935	0	0	46,935	0	0.0
Annualize prior year legislation	36,886	9,195	141,959	(114,268)	0	0.1
Fund source adjustments	0	190,445	(852,588)	662,143	0	0.0
Reverse supplemental	(877,595)	(41,105)	(1,525)	(836,104)	1,139	(4.6)
Annualize prior year budget actions	(414,216)	(101,076)	(394,234)	81,249	(155)	0.1
Indirect cost assessment	(102,435)	0	982,039	(1,071,822)	(12,652)	0.0
Change in anticipated grant funding	(11,100)	0	0	(11,100)	0	(0.5)
Other	0	0	0	0	0	0.4
SB 15-234	\$77,257,689	\$14,963,624	\$15,796,431	\$44,703,757	\$1,793,877	476.1
SB 15-014	56,706	0	0	56,706	0	0.3
SB 15-106	8,506	0	0	8,506	0	0.0
SB 15-110	4,726	0	0	4,726	0	0.0
SB 15-196	3,780	0	0	3,780	0	0.0
SB 15-239	18,902	0	0	18,902	0	0.1
HB 15-1063	94,441	94,441	0	0	0	0.8
HB 15-1309	7,426	0	0	7,426	0	0.0
HB 15-1367	26,593	0	0	26,593	0	0.1
HB 15-1379	<u>33,254</u>	<u>0</u>	<u>0</u>	<u>33,254</u>	<u>0</u>	<u>0.2</u>
TOTAL	\$77,512,023	\$15,058,065	\$15,796,431	\$44,863,650	\$1,793,877	477.6
Increase/(Decrease)	\$2,744,097	\$1,482,660	\$218,327	\$996,505	\$46,605	8.6
Percentage Change	3.7%	10.9%	1.4%	2.3%	2.7%	1.8%

FY 2014-15 Appropriation - Mid-year Adjustments

Senate Bill 15-152 adds \$877,595 total funds (including \$41,105 General Fund) and 4.6 FTE to the FY 2014-15 appropriation for the following: (1) \$842,773 total funds (including \$32,178 General Fund) and 4.6 FTE for the provision of legal services to the Department of Corrections, the Department of Revenue, the Independent Ethics Commission, and the Safe2Tell Program (within the Department of Law); and (2) \$34,822 total funds (including \$8,927 General Fund) for adjustments to centrally appropriated line items for vehicle lease payments, the CORE accounting system, payments to the Governor's Office of Information Technology, and administrative law judge services. Senate Bill 15-167 reduces the FY 2014-15 appropriation to the Peace Officer Standards and Training Board by \$76,000 cash funds from the Marijuana Tax Cash Fund.

FY 2015-16 Appropriation Highlights

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; vehicle lease payments; workers' compensation; legal services; payment to risk management and property funds; Ralph L. Carr Colorado Judicial Center leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

Office of Community Engagement: The appropriation includes an increase of \$221,405 General Fund and 1.8 FTE to establish an Office of Community Engagement within the Department.

Provision of legal services: The appropriation reflects an increase to meet state agencies' anticipated demand for legal services in FY 2015-16.

CP & AT operating and litigation: The appropriation includes an increase of \$167,823 total funds to: (1) support the litigation expenses and annual operating expenses of the Consumer Protection and Antitrust (CP & AT) line item; and (2) to better align fund sources with anticipated costs.

Legislative liaison: The appropriation includes an increase of \$101,205 reappropriated funds to allow the Department to hire a legislative liaison following a restructuring of the Attorney General's senior staff.

CORA and open meetings attorney: The appropriation includes an increase of \$87,635 General Fund and 0.9 FTE to allow the Department to add an attorney specifically focused on the Colorado Open Records Act (CORA) and Open Meetings Law (OML) in response to an increasing CORA-related workload and a need to improve consistency among state agencies.

Tobacco litigation legal assistant: The appropriation includes an increase of \$80,389 cash funds from the Tobacco Settlement Defense Account and 1.0 FTE to support a legal assistant for the Tobacco Litigation Program.

Half-time contract administrator: The appropriation includes an increase of \$48,956 reappropriated funds to hire a half-time contract administrator in response to increasing contract-related workload.

Move POST FTE to Administration: The appropriation reflects an increase of \$46,935 reappropriated funds to move 0.4 FTE currently appropriated to the P.O.S.T. Board into the Administration section and support that position with indirect cost recoveries rather than P.O.S.T. Board cash funds.

Annualize prior year legislation: The appropriation includes a net increase of \$36,886 total funds (including (\$9,195 General Fund) for the second year impact of legislation passed during the 2014 Session.

Fund source adjustments: The appropriation includes increases in General Fund and reappropriated funds that are offset by reductions in cash funds, largely associated with anticipated indirect cost recoveries.

Reverse supplemental: The appropriation reflects a reduction of \$877,595 total funds to eliminate funding provided through the FY 2014-15 supplemental bill, primarily for legal services provided to other agencies.

Annualize prior year budget actions: The appropriation includes adjustments related to prior year budget actions, primarily driven by the elimination of funding for Lowry Range litigation expenses, as that case has concluded and appropriations are not needed in FY 2015-16.

Annualize prior year budget actions					
	Total	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 14-15 Lowry Range litigation	(\$392,400)	\$0	(\$392,400)	\$0	\$0
FY 14-15 salary survey and merit pay	(14,130)	(99,323)	(604)	85,952	(155)
FY 14-15 database administrator	(4,703)	0	0	(4,703)	0
FY 14-15 appellate administrative FTE	(1,753)	(1,753)	0	0	0
FY 14-15 consumer protection complaint intake	<u>(1,230)</u>	<u>0</u>	<u>(1,230)</u>	<u>0</u>	<u>0</u>
Total	(\$414,216)	(\$101,076)	(\$394,234)	\$81,249	(\$155)

Indirect cost assessment: The appropriation includes a net decrease in the Department’s indirect cost assessment.

Change in anticipated grant funding: The appropriation reflects an anticipated net decrease of \$11,100 in grant funds reappropriated from the Department of Public Safety, including an increase of \$3,803 for victims’ assistance efforts supported by a grant from the Victims Assistance and Law Enforcement (VALE) Fund and a decrease of \$14,903 associated with efforts to investigate and prosecute multi-jurisdictional auto theft. The appropriation includes a reduction of 0.5 FTE associated with auto theft prevention efforts to reflect the Department’s current staffing levels.

Other: The appropriation includes other minor adjustments.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of Part III of this department.

LEGISLATIVE BRANCH

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 service agency staff are full-time nonpartisan professionals, while a majority of the House and Senate staff serve only when the General Assembly is in session.

Department Budget: Recent Appropriations

Funding Source	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
General Fund	\$35,963,244	\$38,592,648	\$40,962,675	\$43,297,162
Cash Funds	179,065	179,000	179,000	179,000
Reappropriated Funds	903,816	1,627,371	903,816	1,165,000
Federal Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Funds	\$37,046,125	\$40,399,019	\$42,045,491	\$44,641,162
Full Time Equiv. Staff	271.0	272.6	278.6	281.3

General Factors Driving the Budget

Funding for this department consists of 97.0 percent General Fund, 0.4 percent cash funds, and 2.6 percent reappropriated funds. Some of the major factors driving the Department's budget are discussed below.

Special Studies or Functions

The appropriations for the majority of the functions and activities for the Legislature are contained in a separate legislative appropriation bill. This separate appropriation funds the staff and operating expenses for: (1) the House of Representatives and the Senate; (2) the Legislative Council; (3) the State Auditor; (4) the Joint Budget Committee; and (5) the Office of Legislative Legal Services. Typically, the legislative appropriation bill provides funding for the 120-day regular session, staffing of four interim committees, and up to 20 days of a special session. Outside of staff or salary increases, funding for special studies or functions account for the factors driving the budget.

Special Studies	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Estimate	FY 2015-16 Estimate
Property Tax Study	\$580,000	\$600,000	\$630,000	\$630,000
Ballot Analysis	\$1,026,909	\$628,781	\$1,315,500	\$670,000

Appropriation Highlights – 2015 Legislative Session

Legislative Department						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1293 (Legislative Appropriation)	\$38,205,116	\$37,122,300	\$179,000	\$903,816	\$0	276.6
HB 14-1336 (Long Bill)	3,029,251	3,029,251	0	0	0	0.0
SB 14-021	3,366	3,366	0	0	0	0.0
SB 14-115	15,792	15,792	0	0	0	0.0
SB 14-153	87,098	87,098	0	0	0	0.0
SB 14-214	375,000	375,000	0	0	0	0.0
HB 14-1303	135,354	135,354	0	0	0	1.0
HB 14-1395	178,301	178,301	0	0	0	1.0
SB 15-153	<u>16,213</u>	<u>16,213</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$42,045,491	\$40,962,675	\$179,000	\$903,816	\$0	278.6
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$42,045,491	\$40,962,675	\$179,000	\$903,816	\$0	278.6
Salary/benefits/operating adjustments	1,530,152	1,518,968	0	11,184	0	2.0
Centrally appropriated line items	1,011,661	1,011,661	0	0	0	0.0
Cost of living study	250,000	0	0	250,000	0	0.0
Ballot analysis	25,000	25,000	0	0	0	0.0
Annualize prior year legislation	(375,000)	(375,000)	0	0	0	0.0
SB 15-191 (Legislative Appropriation)¹	\$40,475,144	\$39,381,144	\$179,000	\$915,000	\$0	280.6
SB 15-234 (Long Bill)¹	\$4,012,160	\$3,762,160	\$0	\$250,000	\$0	0.0
SB 15-029	100,000	100,000	0	0	0	0.0
SB 15-214	25,857	25,857	0	0	0	0.3
SB 15-256	9,587	9,587	0	0	0	0.1
HB 15-1057	<u>18,414</u>	<u>18,414</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.3</u>
TOTAL	\$44,641,162	\$43,297,162	\$179,000	\$1,165,000	\$0	281.3
Increase/(Decrease)	\$2,595,671	\$2,334,487	\$0	\$261,184	\$0	2.7
Percentage Change	6.2%	5.7%	0.0%	28.9%	n/a	1.0%

¹The FY 2014-15 Appropriation plus the sum of the appropriation highlights equals the combination of S.B. 15-191 (Legislative Appropriation) and S.B. 15-234 (Long Bill).

FY 2014-15 Appropriation - Mid-year Adjustments

Senate Bill 15-153 added \$16,213 General Fund to address necessary technical modifications to the State's human resources' computer systems, to true-up COFR's Modernization allocations, and to fund CORE enhancements and ongoing configuration.

FY 2015-16 Appropriation Highlights

Salary/benefits/operating adjustments: The appropriation includes an increase that is primarily the result of changes in health, life, and dental insurance benefits; increases for base salary adjustments (including an additional 2.0 FTE in the Legislative Council Staff); increases to specific agencies' operating and travel budgets; an increase for non-metro session per diem pursuant to statute; increases for the legislative aides program; and an increase for dues and joint governmental agencies.

Centrally appropriated line items: The appropriation includes a net increase that is the result of increases for amortization equalization disbursement, supplemental amortization equalization disbursement, and Capitol Complex maintenance costs that are offset by decreases in workers compensation, payments to risk management and property funds, legal services, and information technology common policy issues.

Cost of living study: The appropriation includes an increase of \$250,000 reappropriated funds for a cost of living study. 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. The appropriation is reinstated for FY 2015-16 as the Legislative Council staff is required to perform the analysis in FY 2015-16.

Ballot analysis: The appropriation includes an increase of \$25,000 General Fund for the costs associated with an analysis of measures on the ballot. Section 1 (7.5) of Article V of the State Constitution requires the nonpartisan research staff of the General Assembly to perform this function.

Annualize prior year legislation: The appropriation includes adjustments related to prior year legislation.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of Section III of this department.

DEPARTMENT OF LOCAL AFFAIRS

The Department is responsible for building community and local government capacity by providing training, as well as technical and financial assistance, to localities. The Department's budget is comprised of four sections: the Executive Director's Office, Property Taxation, the Division of Housing, and the Division of Local Government.

Department Budget: Recent Appropriations

Funding Source	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
General Fund ¹	\$11,074,259	\$17,710,455	\$22,039,101	\$23,626,224
Cash Funds	206,386,363	213,224,629	209,046,453	209,230,174
Reappropriated Funds	7,129,597	8,630,903	9,412,579	10,487,107
Federal Funds	<u>102,623,672</u>	<u>69,956,340</u>	<u>70,345,868</u>	<u>76,876,045</u>
Total Funds	\$327,213,891	\$309,522,327	\$310,844,001	\$320,219,550
Full Time Equiv. Staff	163.2	164.3	168.4	171.5

¹ Includes General Fund Exempt.

General Factors Driving the Budget

Funding for this department consists of 7.4 percent General Fund, 65.3 percent cash funds, 3.3 percent reappropriated funds, and 24.0 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

Dedicated Funding Sources

The Department awards grants and oversees direct distributions to local governments for various programs with dedicated cash fund revenue sources. The FY 2015-16 Long Bill appropriation for the Department reflects \$204.9 million cash funds for these programs or 64.0 percent of the Department's overall budget. These amounts are shown for informational purposes only, and actual expenditures may differ significantly from the amounts shown in the Long Bill. The programs include:

- Local Government Mineral and Energy Impact Grants and Disbursements – state severance tax revenues and federal mineral lease revenues that are distributed to local governments affected by mineral extraction activities through statutory formulas (for direct distributions) and grants;
- Conservation Trust Fund Disbursements – state lottery proceeds distributed to local entities on a formula basis for parks, recreation, and open space purposes; and
- Limited Gaming Impact Grants – limited gaming tax revenues distributed to communities impacted by gaming activities.

Available revenue, rather Long Bill appropriations, drives the funding allocated to local governments for these programs. For some programs, revenue received may be spent over multiple years because grants that are awarded in an initial year are expended in subsequent years for multi-year projects (e.g., infrastructure projects). The following table summarizes recent actual and estimated revenue.

Major Constitutionally or Statutorily Dedicated Cash Revenues Administered by the Department of Local Affairs (\$ millions)					
Revenues	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Estimate	FY 2015-16 Estimate
Severance Tax ¹	\$103.1	\$66.3	127.1	\$160.9	\$62.2
Federal Mineral Lease ¹	62.8	48.9	72.3	66.7	64.1
Conservation Trust Fund	49.3	54.3	52.1	52.1	52.1
Limited Gaming Fund	<u>3.3</u>	<u>5.0</u>	<u>5.0</u>	<u>4.9</u>	<u>4.9</u>
Totals	\$218.5	\$174.5	\$256.5	\$284.6	\$183.3

¹ In FY 2011-12, \$71.0 million of the Severance and FML revenue that would otherwise have been available for local government grants was transferred to the General Fund and was not available for distribution to local governments.

As reflected in the table, severance tax and federal mineral lease revenue is particularly volatile. Oil, gas, and mineral prices and production volumes create windfall revenues in some years and revenue shortfalls in other years. Because severance tax and federal mineral lease revenues and expenditures are so difficult to project, spending estimates in the Long Bill are not typically adjusted from year to year, and the amount shown in the Long Bill for the combined spending from these sources has been fixed at \$150.0 million for multiple years.

Federal Funds

Federal funds comprise about one quarter (\$76.9 million) of the Department of Local Affairs' FY 2015-16 appropriation. These federally-funded programs often do not require state matching funds and are provided at the discretion of federal authorities. Annual expenditures from some of the major ongoing federal grants administered by this department are summarized in the following table.

Annual Expenditures from Major Ongoing Federal Grants Administered by Department of Local Affairs (\$ millions)¹					
	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Approp.²	FY 2015-16 Approp.²
Federal Department of Housing and Urban Development (HUD) rental subsidies	\$43.7	\$45.2	\$40.3	\$39.5	\$48.0
HUD affordable housing development ³	6.7	8.1	6.5	6.5	7.5
HUD Community Development Block Grant ³	10.3	6.1	7.2	9.7	8.5
Health and Human Services Community Services Block Grant	4.8	6.4	5.4	6.0	6.0
HUD Emergency Shelter and Homeless Prevention Programs	1.0	1.0	2.2	1.3	1.8

¹ Amounts exclude portions used for administration and overhead.

² Reflects amounts shown for informational purposes in the Long Bill in FY 2014-15 and FY 2015-16, except the Emergency Shelter and Homeless Prevention amount for FY 2015-16 which is increased due to updated award information.

³ The portion of the Community Development Block Grant (CDBG) amount used for affordable housing development is included in the affordable housing development amount, rather than the CDBG amount. The CDBG amount does not include CDBG-DR (disaster recovery) amounts that are not reflected in the Long Bill.

Appropriation Highlights – 2015 Legislative Session

Department of Local Affairs						
	Total Funds	General Fund^{1,2}	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$308,503,775	\$20,751,294	\$209,046,471	\$8,410,418	\$70,295,592	167.8
SB 14-153	(352)	0	(352)	0	0	0.0
SB 14-172	1,754,495	904,145	0	850,350	0	0.6
SB 15-154	491,083	288,662	334	151,811	50,276	0.0
SB 15-234	<u>95,000</u>	<u>95,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$310,844,001	\$22,039,101	\$209,046,453	\$9,412,579	\$70,345,868	168.4
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$310,844,001	\$22,039,101	\$209,046,453	\$9,412,579	\$70,345,868	168.4
Federal funds adjustments	6,478,756	0	0	0	6,478,756	0.0
Centrally appropriated line items	1,307,390	410,106	87,014	601,020	209,250	0.0
REDI Grants	750,000	750,000	0	0	0	0.0
Colorado Main Street Program	462,500	0	0	462,500	0	0.0
Adjust continuously appropriated cash funds and General Fund estimates	300,245	405,247	(105,002)	0	0	0.0
Improve statutory compliance	49,721	49,721	0	0	0	0.9
Indirect cost assessment	6,092	0	67,772	33,362	(95,042)	0.0
Manufactured Building Program break-out	0	0	0	0	0	0.0
Annualize prior year legislation and budget actions	(452,052)	(397,137)	62,595	(54,723)	(62,787)	0.4
SB 15-234	\$319,746,653	\$23,257,038	\$209,158,832	\$10,454,738	\$76,876,045	169.7
SB 15-029	4,271	4,271	0	0	0	0.0
HB 15-1033	364,915	364,915	0	0	0	0.3
HB 15-1225	32,369	0	0	32,369	0	0.5
HB 15-1367	<u>71,342</u>	<u>0</u>	<u>71,342</u>	<u>0</u>	<u>0</u>	<u>1.0</u>
TOTAL	\$320,219,550	\$23,626,224	\$209,230,174	\$10,487,107	\$76,876,045	171.5
Increase/(Decrease)	\$9,375,549	\$1,587,123	\$183,721	\$1,074,528	\$6,530,177	3.1
Percentage Change	3.0%	7.2%	0.1%	11.4%	9.3%	1.8%

¹ Includes General Fund and General Fund Exempt.

² Includes \$4,294,753 in FY 2014-15 and \$4,700,000 in FY 2015-16 that is exempt from the statutory limit on state General Fund appropriations pursuant to Section 24-75-201.1, C.R.S.

FY 2014-15 Appropriation - Mid-year Adjustments

Senate Bill 15-154 modifies the FY 2014-15 appropriation to add funds for the Department's share of cost adjustments allocated among state agencies, including costs for the new CORE accounting system. Senate Bill 15-234 adds funds in FY 2014-15 for an economic development study in El Paso county.

FY 2015-16 Appropriation Highlights

Federal funds adjustments: The appropriation adjusts federal funds reflected for informational purposes based on amounts estimated to be received. This primarily reflects increases in the Division of Housing for increases for the Shelter Plus Care program and in amounts per Housing Choice Voucher (Section 8) rental vouchers due to rental cost increases. Increases are offset by declines related to phase out or reduction of programs that were temporarily created or expanded under the American Recovery and Reinvestment Act, including the Neighborhood Stabilization Program and the Community Development Block Grant (CDBG) program. Amounts shown do *not* include over \$320 million in CDBG disaster recovery funds awarded in response to the September 2013 floods. These funds will be spent over multiple years and are not reflected in the Long Bill.

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; workers' compensation; legal services; payment to risk management and property funds; Capitol complex leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

REDI Grants: The appropriation adds \$750,000 General Fund for Rural Economic Development Initiative (REDI) Grants, which assist rural areas that are excessively dependent upon a single large employer in diversifying their economies. The program supports planning and analysis of potential economic development opportunities and provides grant funding for community infrastructure and business facilities.

Colorado Main Street Program: The appropriation includes \$462,500 reappropriated funds that are initially reflected in this department in the Local Government Limited Gaming Impact Grants line item. The appropriation expands the Main Street Program to meet growing statewide demand for downtown revitalization assistance. The funds are for additional consulting resources and are expected to enable the program to serve four new communities each year, instead of the one or two that can currently be added annually.

Adjust continuously appropriated cash funds and General Fund estimates: The appropriation includes adjustments to General Fund and cash fund amounts that are shown in the Long Bill for informational purposes. These include estimates for: (1) volunteer firefighter retirement benefits (increase \$405,247 General Fund based on the Legislative Council Staff March 2015 economic forecast); (2) limited gaming fund moneys (reduce \$100,000 cash funds); and (3) Conservation Trust Fund lottery proceeds (reduce \$5,002).

Improve statutory compliance: The appropriation adds \$49,721 General Fund and 0.9 FTE in FY 2015-16 for Local Government Services staff to handle increased administrative workload caused by the growth in the number of local governments, including special districts. This amount will annualize to \$61,164 General Fund and 1.0 FTE for FY 2016-17.

Indirect cost assessment: The appropriation includes adjustments to anticipated indirect cost collections that offset General Fund otherwise required. The adjustments are consistent with the Department's agreement with the federal Department of Housing and Urban Development on such recoveries. Department-wide, the indirect cost plan reflects the use of \$2,216,351 in indirect cost recoveries in FY 2015-16, including \$175,592 anticipated to be from the Indirect Cost Excess Recoveries Fund.

Manufactured Building Program break-out: The appropriation moves funding for this program into a separate line item in the Division of Housing, consistent with the structure prior to FY 2014-15.

Annualize prior year legislation and budget actions: The appropriation includes a number of changes to the out-year impact of funding decisions made through the FY 2014-15 Long Bill and other legislation including:

- Add \$148,778 total funds, including \$60,075 General Fund, and reduce 0.1 FTE to annualize the appropriation for S.B. 14-172 (Firefighter Heart and Circulatory Malfunction Benefit);
- Reduce \$491,083, including \$288,662 General Fund, to eliminate one-time supplemental funding provided for the CORE accounting system and the Office of Information Technology in FY 2014-15;
- Reduce \$95,000 General Fund to eliminate one-time FY 2014-15 supplemental funding for an economic development study;
- Reduce \$69,748 General Fund and increase \$69,748 cash funds pursuant to S.B. 13-146 (Board of Assessment Appeals Cash Fund);
- Annualize FY 2014-15 salary survey and merit pay (reduce \$21,729, including \$2,527 General Fund); and
- Annualize FY 2014-15 requests for the Home Modification Program (increase \$8,257 Medicaid cash funds and 0.2 FTE) and housing development grants (reduce \$1,275 General Fund and increase 0.3 FTE).

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of Part III for this department.

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

The Department of Military and Veterans Affairs has approximately 5,500 Army and Air National Guard members trained and ready for federal active duty abroad and for preserving life and property during natural disasters and civil emergencies at home in Colorado.

The Department maintains the equipment and facilities for the state military forces; provides for safekeeping of 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.

Approximately 95.4 percent of the Department's budget is provided by the federal government, which fully funds the training of National Guard troops and provides the majority of the funding for the construction of armories and other military buildings. Under its cooperative agreements with the federal government, the State provides funding for 50.0 percent of maintenance and utilities costs at the fifteen armories located on state land, and 20.0 or 25.0 percent of those costs at four other facilities.

Department Budget: Recent Appropriations

Funding Source	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
General Fund	\$6,692,607	\$7,378,715	\$8,244,667	\$8,285,043
Cash Funds	1,332,993	1,239,695	1,282,783	1,281,079
Reappropriated Funds	803,662	800,000	1,100,000	800,000
Federal Funds	<u>214,128,024</u>	<u>214,439,842</u>	<u>214,750,293</u>	<u>215,025,057</u>
Total Funds	\$222,957,286	\$223,858,252	\$225,377,743	\$225,391,179
Full Time Equiv. Staff	1,384.9	1,389.6	1,391.2	1,392.3

General Factors Driving the Budget

The primary factors driving the budget are National Guard operations and services provided for veterans. The Department also provides limited assistance to the Colorado Wing of the Civil Air Patrol. Funding for this department consists of 3.7 percent General Fund, 0.6 percent cash funds, 0.4 percent reappropriated funds, and 95.4 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

Colorado National Guard

The primary budget driver for the Colorado National Guard is the "federal force structure" (the number of Guard personnel authorized by the U.S. National Guard Bureau) and the State's ability to fill the force structure, which, together with the associated facilities maintenance and utilities needs, determine the amount of federal

funds flowing into and through the Department. The table below shows the authorized strength and active membership of the Colorado National Guard.

Colorado National Guard Authorized Strength and Membership				
Total Authorized Strength	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
Army National Guard	4,016	3,987	3,999	3,978
Air National Guard	1,537	1,519	1,553	1,566
Total National Guard Members				
Army National Guard	4,024	3,988	4,002	3,986
Air National Guard	<u>1,471</u>	<u>1,500</u>	<u>1,533</u>	<u>1,533</u>
Total	5,495	5,488	5,535	5,519
Percentage of Slots Filled	99.00%	99.70%	99.7%	99.5%

Division of Veterans Affairs

The primary budget drivers for the Division of Veterans Affairs (DVA) are the number of veterans who need assistance with federal benefits claims, the amount of Master Tobacco Settlement funds received and disbursed from the Colorado State Veterans Trust Fund, and the operation of the Western Slope Veterans' Cemetery in Grand Junction. The primary uses of General Fund in the Division are Veterans Service Operations, which assists veterans with claims before the U.S. Department of Veterans Affairs and administers the County Veterans Service Officer programs with training and other support, and the veterans assistance program, which provides grants to non-profit or governmental entities that provide mental health, family counseling, job training, employment, housing, and other services to veterans.

In FY 2014-15 to date, the DVA and the County Veterans Service Officer programs have assisted with 55,312 benefit claims from veterans, family members, or dependents. Of this amount, the Division is responsible for 24,334 of those claims and 15,536 of the total claims amount are for veterans specifically.

Appropriation Highlights – 2015 Legislative Session

Department of Military and Veterans Affairs						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$224,704,185	\$7,885,530	\$1,282,783	\$800,000	\$214,735,872	1,390.8
SB 14-157	600,000	300,000	0	300,000	0	0.0
HB 14-1205	0	0	0	0	0	0.4
SB 15-155	<u>73,558</u>	<u>59,137</u>	<u>0</u>	<u>0</u>	<u>14,421</u>	<u>0.0</u>
TOTAL	\$225,377,743	\$8,244,667	\$1,282,783	\$1,100,000	\$214,750,293	1,391.2
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$225,377,743	\$8,244,667	\$1,282,783	\$1,100,000	\$214,750,293	1,391.2

Department of Military and Veterans Affairs						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
County veteran service officer payments increase	466,626	466,626	0	0	0	0.0
Centrally appropriated line items	157,342	(133,368)	1,526	0	289,184	0.0
Process improvement and safety champion	64,132	64,132	0	0	0	0.9
State protocol vehicle	3,146	3,146	0	0	0	0.0
Annualize prior year legislation	(600,000)	(300,000)	0	(300,000)	0	0.1
Annualize prior year budget actions	(74,580)	(60,160)	0	0	(14,420)	0.1
Tobacco master settlement revenue adjustment	(3,230)	0	(3,230)	0	0	0.0
SB 15-234	<u>\$225,391,179</u>	<u>\$8,285,043</u>	<u>\$1,281,079</u>	<u>\$800,000</u>	<u>\$215,025,057</u>	<u>1,392.3</u>
TOTAL	<u>\$225,391,179</u>	<u>\$8,285,043</u>	<u>\$1,281,079</u>	<u>\$800,000</u>	<u>\$215,025,057</u>	<u>1,392.3</u>
Increase/(Decrease)	\$13,436	\$40,376	(\$1,704)	(\$300,000)	\$274,764	1.1
Percentage Change	0.0%	0.5%	(0.1%)	(27.3%)	0.1%	0.1%

FY 2014-15 Appropriation - Mid-year Adjustments

Senate Bill 15-155 adds a total of \$73,558 to the Department's FY 2014-15 appropriations, including \$59,137 General Fund, for adjustments to centrally appropriated line items for the CORE accounting system and payments to the Governor's Office of Information Technology.

FY 2015-16 Appropriation Highlights

County veteran services officer payments increase: The appropriation includes an increase of \$466,626 General Fund for payments to counties in support of their County Veterans Service Officers.

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; workers' compensation; legal services; payment to risk management and property funds; vehicle lease payments; leased space; Capitol complex leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

Process improvement and safety champion: The appropriation includes an appropriation of \$64,132 General Fund and 0.9 FTE for the creation of a position in the Executive Director's Office dedicated to strategic planning, process improvement, and safety review.

State protocol vehicle: The appropriation includes an increase of \$3,146 General Fund to the Executive Director's Office for the lease of a permanent vehicle for the Department's Protocol Office.

Annualize prior year legislation: The appropriation includes a reduction of \$600,000 total funds and an increase of 0.1 FTE for the second year impact of legislation. The primary change is the elimination of

\$600,000, including \$300,000 cash funds and \$300,000 reappropriated funds, provided as one-time funding in S.B. 14-157 (DMVA Commission Report on Value of U.S. Military Activities in the State).

Annualize prior year budget actions: The appropriation includes a number of changes to reflect the out year impact of funding decisions made through the FY 2014-15 Long Bill including:

- Annualization of the FY 2014-15 salary survey and merit pay; and
- Annualization of funding for the Veterans Memorial Cemetery.

Tobacco Master Settlement revenue adjustment: The appropriation includes a reduction based on the Legislative Council FY 2015-16 Tobacco Master Settlement revenue projections.

DEPARTMENT OF NATURAL RESOURCES

The Department is responsible for developing, protecting, and enhancing Colorado's natural resources for the use and enjoyment of the State's present and future residents and visitors. The Department is comprised of the following divisions:

- Executive Director's Office
- Division of Reclamation, Mining, and Safety
- Oil and Gas Conservation Commission
- State Board of Land Commissioners
- Division of Parks and Wildlife
- Colorado Water Conservation Board
- Water Resources Division (State Engineer's Office)
- Division of Forestry

Department Budget: Recent Appropriations

Funding Source	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
General Fund	\$23,768,283	\$25,126,713	\$26,309,329	\$27,671,518
Cash Funds	209,619,862	215,232,947	192,487,142	198,404,864
Reappropriated Funds	8,641,534	8,778,322	8,103,450	8,701,045
Federal Funds	<u>20,748,282</u>	<u>28,538,422</u>	<u>28,852,895</u>	<u>29,141,800</u>
Total Funds	\$262,777,961	\$277,676,404	\$255,752,816	\$263,919,227
Full Time Equiv. Staff	1,464.1	1,439.1	1,444.7	1,462.6

General Factors Driving the Budget

Funding for this department consists of 10.5 percent General Fund, 75.2 percent cash funds, 3.3 percent reappropriated funds, and 11.0 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

Severance Tax Revenue (Operational Fund)

The availability of severance tax revenues affects funding for many programs in the Department. Pursuant to Section 39-29-108 (2) (a), C.R.S., total severance tax revenues are divided equally between the State Severance Tax Trust Fund, administered by the Department of Natural Resources, and the Local Government Severance Tax Fund, administered by the Department of Local Affairs to provide funding to local governments impacted by mining activities. Of revenues credited to the State Severance Tax Trust Fund, 50.0 percent (or 25.0 percent of total severance tax revenues) are allocated to the Severance Tax Perpetual Base Fund, used by the Colorado Water Conservation Board for water construction projects. The other 50.0 percent of State Severance Tax Trust

Fund revenues (or 25.0 percent of total severance tax revenues) are allocated to the Severance Tax Operational Fund for, "programs that promote and encourage sound natural resource planning, management, and development related to minerals, energy, geology, and water."

Severance tax revenues are highly variable and programs supported by the Operational Fund are divided into two tiers to manage the impact of this variability (H.B. 08-1398, Buescher/Johnson). Tier 1 expenditures primarily support employee salaries and on-going costs for programs in the Department. The required reserve for Tier 1 programs is equal to total appropriations for Tier 1 programs in a given fiscal year.

Tier 2 programs generally support grants, loans, research, and construction and the distribution of funding is staggered: 40.0 percent released July 1, 30.0 percent released January 4, and the remaining 30.0 percent released April 1 of a given fiscal year. The required reserve for Tier 2 programs is equal to 15.0 percent of the authorized expenditures for Tier 2 programs in that fiscal year. Tier 2 programs are subject to proportional reductions if revenue projections indicate there are insufficient funds available to support authorized expenditures. However, the March 2015 Legislative Council Forecast projects sufficient revenues to fully fund the final disbursement to Tier 2 programs in FY 2014-15, as well as authorized expenditures in FY 2015-16.

Severance Tax Operational Fund Summary						
	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 Actual	FY 14-15 Estimate	FY 15-16 Estimate
Beginning balance	\$31,181,533	\$18,439,558	\$25,665,238	\$18,981,012	\$32,784,247	\$58,514,136
Revenues	<u>35,465,858</u>	<u>50,090,625</u>	<u>32,567,255</u>	<u>63,070,806</u>	<u>78,461,880¹</u>	<u>29,290,348</u>
Total available	\$66,647,391	\$68,530,183	\$58,232,493	\$82,051,818	\$111,246,127	\$87,804,484
Tier 1 Programs	16,513,233	13,565,154	13,612,136	13,135,215	13,362,333	16,026,512
Tier 2 Programs ²	31,675,113	25,301,072	25,610,752	36,078,691	38,251,072	39,878,072
Transfer to GF	0	3,950,000	0	0	0	0
Other ³	19,487	48,720	28,593	53,665	1,118,586	2,575,000
Ending balance	\$18,439,558	\$25,665,237	\$18,981,012	\$32,784,247	\$58,514,136	\$29,324,900
Reserve	21,268,394	17,360,315	17,974,796	18,497,876	19,099,994	22,008,223
Unobligated	(2,828,836)	8,304,922	1,006,216	14,286,371	39,414,142	7,316,677

¹ Senate Bill 15-255 called for the diversion of \$20.0 million in severance tax revenue to the General Fund before moneys were disbursed to funds in the Department of Natural Resources and the Department of Local Affairs based on the statutory distribution formula, reducing estimated revenue to the Operational Fund by \$5.0 million in FY 2014-15.

² Tier 2 spending in FY 2014-15 and FY 2015-16 is based on the March 2015 Legislative Council Staff Revenue Forecast.

³ Includes roll-forwards and off the top expenditures. See Appendix F for more detail.

State Board of Land Commissioners

The State Board of Land Commissioners (State Land Board) manages agricultural, commercial, mineral, and other leases on eight public trusts of land and is tasked with generating reasonable and consistent revenue for trust beneficiaries over time. Total trust revenues have more than tripled over the past ten years, with a record high of \$173.6 million in FY 2013-14. This growth is largely driven by record bonus payments on mineral leases and by royalties on oil and gas production, which accounted for 86.5 percent of total trust revenue last year. However, bonus payments are expected to taper off significantly over the next two years as the number of available land parcels decreases and payments for oil and gas development leases on the State Land Board's Lowry Range and 70 Ranch properties are completed.

The Public School Trust benefiting K-12 education is the largest of the trusts managed by the State Land Board, accounting for more than 98.0 percent of total trust revenues. House Bill 08-1335 (known as the Building Excellent Schools Today or BEST act; see Section 22-43.7-104, C.R.S.) significantly changed the distribution of state public school land revenue. Fifty percent of the gross amount of income received during the fiscal year from state public school lands is deposited in the Public School Capital Construction Assistance (PSCCA) Fund for the BEST program. Of the remaining 50.0 percent, roughly \$9.6 million will support State Land Board operations and the Investment and Development Fund in FY 2015-16 and the remainder will be deposited into the Public School (Permanent) Fund.

Public School Trust Revenue					
	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 Actual
Mineral Royalties	\$34,169,303	\$42,210,215	\$48,815,542	\$49,464,902	\$101,215,659
Mineral Bonuses	14,880,486	62,649,071	78,406,236	53,183,032	50,038,216
Mineral Rental	1,729,683	2,049,480	2,655,179	3,918,821	3,402,599
Surface Rental	9,157,949	8,222,629	11,390,961	12,396,903	12,336,313
Commercial/Other	6,210,687	5,133,310	3,212,209	4,089,543	4,571,195
Land and Timber Sales	4,095	53,824	22,552	975	86,250
Interest Income	<u>209,720</u>	<u>239,273</u>	<u>235,323</u>	<u>273,360</u>	<u>185,148</u>
Total Revenues	\$66,361,923	\$120,557,802	\$144,738,002	\$123,327,536	\$171,835,380

Oil and Gas Activity

The Colorado Oil and Gas Conservation Commission (OGCC) is responsible for promoting the exploration, development, and conservation of Colorado's oil and natural gas resources. The level of oil and gas drilling activity, shown in the table below, impacts the OGCC's workload and necessary expenditures:

OGCC Workload Measures						
	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16
Active Wells	45,401	47,860	50,909	52,337	53,600	54,800
Drilling Permits Requested	4,883	4,541	3,893	4,399	3,725	3,000
Well Starts	2,972	3,109	1,828	1,966	1,263	1,200
Active Drilling Rigs	67	72	60	66	59	45
Site Investigations & Remediation Workplans Received	588	763	640	540	576	580
Avg. Inspection Frequency (per year)	2.66	3.16	2.71	2.07	1.53	1.45
Hearing Applications	255	456	525	614	672	670
OGCC Expenditures ¹	\$7,092,505	\$7,401,858	\$8,365,201	\$9,619,457	\$11,002,960	\$12,827,024
Total FTE	65.2	65.4	72.2	82.4	96.3	110.3

¹Division-only expenditures include all fund sources; does not include centrally appropriated items funded in the Executive Director's Office. Data for FY 2014-15 and FY 2015-16 reflect the appropriated amounts.

Division of Parks and Wildlife

Senate Bill 11-208 merged the Division of Parks and Outdoor Recreation and the Division of Wildlife into the new Division of Parks and Wildlife (DPW), effective July 1, 2011.

State Parks

The DPW manages 42 state parks and several special purpose programs including the snowmobile program, the off-highway vehicle program, river outfitters regulation, federal grants, aquatic nuisance species control and prevention, and the distribution of trails grants. The level of services at existing state parks and the acquisition and development of new properties are driven by available funding sources. Workload, and some revenue, is driven by visitation. State Parks are expected to have an estimated 12.4 million visitors in FY 2015-16.

State Parks Visitation	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Estimate	FY 2015-16 Estimate
State Parks Visitation	11,501,520	11,948,406	12,250,000	12,372,500
<i>Percent Change</i>	<i>(6.0%)</i>	<i>3.9%</i>	<i>2.5%</i>	<i>1.0%</i>

For FY 2014-15, State Parks will receive an estimated \$68.3 million in total revenue from fees, lottery funds, and other state and federal funds. Of this amount, a total of \$28.3 million is estimated to come from park passes and entry fees, permits and user fees, and various other fees; \$26.3 million from Lottery and Great Outdoors Colorado (GOCO) funds; \$5.5 million from federal funds and state grants; \$5.2 million from severance tax funding; and \$3.0 million from interest income and other revenues.

State Park Revenues				
	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Estimate	FY 2015-16 Estimate
Licenses, Passes, Fees, and Permits	\$19,125,550	\$19,844,081	\$19,800,000	\$19,800,000
Registrations	8,295,423	8,526,903	8,500,000	8,500,000
Federal and State Grants	5,161,051	5,497,017	5,500,000	5,500,000
Lottery and Great Outdoors Colorado	25,116,776	26,311,827	26,300,000	26,300,000
Sale of Goods, Services, and Assets	1,627,749	1,730,769	1,700,000	1,700,000
Donations	59,252	50,436	100,000	100,000
Interest Income	472,324	451,737	500,000	500,000
Other Revenues	650,621	674,472	700,000	700,000
General Fund and Severance Tax	<u>4,640,982</u>	<u>5,233,721</u>	<u>5,200,000</u>	<u>5,200,000</u>
Revenues Before Transfers	\$65,149,728	\$68,320,963	\$68,300,000	\$68,300,000
Intra-Agency, Inter-Fund Transfers	<u>11,188,486</u>	<u>14,903,503</u>	<u>14,900,000</u>	<u>14,900,000</u>
Total Revenues	\$76,338,214	\$83,224,466	\$83,200,000	\$83,200,000

Great Outdoors Colorado (GOCO) Board Grants

GOCO awards annual grants to the Division of Parks and Wildlife. Grants for State Parks are used for developing new parks (capital) as well as enhancing and maintaining existing parks (operating). Wildlife grants are used for species protection, habitat development, watchable wildlife, and wildlife education. Pursuant to

Article XXVII of the Colorado Constitution, these grants are not subject to legislative appropriation. The table below shows recent GOCO awards:

Great Outdoors Colorado (GOCO) Board Grants				
	FY 2012-13 Award	FY 2013-14 Award	FY 2014-15 Estimate	FY 2015-16 Estimate
Parks Capital Budget	\$17,480,503	\$12,387,381	\$12,686,153	\$13,954,544
Parks Operating Budget	<u>4,710,000</u>	<u>4,710,000</u>	<u>5,124,000</u>	<u>5,056,500</u>
Total GOCO Grants for State Parks	\$22,190,503	\$17,097,381	\$17,810,153	\$19,011,044
Wildlife Base Capital Budget	\$2,327,000	\$2,327,000	\$4,527,000	\$4,319,500
Wildlife Additional Capital Budget	7,300,000	3,200,000	0	0
Wildlife Operating Budget	<u>6,273,000</u>	<u>6,273,000</u>	<u>7,273,000</u>	<u>7,480,500</u>
Total Grants for Wildlife	\$15,900,000	\$11,800,000	\$11,800,000	\$11,800,000

Wildlife

The DPW also manages the state's 960 game and non-game wildlife species by issuing fishing and hunting licenses, enforcing wildlife regulations, protecting habitat and native wildlife populations, and managing approximately 1.5 million acres, including 346 state wildlife areas. Funding for Wildlife operations and programs is a mixture of cash funds from license fees, federal funds, Great Outdoors Colorado funds, and various other sources. Hunting and fishing licenses provide more than half of the revenue for wildlife programs. Approximately 65.0 percent of all hunting licenses sold are for big game species (mainly elk and deer), and 58.0 percent of all revenue from the sale hunting and fishing licenses comes from the sale of non-resident big game hunting licenses. The table below shows Wildlife revenues by category:

Wildlife Revenues				
	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Estimate	FY 2015-16 Estimate
Licenses, Passes, Fees, and Permits	\$80,203,643	\$80,248,078	\$80,200,000	\$80,200,000
Federal and State Grants	28,264,171	25,175,291	25,200,000	25,200,000
Lottery and Great Outdoors Colorado	18,847,618	5,285,059	14,000,000	14,000,000
Sale of Goods, Services, and Assets	613,360	1,023,806	1,000,000	1,000,000
Donations	963,325	827,985	800,000	800,000
Interest Income	619,755	576,093	600,000	600,000
Other Revenues	1,439,293	4,318,569	4,300,000	4,300,000
General Fund and Severance Tax	<u>2,611,519</u>	<u>3,501,839</u>	<u>3,500,000</u>	<u>3,500,000</u>
Revenues Before Transfers	\$133,562,684	\$120,956,720	\$129,600,000	\$129,600,000
Intra-Agency, Inter-Fund Transfers	<u>5,255,059</u>	<u>5,372,994</u>	<u>5,400,000</u>	<u>5,400,000</u>
Total Revenues	\$138,817,743	\$126,329,714	\$135,000,000	\$135,000,000

Division of Water Resources (State Engineer's Office)

The Division of Water Resources (DWR) is responsible for the supervision and control of water resources in the state of Colorado (Section 37-80-102 (1) (h), C.R.S.), which includes administration and operation of 170,000 surface and ground water rights. This includes daily oversight of water allocation to farmers, industries, municipalities, and all other water users within the state. This allocation system operates in accordance with the Doctrine of Prior Appropriation (i.e., those that put the water to use first are entitled to get their water first during periods of water shortage), Colorado Supreme Court decisions, water court decrees, and rules and regulations issued by the State Engineer. The DWR has contractual water delivery obligations for each of its nine compacts, two United States Supreme Court decrees, and interstate water allocation agreements.

The DWR also safeguards the public health of the people of Colorado and protects the ground water in Colorado by setting and enforcing minimum standards through permit applications and inspections for the construction and repair of wells. The DWR oversees approximately 297,000 permitted and decreed wells. Additionally, the dam safety program protects public safety through the regulation of 1,962 jurisdictional dams, including an average of 550 dam inspections annually. The DWR staff also maintains 570 streamflow, ditch and reservoir gages used for administration of water rights and reservoir operations. In order to accomplish these and other work duties, the DWR staff drives approximately 2.1 million miles annually.

Colorado Water Conservation Board Construction Fund

The Colorado Water Conservation Board (CWCB) Construction Fund, created in Section 37-60-121 (1) (a), C.R.S., provides loans and grants for projects that will increase the beneficial consumptive use of Colorado's waters. Sections 37-60-122 (1) (b) and 37-60-121 (1) (b) (IV), C.R.S., authorize the CWCB to make loans up to ten million dollars without General Assembly approval, but limit participation to projects that can repay the CWCB's investment unless specifically authorized by the legislature. The unappropriated balance of moneys in the CWCB Construction Fund and the Severance Tax Trust Fund Perpetual Base Account are continuously appropriated for this purpose. The CWCB Construction Fund also pays for the administrative expenses of the CWCB.

CWCB Construction Fund revenues are from interest earnings, transfers from the Perpetual Base Fund, and Federal Mineral Lease Fund distributions. For FY 2015-16, S.B. 15-253 (CWCB Construction Fund Projects) appropriates \$5.6 million for various water-related projects and provides for the following transfers:

- \$2,200,000 from the Severance Tax Operational Fund to the CWCB Construction Fund;
- \$500,000 from Severance Tax Perpetual Base Fund to the CWCB Construction Fund;
- \$500,000 from the CWCB Construction Fund to the Flood and Drought Response Fund; and
- \$200,000 from the CWCB Construction Fund to the Litigation Fund.

Colorado Water Conservation Board Construction Fund				
Cash Flow Summary Report Based on March 2015 Legislative Council Staff Revenue Estimate				
	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
	Actual	Actual	Estimate	Estimate
Interest (Loans, Treasury, Miscellaneous)	\$7,602,670	\$1,109,901	\$10,109,816	\$11,010,371
Federal Mineral Lease (FML) Revenues	11,570,160	17,033,141	17,062,258	16,548,457
Distribution from State Public Education Fund pursuant to S.B. 15-244	0	0	0	778,887
Other Revenues (including pass-through)	4,478,519	3,279,136	3,049,419	7,825,911

Colorado Water Conservation Board Construction Fund				
Cash Flow Summary Report Based on March 2015 Legislative Council Staff Revenue Estimate				
	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
	Actual	Actual	Estimate	Estimate
Contingent Transfer of General Fund Surplus pursuant to S.B. 13-236	0	0	30,000,000	0
Animas-La Plata Project	12,000,000	0	0	0
Rio Grande Cooperative Project	15,000,000	15,000,000	0	0
Chatfield Reservoir Reallocation Project	5,000,000	28,000,000	0	29,000,000
Windy Gap Reservoir Bypass Channel Project	0	2,000,000	0	0
Agriculture Emergency Drought Grants	1,000,000	911,279	1,000,000	1,000,000
Long Hollow Reservoir Project	0	0	1,575,000	0
State Gov't Grant – CDPHE (Terrace Irrigation)	2,000,000	0	0	0
Governor's Executive Order for Forest Fires	<u>1,582,000</u>	<u>605,225</u>	<u>1,894,775</u>	<u>0</u>
Total Revenues	\$60,233,349	\$67,938,682	\$64,691,268	\$66,163,626
Cash Expenditures/CWCB Operating Costs ¹	11,351,692	8,646,978	9,358,005	9,839,091
Non-Reimbursable Expenditures	3,569,871	5,844,873	3,805,000	7,745,000
Transfer to Other CWCB Funds	21,462,642	424,679	1,700,000	700,000
Water Supply Reserve Account and Other Pass-Through	0	323,258	0	0
Animas-La Plata Re-Classify as Investment	(12,000,000)	0	0	0
Rio Grande Cooperative Project Expense	0	2,493,528	1,631,027	0
Windy Gap Reservoir Bypass Channel	0	0	2,000,000	0
Long Hollow Reservoir Project	0	0	1,575,000	0
Agriculture Emergency Drought Grants	1,000,000	911,279	1,000,000	1,000,000
Governor's Executive Order for Forest Fires	<u>1,582,000</u>	<u>605,225</u>	<u>1,894,775</u>	<u>0</u>
Total Expenditures	\$26,966,205	\$19,249,820	\$22,963,807	\$19,284,091
Net Cash Flow	\$33,267,144	\$48,688,862	\$41,727,461	\$46,879,535

¹Includes cash expenditures for all Long Bill line items less non-reimbursable expenditures, transfers to other CWCB funds for "refreshes", and expenditures related to the Animas-La Plata Water purchase.

Severance Tax Perpetual Base Fund

The Severance Tax Perpetual Base Fund (Section 39-29-109 (2) (a), C.R.S.) receives half of receipts to the State Severance Tax Trust Fund and provides loans or grants for construction, rehabilitation, enlargement, or improvement of water projects. This fund is a revolving loan account, and as such no permanent programs depend on this fund. The table below outlines recent fund activity:

Severance Tax Perpetual Base Fund				
Cash Flow Summary Report Based on March 2015 Legislative Council Staff Revenue Estimate				
	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
	Actual	Actual	Estimate	Estimate
Severance Tax Revenues	\$32,437,544	\$62,926,524	\$78,022,120	\$28,870,795
Interest (Loans and Treasury)	<u>7,621,466</u>	<u>14,239,005</u>	<u>5,889,766</u>	<u>5,891,028</u>
Total Revenues	\$40,059,010	\$77,165,529	\$83,911,886	\$34,761,823
Animas-La Plata Project Transfer	12,000,000	0	0	0
Agriculture Emergency Drought Grants	1,000,000	911,279	1,000,000	1,000,000
Rio Grande Cooperative Project	15,000,000	15,000,000	0	0

Severance Tax Perpetual Base Fund				
Cash Flow Summary Report Based on March 2015 Legislative Council Staff Revenue Estimate				
	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
	Actual	Actual	Estimate	Estimate
Chatfield Reservoir Reallocation Project (2012 Projects Bill)	5,000,000	0	0	0
Chatfield Reservoir Reallocation Project (2013 Projects Bill)	0	28,000,000	0	29,000,000
Windy Gap Reservoir Bypass Channel	0	2,000,000	0	0
Long Hollow Reservoir Project	0	0	1,575,000	0
Statutory Transfer to CDPHE Watershed Restoration Program (2015 Projects Bill)	0	10,000,000	10,000,000	0
Governor's Executive Orders for Forest Fires	1,582,000	2,500,000	0	0
Governor's Energy Office	<u>28,594</u>	<u>53,638</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$34,610,594	\$58,464,917	\$12,575,000	\$30,500,000
Net Cash Flow	\$5,448,416	\$18,700,612	\$71,336,886	\$4,261,823

Severance Tax Perpetual Base Fund				
Fund Balance Report				
	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
	Actual	Actual	Estimate	Estimate
Net Cash Assets <u>Less</u> Loan and Non-Reimbursable Obligations	\$68,519,357	\$90,018,444	\$71,417,315	\$67,202,228
New Project Loans	\$2,020,000	\$23,911,841	\$16,418,498	\$15,000,000

Appropriation Highlights – 2015 Legislative Session

Department of Natural Resources						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$244,161,842	\$26,226,310	\$181,018,196	\$8,026,022	\$28,891,314	1,443.1
SB 14-188	6,500,000	0	6,500,000	0	0	0.0
HB 14-1333	5,380,000	0	5,380,000	0	0	0.0
HB 14-1356	80,425	0	80,425	0	0	0.9
SB 15-156	<u>(369,451)</u>	<u>83,019</u>	<u>(491,479)</u>	<u>77,428</u>	<u>(38,419)</u>	<u>0.7</u>
TOTAL	\$255,752,816	\$26,309,329	\$192,487,142	\$8,103,450	\$28,852,895	1,444.7
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$255,752,816	\$26,309,329	\$192,487,142	\$8,103,450	\$28,852,895	1,444.7
Centrally appropriated line items	4,034,614	2,925,002	2,051,280	(1,319,213)	377,545	0.0
Additional staffing for OGCC field operations and hearings	1,768,163	0	1,768,163	0	0	14.0

Department of Natural Resources						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Indirect cost assessment	415,438	(1,765,987)	486,573	1,765,987	(71,135)	0.0
Move lease purchase payments to operating budget	333,333	0	333,333	0	0	0.0
CAIC administrative changes	230,024	(28,210)	20,611	237,623	0	1.4
Enhanced water administration	170,869	170,869	0	0	0	2.4
Reauthorize funding to reclaim forfeited mine sites	127,000	0	127,000	0	0	0.0
Line item consolidation	0	0	0	0	0	0.0
Annualize prior year legislation	(11,884,703)	0	(11,884,703)	0	0	0.0
Annualize prior year budget actions	(87,526)	(131,444)	148,225	(86,802)	(17,505)	(0.4)
SB 15-234	\$250,860,028	\$27,479,559	\$185,537,624	\$8,701,045	\$29,141,800	1,462.1
SB 15-008	50,000	0	50,000	0	0	0.0
SB 15-253	5,580,000	0	5,580,000	0	0	0.0
HB 15-1006	2,000,000	0	2,000,000	0	0	0.0
HB 15-1013	41,959	41,959	0	0	0	0.5
HB 15-1016	12,240	0	12,240	0	0	0.0
HB 15-1045	150,000	150,000	0	0	0	0.0
HB 15-1166	60,000	0	60,000	0	0	0.0
HB 15-1178	165,000	0	165,000	0	0	0.0
HB 15-1277	<u>5,000,000</u>	<u>0</u>	<u>5,000,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$263,919,227	\$27,671,518	\$198,404,864	\$8,701,045	\$29,141,800	1,462.6
Increase/(Decrease)	\$8,166,411	\$1,362,189	\$5,917,722	\$597,595	\$288,905	17.9
Percentage Change	3.2%	5.2%	3.1%	7.4%	1.0%	1.2%

FY 2014-15 Appropriation - Mid-year Adjustments

Senate Bill 15-156 reduces the Department's FY 2014-15 appropriation by \$369,451 total funds, comprised of: (1) an increase of \$120,246 total funds and 0.7 FTE for the Colorado Avalanche Information Center to provide funding for an additional seasonal avalanche forecaster, as well as administrative support, equipment, vehicles, and office space for the program; and (2) a net decrease of \$489,697 cash funds for adjustments to centrally appropriated line items for payments to the Governor's Office of Information Technology (OIT) and CORE operations.

FY 2015-16 Appropriation Highlights

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; vehicle lease payments; workers' compensation; legal services; payment to risk management and property funds; Capitol complex leased space; payments to OIT; and CORE operations.

Additional staffing for OGCC field operations and hearings: The appropriation includes an increase of \$1,768,163 cash funds and 14.0 FTE for the Oil and Gas Conservation Commission (OGCC) to implement staffing recommendations from the Oil and Gas Task Force and provide additional support to expedite the processing of hearings applications and applications for permits to drill.

Indirect cost assessment: The appropriation includes a net increase in the Department's indirect cost assessment.

Move lease purchase payments to operating budget: The appropriation reflects the movement of lease purchase payment (Beaver Park Dam loan repayment) amounts that were previously appropriated in the capital construction section of the Long Bill into the operating budget.

CAIC administrative changes: The appropriation includes a net increase of \$230,024 total funds, including a decrease of \$28,210 General Fund, and an increase of 1.4 FTE for the Colorado Avalanche Information Center (CAIC) to add a full-time forecaster in FY 2015-16, and to continue the appropriation for a highway forecaster, equipment, vehicles, leased space, and administrative support approved during the FY 2014-15 supplemental process.

Enhanced water administration: The appropriation includes an increase of \$170,869 General Fund and 2.4 FTE for the Water Resources Division to add a statewide coordinator for the Water Rights Tabulation and Diversion Records teams and to provide funding for additional deputy well and water commissioners in response to increasing water administration responsibilities in the Arkansas and Yampa River basins.

Reauthorize funding to reclaim forfeited mine sites: The appropriation includes an increase of \$127,000 cash funds from the Reclamation Warranty and Forfeiture Fund for the Division of Reclamation, Mining, and Safety to provide spending authority for Tier II Severance Tax Operational Fund revenue transferred pursuant to H.B. 15-1150 (Severance Tax Operational Fund Transfers for Mine Reclamation). This includes a net-zero transfer of 0.3 FTE within the Inactive Mines Program.

Line item consolidation: The appropriation includes the elimination of the Inactive Mines–Abandoned Mine Safety line item in the Division of Reclamation Mining and Safety, and the net zero transfer of \$99,850 cash funds and 0.2 FTE to the Inactive Mines–Program Costs line item.

Annualize prior year legislation: The appropriation includes a decrease of \$11,884,703 total funds for the second year impact of legislation. The primary changes are:

- the elimination of the one-time \$6,500,000 cash funds appropriation in S.B. 14-188 (Species Conservation Trust Fund Project List); and
- the elimination of the one-time \$5,380,000 cash funds appropriation in H.B. 14-1333 (CWCB Construction Fund Projects).

Annualize prior year budget actions: The appropriation includes a number of changes to reflect the out year impact of funding decisions made through the FY 2014-15 Long Bill, including the annualization of FY 2014-15 salary survey and merit pay and adjustments to account for the impact of prior year supplemental appropriations.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of Part III of this department.

DEPARTMENT OF PERSONNEL

The Department of Personnel is responsible for administering the state personnel system, which includes approximately 31,500 full-time-equivalent (FTE) employees, excluding the Department of Higher Education. The Department's responsibilities pertaining to the personnel system include developing the annual employee compensation plan, administering personnel policies for classified employees, administering the state's employee group benefit plans such as health, life, and dental insurance, as well as short-term disability insurance, and providing support to the State Personnel Board, which is responsible for ensuring compliance with the state personnel system as authorized in Sections 13 through 15 of Article XII of the Colorado Constitution. The Department also provides general support services for state agencies including overseeing state fiscal rules through the Office of the State Controller, administering the state's procurement policies, maintaining the state archives and public records, providing for statewide planning and post-appropriation construction for capital construction and controlled maintenance and overseeing statewide lease and building energy policy through the Office of the State Architect, maintaining the buildings in the capitol complex, providing mail services for state agencies, providing document handling services such as printing and copying, administering the state's motor vehicle fleet, and providing administrative law judge services.

Department Budget: Recent Appropriations

Funding Source	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
General Fund	\$6,603,153	\$31,439,880	\$7,130,338	\$11,711,626
Cash Funds	14,205,062	13,728,813	14,873,826	13,830,708
Reappropriated Funds	145,017,102	151,463,339	152,818,269	155,658,987
Federal Funds	0	0	0	0
Total Funds	\$165,825,317	\$196,632,032	\$174,822,433	\$181,201,321
Full Time Equiv. Staff	396.9	393.1	393.1	407.4

General Factors Driving the Budget

Funding for this department consists of 6.5 percent General Fund, 7.6 percent cash funds, and 85.9 percent reappropriated funds. The primary source of reappropriated funds is user fees transferred from other agencies for the provision of statewide services. Some of the major factors driving the Department's budget are discussed below.

Number of State Employees

The Department administers the state's programs related to employee compensation and benefits. Statewide expenditures for these programs are driven by the number of employees, the percentage of employees who choose to participate in optional benefit plans, and the Department's contracts with the benefit providers. The following table shows the number of FTE appropriated statewide, excluding all employees in the Department of Higher Education.

State Employees* - FTE Reflected in Appropriations									
	FY06-07	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12	FY12-13	FY13-14	FY14-15
Total FTE	29,106.7	30,211.0	31,142.5	31,070.5	31,466.9	30,657.3	30,559.8	30,787.2	31,480.9
Percent Change		3.8%	3.1%	(0.2%)	1.3%	(2.6%)	(0.3%)	0.7%	2.3%
Average FTE Percentage Change									1.0%
Colorado Population Average Growth - 2006-2013 (7 years)**									1.5%

* Excludes Department of Higher Education

** Data from the State Demography Office

The Department's Executive Director serves as the State Personnel Director, and pursuant to Section 24-50-104 (4) (c), C.R.S., submits to the Governor and the Joint Budget Committee of the General Assembly annual recommendations and estimated costs for salaries and group benefit plans for state employees.

State Fleet Program

Pursuant to Section 24-30-1104 (2) (a), C.R.S., the Division of Central Services administers the state's fleet management program, which purchases vehicles, manages maintenance and repairs, manages the fleet, auctions older vehicles, and manages the state motor pool.

Fleet Management Program							
	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16
Total Fleet Prog. Appropriation	\$39,431,801	\$42,101,025	\$43,602,451	\$42,834,398	\$44,845,691	\$46,138,394	\$44,251,567
Total Fleet Prog. Actual Expend.	32,033,596	36,669,122	39,194,682	38,778,051	40,427,656	n/a	n/a
Fleet Vehicles	5,817	5,903	5,912	5,912	5,932	5,950	5,969
Change in Number of Vehicles		1.5%	0.2%	0.0%	0.3%	0.3%	0.3%
Annual Cost per Vehicle	\$5,507	\$6,212	\$6,630	\$6,559	\$6,815	n/a	n/a
Monthly Cost per Vehicle	459	518	552	547	568	n/a	n/a
Change in Cost per Vehicle		12.8%	6.7%	(1.1%)	3.9%	n/a	n/a

Vehicle costs include variable and fixed expenses. Variable costs are billed at a rate per mile based on department and vehicle type and are typically paid from operating expenses line items. Variable costs include insurance, fuel, maintenance, and repairs. Fixed costs include the vehicle lease payments and the Department's vehicle management fee and are included in each department's *Vehicle Lease Payments* line item. The Department acquires private-sector financing for new or replacement vehicles. Leases vary between 72 and 120 months, with the exception of State Patrol vehicles which are leased for 48 months. In FY 2014-15, departments were assessed a vehicle management fee of \$22 per vehicle, per month, to fund the Fleet Management Program's overhead costs.

Fleet Management Program - Vehicle Management Fee							
Vehicle Management Fee	FY08-09	FY09-10	FY10-11	FY11-12	FY12-13	FY13-14	FY14-15
Auction Pool Vehicles	\$23	\$27	\$36	\$27	\$30	\$22	\$22

Risk Management

The state's Risk Management Program provides insurance coverage to departments and state agencies for workers' compensation and property and liability insurance. The state is self-insured for workers' compensation and liability and purchases property insurance from a commercial insurer. Appropriations and allocations to state agencies for risk management coverage are calculated using actuarially-determined prospective claims losses. The larger higher education institutions administer their own risk management programs, and for those programs, funds are not included in the following table.

Statewide Risk Management Services - Premiums and Administrative Expenses						
	FY10-11 Actual	FY11-12 Actual	FY12-13 Actual	FY13-14¹ Actual	FY14-15 Approp.	FY15-16 Approp.
Workers' Comp. Premiums and TPA Fees ²	\$35,441,933	\$33,565,516	\$40,447,902	\$37,016,104	\$43,087,676	\$42,345,756
Property Premiums	7,881,786	7,824,968	7,668,912	7,618,195	7,204,422	7,507,385
Liability Premiums and Legal Services	7,532,919	7,215,260	7,680,580	7,145,764	7,764,857	7,352,321
SUBTOTAL Premiums & Legal	50,856,638	48,605,744	55,797,394	51,780,063	58,056,955	57,205,462
Risk Management Administrative Expense	888,064	875,926	876,974	1,332,619	1,386,721	1,481,438
Administrative Expense Percentage of Total	1.72%	1.77%	1.55%	2.51%	2.33%	2.52%
TOTAL Risk Management	51,744,702	49,481,670	56,674,368	53,112,682	59,443,676	58,686,900
Change in Risk Management Expenses	n/a	(4.4%)	14.5%	(6.3%)	n/a	n/a

¹ Risk Management appropriations included payments for Additional Claims from the Lower North Fork Fire of \$25.1 million General Fund in FY 2013-14, which are not reflected in the table.

² TPA Fees are fees paid to Broadspire, the State's third party administrator for the workers' compensation program.

Appropriation Highlights – 2015 Legislative Session

Department of Personnel						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$173,191,421	\$6,642,176	\$13,231,074	\$153,318,171	\$0	393.6
SB 14-002	2,618	0	0	2,618	0	0.0
SB 14-014	31,400	0	0	31,400	0	0.0
SB 14-214	125,000	125,000	0	0	0	0.0
HB 14-1170	4,500	0	0	4,500	0	0.0
SB 15-157	1,466,294	363,162	1,642,752	(539,620)	0	(0.5)
HB 15-1301	<u>1,200</u>	<u>0</u>	<u>0</u>	<u>1,200</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$174,822,433	\$7,130,338	\$14,873,826	\$152,818,269	\$0	393.1
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$174,822,433	\$7,130,338	\$14,873,826	\$152,818,269	\$0	393.1
Restructure Office of the State Controller to support CORE	6,850,815	508,917	(5,653)	6,347,551	0	16.5
Centrally appropriated line items	4,061,480	1,395,370	717,488	1,948,622	0	0.0
Statewide planning services funding	1,000,000	1,000,000	0	0	0	0.0
Capitol Complex master planner	105,523	105,523	0	0	0	0.9
Private collection agency fees	100,000	0	100,000	0	0	0.0
Address Confidentiality Program resources	50,902	50,902	0	0	0	1.4
Fund source adjustment	0	2,446,467	37,104	(2,483,571)	0	0.0
Annualize prior year budget actions	(1,996,717)	(742,845)	(1,835,058)	581,186	0	(5.0)
Annual fleet adjustments	(1,709,790)	0	0	(1,709,790)	0	0.0
Indirect cost assessment	(1,067,052)	0	(84,062)	(982,990)	0	0.0
Common policy base adjustments	(833,165)	0	22,863	(856,028)	0	0.0
Tobacco Master Settlement revenue adjustment	(77,800)	0	(77,800)	0	0	0.0
Administrative law judge adjustment	(58,046)	(58,046)	0	0	0	(0.5)
Annualize prior year legislation	(48,462)	(125,000)	82,000	(5,462)	0	0.0
SB 15-234	\$181,200,121	\$11,711,626	\$13,830,708	\$155,657,787	\$0	406.4
SB 15-270	0	0	0	0	0	1.0
HB 15-1219	<u>1,200</u>	<u>0</u>	<u>0</u>	<u>1,200</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$181,201,321	\$11,711,626	\$13,830,708	\$155,658,987	\$0	407.4
Increase/(Decrease)	\$6,378,888	\$4,581,288	(\$1,043,118)	\$2,840,718	\$0	14.3
Percentage Change	3.6%	64.3%	(7.0%)	1.9%	n/a	3.6%

FY 2014-15 Appropriation - Mid-year Adjustments

Senate Bill 15-157 added \$1.5 million total funds and decreased 0.5 FTE for mid-year adjustments to the Department's FY 2014-15 appropriation including:

- an increase of \$900,000 reappropriated funds for workers' compensation legal services;
- an increase of \$351,378 General Fund for a statewide indirect cost assessment payment for prior over-collections related to American Recovery and Reinvestment Act (ARRA) grants;
- an increase of \$191,842 cash funds for temporary staff to support CORE implementation in the Office of the State Controller;
- an increase of \$100,000 cash funds for private collection agency commissions; an increase of \$42,350 reappropriated funds for fleet vehicle lease/purchase payments;
- an increase of \$6,928 total funds, including \$1,802 General Fund, for the Governor's Office of Information Technology to address necessary technical modifications to the State's human resources' computer systems;
- an increase of \$459 total funds for an additional common policy allocation adjustment for administrative law judge services (ALJ services);
- a fund source adjustment for Capitol Complex in which increases in General Fund and cash funds are offset by a reduction in reappropriated funds;
- a net decrease of \$68,617 total funds, including a decrease of \$17,844 General Fund, for a true-up of COFRS Modernization allocations and to fund CORE enhancements and ongoing configuration; and
- a decrease of \$58,046 General Fund and 0.5 FTE in the Office of Administrative Courts related to H.B. 13-1292 (Keep Jobs in Colorado Act).

House Bill 15-1301 added \$1,200 reappropriated funds for document management services in Integrated Document Solutions purchased by the Department of Revenue.

FY 2015-16 Appropriation Highlights

Restructure Office of the State Controller to support CORE: The appropriation includes an increase of \$6,850,815 total funds, including \$508,917 General Fund, and 16.5 FTE to restructure the Office of the State Controller to support the Colorado Operations Resource Engine (CORE) and CORE Operations. CORE Operations was formerly known as COFRS Modernization and was formerly located in the Governor's Office of Information Technology.

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; vehicle lease payments; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; Capitol complex leased space; payments to the Governor's Office of Information Technology (OIT); and CORE Operations.

Statewide planning services funding: The appropriation includes an increase of \$1,000,000 General Fund for technical consulting services in the Office of the State Architect.

Capitol Complex master planner: The appropriation includes an increase of \$105,523 General Fund and 0.9 FTE for a master planner to manage the Capitol Complex master plan and to establish policy for statewide real property planning in the Office of the State Architect.

Private collection agency fees: The appropriation includes an increase of \$100,000 cash funds spending authority to pay for private collection agency commissions.

Address Confidentiality Program resources: The appropriation includes an increase of \$50,902 General Fund and 1.4 FTE to make permanent a portion of the temporary staff and funding that was approved in 2014 for the Address Confidentiality Program.

Fund source adjustment: The appropriation includes an increase in General Fund and cash funds offset by a decrease in reappropriated funds due to a decrease in Department and statewide indirect cost recoveries.

Annualize prior year budget actions: The appropriation includes a number of changes to the out-year impact of funding decisions made through the FY 2014-15 Long Bill including the annualization of:

- FY 2014-15 salary survey and merit pay;
- Legislative audio digitization;
- Employee engagement survey and total compensation vendor;
- Address confidentiality program resources;
- Transparency online project modernization; and
- Central collections customer service.

Annual fleet adjustments: The appropriation includes a decrease of \$1,709,790 reappropriated funds for vehicle replacement lease/purchase payments.

Indirect cost assessment: The appropriation includes a net decrease in the Department's indirect cost assessment.

Common policy base adjustments: The appropriation includes a net decrease of \$833,165 total funds for common policy base adjustments for risk management programs and Capitol Complex.

Tobacco Master Settlement revenue adjustment: The appropriation includes a reduction based on the Legislative Council FY 2015-16 Tobacco Master Settlement revenue projection.

Administrative law judge adjustment: The appropriation includes a decrease of \$58,046 General Fund and 0.5 FTE for the Office of Administrative Courts related to H.B. 13-1292 (Keep Jobs in Colorado Act).

Annualize prior year legislation: The appropriation includes a reduction of \$47,262 total funds for the second or third year impact of legislation. The largest change eliminates a one-time \$125,000 General Fund appropriation added in S.B. 14-214 (PERA Studies).

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of Part III of this department.

DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT

The Department of Public Health and Environment consists of the following eleven divisions:

1) Administration and Support

- Provides department-wide administrative services;
- Houses the Health Disparities Program, which provides grants for health initiatives aimed at reducing and eliminating disparities currently existing in the provision of health services across the state; and
- Houses the Office of Planning and Partnerships which oversees the distribution of state funds to local public health agencies.

2) Center for Health and Environmental Information

- Maintains a database of all Colorado births, deaths, marriages, and divorces;
- Provides birth and death certificates;
- Gathers and analyzes health data for use by public and private agencies; and
- Operates the Medical Marijuana Registry.

3) Laboratory Services

- Provides testing, analysis, and results reporting of laboratory tests on specimens and samples submitted by other divisions, departments, and private clients;
- Includes the following laboratory units:
 - Molecular Sciences and Newborn Screening Units;
 - Public Health Microbiology and Environmental Microbiology Units;
 - Radiation counting facility;
 - Organic and Inorganic Units; and
 - Evidential Breath and Alcohol Testing and Certification Units.

4) Air Pollution Control Division

- Performs statewide air monitoring, pollutant analysis, and air emission modeling;
- Researches the causes and effects of pollution from mobile vehicles and implements strategies aimed at reducing emissions from mobile sources; and
- Permits, monitors, and inspects factories, power plants, and other commercial air pollutant emitters for compliance with air pollutant emissions standards.

5) Water Quality Control Division

- Issues waste water discharge permits and, if necessary, takes enforcement action to ensure compliance with water quality standards;
- Issues water quality permits for the following sectors: construction, public and private utilities, commerce and industry, pesticides, and water quality certification;
- Monitors the pollutant levels in rivers, streams, and other bodies of water;
- Conducts surveillance of public and non-public drinking water sources to ensure compliance with federal and state water quality standards; and
- Reviews designs and specifications of new and/or expanding water treatment facilities.

- 6) Hazardous Materials and Waste Management Division
 - Regulates the treatment, storage, and disposal of solid and hazardous waste in Colorado;
 - Performs inspections of solid waste facilities;
 - Oversees hazardous waste generators, transporters, and storage facilities;
 - Regulates commercial radioactive materials in Colorado; and
 - Administers the Waste Tire Program.

- 7) Division of Environmental Health and Sustainability
 - Certifies and inspects wholesale food distributors and dairy processors;
 - Oversees restaurant, child care facility, and school inspections done by local public health agencies (with a few exceptions where the State is responsible for these inspections);
 - Administers the following environmental sustainability programs: the Environmental Leadership Program, the Pollution Prevention Program, and the Pharmaceutical Take-Back Program;
 - Administers the Recycling Resources Opportunity Program; and
 - Administers the Animal Feeding Operations Program.

- 8) Disease Control and Environmental Epidemiology Division
 - Responsible for identifying, containing, controlling, and tracking the spread of communicable diseases, with a focus on: hepatitis, tuberculosis, sexually transmitted infections, and HIV/AIDS;
 - Operates the Immunization Program which includes the Immunization Outreach Program, the Colorado Immunization Information System, and grants to local public health agencies for operation of immunization clinics; and
 - Assesses the threat risk from environmental contaminants on human health, and when needed, takes action to contain and/or nullify these threats.

- 9) Prevention Services Division
 - Administers the Tobacco Education, Prevention, and Cessation Program and the Cancer, Cardiovascular Disease, and Chronic Pulmonary Disease Prevention, Early Detection, and Treatment Program;
 - Operates the Breast and Cervical Cancer Screening Program;
 - Operates programs for children with special needs and the Genetics Counseling Program;
 - Administers the School-Based Health Centers Program;
 - Administers injury and suicide prevention programs;
 - Operates the Primary Care Office and Oral Health Program; and
 - Administers the following two federal food assistance programs:
 - Women, Infant and Children Program; and
 - Child and Adult Care Food Program.

- 10) Health Facilities and Emergency Medical Services Division
 - Enforces through certification and inspections the standards for the operation of health care facilities, including hospitals and nursing facilities; and
 - Inspects and certifies emergency medical and trauma service providers.

11) Office of Emergency Preparedness and Response

- Works with local agencies and other state departments to ensure Colorado is prepared for, and able to respond to, a variety of natural and man-made disasters; and
- Coordinates a statewide network of laboratories, local agencies, hospitals, and other resources that can be utilized during disaster response.

Department Budget: Recent Appropriations

Funding Source	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
General Fund ¹	\$31,142,676	\$54,127,441	\$64,322,851	\$44,515,287
Cash Funds	160,084,332	152,650,718	161,438,088	158,144,049
Reappropriated Funds	32,343,375	29,645,685	35,141,182	37,535,004
Federal Funds	<u>245,427,880</u>	<u>290,623,521</u>	<u>291,317,631</u>	<u>294,153,882</u>
Total Funds	\$468,998,263	\$527,047,365	\$552,219,752	\$534,348,222
Full Time Equiv. Staff	1,223.2	1,239.3	1,265.0	1,289.3

¹ Includes General Fund Exempt.

General Factors Driving the Budget

Funding for the Department for FY 2014-15 consists of 8.3 percent General Fund (including appropriations from the General Fund Exempt account), 29.6 percent cash funds, 7.0 percent reappropriated funds, and 55.0 percent federal funds. Some of the major factors driving the budget are reviewed below.

Health Information Systems

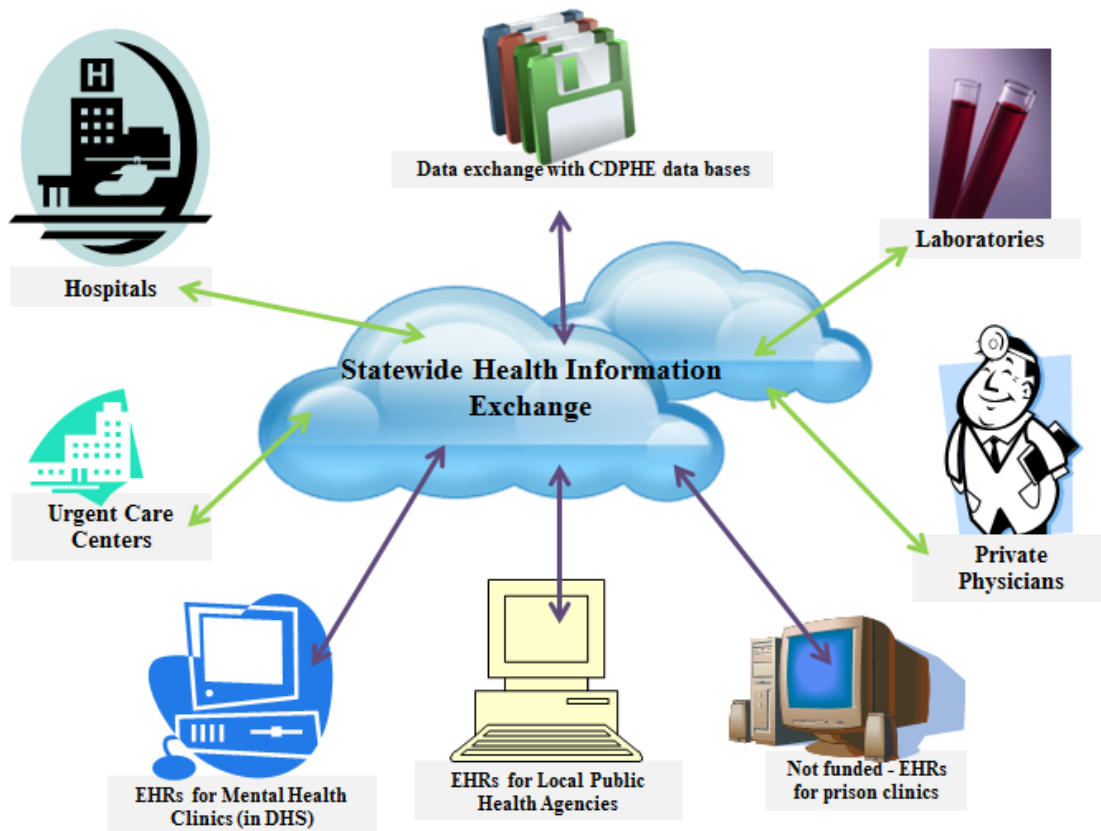
For FY 2014-15 the General Assembly approved funding in the Department of Health Care Policy and Financing and the Department of Public Health and Environment for the development of a statewide health information exchange (HIE). The HIE enables providers, hospitals, laboratories, and other health care organizations to use approved standards to securely submit clinical information to various state public health systems and programs. This increases timeliness, completeness, and provider compliance with public health reporting requirements. For example, HIE is currently being used to deliver electronic newborn screening results to multiple hospitals and providers in the community.

The Department of Health Care Policy and Financing is utilizing a 90.0 percent federal funds matching rate available through the Health Information Technology for Economic and Clinical Health (HITECH) Act, to pay for costs of the HIE that will be used by Medicaid eligible providers. Both Medicaid and non-Medicaid providers will be able to access the HIE. Additional interfaces will be developed to support bi-directional flow of information from the HIE to the following non-Medicaid Department of Public Health and Environment programs:

- Immunization reporting to the Colorado Immunization Information System;
- Electronic laboratory reporting of communicable diseases to the Colorado Electronic Disease Reporting System;

- Syndromic surveillance reporting; and
- Cancer case reporting to the Cancer Registry.

Since these new interfaces will not be exclusively utilized by Medicaid providers, the portion of development costs not eligible for the Medicaid match must be paid for by General Fund. The General Assembly included \$533,516 General Fund for the Department of Public Health and Environment in the FY 2014-15 Long Bill for these costs. The following graphic illustrates all of the components of the HIE.



For FY 2014-15, the General Assembly also appropriated \$3.3 million General Fund to the Department of Public Health and Environment for the first year¹ development costs of electronic health record (EHR) systems for all local public health agencies. These electronic health record systems will connect with the HIE being developed by the Department of Health Care Policy and Financing. The following table summarizes the funding for the two systems in FY 2014-15 and the second year costs in FY 2015-16.

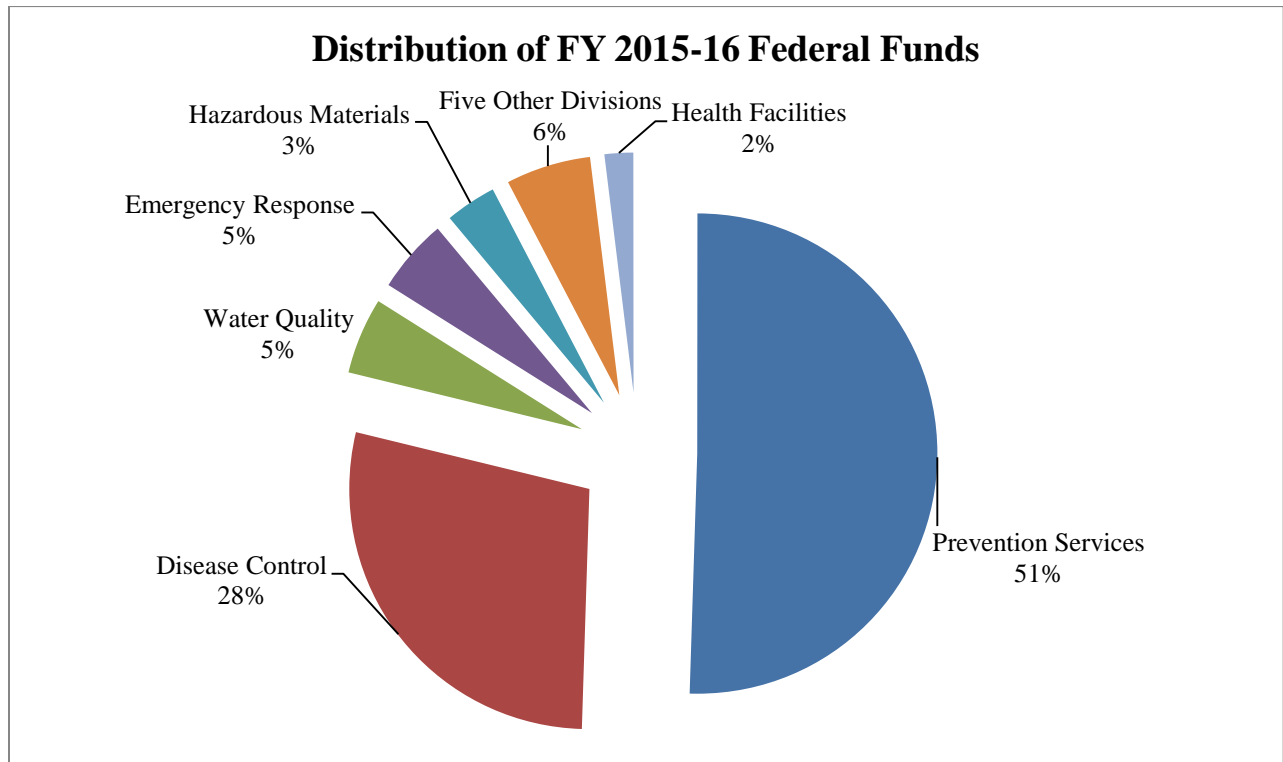
Summary of Health Information System Funding Added in FY 2014-15			
	Health Information Exchange	Electronic Health Record System	Total
FY 2014-15	\$533,516	\$3,274,079	\$3,807,595
FY 2015-16	453,516	1,444,630	1,898,146
Change	(\$80,000)	(\$1,829,449)	(\$1,909,449)

*Note funding is all General Fund

¹ The total duration of the project is five years.

Federal Funds

Federal funds account for 55.0 percent of the Department's FY 2015-16 total appropriation. The Department receives federal funds from multiple federal agencies ranging from the Environmental Protection Agency to the federal Department of Health and Human Services. The majority of the federal funds in the Department's Long Bill are shown for informational purposes because the General Assembly does not have the authority to control the Department's use of these federal funds. The numbers in the FY 2015-16 Long Bill are based on the amount of federal funds received in the most recent actual year (FY 2014-15) to align the FY 2015-16 appropriation with a reasonable estimate of what the Department will actually receive. The following graphic illustrates the distribution of federal funds in FY 2015-16.



Within the Prevention Services Division, the majority of the federal funds are for the Women, Infant and Children Program (WIC) and the Adult and Child Food Care Program (CACFP). Overall, the federal funds appropriated for these two programs account for approximately one fourth of total funding for the Department (\$118.0 million federal funds out of \$551.0 million total funds in FY 2015-16). Within the Disease Control and Environmental Epidemiology Division, 57.0 percent of the federal funds are for the purchase of immunizations, and 19.2 percent of the federal funds are from the Ryan White Comprehensive AIDS Resources Emergency Act. The Ryan White Act funds are used for primary care and support services for individuals living with HIV and AIDS who lack health insurance and the financial resources to pay for their care.

Amendment 35 Tobacco Tax Moneys

Amendment 35 was approved by voters in 2004 and imposed a \$0.64 tax on each pack of cigarettes sold in Colorado with related taxes on other tobacco products. Within the Department, Amendment 35 tax revenues support the following programs:

- Tobacco Education, Prevention, and Cessation Program;
- Health Disparities Grant Program;
- Cardiovascular, Pulmonary, and Chronic Disease Grant Program; and
- Breast and Cervical Cancer Screening Program.

Appropriations for these programs are driven by the amount of revenue generated by the tax each fiscal year and are distributed by the constitutionally and statutorily defined formula.

Water Infrastructure Funding

During the 2013 Session, the General Assembly passed H.B. 13-1191 (Nutrient Grant Domestic Wastewater Treatment Plant) which provided a one-time appropriation of \$15.0 million General Fund to the Water Quality Control Division for grants to local governments for planning, design, construction and improvements to domestic wastewater treatment works, which are needed to ensure compliance with the Water Quality Control Commission's nutrients management control regulation. During the 2014 Session, the General Assembly appropriated an additional \$2.0 million for these improvements.

In addition, the General Assembly passed H.B. 14-1002 (Water Infrastructure Natural Disaster Grant Fund) which created the continuously-appropriated Natural Disaster Grant Fund for grants to local governments, including local governments accepting grants on behalf of, and in coordination with, not-for-profit public water systems to recover from the September 2013 floods. The General Assembly appropriated \$17.0 million General Fund in FY 2014-15 to the Natural Disaster Grant Fund for these purposes. The \$19.0 million (which includes the \$2.0 appropriated for infrastructure improvements and \$17.0 million for flood recovery) in one-time appropriations in FY 2014-15 is eliminated in FY 2015-16.

Programs Funded with Marijuana Tax Cash Fund

The legalization of marijuana by voters in 2012 and subsequent voter approval of new taxes on recreational marijuana resulted in the passage of S.B. 14-215 (Disposition of Legal Marijuana Related Revenue) which created the Marijuana Tax Cash Fund (Fund) and outlined approved uses of the Fund. For the Department of Public Health and Environment, S.B. 14-215 allowed the Fund to be used for three purposes: (1) a prevention and education campaign about the appropriate and legal use of marijuana as approved by the voters in 2012; (2) administration of health surveys regarding marijuana and other drug use; and (3) monitoring the health effects of marijuana, including changes in drug use patterns and the emerging science and medical information relevant to the health effects associated with marijuana use. For FY 2014-15 the Department received a total of \$6,403,742 cash funds and 5.2 FTE from the Marijuana Tax Cash Fund. Of that amount \$5,500,181 and 3.7 FTE is for the marijuana prevention and education campaign, and \$903,561 and 1.5 FTE is for health surveys. The FY 2015-16 appropriation includes a reduction of \$1.0 million for the second year costs of these programs and a reduction of \$2.5 million related to TABOR (Taxpayer's Bill of Rights). If the referred measure in H.B. 15-1367 (Retail Marijuana Taxes) is approved by the voters in the 2015 election, the programs will receive the \$2.5 million not appropriated in the Long Bill. The "Recent Legislation" section of Part III of this department provides additional information on H.B. 15-1367 (Retail Marijuana Taxes) which addresses the funding constraints in place as a result of TABOR.

Regulatory Staff

The Department is responsible for the regulation, inspection, and enforcement of numerous health and environment statutes designed to protect the health of Coloradans and the environment. In order to meet the growing regulatory workload, which is a result of both population growth and an increasing number of statutory and regulatory requirements, the Department has expanded regulatory resources. Due to the diversity of the Department's regulatory programs, the resource increases range from air emission inspectors to manufactured food inspectors to assisted living residence surveyors. The following table summarizes the recent resource increases.

Summary of FTE Additions to the Department Since FY 2012-13			
Division, Program	FTE	Fiscal Year	Purpose
Air Pollution Control Division			
Oil and Gas Inspectors	13.0	FY 2012-13	FTE were added to process oil and gas air pollution permit applications and conduct inspections of oil and gas wells for compliance with safety and emissions standards.
IR Camera and Title V Inspectors	13.0	FY 2015-16	4.0 FTE were added to convert term-limited FTE added in FY 2012-13 for the infrared (IR) camera study to permanent FTE, and add 9.0 FTE were added for Title V permits, inspections and enforcement.
Water Quality Control Division	16.0	FY 2013-14	FTE were added to address permit backlog, increase Colorado's rate of compliance monitoring, and provide additional technical staff to develop policy and guidance procedures for permittees.
Division of Environmental Health and Sustainability, Manufactured Food Programs	2.0	FY 2015-16	FTE were added to enable the Division to create and administer a state directed manufactured foods inspection program.
Health Facilities Surveys			
Home Care Agencies	2.1	FY 2014-15	FTE were added to develop and implement regulations which align with statutory changes, inspect home care agencies for regulatory compliance, and maintain the home care placement agency registry.
Assisted Living Residences	2.0	FY 2015-16	FTE were added to increase the inspection and re-inspection rate for assisted living facilities.
Hazardous Materials and Solid Waste Division			
Solid Waste	6.2	FY 2012-13	FTE were added to regulate, inspect, and ensure safety compliance of solid waste facilities including: landfills, compost sites, and medical waste facilities.
Waste Tires	1.0	FY 2014-15	FTE were added to ensure proper collection of the waste tire fee, disposal of waste tires, and payment of the end user rebates.
Four Year Total	55.3		

Appropriation Highlights – 2015 Legislative Session

Department of Public Health and Environment						
	Total Funds	General Fund¹	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$525,821,265	\$45,995,844	\$153,043,361	\$35,464,429	\$291,317,631	1,251.8
SB 14-029	84,045	0	84,045	0	0	0.9
SB 14-050	49,161	49,161	0	0	0	0.8
SB 14-051	34,120	0	34,120	0	0	0.6
SB 14-073	20,000	0	20,000	0	0	0.0
SB 14-088	73,972	73,972	0	0	0	0.9
SB 14-180	(55,000)	(55,000)	0	0	0	0.0
SB 14-187	400,000	400,000	0	0	0	0.0
SB 14-192	30,986	0	30,986	0	0	0.4
SB 14-215	6,587,169	0	6,587,169	0	0	5.2
HB 14-1002	17,000,000	17,000,000	0	0	0	1.0
HB 14-1042	14,423	0	14,423	0	0	0.3
HB 14-1045	0	0	0	0	0	0.0
HB 14-1207	55,000	5,000	50,000	0	0	0.0
HB 14-1352	882,343	500,000	382,343	0	0	1.0
HB 14-1360	307,983	0	197,983	110,000	0	2.1
SB 15-158	869,627	353,874	949,000	(433,247)	0	0.0
SB 15-234	<u>44,658</u>	<u>0</u>	<u>44,658</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$552,219,752	\$64,322,851	\$161,438,088	\$35,141,182	\$291,317,631	1,265.0
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$552,219,752	\$64,322,851	\$161,438,088	\$35,141,182	\$291,317,631	1,265.0
Centrally appropriated line items	4,915,670	2,092,592	1,569,956	986,308	266,814	0.0
Indirect cost adjustments	4,134,660	0	(355,909)	1,103,488	3,387,081	0.0
Primary care workforce and data	1,602,762	1,602,762	0	0	0	0.9
CIIS optimization and sustainability	1,212,312	1,212,312	0	0	0	3.6
Title V permitting staff	825,622	0	825,622	0	0	9.0
Oil and gas health activities	763,769	0	763,769	0	0	4.0
Local Public Health Agencies	495,750	495,750	0	0	0	0.0
Pompe disorder screening	483,149	0	483,149	0	0	1.0
Food safety programs	470,135	0	470,135	0	0	2.0
Amendment 35 revenue adjustment	316,402	3,993	312,409	0	0	0.0
Household Take-back Medication Program	300,000	300,000	0	0	0	0.0
Document assistance program	300,000	300,000	0	0	0	0.0
Infrared camera program	285,391	0	285,391	0	0	4.0
Loan repayment for faculty positions	270,000	270,000	0	0	0	0.0

Department of Public Health and Environment						
	Total Funds	General Fund¹	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Solid waste landfill study	231,000	0	231,000	0	0	0.0
Assisted living surveyors	207,319	0	207,319	0	0	3.0
Poison Control Center funding	120,264	120,264	0	0	0	0.0
FRAPPE data analysis	94,298	94,298	0	0	0	0.0
Marijuana lab certification	90,125	0	0	90,125	0	1.5
Newborn screening six days	81,029	0	81,029	0	0	0.0
Transfers to other departments	15,645	0	14,713	(17,184)	18,116	0.0
CHEIS adjustments	0	0	0	0	0	(0.0)
Sustain clean water programs	0	245,457	(245,457)	0	0	0.0
Clean water sectors transparency	0	0	0	0	0	0.0
Annualize prior year budget actions	(27,275,400)	(22,813,696)	(4,906,729)	445,025	0	(6.0)
Annualize prior year legislation	(5,671,218)	(3,883,414)	(1,598,864)	(188,940)	0	(0.9)
Marijuana tax revenue adjustment	(2,500,000)	0	(2,500,000)	0	0	0.0
Emergency preparedness adjustment	(835,760)	0	0	0	(835,760)	0.0
Cash fund balance adjustments	(350,333)	0	(350,333)	0	0	0.0
TMS revenue adjustment	(340,156)	0	(340,156)	0	0	0.0
Adult stem cell fund checkoff	(140,000)	0	(140,000)	0	0	0.0
Waste tire revenue adjustment	(108,380)	0	(108,380)	0	0	0.0
SB 15-234	\$532,213,807	\$44,363,169	\$156,136,752	\$37,560,004	\$294,153,882	1,287.1
SB 15-014	1,068,560	0	1,068,560	0	0	0.0
SB 15-189	(25,000)	0	0	(25,000)	0	0.0
SB 15-247	863,033	0	863,033	0	0	0.0
HB 15-1083	25,000	25,000	0	0	0	0.0
HB 15-1102	120,982	120,982	0	0	0	1.4
HB 15-1232	23,736	23,736	0	0	0	0.4
HB 15-1249	1,868	(17,600)	19,468	0	0	0.0
HB 15-1281	32,386	0	32,386	0	0	0.2
HB 15-1283	<u>23,850</u>	<u>0</u>	<u>23,850</u>	<u>0</u>	<u>0</u>	<u>0.2</u>
TOTAL	\$534,348,222	\$44,515,287	\$158,144,049	\$37,535,004	\$294,153,882	1,289.3
Increase/(Decrease)	(\$17,871,530)	(\$19,807,564)	(\$3,294,039)	\$2,393,822	\$2,836,251	24.3
Percentage Change	(3.2%)	(30.8%)	(2.0%)	6.8%	1.0%	1.9%

¹ Includes General Fund and General Fund Exempt.

FY 2014-15 Appropriation - Mid-year Adjustments

Senate Bill 15-158 modifies the FY 2014-15 appropriation to include an additional \$869,621 total funds for the following two midyear adjustments: (1) an increase of \$1.3 million total funds, including \$351,000 General Fund, to pay contract costs related to the Front Range Air Pollution and Photochemistry Experiment (FRAPPE) and (2) a net reduction of \$430,373 total funds for various statewide common policy adjustments.

Senate Bill 15-234 adds \$44,658 cash funds from the Colorado Immunization Fund to use the year-end fund balance for a portion of the costs associated with the Colorado Immunization Information System performance enhancements.

FY 2015-16 Appropriation Highlights

Centrally appropriated line items: The appropriation includes an increase of \$4,915,670 total funds, of which \$2,092,592 is General Fund for adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; vehicle lease payments; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; Capitol complex leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

Indirect cost adjustments: The appropriation includes an increase of \$4,134,660 total funds related to adjustments to the Department's methodology for calculating and managing indirect cost recoveries as well as changes to how both divisional and departmental indirect cost recoveries are reflected in the Long Bill. The increase in federal funds is primarily related to reflecting the informational appropriation of federal funds for centrally appropriated line items.

Primary care workforce and data: The appropriation includes an increase of \$1,602,762 General Fund and 0.9 FTE for the Colorado Health Service Corps to improve the collection of health care provider data to better inform future decisions regarding resource allocation, and to provide an additional \$1.5 million worth of provider loan repayment awards.

CIIS optimization and sustainability: The appropriation includes an increase of \$1,212,312 General Fund and 3.6 FTE for the Colorado Immunization Information System to: (1) hire 2.7 FTE to support the operating and infrastructure needs of the Colorado Immunization Information System (CIIS); (2) hire 0.9 FTE to develop a state program for the Children's Health Plan Plus that is similar to the federal Vaccines for Children program; and (3) make CIIS improvements that will improve system performance.

Title V permitting staff: The appropriation includes an increase of \$825,622 cash funds and 9.0 FTE to enable the Title V Permitting Program in the Air Pollution Control Division to comply with the federally required eighteen month time limit for issuing Title V air permits.

Oil and gas health activities: The appropriation includes an increase of \$763,769 cash funds and 4.0 FTE to implement two consensus recommendation made by the Oil and Gas Task Force for a health concern information line and website as well as a mobile air quality monitoring unit.

Local Public Health Agencies: The appropriation includes an increase of \$495,750 General Fund for Local Public Health Agencies (LPHAs) to account for LPHAs which are expanding the core services they provide, offset a reduction of Tobacco master Settlement revenue and to account for population increases.

Pompe disorder screening: The appropriation includes an increase of \$483,149 cash funds and 1.0 FTE to fund the addition of the Pompe disorder to the newborn screening test.

Food safety programs: The appropriation includes an increase of \$470,135 cash funds and 2.0 FTE to purchase new milk testing equipment, develop a statewide information exchange network for retail food safety information, and add two wholesale food inspectors to conduct state-directed inspections.

Amendment 35 revenue adjustment: The appropriation includes adjustments to the amount of Amendment 35 revenues projected to be received in FY 2015-16.

Household Take-back Medication Program: The appropriation includes an increase of \$300,000 General Fund for the Household Take-back Medication Program.

Document assistance program: The appropriation adds \$300,000 General Fund for the creation of a document assistance grant program.

Infrared camera program: The appropriation includes an increase of \$285,391 cash funds and 4.0 FTE to convert the two-year General Funded Infrared Camera program to a permanently cash funded program in the Air Pollution Control Division.

Loan repayment for faculty positions: The appropriation adds \$270,000 General Fund to the Colorado Health Services Corps to repay student loans for three family medicine resident faculty.

Solid waste landfill study: The appropriation includes an increase of \$231,000 cash funds to contract for a study of the State's waste and materials management system.

Assisted living surveyors: The appropriation includes an increase of \$207,319 cash funds and 3.0 FTE to provide the Assisted Living Survey Unit with a sufficient number of surveyors to complete surveys of assisted living facilities within the statutory timeframe.

Poison Control Center funding: The appropriation includes an increase of \$120,264 General Fund for the Rocky Mountain Poison Control Center due to increased operational and staff costs.

FRAPPE data analysis: The appropriation includes an increase of \$94,298 General Fund for the first year of the two-year data analysis of information gathered through the Front Range Air Pollution and Photochemistry Experiment.

Marijuana lab certification: The appropriation includes an increase of \$90,125 reappropriated funds from the Department of Revenue for the inspection and survey of marijuana testing laboratories required for a laboratory certification from the Department of Revenue.

Newborn screening six days: The appropriation includes an increase of \$81,029 cash funds to enable the State Laboratory to operate the newborn screening section six days per week rather than five days per week.

Transfers to other departments: The appropriation includes increases for funds which are transferred to other departments.

CHEIS adjustments: The appropriation includes two net zero adjustments for funding for work done by the Center for Health and Environment Information Services.

Sustain clean water programs: The appropriation includes an increase of \$245,457 General Fund to offset a reduction of \$245,457 cash funds due to insufficient fee revenue for the Clean Water Sectors.

Clean water sectors transparency: The appropriation includes a reorganization of the Long Bill structure for the Clean Water Sectors to better identify the appropriation by sector and associated FTE by sector.

Annualize prior year budget actions: The appropriation includes a number of changes to annualize funding decisions made through the prior year Long Bill including:

- A reduction of \$21.0 million total funds (\$19.0 million General Fund and \$2.0 million cash funds) for the one-time funding provided for grants to local entities for improvements to water and wastewater facilities related to the water nutrient regulations and damage repairs related to the September 2013 floods;
- A reduction of \$3.0 million total funds (\$1.5 million General Fund and \$1.5 million cash funds) to eliminate funds for a one-time payment to the Recycling Resources and Economic Opportunity Fund;
- A reduction of \$1.5 million General Fund for the second year costs of the Department's component of the Health Information Exchange and the electronic health record system funding for local public health agencies;
- A reduction of \$0.4 million General Fund for the annualization of the two-year infrared camera project; and
- A reduction of \$0.2 million cash funds for the third-year impact of regulating the commissioning and decommissioning of two uranium mills.

Annualize prior year legislation: The appropriation includes adjustments related to prior year legislation including:

- An increase of \$0.3 million cash funds for the transfer of the Brownsfield Cleanup Program from the capital construction budget to the operating budget pursuant to SJR 14-039 (Differentiating Budget Requests);
- A reduction of \$3.0 million to transfer the Senior Dental Program to the Department of Health Care Policy and Financing on July 1, 2015;
- A reduction of \$1.0 million cash funds from the Marijuana Tax Cash Fund for the second year costs of the Marijuana Education Campaign and Healthy Kids Colorado survey funded in S.B. 14-215;
- A reduction of \$0.6 million due to the completion of the electronic death registration system required by H.B. 12-1041 (Electronic Death Registration System); and
- A reduction of \$0.5 million General Fund to eliminate the one-time General Fund transfer to the Waste Tire Administration and Cleanup Fund in H.B. 14-1352; and
- A reduction of \$0.4 million General Fund for the annualization of the one-time appropriation in S.B. 14-187 (Colorado Commission on Affordable Health Care);

Marijuana tax revenue adjustment: The appropriation includes a reduction of Marijuana Tax Cash Fund dollars appropriated for the Marijuana Public Awareness Campaign based on the Legislative Council revenue forecast for the marijuana industry available for appropriation in FY 2015-16.

Emergency preparedness adjustment: The appropriation includes a reduction of anticipated federal funds for emergency preparedness activities and the creation of a new line item for state directed emergency preparedness activities.

Cash fund balance adjustments: The appropriation includes a number of adjustments to appropriations to account for available balances of various cash funds.

TMS revenue adjustment: The appropriation includes adjustments related to the projected amount of Tobacco Master Settlement (TMS) revenue for FY 2015-16.

Adult stem cell fund checkoff: The appropriation eliminates the appropriation from the Adult Stem Cell Fund because the fund did not receive any tax checkoff revenue and was not included on the 2014 Colorado tax form.

Waste tire revenue adjustment: The appropriation includes adjustments related to the projected amount of waste tire revenue for FY 2015-16.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of Part III of this department.

DEPARTMENT OF PUBLIC SAFETY

The Department consists of six divisions: Executive Director's Office, Colorado State Patrol, Division of Fire Prevention and Control, Division of Criminal Justice, Colorado Bureau of Investigation, and Division of Homeland Security and Emergency Management. The Department also administers the Colorado Integrated Criminal Justice Information System.

The Colorado State Patrol (CSP) facilitates motor vehicle traffic and enforces all applicable laws on approximately 9,100 miles of state and federal highways and more than 57,000 miles of county roads. Port of Entry officers collect fuel taxes and registration fees and ensure compliance with statutory weight and size restrictions for commercial vehicles; State Troopers perform commercial motor vehicle safety, hazardous materials routing and rule making, aviation, homeland security, communications, investigative services, capitol complex security, and criminal interdiction.

The Division of Fire Prevention and Control is tasked with fire code enforcement, training, and certification, as well as wildfire preparedness, response, suppression, coordination, and management.

The Division of Criminal Justice conducts criminal justice research, assists with policy formation, administers grants for law enforcement and community crime control programs, addresses the needs of crime victims, manages community corrections programs, and sets standards for the treatment of sex and domestic violence offenders.

The Colorado Bureau of Investigation assists state and local law enforcement in investigating crime and enforcing criminal laws, maintains fingerprint records and DNA profiles, oversees the statewide crime reporting program, and operates scientific laboratories.

The Division of Homeland Security and Emergency Management consists of three offices: Office of Emergency Management, Office of Prevention and Security, and Office of Preparedness. The Division is tasked with consolidating and restructuring the state's homeland security and disaster preparedness and response functions through better coordination of emergency management and homeland security entities in the state.

Department Budget: Recent Appropriations

Funding Source	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
General Fund	\$86,452,085	\$168,464,555	\$134,566,411	\$125,170,650
Cash Funds	156,169,131	166,495,597	175,622,518	184,486,485
Reappropriated Funds	27,132,877	26,975,529	33,311,956	34,175,433
Federal Funds	<u>53,355,759</u>	<u>55,237,146</u>	<u>58,435,885</u>	<u>59,499,919</u>
Total Funds	\$323,109,852	\$417,172,827	\$401,936,770	\$403,332,487
Full Time Equiv. Staff	1,562.3	1,618.2	1,688.6	1,727.1

General Factors Driving the Budget

Funding for this Department consists of 31.0 percent General Fund, 45.7 percent cash funds, 8.5 percent reappropriated funds, and 14.8 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

Highway Supervision and the Highway Users Tax Fund

The Highway Users Tax Fund (HUTF) is the primary source of state highway funds in Colorado. HUTF revenue include gas and special-fuel taxes, driver's license fees, motor vehicle title and registration fees, fines, license plate fees, and passenger-mil taxes. Pursuant to Article X, Section 18 of the Colorado Constitution, HUTF revenues are required to be used exclusively for the construction, maintenance, and supervision of State public highways, and associated administrative costs.

Prior to appropriating the HUTF revenue for construction and maintenance of highways, the General Assembly appropriates HUTF revenues to the Department of Public Safety for highway related administrative and supervisory functions. The distribution to the State Patrol is taken "off-the-top," before the formula allocation of HUTF to the state highway fund, counties, and cities. Pursuant to Section 43-4-201 (3) (a) (I) (B), C.R.S., off-the-top appropriations are limited to a maximum 6.0 percent annual growth from the prior year's total HUTF appropriation, and may not exceed 23.0 percent of the total prior fiscal year HUTF revenue. After the off-the-top share is disbursed, remaining HUTF revenues are distributed to cities, counties, and the State Highway Fund, per the statutory formula. For more information about HUTF off-the-top, see Appendix E.

Community Corrections

The primary factor driving the Division of Criminal Justice's General Fund budget is the cost of the State's community corrections programs. Community corrections facilities, also called halfway houses, are operated by local governments, private providers, and non-profits. They provide convicted offenders with supervision and structure in both residential and nonresidential settings. There are three types of community corrections placements: (1) diversion placements for offenders sentenced directly to community corrections in lieu of a prison sentence; (2) transition placements for offenders who have served a sentence in the Department of Corrections and are released to a residential community corrections bed in preparation for parole; and (3) parole placements for offenders who are required to spend part of their time on parole in a community corrections facility. Residential community corrections offenders are placed either in standard residential programs or, if they have high needs, in more expensive specialized programs that deal with substance abuse and mental illness. The additional cost of a specialized program, over and above the standard residential rate, is called a differential. The following table summarizes the number of placements of each type in recent years.

Community Corrections Population, Rates, and Expenditures	FY11-12 Actual	FY12-13 Actual	FY13-14 Actual	FY14-15 Estimate	FY14-15 Approp.
Average daily population (ADP) in Community Corrections	4,242.9	4,097.4	3,917.3	3,864.7	4,117.7
Residential ADP	3,224.5	3,247.4	3,111.0	3,108.5	3,356.5
Nonresidential ADP	1,018.4	850.0	806.3	756.2	761.2
Percentage of ADP that is residential	76.0%	79.3%	79.4%	80.4%	81.5%

Community Corrections Population, Rates, and Expenditures	FY11-12 Actual	FY12-13 Actual	FY13-14 Actual	FY14-15 Estimate	FY14-15 Approp.
Percentage of residential ADP in:					
Diversion	45.8%	48.9%	51.2%	49.3%	48.0%
Transition	50.0%	45.2%	42.4%	43.9%	41.2%
Parole	4.2%	5.9%	6.5%	6.8%	10.8%
Specialized programs ¹	16.0%	18.3%	17.9%	18.1%	24.1%
Daily residential rate for a standard bed ²	\$37.74	\$37.74	\$38.68	\$44.19	\$44.88
Percent change	0.0%	0.0%	2.5%	14.2%	1.6%
Average daily differential for specialized programs ³	\$22.54	\$23.13	\$33.02	\$36.71	\$39.67
Percent change	2.8%	2.6%	42.7%	11.2%	8.1%
Daily non-residential rate	\$5.12	\$5.12	\$5.25	\$6.03	\$6.13
Percent change	0.0%	0.0%	2.5%	14.9%	1.7%
Total Community Corrections GF Expenditures (\$ million)	\$51.4	\$53.6	\$56.9	\$60.8	\$62.5
General Fund Expenditure Change	(0.7%)	4.4%	6.1%	6.8%	2.8%

¹Diversion + transition + parole = 100%. A portion of each of these populations is in specialized programs.

²For FY 15-16, the daily residential rate for a standard bed includes an average of \$2.79 per offender per day that is received as a facility payment.

³The average differential is a weighted average of differentials for the various types of specialized residential programs. This average changes when rates change or when the mix of offenders in specialized programs changes.

Laboratory and Investigative Services

The Colorado Bureau of Investigation (CBI) provides information technology, laboratory, and investigative services to local, state, and federal law enforcement agencies upon request. Pursuant to Section 24-33.5-412 (1) (a), C.R.S., the CBI is charged with assisting any sheriff, chief of police, district attorney, head of a state agency, or chief law enforcement officer in the investigation and detection of crime and in the enforcement of the laws of the state. CBI laboratories provide forensic evidence analysis, including DNA, fingerprint, firearm, physiological fluid, chemical, digital, shoe, and tire tracks evidence. In addition, the CBI field team investigates crime scenes, upon the request of local, state, and federal law enforcement agencies.

CBI's laboratory services and budget have increased in recent years due to legislation passed by the General Assembly. House Bill 14-1340 (State Toxicology Laboratory) requires the CBI to operate a state toxicology laboratory on or before July 1, 2015, to assist local law enforcement agencies in the enforcement of laws for driving under the influence of alcohol or drugs. House Bill 13-1020 (Testing Evidence of Sexual Assault) added new requirements to the Department regarding the processing and reduction of the backlog of sexual assault kits. Due to the increase in required laboratory services, the General Assembly authorized expansion of the Pueblo and Denver/Arvada labs to accommodate growing caseloads.

The Colorado Crime Information Center (CCIC) provides information to law enforcement agencies on warrants, case status, stolen property, registrations, known offenders, and drivers' licenses. The CCIC maintains system hardware and software, including a statewide telecommunications network connecting more than 500 client law enforcement agencies to the CCIC. The CCIC provides criminal identification checks, criminal background checks, and fingerprint-based criminal background checks, and also operates the state's "instacheck" criminal background check program for the firearms industry. The budget is driven primarily by information technology enhancement needs and by the expansion of statutory requirements.

Colorado Bureau of Investigation Workload Measures				
	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
Total Laboratory Specimens Analyzed	101,163	116,528	117,358	138,986
Total Civil Fingerprint and Name Checks	448,938	481,543	458,632	500,620
Total Criminal Fingerprints Processed	226,612	216,491	209,738	240,421
Total Instant Criminal Background Checks (for firearms)	274,738	436,553	290,275	327,260

Disaster and Emergency Response

In the event of a natural or man-made disaster, divisions within the Department may act as the central coordinating point at the state level. As a result, disasters and emergencies can play a significant role in the Department budget.

Wildland Fires and the Colorado Firefighting Air Corps

The recent wildfire seasons combined with the consolidation of fire prevention and safety responsibilities from various other departments have driven the budget for the Division of Fire Prevention and Control. The following table summarizes the Division's appropriations for the last four years.

Division of Fire Prevention and Control				
	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
General Fund	\$462,802	\$516,757	\$20,839,905	\$11,537,430
Cash Funds	7,752,966	17,601,028	9,557,995	12,896,372
Reappropriated Funds	155,914	592,985	4,890,741	4,897,439
Federal Funds	<u>\$268,110</u>	<u>\$561,412</u>	<u>\$336,609</u>	<u>\$341,734</u>
Division Total	\$8,639,792	\$19,272,182	\$35,625,250	\$29,672,975
FTE	45.1	63.7	109.1	118.9

Much of the change in General Fund is attributed to the Colorado Firefighting Air Corps (CFAC), which authorized the Division of Fire Prevention and Control to purchase, lease, and contract with aviation firefighting resources and to establish the Center of Excellence for Advanced Technology Aerial Firefighting to research, test, and evaluate existing and new technologies for aerial firefighting. CFAC enhances the Department's ability to detect and provide an initial attack on wildfires. Funding for CFAC in FY 2014-15 totaled \$19,672,000. CFAC estimates for FY 2015-16 are included in the chart below.

S.B. 14-164, FY 2015-16 Estimated Costs	
CFAC aircraft operating costs	\$7,235,748
CFAC personal services and operating costs	1,809,930
Center of Excellence personal services and operating costs	795,668
CFAC and Center of Excellence centrally appropriated costs	648,836
CFAC and Center of Excellence salary survey and merit request	<u>42,233</u>
Total FY 2015-16 Estimated Costs	\$10,532,415

Emergency Response

The Division of Homeland Security and Emergency Management (DHSEM) supports all hazards and disasters such as flooding, tornadoes, wildfires, hazardous materials incidents, and acts of terrorism. During and following a significant emergency event in the state, DHSEM serves as a central vehicle for receiving and distributing funds for emergency response and recovery. As seen in the chart below, this can significantly impact the budget, as it did following the 2012 floods in Colorado.

Division of Homeland Security and Emergency Management				
	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
General Fund	\$1,220,859	\$71,043,809	\$2,286,516	\$2,413,823
Cash Funds	10,104,651	37,280,590	4,510,988	4,567,986
Reappropriated Funds	0	670,127	706,237	702,436
Federal Funds	<u>\$34,175,194</u>	<u>\$148,818,190</u>	<u>\$26,030,651</u>	<u>\$26,052,543</u>
Division Total	\$45,500,704	\$257,812,716	\$33,534,392	\$33,736,788

Appropriation Highlights – 2015 Legislative Session

Department of Public Safety						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	396,860,817	130,120,718	175,068,422	33,235,792	58,435,885	1,657.2
SB 14-002	\$48,676	\$0	\$0	\$48,676	\$0	0.5
SB 14-008	27,175	27,175	0	0	0	0.5
SB 14-027	68,636	0	68,636	0	0	0.3
SB 14-127	589,618	589,618	0	0	0	0.9
SB 14-133	10,544	0	10,544	0	0	0.0
SB 14-153	(1,408)	(1,408)	0	0	0	0.0
SB 14-164	0	0	0	0	0	19.3
SB 14-215	0	0	0	0	0	0.0
HB 14-1037	339,602	339,602	0	0	0	0.6
HB 14-1095	174,357	174,357	0	0	0	1.8
HB 14-1170	984,542	984,542	0	0	0	0.0
HB 14-1273	263,796	263,796	0	0	0	1.8
HB 14-1340	1,796,592	1,100,000	696,592	0	0	5.2
HB 14-1360	40,966	0	40,966	0	0	0.2
SB 15-159	2,229,991	2,465,145	(262,642)	27,488	0	0.3
SB 15-234	<u>(1,497,134)</u>	<u>(1,497,134)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$401,936,770	\$134,566,411	\$175,622,518	\$33,311,956	\$58,435,885	1,688.6

Department of Public Safety						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$401,936,770	\$134,566,411	\$175,622,518	\$33,311,956	\$58,435,885	1,688.6
Centrally appropriated line items	8,181,993	309,037	6,444,563	1,043,250	385,143	0.0
Annualize prior year legislation	4,210,175	(420,356)	4,824,374	(191,581)	(2,262)	12.7
Community provider rate	1,259,906	1,259,906	0	0	0	0.0
Informational funds adjustment	700,000	0	0	0	700,000	0.0
Statewide alert notification	468,215	468,215	0	0	0	0.9
Operating and maintenance for new CBI facilities	264,754	264,754	0	0	0	0.0
Legislative Services Building security	212,050	212,050	0	0	0	1.0
Community corrections facility payments	190,128	190,128	0	0	0	0.0
Juvenile justice specialist funding	67,363	67,363	0	0	0	0.0
Public safety intelligence support	56,998	0	56,998	0	0	1.0
Grants management application support	42,339	42,339	0	0	0	0.0
Peace Officer Standards and Training Board grant	20,000	0	0	20,000	0	0.0
State toxicology laboratory funding	461	1,387,263	(1,386,802)	0	0	10.0
Annualize prior year budget actions	(13,928,019)	(12,749,815)	(1,135,166)	(24,191)	(18,847)	8.6
Community Corrections caseload	(1,209,576)	(1,209,576)	0	0	0	0.0
Move lease purchase payment to capital budget	(867,542)	(867,542)	0	0	0	0.0
Payments to community corrections boards	(35,058)	(35,058)	0	0	0	0.0
SB 15-234	\$401,570,957	\$123,485,119	\$184,426,485	\$34,159,434	\$59,499,919	1,722.8
SB 15-014	60,000	0	60,000	0	0	0.0
SB 15-020	72,512	72,512	0	0	0	0.9
SB 15-124	780,019	780,019	0	0	0	0.0
SB 15-185	38,799	38,799	0	0	0	0.4
SB 15-217	30,851	30,851	0	0	0	0.5
HB 15-1129	600,000	600,000	0	0	0	0.5
HB 15-1273	73,457	73,457	0	0	0	1.0
HB 15-1285	89,893	89,893	0	0	0	1.0
HB 15-1379	<u>15,999</u>	<u>0</u>	<u>0</u>	<u>15,999</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$403,332,487	\$125,170,650	\$184,486,485	\$34,175,433	\$59,499,919	1,727.1
Increase/(Decrease)	\$1,395,717	(\$9,395,761)	\$8,863,967	\$863,477	\$1,064,034	38.5
Percentage Change	0.3%	(7.0%)	5.0%	2.6%	1.8%	2.3%

FY 2014-15 Appropriation - Mid-year Adjustments

Senate Bill 15-159 modifies the FY 2014-15 appropriation to include appropriations to allow the Department to spend H.B. 13-1020 (Testing Evidence of Sexual Assault) appropriations through June 30, 2016, an increase in the child abuse investigation cash funding, a General Fund reduction for Community Corrections placements, and common policy adjustments.

Senate Bill 15-234 modifies the FY 2014-15 appropriation to include a reduction of \$1,497,134 General Fund to reflect the declining caseload in community corrections. Of this amount, \$95,000 is transferred to the Department of Local Affairs where it will be used to fund a community redevelopment study that involves one of the state's largest community corrections programs.

FY 2015-16 Appropriation Highlights

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; salary survey; merit pay; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; workers' compensation; shift differential; legal services; payment to risk management and property funds; Capitol complex leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

Annualize prior year legislation: The appropriation includes an increase of \$4,210,175 total funds and 12.7 FTE, including a reduction of \$420,356 General Fund, for the second year impact of legislation.

Community provider rate: The appropriation includes an increase of \$1,259,906 General Fund for the 1.7 percent community provider rate increase.

Informational funds adjustment: The appropriation includes an increase of \$700,000 federal funds to align the informational appropriation of federal grants to the Division of Criminal Justice with the amount of federal funding that the Division is likely to receive.

Statewide alert notification: The appropriation includes an increase of \$468,215 General Fund and 0.9 FTE in FY 2015-16 to develop an alert notification system for executive branch agencies.

Operating and maintenance for new CBI facilities: The appropriation provides \$264,754 General Fund in for the operation and maintenance costs for the two new Colorado Bureau of Investigation buildings in Pueblo and Arvada.

Legislative Services Building security: The appropriation provides \$212,050 General Fund and 1.0 FTE for increased security in the Legislative Services Building.

Community corrections facility payments: The appropriation increases by \$190,128 General Fund the base payments that community corrections facilities receive.

Juvenile justice specialist funding: The appropriation provides \$67,363 General Fund to support the state work that is performed by the Department's juvenile justice specialist.

Public safety intelligence support: The appropriation provides \$56,998 cash funds and 1.0 FTE to fund a criminal intelligence analyst within the Colorado Information Analysis Center (CIAC).

Grants management application support: The appropriation includes an increase of \$42,339 General Fund for payments to the Office of Information Technology for the Colorado Grants Management System (COGMS).

Peace Officer Standards and Training Board grant: The appropriation includes an increase of \$20,000 cash funds to expend the Peace Officer Standards and Training (POST) Board grant received from the Department of Law.

State toxicology laboratory funding: The appropriation includes an increase of \$1,387,263 General Fund and a decrease of \$1,386,802 cash funds for fund the ongoing operations of the statewide toxicology laboratory, pursuant to H.B. 14-1340 (State Toxicology Laboratory).

Annualize prior year budget actions: The appropriation includes a number of changes to reflect the out year impact of funding decisions made through the FY 2014-15 Long Bill, including a \$9,830,654 General Fund reduction from annualization of the Colorado Aerial Firefighting Fleet.

Community corrections caseload: The appropriation reduces payments to community corrections boards by \$1,209,576 General Fund based on a projected decline in caseload.

Move lease purchase payment to capital budget: The appropriation includes a reduction of \$867,542 General Fund based on the transfer of the lease purchase payment for the CBI Pueblo laboratory to the capital construction section of the Long Bill.

Payments to community corrections boards: The appropriation reduces payments to community corrections boards by \$35,058 General Fund to reflect declining caseload.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of Part III of this department.

DEPARTMENT OF REGULATORY AGENCIES

The Department of Regulatory Agencies consists of the following ten divisions:

1. Executive Director's Office is responsible for department-wide administrative functions and houses the Office of Policy, Research and Regulatory Reform, which conducts sunrise and sunset reviews.
2. Division of Banking is responsible for enforcement and compliance with banking laws.
3. Civil Rights Division is responsible for enforcing state and federal laws regarding the civil rights of individuals and resolving complaints of rights violations.
4. Office of Consumer Counsel is responsible for representing the rights of small businesses and consumers at hearings before the Public Utilities Commission.
5. Division of Financial Services is responsible for enforcing state and federal laws relating to the regulation of credit unions and savings and loan associations.
6. Division of Insurance is responsible for licensing insurance agents and companies.
7. Public Utilities Commission is responsible for regulating utilities throughout the state.
8. Division of Real Estate licenses real estate agents and mortgage brokers and investigates allegations of real estate and mortgage fraud.
9. Division of Professions and Occupations licenses individuals in over fifty professions and occupations.
10. Division of Securities licenses securities agents and investigates allegations of securities misconduct.

Department Budget: Recent Appropriations

Funding Source	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
General Fund	\$1,715,818	\$1,703,494	\$1,884,591	\$1,923,405
Cash Funds	71,586,905	73,652,864	78,741,802	80,292,863
Reappropriated Funds	4,267,189	4,504,371	4,725,487	4,875,289
Federal Funds	<u>1,315,200</u>	<u>1,323,983</u>	<u>1,391,262</u>	<u>1,486,010</u>
Total Funds	\$78,885,112	\$81,184,712	\$86,743,142	\$88,577,567
Full Time Equiv. Staff	559.9	572.7	587.6	583.6

General Factors Driving the Budget

Funding for this department consists of 2.2 percent General Fund, 90.6 percent cash funds, 5.5 percent reappropriated funds, and 1.7 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

Legal Services

Due to the impact on parties involved in many of the Department's regulatory decisions, legal services has been, and will continue to be, a driving factor of the Department's budget. Legal services accounted for 11.8 percent of the Department's FY 2015-16 total appropriation.

Department of Regulatory Agencies Legal Services Expenditures							
	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16
	Actual	Actual	Actual	Actual	Actual	Approp.	Approp.
Legal Services	\$7,546,070	\$7,485,354	\$7,359,709	\$7,383,603	\$9,767,656	\$11,020,252	\$10,437,650
Legal Services Hours	100,107	102,022	106,835	104,884	107,566	108,364	109,858
Change in Hours	n/a	1,915	4,813	(1,951)	2,682	798	1,494
Percent Change in Hours	n/a	1.9%	4.7%	(1.8%)	2.6%	0.7%	1.4%
Percent of Department Total	9.4%	9.6%	9.6%	9.4%	12.0%	12.7%	11.8%
Dept. of Law Blended Legal Rate	\$75.38	\$73.37	\$75.71	\$77.25	\$91.08	\$94.51	\$95.01

Over the period from FY 2008-09 through FY 2015-16, five divisions have accounted for between 82.2 and 91.1 percent of the Department's legal services.

Legal Services Expenditures by Top Five Divisions					
	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14
	Actual	Actual	Actual	Actual	Actual
Professions & Occupations	\$3,515,106	\$3,286,424	\$3,336,464	\$3,426,052	\$3,806,424
Public Utilities Commission + Office of Consumer Counsel	1,692,850	1,664,076	1,835,306	1,759,139	2,358,562
Real Estate	906,652	781,201	743,813	594,427	918,930
Insurance	<u>671,086</u>	<u>890,231</u>	<u>787,757</u>	<u>837,152</u>	<u>942,438</u>
Top Five Subtotal	\$6,785,694	\$6,621,932	\$6,703,340	\$6,616,770	\$8,026,354
Department Total	\$7,546,070	\$7,485,354	\$7,359,709	\$7,383,603	\$9,767,656
Top Five Percent of Total	89.9%	88.5%	91.1%	89.6%	82.2%

Licenses Issued

The Department is responsible for consumer protection and licenses professionals in various industries as part of this mission. The Divisions of Insurance, Real Estate, Professions and Occupations, and Securities issue the majority of individual licenses. Budgets in these divisions are driven primarily by the number of individuals requiring licensure. The following table outlines the number of licenses regulated by these divisions.

Number of Licenses Regulated by the Divisions of Insurance, Real Estate, Registrations, and Securities							
	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14
	Actual	Actual	Actual	Actual	Actual	Actual	Actual
Div. of Insurance - Producer Licenses							
New Licenses	29,511	29,070	25,699	29,789	30,556	30,900	31,603
Active Licenses	115,229	118,783	123,204	129,559	128,710	134,951	142,105

Number of Licenses Regulated by the Divisions of Insurance, Real Estate, Registrations, and Securities							
	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14
	Actual	Actual	Actual	Actual	Actual	Actual	Actual
Div. of Real Estate							
Broker & Salesperson	18,292	11,820	10,662	10,660	10,777	9,950	10,519
Mortgage Loan Originators	n/a	8,729	4,690	5,013	5,443	7,182	6,847
Appraisers	4,447	4,006	3,597	3,365	3,209	3,068	2,833
Div. of Professions and Occupations							
New Licenses	30,890	38,900	33,194	34,431	35,210	36,152	35,793
Active Licenses	292,584	315,147	324,271	345,026	347,285	366,402	368,851
Div. of Securities							
Sales Representative License Renewals	143,772	145,347	145,504	153,576	163,818	165,433	171,999
Investment Advisor License Renewals	8,458	8,913	9,231	9,522	9,743	10,297	11,103

Number of Examinations by the Divisions of Banking and Securities

The deterioration of the financial sector in 2008 increased the workload of the examination sections of the Divisions of Banking, Financial Services, and Securities, which have since decreased for the Banking and Financial Services Divisions. Securities examinations increased in FY 2011-12 due to additional oversight requirements in federal law. The following table outlines the changes in the number of examinations conducted by these three divisions since FY 2007-08.

Examinations Conducted by the Divisions of Banking, Financial Services, and Securities								Change Since
	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 07-08
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	
Banking Examinations	196	164	154	195	171	180	141	(8.20%)
Credit Union Examinations	40	33	38	39	34	31	34	(22.50%)
Securities Examination	46	50	66	65	110	175	138	280.40%

Other Legislation

The General Assembly has passed an average of 12.2 bills per session over the last ten sessions that increased the Department's regulatory responsibilities. The 2015 Session included 5 bills with appropriations for an additional \$148,422 cash funds. The following table shows the impact of other legislation on the Department's budget.

Other Legislation						
Session	No. of Bills	General Fund	Cash Funds	Reapprop. Funds	Total	FTE
2006	11	\$0	\$1,088,461	\$194,600	\$1,283,061	7.2
2007	22	42,290	2,670,098	66,962	2,737,060	15.3
2008	19	149,205	2,233,416	0	2,233,416	17.3
2009	10	0	947,305	0	947,305	7.5

Other Legislation						
Session	No. of Bills	General Fund	Cash Funds	Reapprop. Funds	Total	FTE
2010	13	0	507,245	593,333	1,100,578	6.4
2011	11	0	954,420	0	954,420	6.8
2012	5	0	378,246	0	378,246	2.0
2013	16	0	334,518	0	334,518	12.8
2014	10	0	802,770	0	802,770	7.0
2015	5	0	148,422	0	148,422	0.0
Average	12.2	\$19,150	\$1,006,490	\$85,490	\$1,091,980	8.2

Appropriation Highlights – 2015 Legislative Session

Department of Regulatory Agencies						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$85,864,050	\$1,882,646	\$77,871,913	\$4,722,507	\$1,386,984	\$580.6
SB 14-099	18,336	0	18,336	0	0	0.0
SB 14-125	179,777	0	179,777	0	0	2.5
SB 14-133	28,300	0	28,300	0	0	0.3
HB 14-1199	13,560	0	13,560	0	0	0.2
HB 14-1227	109,008	0	109,008	0	0	1.0
HB 14-1283	7,500	0	7,500	0	0	0.0
HB 14-1328	86,518	0	86,518	0	0	0.7
HB 14-1329	39,436	0	39,436	0	0	0.3
HB 14-1331	270,335	0	270,335	0	0	2.0
HB 14-1398	50,000	0	50,000	0	0	0.0
SB 15-160	<u>76,322</u>	<u>1,945</u>	<u>67,119</u>	<u>2,980</u>	<u>4,278</u>	<u>0.0</u>
TOTAL	\$86,743,142	\$1,884,591	\$78,741,802	\$4,725,487	\$1,391,262	587.6
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$86,743,142	\$1,884,591	\$78,741,802	\$4,725,487	\$1,391,262	587.6
Centrally appropriated line items	2,106,340	91,356	1,870,580	106,164	38,240	0.0
Indirect cost assessment	158,982	(55,816)	98,830	59,684	56,284	0.0
Fund source adjustment	0	5,800	(1,329)	(4,471)	0	0.0
Annualize prior year legislation	(259,018)	0	(259,018)	0	0	(0.5)
DPO personal services reduction	(250,000)	0	(250,000)	0	0	(3.5)
Annualize prior year budget actions	(70,301)	(2,526)	(56,424)	(11,575)	224	0.0
SB 15-234	\$88,429,145	\$1,923,405	\$80,144,441	\$4,875,289	\$1,486,010	583.6
SB 15-106	8,506	0	8,506	0	0	0.0
SB 15-110	4,726	0	4,726	0	0	0.0

Department of Regulatory Agencies						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 15-210	50,000	0	50,000	0	0	0.0
HB 15-1309	37,940	0	37,940	0	0	0.0
HB 15-1343	<u>47,250</u>	<u>0</u>	<u>47,250</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$88,577,567	\$1,923,405	\$80,292,863	\$4,875,289	\$1,486,010	583.6
Increase/(Decrease)	\$1,834,425	\$38,814	\$1,551,061	\$149,802	\$94,748	(4.0)
Percentage Change	2.1%	2.1%	2.0%	3.2%	6.8%	(0.7%)

FY 2014-15 Appropriation - Mid-year Adjustments

Senate Bill 15-160 adds a total of \$76,322 to the Department's FY 2014-15 appropriations, including \$1,945 General Fund, for adjustments to centrally appropriated line items for the CORE accounting system, payments to the Governor's Office of Information Technology, and administrative law judge services.

FY 2015-16 Appropriation Highlights

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; vehicle lease payments; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; Capitol complex leased space; leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

Indirect cost assessment: The appropriation includes a net increase in the Department's indirect cost assessment.

Fund source adjustment: The appropriation includes an increase in General Fund offset by a decrease in cash funds and reappropriated funds. These budget neutral adjustments are to the Executive Director's Office and Administrative Services Division and the Division of Professions and Occupations in order to accurately reflect fund sources.

Annualize prior year legislation: The appropriation includes a reduction of \$259,018 total funds and 0.5 FTE for the second year impact of legislation, including: S.B. 14-099, S.B. 14-125, H.B. 14-1227, H.B. 14-1328, H.B. 14-1329, H.B. 14-1331, and H.B. 14-1398.

DPO personal services reduction: The appropriation includes a reduction of \$250,000 cash funds and 3.5 FTE in the Division of Professions and Occupations' (DPO) personal services line item as a result of efficiency savings.

Annualize prior year budget actions: The appropriation includes a number of changes to the out year impact of funding decisions made through the FY 2014-15 appropriation including the annualization of FY 2014-15 salary survey and merit pay.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of Part III of this department.

DEPARTMENT OF REVENUE

The Department of Revenue is organized into three functional groups: Taxation, Motor Vehicles, and Enforcement. The Taxation Business Group collects revenues for State government and for local governments. The Division of Motor Vehicles regulates motor vehicle safety, issues personal identification documents, issues titles and registration documents for motor vehicles, enforces vehicle emission standards, operates the Motorist Insurance Identification Database Program, and regulates commercial. The Enforcement Group regulates limited stakes gambling, alcohol, tobacco, racing events, and motor vehicle dealers, operates the hearings division, and regulates medical and retail marijuana dispensaries, cultivation facilities, and infused products manufacturing facilities. The three functional areas are supported by the Executive Director's Office and Information Technology Division.

The Department is statutorily authorized to contract with cities and counties to collect any tax which it also collects for State government. The Department currently receives and distributes sales and use taxes on behalf of approximately 250 local governments and special districts.

The Department also operates the State Lottery, which accounts for approximately one-third of the Department's annual budget. Lottery proceeds (sales less prizes and expenses) are distributed to the Conservation Trust Fund, Great Outdoors Colorado, Parks and Outdoors Recreation, and the Public School Capital Construction Fund.

Department Budget: Recent Appropriations

Funding Source	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
General Fund ¹	\$73,393,521	\$80,547,235	\$103,605,100	\$97,621,597
Cash Funds	211,976,517	221,039,808	219,536,248	220,417,302
Reappropriated Funds	1,603,334	5,068,713	5,534,457	5,314,170
Federal Funds	<u>824,388</u>	<u>824,388</u>	<u>824,388</u>	<u>824,388</u>
Total Funds	\$287,797,760	\$307,480,144	\$329,500,193	\$324,177,457
Full Time Equiv. Staff	1,249.1	1,253.2	1,332.8	1,367.1

General Factors Driving the Budget

The Department's funding for FY 2015-16 consists of 30.1 percent General Fund, 68.0 percent cash funds, 1.6 percent reappropriated funds, and 0.3 percent federal funds. The Department's primary budget drivers are the State's tax structure, population levels, business activity in regulated industries, and technological capabilities. In addition, mineral severance activity and legislative changes related to identification document requirements have increased demands on Department staff and systems in recent years.

Taxation Business Group

In FY 2013-14, the Department collected \$9.4 billion in State taxes and fees, including income taxes, sales, use, mileage and fuel taxes, excise taxes, cigarette and tobacco taxes, and marijuana taxes. In addition, another \$1.3 billion in sales tax was collected on behalf of local governments. Collections are detailed in the following table:

Gross/Net Collections By Tax and Fund Source FY 2013-14		
Type of Tax/Fee Credited To	Gross Collections¹	Net Collections
<u>General Fund</u>		
Alcoholic Beverages	\$48,226,101	\$48,188,982
State Sales Tax	2,374,124,447	2,374,124,447
State Use Tax	241,428,461	241,428,461
Cigarette and Tobacco	194,300,668	194,191,665
Income Tax	7,277,155,263	6,371,432,509
Marijuana	25,307,067	25,307,067
Racing	1,999,109	1,999,109
Regulatory and Business	66,332,281	66,191,509
Other receipts, fees, etc.	<u>44,337,468</u>	<u>44,266,545</u>
Total	\$10,273,210,865	\$9,367,130,294
<u>Highway Users Tax Fund</u>		
Mileage and Fuel Taxes	\$570,704,142	\$570,704,142
Vehicle Registrations	232,050,468	232,033,331
Operator's Licenses & Control	29,779,856	29,719,318
All other motor vehicle	276,605,015	276,572,364
Emissions	<u>13,857,224</u>	<u>13,857,224</u>
Total	\$1,122,996,705	\$1,122,886,379
<u>Other Collections</u>		
Gaming Taxes	\$105,767,943	\$105,766,095
Severance Taxes	282,511,829	245,087,355
Local Government Sales Tax	1,299,374,763	1,299,374,763
Other special funds	<u>23,460,215</u>	<u>23,275,565</u>
Total	\$1,711,114,750	\$1,673,503,778
Total Collections - All Funds	\$13,107,322,320	\$12,163,520,451

¹ Gross Collections are primarily net of refunds.

The complexity of Colorado's tax structure affects the resources required by the Taxation Business Group and Information Technology Division. In addition to collecting State taxes, the Department collects local taxes for most counties, cities and special districts in Colorado, and tracks and distributes the collections monthly to the local governments. Local sales taxes collected include: county lodging, local marketing, regional

transportation, football stadium, scientific and cultural, local improvement, mass transit, and short term rental tax.

Colorado's severance tax structure is also particularly complex relative to other states. One significant reason for the complexity of Colorado's severance tax is that it is applied at the mineral interest owner level. This means that producers, working interest owners, royalty interest owners, and those with any other interest in oil and gas produced in Colorado must pay severance taxes on their respective ownership percentage. Since each owner is only responsible for reporting a percentage of the gross income, it is difficult for the Department to verify that the total oil and gas production of a well has been reported.

The cost of administering the tax code relative to tax collections has been trending generally downward since FY 2003-04. The administrative cost of collecting taxes declined from recent high of 1.25 percent in FY 2003-04 to 0.98 percent in FY 2007-08, before increasing in FY 2008-09. A similar increase also occurred during previous economic downturns. The administrative costs of collecting State taxes for the last eleven years are shown in the table below.

Costs of Tax Administration vs Tax Collections			
Fiscal Year	Gross Collections	Administrative Costs	Costs as Percentage of Collections
2003-04	\$8,335,854,177	\$104,393,751	1.25%
2004-05	9,027,369,791	107,948,818	1.20%
2005-06	10,197,697,020	109,003,382	1.07%
2006-07	10,919,575,395	108,895,307	1.00%
2007-08	11,529,208,182	112,484,115	0.98%
2008-09	10,670,993,094	124,495,086	1.17%
2009-10	10,189,039,088	116,073,378	1.14%
2010-11	10,962,892,030	123,740,158	1.13%
2011-12	11,558,460,152	135,556,132	1.17%
2012-13	12,424,962,629	132,923,639	1.07%
2013-14	13,107,322,318	145,753,012	1.11%

Division of Motor Vehicles

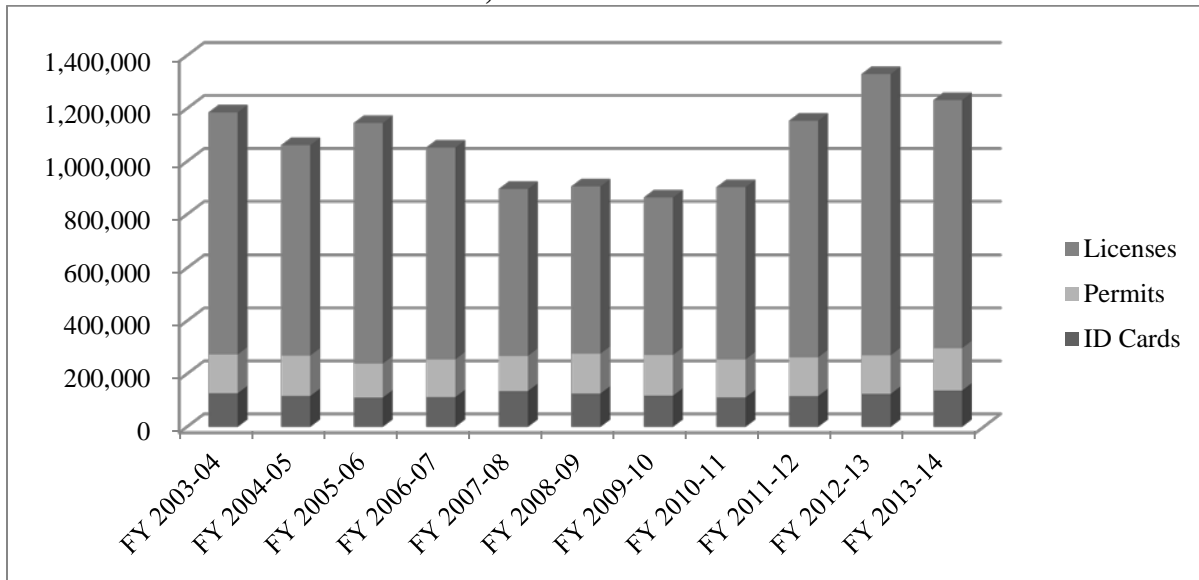
The Division of Motor Vehicles issues driver's licenses and identification cards, maintains driver records and enforces administrative sanctions, suspensions, and reinstatements of driver's licenses, regulates commercial driving schools, oversees the State's vehicle emissions program, provides support for the Statewide Vehicle Titling and Registration System (CSTARS), oversees the motorist insurance identification database program, and administers the Ignition Interlock Subsidy Program.

Driver and Vehicle Services

There are more than 3.9 million licensed drivers in Colorado (including regular licenses, permits, and commercial driver's licenses) and there are 598,767 State identification cards in force. There are 56 driver's license offices (36 operated by the State and 20 operated by the counties) that issue driver's licenses and state identification (ID) cards.

Legislation on both the State and federal levels is a significant budget driver for this division. In 2001, the term of a driver's license was increased from five to ten years. The number of driver's licenses issued dropped in FY 2006-07 as the first drivers who were issued ten-year licenses did not have to renew their licenses. As a result of subsequent legislation passed in order to comply with federal law, the State returned to five-year renewals beginning in 2005. Starting in January 2011, the first five-year driver's licenses that were issued starting in 2005, along with the ten-year licenses that were issued in 2001, were due for renewal at the same time, resulting in an increase in the number of documents issued.

Number of Drivers Licenses, Permits and Identification Documents Issued



Recent changes in state and federal law have also increased transaction times for driver's licenses and ID cards. For example, the Department has instituted new policies and procedures to ensure that those documents are secure and verifiable by utilizing databases to confirm residency and legal status.

Under Colorado's "Help America Vote Act" (H.B. 03-1356), a person must provide a driver's license or ID number (or be issued a voter registration ID number by the Secretary of State) in order to register to vote. The Act also requires the Department of Revenue to match information in the voter registration database with information in the motor vehicle database and to verify applicable information with the federal social security database.

The General Assembly has increased funding for the Division of Motor Vehicles with fee revenue generated by the services provided by the Division. Most recently, Senate Bill 14-194 (Driver's License Fee Allocations) is estimated to increase cash fund revenues to the DMV by \$5.2 million in FY 2015-16 and by \$6.9 million beginning in FY 2016-17.

In addition to issuing driver's licenses, the Driver and Vehicle Services section is responsible for: managing driver's licensing records; verifying documents presented for identification, including proof of the applicant's legal presence in the United States; identifying and administering administrative sanctions, including all restraints for alcohol related driving offenses; investigating fraud related to driver's licenses and identification cards; providing support and coordination for the motor vehicle registration process; administering the S.B 13-251 (Driver's License & Identification Documentation) driver's license program; and supervising license plate ordering and distribution.

Vehicle Emissions Program

The Vehicle Emissions Program licenses, regulates, and inspects vehicle emissions testing site operators, inspectors, and mechanics; conducts inspections of vehicle emissions testing facilities to insure compliance with statutory requirements; and validates inspector and mechanic performance standards. In FY 2013-14, the Department renewed 51 licenses for stations and 173 for mechanics.

Division of Motor Vehicles				
Vehicle Emissions Licensing				
	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
Station Licenses Issued	83	75	87	87
Station Licenses Renewed	64	67	81	51
Mechanic's Licenses Issued	579	355	683	593
Mechanic's Licenses Renewed	200	151	245	173

Titles Program

The Titles Program is responsible for the issuance of legal, negotiable certificates of title to protect the public when purchasing motor vehicles. Program staff review all high-risk title applications to verify that the assignment of ownership has been properly made.

Division of Motor Vehicles				
Title Applications Received				
	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
Title Applications Received	1,471,503	1,561,184	1,608,557	1,621,277

Motorist Insurance Identification Database (MIIDB) Program

The Motorist Insurance Identification Database Program helps law enforcement officers verify driver compliance with the State's motor vehicle insurance requirements. The Program is authorized to suspend driving privileges for uninsured motorists. In FY 2013-14, a total of 22,491 restraint actions were taken as a result of citations issued for driving or having an accident without insurance. Funding for the Program comes from a \$0.10 surcharge on motor vehicle registration fees.

Ignition Interlock Subsidy Program

The Ignition Interlock Subsidy Program was created to assist first-time drunk driving offenders obtain an ignition interlock device that prevents driving while intoxicated. The subsidy assists those who cannot afford the devices. The Program is funded by a \$35 fee charged for the reinstatement of a driver's license. Senate Bill 14-194 reduced the reinstatement fee to \$22. House Bill 13-1240 expanded the Ignition Interlock Subsidy Program to persons classified as *persistent* drunk drivers and who do not have the financial means to afford the interlock devices. The primary budget driver is the number of people qualifying for assistance with obtaining an ignition interlock device in order to reinstate their license after a drunken driving conviction.

Enforcement Business Group

The Enforcement Business Group regulates the liquor, tobacco, medical and retail marijuana, racing, gambling (except games of chance operated for charity, which are regulated by the Secretary of State), and automobile sales industries. The Limited Gaming Control Commission approves the Limited Gaming Division budget.

Limited Gaming Division

The Limited Gaming Division licenses and regulates the limited gaming industry, including gaming devices, facilities, personnel, and activities. The Division also enforces the laws contained in the Limited Gaming Act, as well as the rules and regulations promulgated by the Colorado Limited Gaming Control Commission (Commission). The Commission has constitutional authority to allocate moneys to the Division. Moneys remaining in the Limited Gaming Fund after the payment of the Division's expenses are distributed according to the Constitution as follows:

- 28.0 percent to the State Historical Society;
- 12.0 percent to the gaming counties (Gilpin and Teller) in amounts proportional to gaming revenues collected in each county;
- 10.0 percent to the gaming cities (Black Hawk, Central City, and Cripple Creek) in amounts proportional to gaming revenues collected in each city; and
- 50.0 percent to the General Fund or such other uses or funds as the General Assembly may provide.

Amendment 50, approved by voter in 2008, expanded limited gaming to include higher limits on bets, extended hours, and new games. The proceeds of expanded gaming, after expenses, are distributed to limited gaming cities (10.0 percent) and counties (12.0 percent), and the State's community colleges (78.0 percent).

State limited gaming revenues, expenses and distributions are detailed in the following table.

Enforcement Business Group					
Limited Gaming Revenues, Expenses, and Distributions					
	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
Limited Gaming Revenue	\$110,809,510	\$105,949,859	\$103,557,500	\$104,644,974	\$106,322,700
Commission/Division Expenses	<u>(12,372,537)</u>	<u>(12,097,096)</u>	<u>(12,305,062)</u>	<u>(12,872,721)</u>	<u>(13,877,185)</u>
Total Amount Distributed	\$96,742,401	\$95,327,351	\$91,197,386	\$92,686,816	\$92,219,372
Distributions to:					
State General Fund	\$16,200,000	\$20,400,269	\$20,304,942	\$12,102,134	\$11,820,185
Local Government Gaming Impact Fund	3,772,780	3,600,806	3,314,827	5,000,000	5,000,000
Department of Transportation	0	0	0	0	0
Tourism Promotion Fund	14,208,015	12,002,686	11,049,424	15,000,000	15,000,000
State Historical Society	24,867,360	24,195,009	23,127,355	23,633,195	23,475,304
State Council on the Arts Cash Fund	1,121,726	0	0	0	0
Film Incentives Cash Fund	407,997	240,054	220,989	500,000	500,000
New Jobs Incentives Cash Fund	1,291,231	0	0	0	0
Bioscience Discovery Evaluation Grant Program	5,500,000	4,320,967	3,977,793	5,500,000	5,500,000
Clean Energy Fund	0	0	0	0	0
Office of Economic Development Film Commission	0	0	0	0	0
Innovative Higher Ed Research Fund	1,904,251	1,680,376	1,546,920	2,100,000	2,100,000
Creative Industries Cash Fund	<u>0</u>	<u>960,215</u>	<u>883,954</u>	<u>2,000,000</u>	<u>2,000,000</u>
Total	\$69,273,360	\$67,400,382	\$64,426,204	\$65,835,329	\$65,395,489
<u>Limited Gaming Counties</u>					
Gilpin County	\$8,720,983	\$8,544,294	\$8,196,996	\$8,364,125	\$8,373,641
Teller County	<u>1,936,457</u>	<u>1,824,995</u>	<u>1,714,728</u>	<u>1,764,387</u>	<u>1,687,203</u>
Total	\$10,657,440	\$10,369,289	\$9,911,724	\$10,128,512	\$10,060,844

Enforcement Business Group					
Limited Gaming Revenues, Expenses, and Distributions					
	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
<u>Limited Gaming Cities</u>					
City of Black Hawk	\$6,516,136	\$6,352,054	\$6,048,629	\$6,174,172	\$6,244,431
Central City	751,350	768,192	782,200	795,932	733,603
City of Cripple Creek	<u>1,613,714</u>	<u>1,520,829</u>	<u>1,428,940</u>	<u>1,470,322</u>	<u>1,406,003</u>
Total	\$8,881,200	\$8,641,075	\$8,259,769	\$8,440,426	\$8,384,037
<u>Amendment 50 Distributions</u>					
Limited Gaming Counties	\$951,648	\$1,069,993	\$1,031,963	\$993,906	\$1,005,480
Limited Gaming Cities	793,040	891,661	859,969	828,255	837,900
Community College System	<u>6,185,713</u>	<u>6,954,952</u>	<u>6,707,757</u>	<u>6,460,388</u>	<u>6,535,622</u>
Total	\$7,930,401	\$8,916,606	\$8,599,689	\$8,282,549	\$8,379,002

Liquor and Tobacco Enforcement Division

The Liquor and Tobacco Enforcement Division licenses persons who manufacture, import, distribute or sell alcoholic beverages; regulates the sale and distribution of liquor within the State; and enforces State and federal laws regarding the sale of tobacco products to minors. The Division enforces the provisions of the liquor, beer, and special events codes. The following table details the enforcement actions the Division has undertaken in the last five fiscal years.

Enforcement Business Group					
Liquor and Tobacco Enforcement Division - Violations Detected					
	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
Total liquor licenses in force	15,429	15,935	13,515	12,816	12,998
State administrative actions	296	369	278	424	382
State revocations	0	4	3	0	5
State suspensions	152	163	51	70	44
State denials	1	0	1	1	3
Division-filed court cases	466	784	756	1,042	1,026
Division-assisted local hearings	5	6	6	12	5

Hearings Division

The Hearings Division conducts administrative hearings regarding various licenses issued by the Department, including driver's licenses, liquor licenses, horse and dog racing licenses, and motor vehicle dealer's licenses.

Enforcement Business Group					
Hearings Division					
	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
Total motor vehicle related hearings ¹	27,324	23,526	22,710	21,867	20,390
Other hearings ²	<u>54</u>	<u>125</u>	<u>119</u>	<u>132</u>	<u>95</u>
Total hearings	27,378	23,651	22,829	21,999	20,485

¹ Includes hearings related to excessive points, express consent, driving under the influence convictions, habitual traffic offender, insurance related restraints, vehicular assault/homicide, controlled substance, underage drinking and driving, and ignition interlock cases.

² Includes hearings related to liquor, racing, tax, tobacco, vehicle emissions, commercial driver's licenses and 3rd party testers, automobile salespersons, gaming, and marijuana.

Motor Vehicle Dealer Licensing Board

The Motor Vehicle Dealer Licensing Board is responsible for licensing and regulating the sale and distribution of motor vehicles and promulgating consumer protection regulations. Responsibilities include licensing all salespersons and those with ownership interests in new and used auto dealerships.

Enforcement Business Group					
Motor Vehicle Dealer Licensing Board					
	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
Total dealer/salesperson licenses issued	18,308	17,652	18,059	18,699	19,295
Complaints received	1,839	1,525	1,347	1,234	1,225
Investigations completed	1,701	1,595	1,559	1,304	1,270
Violations/Founded complaints	1,106	858	822	673	656
Verbal warnings issued	483	456	360	326	238
Written warnings issued	122	117	137	175	225
Criminal summons issued	45	60	26	22	11
Cases presented to Dealer Board	421	186	286	135	159

Marijuana Enforcement Division

House Bill 10-1284 established the Medical Marijuana Enforcement Division, which is responsible for the licensing and regulation of medical marijuana dispensaries, cultivation facilities, and infused products manufacturing facilities, and enforcing State laws and regulations regarding medical marijuana. House Bill 13-1317 renamed the division the Marijuana Enforcement Division and gave the Division responsibility for regulation of recreational and medical marijuana retailers, cultivation facilities, and infused products manufacturers. Senate Bill 14-215 created the Marijuana Tax Cash Fund (MTCF) and directs that all sales tax moneys collected by the State starting in FY 2014-15 from retail and medical marijuana be deposited in the MTCF instead of the Marijuana Cash Fund (MCF). The 2015 Long Bill provided an increase of \$831,708 and 9.7 FTE to allow the division to keep up with the increased workload from an industry that is burgeoning. For more information about bills related to the topic of marijuana and the disposition of marijuana taxes made through the 2015 Long Bill, please refer to Appendix L – Marijuana.

State Lottery Division

The State Lottery recorded sales of \$545.0 million in FY 2013-14, and net proceeds of \$130.1 million were distributed to the beneficiaries. The total sales and distributions of net proceeds from the lottery for the last five fiscal years are shown in the table below:

State Lottery Division					
Sales and Distributions (\$ millions)					
	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
Total Sales	\$501.2	\$518.9	\$545.3	\$566.3	\$545.0
<u>Distributions</u>					
Conservation Trust Fund	\$45.2	\$45.3	\$49.3	\$54.2	52.1
Great Outdoors Colorado	56.4	56.0	57.1	59.2	60.3
Colorado Parks and Wildlife	11.3	11.3	12.3	13.6	13.0
Public School Capital Construction Fund (BEST)	<u>0.1</u>	<u>0.7</u>	<u>4.6</u>	<u>8.6</u>	<u>4.7</u>
Total Distributions	\$113.0	\$113.3	\$123.3	\$135.6	\$130.1

Appropriation Highlights – 2015 Legislative Session

Department of Revenue						
	Total Funds	General Fund¹	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$323,518,116	\$98,459,137	\$218,700,134	\$5,534,457	\$824,388	1,316.7
SB 14-014	2,534,094	2,534,094	0	0	0	0.5
SB 14-030	824	0	824	0	0	0.0
SB 14-036	10,040	0	10,040	0	0	0.0
SB 14-041	5,778	0	5,778	0	0	0.0
SB 14-073	58,710	58,710	0	0	0	0.0
SB 14-075	116,858	12,828	104,030	0	0	0.0
SB 14-087	43,260	43,260	0	0	0	0.0
SB 14-194	191,651	191,651	0	0	0	2.7
SB 14-215	0	0	0	0	0	0.0
HB 14-1003	30,900	30,900	0	0	0	0.0
HB 14-1006	14,811	14,811	0	0	0	0.0
HB 14-1012	16,480	16,480	0	0	0	0.0
HB 14-1029	84,147	66,689	17,458	0	0	0.0
HB 14-1034	5,202	0	5,202	0	0	0.0
HB 14-1066	67,856	61,264	6,592	0	0	0.0
HB 14-1072	61,381	61,381	0	0	0	0.6
HB 14-1100	97,850	0	97,850	0	0	0.0
HB 14-1228	(73,145)	0	(73,145)	0	0	0.0
HB 14-1326	412	0	412	0	0	0.0
HB 14-1327	73,725	73,725	0	0	0	0.9
HB 14-1350	43,260	43,260	0	0	0	0.0
HB 14-1352	43,867	0	43,867	0	0	0.6
HB 14-1361	100,000	0	100,000	0	0	0.0
HB 14-1367	33,990	0	33,990	0	0	0.0

Department of Revenue						
	Total Funds	General Fund¹	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 15-161	2,382,040	1,898,824	483,216	0	0	10.8
HB 15-1301	15,826	15,826	0	0	0	0.0
HB 15-1372	<u>22,260</u>	<u>22,260</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$329,500,193	\$103,605,100	\$219,536,248	\$5,534,457	\$824,388	1,332.8
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$329,500,193	\$103,605,100	\$219,536,248	\$5,534,457	\$824,388	1,332.8
Centrally appropriated line items	2,483,050	1,263,355	1,758,537	(538,842)	0	0.0
Marijuana Enforcement Division FTE and legal services	831,708	0	831,708	0	0	9.7
Senate Bill 13-251 funding	524,684	0	524,684	0	0	7.2
Colorado Autotest system maintenance and support	179,010	179,010	0	0	0	0.0
Division of Motor Vehicles legal services	123,513	123,513	0	0	0	0.0
Tax document processing costs	104,083	104,083	0	0	0	9.7
Marijuana lab certification	90,125	0	90,125	0	0	0.0
DMV funding deficit	0	4,199,062	(4,199,062)	0	0	0.0
DMV Long Bill technical adjustments	0	0	0	0	0	0.0
Annualize prior year budget actions	(3,450,570)	(7,667,076)	4,296,742	(80,236)	0	(2.0)
Annualize prior year legislation	(2,977,477)	(204,557)	(2,772,920)	0	0	6.3
Aged Property Tax and Heating Credit revenue adjustment	(2,656,965)	(2,656,965)	0	0	0	0.0
Tobacco Master Settlement revenue adjustment	(1,091,790)	(1,091,790)	0	0	0	0.0
Amendment 35 tobacco tax revenue adjustment	(414,900)	0	(414,900)	0	0	0.0
Indirect cost adjustment	(180,284)	(309,304)	(269,771)	398,791	0	0.0
SB 15-234	\$323,064,380	\$97,544,431	\$219,381,391	\$5,314,170	\$824,388	1,363.7
SB 15-014	113,704	0	113,704	0	0	1.0
SB 15-090	506,487	0	506,487	0	0	0.0
SB 15-188	69,453	0	69,453	0	0	1.0
SB 15-206	5,300	5,300	0	0	0	0.0
SB 15-229	5,304	0	5,304	0	0	0.0
HB 15-1004	4,120	0	4,120	0	0	0.0
HB 15-1026	58,132	0	58,132	0	0	0.0
HB 15-1136	7,880	2,866	5,014	0	0	0.0
HB 15-1217	3,060	0	3,060	0	0	0.0
HB 15-1219	33,000	33,000	0	0	0	0.0
HB 15-1228	73,440	0	73,440	0	0	0.0
HB 15-1313	5,452	0	5,452	0	0	0.0
HB 15-1366	36,000	36,000	0	0	0	0.0

Department of Revenue						
	Total Funds	General Fund ¹	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 15-1367	25,440	0	25,440	0	0	0.0
HB 15-1379	<u>166,305</u>	<u>0</u>	<u>166,305</u>	<u>0</u>	<u>0</u>	<u>1.4</u>
TOTAL	\$324,177,457	\$97,621,597	\$220,417,302	\$5,314,170	\$824,388	1,367.1
Increase/(Decrease)	(\$5,322,736)	(\$5,983,503)	\$881,054	(\$220,287)	\$0	34.3
Percentage Change	(1.6%)	(5.8%)	0.4%	(4.0%)	0.0%	2.6%

¹ Includes \$24,891,790 in FY 2014-15 and \$23,500,000 in FY 2015-16 that is not subject to the statutory limitation on General Fund appropriations imposed by Section 24-75-201.1, C.R.S.

FY 2014-15 Appropriation - Mid-year Adjustments

Senate Bill 15-161 provides supplemental appropriations to the Department to modify FY 2014-15 appropriations included in the FY 2014-15 Long Bill (H.B. 14-1336). House Bill 15-1301 added \$15,826 General Fund to the Department to reprogram the State's tax administration software to track credits claimed by distributors who sell tobacco products to out-of-state retailers. House Bill 15-1372 added \$22,260 General Fund to the Department to reprogram the State's tax administration software to implement new limits on assessments made against electric and natural gas utilities and deposited in the Fixed Utilities Fund.

FY 2015-16 Appropriation Highlights

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; vehicle lease payments; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; Capitol complex leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

Marijuana Enforcement Division FTE and legal services: The appropriation includes \$831,708 total funds to reflect annualization of the action taken by the Committee during the supplemental budget cycle. The appropriation consists of two parts: (1) an increase of \$660,690 cash funds and 9.7 FTE to increase staff in the Marijuana Enforcement Division to address increased workload, and (2) annualization of \$171,018 cash funds for the purchase of 1800 legal service hours from the Department of Law.

Senate Bill 13-251 Funding: The appropriation includes \$524,684 cash funds from the Licensing Services Cash Fund for the Division of Motor Vehicles to offer driver's license and identification documents to individuals that cannot prove a lawful presence in the United States at three locations, increased from one. The appropriation also contains a footnote that specifies the Department should reduce operations from three offices to one once the initial anticipated influx of applicants, 60,000, is served.

Colorado Autotest system maintenance and support: The appropriation includes \$179,010 General Fund to provide ongoing maintenance and support for the newly installed Colorado Autotest system, a tablet-based knowledge test system for driver's and commercial driver's licenses.

Division of Motor Vehicles (DMV) legal services: The appropriation includes \$123,513 General Fund to fund 900 additional legal service hours for the Division of Motor Vehicles.

Tax document processing costs: The appropriation includes an increase of \$104,083 General Fund and 9.7 FTE to providing ongoing staff support and for the purchase of document management services from the Department of Personnel.

Marijuana lab certification: The appropriation includes an increase of \$90,125 cash funds, which is reappropriated to the Department of Public Health and Environment for the inspection and survey of marijuana testing laboratories required for a laboratory certification.

DMV funding deficit: The appropriation includes an increase of \$4,199,062 General Fund with a corresponding reduction of \$4,199,062 cash fund to increase staffing and provide reliable funding to avoid the need to hold employment positions open.

DMV Long Bill technical adjustments: The appropriation includes requested technical adjustments to correct appropriation errors resulting from a Long Bill reorganization contained in the FY 2014-15 Long Bill.

Annualize prior year budget actions: The appropriation includes adjustments for the second- and third-year impact of prior year budget actions.

Annualize prior year budget actions						
	Total	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 14-15 Salary survey	\$1,823,886	\$953,906	\$869,980	\$0	\$0	0.0
FY 14-15 Merit pay	533,273	210,992	322,281	0	0	0.0
FY 14-15 CITA annual maintenance	109,350	109,350	0	0	0	0.0
FY 14-15 DMV funding deficit	(2,300,000)	(6,200,000)	3,900,000	0	0	0.0
FY 14-15 DMV customer service enhancements	(1,578,021)	(1,578,021)	0	0	0	0.0
FY 14-15 Replace Capitol annex cabling	(863,218)	(863,218)	0	0	0	0.0
FY 13-14 IT Performance Enhancement	(418,800)	0	(418,800)	0	0	0.0
FY 14-15 IT common policy adjustments	(389,651)	(261,999)	(127,652)	0	0	0.0
FY 14-15 Auto industry licensing system	(175,000)	0	(175,000)	0	0	0.0
FY 14-15 Pre-release services	(80,236)	0	0	(80,236)	0	0.3
FY 14-15 DMV Technical Adjustments	<u>(74,067)</u>	<u>0</u>	<u>(74,067)</u>	<u>0</u>	<u>0</u>	<u>(2.3)</u>
Total	(\$3,412,484)	(\$7,628,990)	\$4,296,742	(\$80,236)	\$0	(2.0)

Annualize prior year legislation: The appropriation includes adjustments for the second-, third-, and fourth-year impact of prior year legislation.

Annualize prior year legislation							
	Total	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE	
HB 11-184 Tax Reporting		\$0	\$67,221	(\$67,221)	\$0	\$0	0.0
HB 13-1042 State Income Tax Deduction for Marijuana Business Expense	(63,778)	(63,778)	0	0	0	1.2	
HB 14-1072 Income Tax Credit for Child Care Expenses	(10,631)	(10,631)	0	0	0	0.6	

Annualize prior year legislation						
	Total	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 14-1327 Expand Deployment of Broadband Technology	(21,901)	(21,901)	0	0	0	0.3
HB 14-1350 Modifications to Regional Tourism Act	(43,260)	(43,260)	0	0	0	0.0
HB 14-1003 Nonresident Disaster Relief Worker Tax Exemption	(30,900)	(30,900)	0	0	0	0.0
HB 14-1006 Tax Remittance for Local Marketing Districts	(6,180)	(6,180)	0	0	0	0.0
HB 14-1352 Update to Waste Management System	(51,621)		(51,621)	0	0	(0.6)
HB 14-1017 Expand Availability of Affordable Housing	29,680	29,680	0	0	0	0.0
HB 14-1119 Tax Credit for Donating Food to Charitable Organization	22,674	22,674	0	0	0	0.1
HB 14-1279 Income Tax Credit for Business Personal Property	137,220	137,220	0	0	0	2.3
HB 14-1029 Disabled Parking License Plate Placards	(84,147)	(66,689)	(17,458)	0	0	0.0
HB 14-1034 Wine Packaging Permits	(4,661)		(4,661)	0	0	0.0
HB 14-1066 County Clerk and Recorder Driver's License Fee	(51,008)	(44,416)	(6,592)	0	0	0.0
HB 14-1089 10th Mountain Division License Plate	38,174	0	38,174	0	0	0.0
HB 14-1100 Motor Vehicles Title Branding	(97,850)	0	(97,850)	0	0	0.0
HB 14-1326 Tax Incentives for Alternative Fuel Trucks	(412)	0	(412)	0	0	0.0
HB 14-1367 Autocycles, Motorcycles, & Motor Vehicles	(33,990)	0	(33,990)	0	0	0.0
HB 14-1012 Advanced Industry Investment Income Tax Credit	(16,480)	(16,480)	0	0	0	0.0
SB 14-014 Property Tax, Rent, and Heat Rebate Program	(123,391)	(123,391)	0	0	0	0.0
SB 14-030 Distinguished Flying Cross License Plate Fee	(824)	0	(824)	0	0	0.0
SB 14-036 Emergency Medical Services License Plate	(4,120)	0	(4,120)	0	0	0.0
SB 14-041 USS Colorado Submarine License Plate	(5,038)	0	(5,038)	0	0	0.0
SB 14-075 Deployed Military Motor Vehicles Fees and Taxes	(91,203)	12,827	(104,030)	0	0	0.0
SB 14-087 Identification Cards Issuance Standards	(43,260)	(43,260)	0	0	0	0.0
SB 14-194 Issuance of Identification Documents by the Department of Revenue	(43,147)	(43,147)	0	0	0	0.3
SB 14-073 Brownfield Contaminated Land Income Tax Credit	(58,710)	(58,710)	0	0	0	0.0
SB 13-001 Colorado Working Families Economic Opportunities Act	82,585	82,585	0	0	0	1.8
HB 14-1311 Job Creation & Main Street Revitalization Act	15,979	15,979	0	0	0	0.3
SB 13-251 Driver's License and Identification Documentation	(467,776)	0	(467,776)	0	0	0.0
HB 13-1240 Penalties for Persistent Drunk Drivers	(9,501)	0	(9,501)	0	0	0.0
HB 14-1361 Regulation of Marijuana Concentrates	(100,000)	0	(100,000)	0	0	0.0
BHB 13-1318 and H.B. 13-1042	<u>(1,840,000)</u>	<u>0</u>	<u>(1,840,000)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	(\$2,977,477)	(\$204,557)	(\$2,772,920)	\$0	\$0	0.0

Aged Property Tax and Heating Credit revenue adjustment: The appropriation includes a reduction based on the Legislative Council Aged Property Tax and Heating Credit revenue forecast for FY 2015-16.

Tobacco Master Settlement revenue adjustment: The appropriation includes a reduction based on the Legislative Council Tobacco Master Settlement revenue forecast for FY 2015-16.

Amendment 35 tobaccos tax revenue adjustment: The appropriation includes a reduction of cash funds based on the Legislative Council Amendment 35 revenue forecast for FY 2015-16.

Indirect cost adjustment: The appropriation includes a net decrease in the Department's indirect cost assessment.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of Part III of this department.

DEPARTMENT OF STATE

The Secretary of State is one of five independently elected constitutional officers of the State. As the chief executive officer of the Department of State, the Secretary of State: administers Colorado's elections laws; manages the statewide voter registration database; administers funds received through the federal Help America Vote Act; and regulates charitable solicitations, charitable gaming, and notaries public. As the State's primary record keeper, the Secretary of State collects, stores, and provides public access to annual reports, articles of incorporation, liens, and other documents filed according to state laws and the Uniform Commercial Code. The Department is comprised of the following divisions: (1) Administration; (2) Information Technology Services; (3) Elections Division; and (4) Business and Licensing Division.

Department Budget: Recent Appropriations

Funding Source	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
General Fund	\$0	\$0	\$0	\$0
Cash Funds	20,458,878	23,406,861	22,508,337	21,580,286
Reappropriated Funds	0	0	0	0
Federal Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Funds	\$20,458,878	\$23,406,861	\$22,508,337	\$21,580,286
Full Time Equiv. Staff	133.0	139.0	137.3	137.3

General Factors Driving the Budget

Funding for this department consists of 100.0 percent cash funds, primarily from business filing fees deposited into the Department of State (DOS) Cash Fund. The other funding source for the Department is federal funds deposited in the Federal Elections Assistance Fund, a cash fund established to support the federal Help America Vote Act (HAVA) program. Moneys in the Federal Elections Assistance Fund are continuously appropriated and included in the budget for informational purposes only. Major factors driving the budget for the Department include elections-related expenses, the volume of business filings, and information technology projects for the Elections and Business and Licensing Divisions.

Elections Division

Pursuant to Section 1-1-107 (1), C.R.S., the Secretary of State is the State's Chief Election Official with the responsibility to:

- Supervise the conduct of primary, general, congressional vacancy, and statewide ballot issue elections;
- Enforce the provisions of Title 1 (Elections);
- Make, with the assistance of the Attorney General, uniform interpretations of Title 1;
- Coordinate the responsibilities of the State under the federal National Voter Registration Act of 1993; and
- Serve as the Chief State Election Official within the meaning of the federal Help America Vote Act of 2002.

The Department also collects, stores, and provides access to disclosure statements filed by public officials and lobbyists under Colorado's Sunshine Law and Fair Campaign Practices Act.

Elections-related expenditures are tied to growth in the population of eligible voters, changes in election laws, and changes in election-related practices by citizens of the State. The budget for Department of State reflects variation in these factors in its internal, external, and HAVA-related expenditures in the Elections Division, as detailed in the following table.

Department of State—Elections Division Actual and Estimated Expenditures						
	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16
	Actual	Actual	Actual	Actual	Estimate^{/a}	Estimate^{/a}
<u>Internal Expenditures</u>						
Personal Services	\$1,828,723	\$1,725,146	\$2,277,610	\$2,056,543	\$2,118,433	\$2,187,020
Operating Expenses	160,379	235,173	378,427	243,596	215,007	267,838
Legal Services	350,570	472,876	281,845	260,999	258,000	473,000
Leased Space	<u>132,554</u>	<u>113,005</u>	<u>169,608</u>	<u>155,685</u>	<u>148,000</u>	<u>144,000</u>
TOTAL	\$2,472,226	\$2,546,200	\$3,107,490	\$2,716,823	\$2,739,440	\$3,071,858
<u>External Expenditures</u>						
Initiative and Referendum	\$40,493	\$184,253	\$208,143	\$149,114	\$250,000	\$150,000
Local Election Reimbursement ^{/b}	<u>1,666,033</u>	<u>1,541,360</u>	<u>2,226,707</u>	<u>2,455,163</u>	<u>2,409,260</u>	<u>2,500,000</u>
TOTAL	\$1,706,526	\$1,725,613	\$2,434,850	\$2,604,277	\$2,659,260	\$2,650,000
<u>Federal HAVA Expenditures^{/c}</u>						
TOTAL	\$2,763,477	\$1,600,290	\$1,158,718	\$754,349	\$349,2222	\$10,000

^{/a} Please note that amounts shown for legal services and leased space in FY 2014-15 and FY 2015-16 are projections and subject to change. All other amounts reflect appropriations made in the Long Bill or other Special Bills.

^{/b} Local Election Reimbursement for FY 2014-15 includes a supplemental appropriation from S.B. 15-162.

^{/c} Federal HAVA Expenditures come from the Federal Elections Assistance Fund, which is continuously appropriated. Appropriations for FY 2014-15 and FY 2015-16 are for informational purposes only.

The Information Technology Services and Business and Licensing Divisions also have elections-related responsibilities with budgetary impacts. More information is included on the following page in the sections on factors driving the budget for those divisions.

Local Election Reimbursement

The Local Election Reimbursement line item reimburses counties for a portion of the costs related to conducting an election with one or more statewide ballot issues as required by statute (Section 1-5-505.5 (3), C.R.S.). Reimbursements to counties are determined by a per voter rate based on the number of eligible registered voters in each county. As a result, expenditures are driven by fluctuations in the number of eligible registered voters, and this number typically increases during even years due to the voter registration drives that precede general elections. Increases in Local Election Reimbursements are also affected by statutory changes that change reimbursement rates or the number of eligible registered voters.

Initiative and Referendum Expenditures

The Initiative and Referendum line item provides funding for the costs of verifying signatures on ballot and initiative petitions. Department expenditures on signature verification depend on the year and number of initiatives on the ballot. The appropriation for the Initiative and Referendum line item is generally set at \$150,000 for fiscal years ending in even numbers and \$250,000 for fiscal years ending in odd numbers. Signature verification tends to require more resources in odd-numbered fiscal years, which include general elections and often have more petitions to verify. In some years, if petitions are turned in early, and/or if line-by-line signature verification is required, the Department may need additional appropriations to enable it to verify signatures.

Additionally, when verifying signatures on petitions, Section 1-40-116 (4), C.R.S., requires the Secretary of State to use a random sampling method of verification, verifying no less than 5.0 percent of the signatures. If the random sampling of signatures shows that the number of valid signatures on the petition is sufficient for the initiative to be placed on the ballot, the signatures are approved. If the sampling does not show a sufficient number of signatures, then each signature must be verified, driving up the costs for performing this task.

HAVA Expenditures

The federal Help America Vote Act of 2002 (HAVA) required the state to replace outdated voting technology, ensure accessibility for disabled voters, and institute a statewide voter registration system. The Federal Elections Assistance Fund was created to receive HAVA funds and, pursuant to Section 1-1.5-106 (2) (b), C.R.S., these funds are continuously appropriated to the Department of State. To date, the Department has received \$45.8 million in federal funds with \$2.6 million in matching contributions appropriated from the DOS Cash Fund. The Department does not anticipate additional federal funding and expects to exhaust remaining HAVA funds within the next several years.

Business and Licensing Division

The Department's Business and Licensing Division (Division) is responsible for receiving reports that businesses and other entities are required to file with the State, and providing public access to those records, including: business entity filings, voter registration, campaign finance disclosure, administrative rules, lobbyist reports, and charitable organization reports. The Division also licenses and regulates bingo/raffle organizations; registers lobbyists, fund raisers, and charitable organizations; and trains and commissions notaries public. With the exception of HAVA-related funding, Department operations are entirely supported by the fees collected as part of the filing and licensing process, and fee revenue is driven by the volume of filings, as well as fee levels and fee holidays as determined by the Secretary of State.

Information Technology Services

The Information Technology Services Division (Division) provides technical services, development, and support to the Department, including the electronic filing and online services that are offered to the public by the Business and Licensing Division. Its functions also include: (1) ensuring the Department is compliant with rules and policies as set forth by the Colorado Information Security Act; and (2) managing the State of Colorado Registration and Elections system (SCORE), which is the statewide computerized voter registration system. The Division's budget drivers include keeping up with the information technology system requirements for an expanding population of registered voters, changes in federal and state law, and the number of businesses required to file reports with the Department.

Appropriation Highlights – 2015 Legislative Session

Department of State						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$21,893,762	\$0	\$21,893,762	\$0	\$0	137.2
SB 14-153	(2,816)	0	(2,816)	0	0	0.0
SB 14-161	150,154	0	150,154	0	0	0.0
SB 14-217 ^a	0	0	0	0	0	0.0
HB 14-1369	95,775	0	95,775	0	0	0.1
SB 15-162	<u>371,462</u>	<u>0</u>	<u>371,462</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$22,508,337	\$0	\$22,508,337	\$0	\$0	137.3
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$22,508,337	\$0	\$22,508,337	\$0	\$0	137.3
Business Intelligence Center	775,000	0	775,000	0	0	0.0
Local election reimbursement	495,964	0	495,964	0	0	0.0
Centrally appropriated line items	254,873	0	254,873	0	0	0.0
Elections Division operating expenses	70,265	0	70,265	0	0	0.0
Indirect cost assessment	27,325	0	27,325	0	0	0.0
Annualize prior year budget actions	(1,971,462)	0	(1,971,462)	0	0	0.0
Adjustment to HAVA appropriation	(339,222)	0	(339,222)	0	0	0.0
Annualize prior year legislation	(240,794)	0	(240,794)	0	0	0.0
SB 15-234	<u>\$21,580,286</u>	<u>\$0</u>	<u>\$21,580,286</u>	<u>\$0</u>	<u>\$0</u>	<u>137.3</u>
TOTAL	\$21,580,286	\$0	\$21,580,286	\$0	\$0	137.3
Increase/(Decrease)	(\$928,051)	\$0	(\$928,051)	\$0	\$0	0.0
Percentage Change	(4.1%)	n/a	(4.1%)	n/a	n/a	0.0%

^a Senate Bill 14-217 appropriates \$12,360 cash funds for information technology modifications in FY 2014-15, but the effective date of the bill is July 1, 2015, effectively nullifying the appropriation for FY 2014-15.

FY 2014-15 Appropriation - Mid-year Adjustments

Senate Bill 15-162 adds a total of \$371,462 cash funds from the Department of State Cash Fund to the Department's FY 2014-15 appropriation, including: (1) an increase of \$405,224 cash funds to fully fund local election reimbursements to counties following the November 2014 elections as required by statute (Section 1-5-505.5 (3), C.R.S); and (2) a decrease of \$33,762 cash funds for adjustments to centrally appropriated line items for administrative law judge services and CORE operations.

FY 2015-16 Appropriation Highlights

Business Intelligence Center: The appropriation includes an increase of \$775,000 cash funds to support the collection, management, and distribution of public data by the Business Intelligence Center program, and provide ongoing funding for the Go Code Colorado statewide application challenge.

Local election reimbursement: The appropriation includes an increase of \$495,964 cash funds to fully fund reimbursements to counties for election expenses as required by statute (Section 1-5-505.5 (3), C.R.S.).

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; salary survey; merit pay; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; vehicle lease payments; leased space; and CORE operations.

Elections Division operating expenses: The appropriation includes an increase of \$70,265 cash funds for additional operating expenses associated with training and certifying county clerks and local elections officials, observing and overseeing elections, and providing support to counties.

Indirect cost assessment: The appropriation includes a net increase in the Department's indirect cost assessment.

Annualize prior year budget actions: The appropriation includes a number of changes related to the out year impact of funding decisions made through the FY 2014-15 appropriation, including:

- the annualization of the FY 2014-15 salary survey and merit pay;
- the elimination of a one-time \$1.5 million cash funds appropriation for the Business Intelligence Center;
- the elimination of a one-time \$371,462 cash funds supplemental appropriation for FY 2014-15; and
- a decrease of \$100,000 cash funds to reflect expenditures on ballot initiatives during an odd-year election.

Adjustment to HAVA appropriation: The appropriation includes a decrease of \$339,222 cash funds that are continuously appropriated to support expenditures related to the Help America Vote Act (HAVA). This funding is included in the Long Bill for informational purposes only and is not tied to planned or projected spending.

Annualize prior year legislation: The appropriation includes a decrease of \$240,794 cash funds for the second year impact of legislation, including:

- a decrease of \$150,154 cash funds for S.B. 14-161 (Update Uniform Election Code of 1992); and
- a decrease of \$90,640 for H.B. 14-1369 (Durable Medical Equipment Supplier License).

DEPARTMENT OF TRANSPORTATION

The Department of Transportation (CDOT) is responsible for operating and maintaining Colorado's 23,106 lane-mile state highway system, including more than 3,447 bridges, and maintaining the aviation system plan, under the policy direction of the eleven-member Transportation Commission. The Department's 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 the reimbursement of aviation fuel tax revenues and discretionary grants to local airports.

Most policy and budget authority for the Department rests with the Transportation Commission, pursuant to Section 43-1-113 (1), C.R.S. Funds controlled by the Transportation Commission are reflected for informational purposes in three Long Bill line items: Construction, Maintenance, and Operations; the High Performance Transportation Enterprise; and the Statewide Bridge Enterprise. These line items are included in the Long Bill as estimates of the anticipated revenues available to the Commission.

The General Assembly appropriates funding for: the Administration division, which is primarily funded from the State Highway Fund; the First Time Drunk Driving Offenders Account, which is funded with driver's license reinstatement fees connected with alcohol-related driving offenses; and the Marijuana Impaired Driving Program, which is funded from the Marijuana Tax Cash Fund. Finally, the General Assembly has statutory oversight of revenue-raising measures and approval of the Governor's appointments to the Transportation Commission.

Department Budget: Recent Appropriations

Funding Source	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
General Fund	\$0	\$0	\$700,000	\$0
Cash Funds	706,181,582	759,829,076	748,479,175	844,073,959
Reappropriated Funds	3,763,059	19,775,304	19,773,476	19,777,338
Federal Funds	<u>409,409,045</u>	<u>488,142,984</u>	<u>514,325,330</u>	<u>573,062,075</u>
Total Funds	\$1,119,353,686	\$1,267,747,364	\$1,283,277,981	\$1,436,913,372
Full Time Equiv. Staff	3,308.8	3,317.5	3,326.9	3,326.8

General Factors Driving the Budget

FY 2015-16 funding for this department in FY 2015-16 consists of 58.7 percent cash funds, 1.4 percent reappropriated funds, and 39.9 percent federal funds. The Department did not receive General Fund appropriations in FY 2015-16. Some of the major factors driving the Department's budget are discussed below.

Total State Funding Levels and General Fund Expenditures

Total state funding for transportation has fluctuated substantially over the past ten years, primarily due to changes in the amount of General Fund transferred to the Highway Users Tax Fund (HUTF). The Department's main source of funding comes from the Highway Users Tax Fund (HUTF). The HUTF is supported by state and federal excise taxes on gasoline, diesel, and special fuels, registration fees, surcharges, and other miscellaneous sources of revenue. Pursuant to statutory formula, CDOT receives over half of the State's monthly HUTF distributions.

Since 1997, the General Assembly has passed a variety of legislation to assist in the completion of priority transportation projects by providing additional funding to the State Highway Fund from General Fund sources, including: Capital Construction Fund appropriations (which originate in the General Fund); diversions of sales and use taxes from the General Fund to the Highway Users Tax Fund (pursuant to S.B. 97-001); Limited Gaming Fund appropriations (which use cash funds that would otherwise be credited to the Clean Energy Fund); and two-thirds of the year-end General Fund surplus (pursuant to H.B. 02-1310). Additional legislation (H.B. 99-1325) has permitted the Department to issue bonds to accelerate projects and to use future federal and state revenues to pay back bondholders over time.

Transfers of General Fund dollars to the State Highway Fund under the legislation discussed above has fluctuated with the economy. For example, economic conditions precluded most such transfers from FY 2002-03 through FY 2004-05, although there were limited transfers under H.B. 02-1310 in FY 2003-04 and FY 2004-05. Transfers pursuant to S.B. 97-001 and H.B. 02-1310 increased in FY 2006-07 to a total of \$522 million, decreased to \$407 million in FY 2007-08, and then decreased to \$88 million in FY 2008-09.

State Transportation Revenues

The Department's most significant source of State revenues is the excise tax on motor fuels, which has been set at \$0.22 per gallon of gasoline and \$0.205 per gallon of diesel fuel since 1991 and 1992 respectively. The major source of federal revenue is also an excise tax on motor fuels, which has been set at \$0.184 per gallon of gasoline and \$0.244 per gallon of diesel fuel since 1997. Taken together, the total excise taxes for Colorado are \$0.404 per gallon of gas and \$0.449 per gallon of diesel. The average fuel taxes for all states are \$0.495 per gallon of gas and \$0.550 per gallon of diesel; leaving Colorado in the bottom half of all states.

Fuel excise taxes have decreased purchasing power due to a combination of increased fuel efficiency (resulting in lower revenue per vehicle mile) and increased construction costs. According to the Department, increases in construction costs (as measured by the Construction Cost Index) have outpaced both the Department's revenues and general inflation. Essentially, \$1.00 in motor fuel tax revenue in 1991 would purchase less than \$0.40 in 2012.

Senate Bill 09-108 (Funding Advancement for Surface Transportation and Economic Recovery)

Senate Bill 09-108 (FASTER) authorized the following new revenue sources within the Department:

- Road safety and bridge safety surcharges, each of which vary by vehicle weight and are collected through the same mechanism used for payment of registration fees and specific ownership taxes;
- A daily fee for the use of a rented motor vehicle;
- A supplemental oversize/overweight vehicle surcharge;
- An increased fee for the late registration of a motor vehicle; and
- An increased unregistered vehicle fine.

FASTER HUTF

FASTER increased overall HUTF revenues, as well as the share of the Department's revenues coming from registration fees and surcharges. Prior to the enactment of FASTER, motor fuel taxes accounted for more than 70.0 percent of total HUTF revenues. FASTER-related HUTF revenues, which include the road safety surcharge, rented vehicle fee, oversize/overweight surcharge, and late registration fee, have reduced the share of contribution to the HUTF attributed to motor fuel tax revenues to about 60.0 percent. By law, the proceeds of these revenue sources are distributed 60.0 percent to CDOT, 22.0 percent to counties, and 18.0 percent to municipalities, and are not subject to "off-the-top" appropriations.

FASTER Bridge Safety

The implementation of FASTER has also increased other revenues for the Department because not all of the legislation's fees and surcharges are credited to the HUTF. Bridge safety surcharge revenues are credited to the Statewide Bridge Enterprise Special Revenue Fund for the repair and rehabilitation of bridges rated as "poor", i.e. functionally obsolete and structurally deficient. This dedicated fund is managed by the Statewide Bridge Enterprise. The Board of the Enterprise consists of members also on the Transportation Commission.

High-Performance Transportation Enterprise (HPTE)

FASTER also replaced the former Statewide Tolling Enterprise with the High-Performance Transportation Enterprise (HPTE). The HPTE has expanded authority to pursue innovative methods of financing the state's transportation system, including:

- Public-private partnerships;
- Operating concession agreements;
- User fee-based project financing;
- Availability payments; and
- Design-build contracting.

FASTER authorizes the HPTE to use road pricing on existing highway capacity as a congestion management tool if the Enterprise secures federal approval and the approval of all affected local governments. The Enterprise is governed by a seven-member board consisting of four appointees of the Governor and three members of the Transportation Commission. Both Enterprises are authorized to issue revenue bonds backed by their respective revenues.

Senate Bill 09-228

Among other provisions, Senate Bill 09-228 (Flexibility to Use State Revenues) set-up a General Fund transfer to the HUTF contingent on an increase in Colorado personal income. Senate Bill 09-228 requires a five year block of transfers of 2.0 percent of General Fund revenues to the HUTF subject to a trigger based on growth of 5.0 percent in statewide personal income. Colorado personal income exceeded 5.0 percent in 2014, triggering the General Fund transfers in FY 2015- 16. Once the personal income threshold is met for a single year, the 5-year block of transfers continues, regardless of the subsequent change in personal income.

Senate Bill 09-228 limits the General Fund transfers in relation to TABOR refunds. If the amount of the TABOR refund is between 1.0 percent and 3.0 percent of General Fund revenues for the state fiscal year, the S.B. 09-228 transfer is reduced by half in that year. If TABOR refunds exceed 3.0 percent, the S.B. 09-228 transfer is eliminated. Simply put, if TABOR refunds increase, S.B. 09-228 transfers decrease. The June 2015 Legislative Council Staff forecast projects the full S.B. 09-228 transfers will occur in FY 2015-16.

Federal Funds

The Department's total share of federal funds has fluctuated in recent years. Federal receipts increased to \$586.6 million in FY 2009-10, with an infusion of funds as a result of the American Recovery and Reinvestment Act (ARRA). More recently, budgetary conditions, including the depletion of the surplus in the federal Highway Trust Fund, have resulted in "obligation limits" reducing each state's funding below the full amounts that were authorized in the federal *Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users* (SAFETEA-LU) transportation authorization bill.

CDOT receives federal funding for four purposes, including highways (Federal Highway Administration funds), safety (National Highway Traffic Safety Administration funds), transit (Federal Transit Administration funds), and aviation (Federal Aviation Administration funds). Federal funds provide a significant share of the CDOT's resources, and fluctuations in federal funds, determined by multi-year authorization bills, affect the Department's annual budgetary outlook.

On July 6, 2012, President Obama signed the most recent authorization bill, the *Moving Ahead for Progress in the 21st Century Act* (MAP-21). The legislation updates and replaces SAFETEA-LU; specifically reauthorizing federal transportation programs, providing budget authority for federal transportation apportionments, and updating federal statutes governing the U.S. Department of Transportation and its various agencies and programs. MAP-21 has been extended until July 31, 2015, when it is once again up for reauthorization.

Federal Funding to CDOT (\$ millions)								
Federal Program ¹	FY 08-09 Actual	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 Actual	FY 14-15 Estimated	FY 15-16 Estimated
FHWA	\$536.9	\$568.8	\$349.3	\$472.0	\$514.3	\$606.5	\$576.5	\$640.7
FTA	13.9	13.3	13.2	12.8	15.7	16.1	16.0	20.7
FAA	0.3	0.3	0.2	0.3	0.3	0.1	0.3	0.0
NHTSA	2.1	6.3	6.3	7.1	7.9	1.7	6.5	7.6
ARRA	404.2	12.5	0.0	0.0	0.0	0.0	0.0	0.0
Total	\$957.4	\$601.2	\$369.0	\$492.2	\$538.2	\$624.4	\$599.3	\$669.0

¹The acronyms used are: FHWA - Federal Highway Administration; FTA - Federal Transit Administration; FAA - Federal Aviation Administration; NHTSA - National Highway Traffic Safety Administration; ARRA - American Recovery and Reinvestment Act of 2009

The Administrative Program Line

The Administration line, created by Section 43-1-113(2)(III), C.R.S., includes the salaries and expenses for a variety of offices and programs. It is a "program" line, which gives CDOT discretion to move funds from personal services to operating (and vice versa) and also from one program to another without seeking approval from the General Assembly. Section 43-1-113 (6), C.R.S. limits expenditures to no more than 5.0 percent of the total CDOT budget. The Administration section consists of several offices and divisions and provides administrative support for more than 3,000 FTE that work for the Department statewide.

Appropriation Highlights – 2015 Legislative Session

Department of Transportation						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$1,282,492,152	\$0	\$748,358,535	\$19,773,476	\$514,360,141	3,326.8
HB 14-1161	5,279	0	5,279	0	0	0.1
HB 14-1301	700,000	700,000	0	0	0	0.0
SB 15-163	<u>80,550</u>	<u>0</u>	<u>115,361</u>	<u>0</u>	<u>(34,811)</u>	<u>0.0</u>
TOTAL	\$1,283,277,981	\$700,000	\$748,479,175	\$19,773,476	\$514,325,330	3,326.9
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$1,283,277,981	\$700,000	\$748,479,175	\$19,773,476	\$514,325,330	3,326.9
Updated department revenue projections	144,798,503	0	86,061,758	0	58,736,745	0.0
Centrally appropriated line items	9,207,528	0	9,203,666	3,862	0	0.0
Marijuana impaired driving program	450,000	0	450,000	0	0	0.0
Annualize prior year legislation	(705,279)	(700,000)	(5,279)	0	0	(0.1)
Annualize prior year budget actions	(115,361)	0	(115,361)	0	0	0.0
SB 15-234	<u>\$1,436,913,372</u>	<u>\$0</u>	<u>\$844,073,959</u>	<u>\$19,777,338</u>	<u>\$573,062,075</u>	<u>3,326.8</u>
TOTAL	\$1,436,913,372	\$0	\$844,073,959	\$19,777,338	\$573,062,075	3,326.8
Increase/(Decrease)	\$153,635,391	(\$700,000)	\$95,594,784	\$3,862	\$58,736,745	(0.1)
Percentage Change	12.0%	(100.0%)	12.8%	0.0%	11.4%	(0.0%)

FY 2014-15 Appropriation - Mid-year Adjustments

Senate Bill 15-163 adds \$80,550 total funds for mid-year adjustments to the FY 2014-15 appropriation, including: an increase of \$56,349 cash funds for technical modifications to the State's human resources' computer systems; a net increase of \$24,085 total funds for mid-year funding adjustments of statewide IT costs; and an increase of \$116 cash funds for an additional common policy allocation adjustment for administrative law judge services. The act also includes a roll forward of \$550,000 General Fund appropriated in H.B. 14-1301 (Safe Routes to School Program State Funding) so the Department can spend the funds through June 30, 2017.

FY 2015-16 Appropriation Highlights

Updated department revenue projections: The appropriation reflects updated revenue projections for cash funded divisions of the department that are included for informational purposes.

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; salary survey; merit pay; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; workers' compensation; shift differential; legal services; payment to risk management and property funds;

Capitol complex leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

Marijuana impaired driving program: The appropriation includes \$450,000 cash funds from the Marijuana Tax Cash Fund for the Marijuana Impaired Driving program's public awareness campaign "Drive High, Get a DUI."

Annualize prior year legislation: The appropriation includes a reduction of \$705,279 total funds for the second year impact of legislation. This includes the elimination of the one-time \$700,000 General Fund appropriation in H.B. 14-1301 (Safe Routes to School) and the one-time \$5,279 cash funds appropriation in H.B. 14-1161 (Southwest Chief Rail Line).

Annualize prior year budget actions: The appropriation includes adjustments related to prior year budget actions.

DEPARTMENT OF THE TREASURY

The State Treasurer is one of five independently elected constitutional officers of the state. The Department of the Treasury is responsible for the following primary 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; (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) distributes Highway Users Tax Fund (HUTF) revenues to counties and municipalities; (7) distributes federal mineral leasing funds received for the State's share of sales, bonuses, royalties, and rentals of public lands within Colorado; (8) manages certain state public financing transactions; and (9) reimburses certain property taxes owed or paid for real and business personal property destroyed in a natural disaster.

Department Budget: Recent Appropriations

Funding Source	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
General Fund ¹	\$109,314,351	\$106,058,124	\$121,578,482	\$135,066,583
Cash Funds	369,594,954	327,651,424	317,200,922	346,610,762
Reappropriated Funds	0	0	0	0
Federal Funds	0	0	0	0
Total Funds	\$478,909,305	\$433,709,548	\$438,779,404	\$481,677,345
Full Time Equiv. Staff	31.5	31.9	31.9	31.9

¹ FY 2012-13 includes General Fund Exempt.

General Factors Driving the Budget

The General Fund appropriation supports: (1) the senior citizen and disabled veterans property tax exemption, (2) tax reimbursements for property destroyed by a natural cause, (3) lease purchase payments (certificates of participation) of academic facilities pursuant to Section 23-19.9-102, C.R.S, and (4) a portion of the Department's administrative expenses. The Department's cash fund appropriation includes: (1) transaction fee revenue, which supports department administrative expenses; (2) moneys in the Unclaimed Property Trust Fund, which support the Unclaimed Property Program; and (3) distributions from the Highway Users Tax Fund to counties and municipalities. The Department's funding for FY 2015-16 consists of 28.0 percent General Fund and 72.0 percent cash funds.

Senior Citizen and Disabled Veteran Property Tax Exemption

Section 3.5 of Article X of the Colorado Constitution grants a property tax exemption to qualifying senior citizens and disabled veterans. A senior citizen is eligible for the property tax exemption if the property owner-occupier is at least 65 years of age on the assessment date and has occupied the residence for at least ten years, or is the surviving spouse of a person who previously qualified for the exemption. An honorably discharged

disabled veteran is eligible for the property tax exemption if the owner-occupier has a 100.0 percent service-connected disability (as determined by the U.S. Department of Veterans Affairs) on the assessment date. The value of the property tax exemption is 50.0 percent of the first \$200,000 of actual property value for qualifying homeowners. The State Treasurer is required to reimburse local governments for the resulting loss of property tax revenues. The Constitution grants the General Assembly the power to raise or lower the maximum amount of residence value that is exempt from taxation.

For tax year 2002, the exemption was limited to the first \$200,000 of actual residence value. The General Assembly lowered this amount from \$200,000 to \$0 for tax years 2003, 2004, and 2005, thereby eliminating the associated state expenditures for corresponding fiscal years. State payments resumed in FY 2006-07. The General Assembly passed several bills during the 2009 and 2010 sessions that reduced the senior citizen exemption to \$0 for FY 2009-10, FY 2010-11 and FY 2011-12. These bills left in place the exemption for disabled veterans. No bills were passed during the 2014 or 2015 sessions reducing the exemption from those defined in statute.

State payments to local governments are subject to the Taxpayer's Bill of Rights (TABOR) limitation on fiscal year spending, but are not subject to the statutory restriction on General Fund appropriations pursuant to Section 24-75-201.1 (1) (a) (II) through (IV), C.R.S. Estimated General Fund expenditures for the property tax exemption are included in the Department of the Treasury's budget for informational purposes.

Senior Citizen and Disabled Veteran Homestead Property Tax Exemption					
	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
	Actual	Actual	Actual	Actual	Projected
Senior Citizens ^{/a}	\$0	\$100,821,732	\$107,723,840	\$114,234,918	**
Disabled Veterans	<u>1,756,475</u>	<u>1,906,309</u>	<u>2,083,129</u>	<u>2,646,365</u>	**
Total	\$1,756,475	\$102,728,041	\$109,806,969	\$116,881,283	\$126,000,000

^{/a} The Senior Citizen Exemption was not available for FY 2009-10 through FY 2011-12. The numbers reported for exemptions granted refer to the number that county assessors had approved. County assessors continued taking applications for the exemption throughout the period where the exemption was set at \$0.

Property Tax Reimbursements for Property Destroyed by a Natural Cause

In the 2014 Session, the General Assembly passed H.B. 14-1001 providing a property tax reimbursement for real or business property listed on a single schedule that was destroyed by a natural cause. As defined in Section 39-1-102 (8.4), C.R.S., a natural cause includes a fire, explosion, flood, tornado, action of the elements, act of war or terror, or similar cause beyond the control of and not caused by the property owner. This property tax reimbursement is for tax years beginning on or after January 1, 2013, and is subject to reimbursement from the state in an amount equal to the property tax liability applicable to the destroyed property in the property tax year in which the natural cause occurred. Upon receipt of a report from a county treasurer verifying the total amount of property tax in the county eligible for reimbursement, the State Treasurer shall issue a reimbursement warrant to the applicable county treasurer for the total amount. Funds made available for this property tax reimbursement are subject to annual appropriation by the General Assembly.

Highway Users Tax Fund Disbursements

The Department distributes revenues from the Highway Users Tax Fund (HUTF) to counties and municipalities for use on local transportation projects pursuant to statutory formulas in Sections 43-4-207 and 208, C.R.S. The amounts anticipated to be distributed to counties and municipalities are reflected as cash funds appropriations

within the Special Purpose section of the Long Bill for informational purposes. The following table details recent distributions of HUTF revenues, as well as projections for FY 2014-15 and FY 2015-16.

Highway Users Tax Fund (HUTF) Revenues and Distributions (\$ millions)						
	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16
	Actual ^a	Actual ^a	Actual ^a	Actual ^a	Projected ^b	Projected ^b
Total Revenues	\$938.4	\$943.3	\$937.50	\$970.60	\$986.20	\$1,001.00
<i>Annual Percent Change</i>	1.90%	0.50%	(0.60%)	3.50%	1.60%	1.50%
Treasury Distributions						
Counties	\$185.4	\$187.1	\$184.7	\$190.6	\$193.7	\$196.6
Municipalities	127.3	127.4	126.4	130.4	132.5	134.5

^a Values have been updated to correspond with the final general ledgers for the Department of Treasury's Fund 405.

^b Treasury applied Legislative Council Staff's forecasted percentage increase against the FY 2013-14 actual revenues and against Treasury's distributions to counties and municipalities.

Appropriation Highlights – 2015 Legislative Session

Department of the Treasury						
	Total Funds	General Fund¹	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$436,549,308	\$119,404,248	\$317,145,060	\$0	\$0	31.9
HB 14-1001	2,221,828	2,221,828	0	0	0	0.0
SB 15-164	<u>8,268</u>	<u>(47,594)</u>	<u>55,862</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$438,779,404	\$121,578,482	\$317,200,922	\$0	\$0	31.9
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$438,779,404	\$121,578,482	\$317,200,922	\$0	\$0	31.9
Move lease purchase payments to operating budget	17,773,050	7,761,199	10,011,851	0	0	0.0
Highway Users Tax Fund Adjustment	17,221,898	0	17,221,898	0	0	0.0
Senior Citizen and Disabled Veteran Property Tax Exemption adjustment	7,600,000	7,600,000	0	0	0	0.0
Kelmar Unclaimed Property software and service	252,763	0	252,763	0	0	0.0
Annualize prior year budget actions	69,677	35,296	34,381	0	0	0.0
Federal mineral lease adjustment	0	(1,980,124)	1,980,124	0	0	0.0
Centrally appropriated line items	(11,179)	24,136	(35,315)	0	0	0.0
Annualize prior year legislation	<u>(8,268)</u>	<u>47,594</u>	<u>(55,862)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
SB 15-234	\$481,677,345	\$135,066,583	\$346,610,762	\$0	\$0	31.9
Increase/(Decrease)	\$42,897,941	\$13,488,101	\$29,409,840	\$0	\$0	0.0
Percentage Change	9.8%	11.1%	9.3%	n/a	n/a	0.0%

¹ Includes General Fund amounts (\$118,400,000 for FY 2014-15 and \$126,000,000 for FY 2015-16) for reimbursements for the Senior Citizen and Disabled Veteran Property Tax Exemption that are exempt from the statutory limit on state General Fund appropriations pursuant to Section 24-75-201.1 (1) (a) (III) (A), C.R.S.

FY 2014-15 Appropriation - Mid-year Adjustments

Senate Bill 15-164 modifies FY 2014-15 appropriations with a net increase of \$8,268 total funds, including a decrease of \$47,594 General Fund and an increase of \$55,862 cash funds. This includes the refinancing of a portion of the Department's administrative costs from General Fund to cash funds from cash management transaction fees; costs associated with retirement payout; and the CORE common policy true-up.

FY 2015-16 Appropriation Highlights

Move lease purchase payments to operating budget: The appropriation moves lease purchase payment (certificates of participation) amounts that were previously appropriated in the capital construction section of the Long Bill into the operating budget.

Highway Users Tax Fund (HUTF) adjustment: The appropriation includes a \$17.2 million increase in cash funds for informational purposes for distribution of HUTF to counties and municipalities.

Senior Citizen and Disabled Veteran Property Tax Exemption adjustment: The appropriation includes a \$7.6 million increase in General Fund for information purposes to reimburse local governments for lost property tax revenues.

Kelmar Unclaimed Property software and service: The appropriation includes an increase of \$252,763 cash funds to purchase the Kelmar Unclaimed Property software and service to improve security and auditing in the Unclaimed Property Program.

Annualize prior year budget actions: The appropriation includes an adjustment for out-year impacts of funding decisions made through the FY 2014-15 appropriation, including the annualization of prior year salary survey and merit pay.

Federal mineral lease adjustment: The appropriation includes a decrease of \$2.0 million General Fund and a corresponding increase in cash funds from the Higher Education Federal Mineral Lease Revenues Fund for certificates of participation for academic facilities.

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; workers' compensation; legal services; payment to risk management and property funds; Capitol complex leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

Annualize prior year legislation: The appropriation includes a decrease of \$8,268 total funds, including an increase of \$47,594 General Fund and a decrease of \$55,862 cash funds, to reflect the FY 2015-16 impact of prior year legislation (S.B. 15-164).

CAPITAL CONSTRUCTION

This section summarizes state agency capital construction and controlled maintenance appropriations. Many of the appropriations are from the Capital Construction Fund. The primary source of revenue to the Capital Construction Fund is transfers and appropriations from the General Fund.

Department Budget: Recent Appropriations

Funding Source	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Capital Construction Fund	\$63,100,367	\$188,069,493	\$388,023,295	\$250,675,939
Cash Funds	87,351,635	86,298,813	127,419,763	117,490,701
Reappropriated Funds	8,626,790	7,113,670	7,427,537	13,911,135
Federal Funds	<u>12,088,026</u>	<u>2,266,990</u>	<u>2,819,525</u>	<u>15,436,269</u>
Total Funds	\$171,166,818	\$283,748,966	\$525,690,120	\$397,514,044

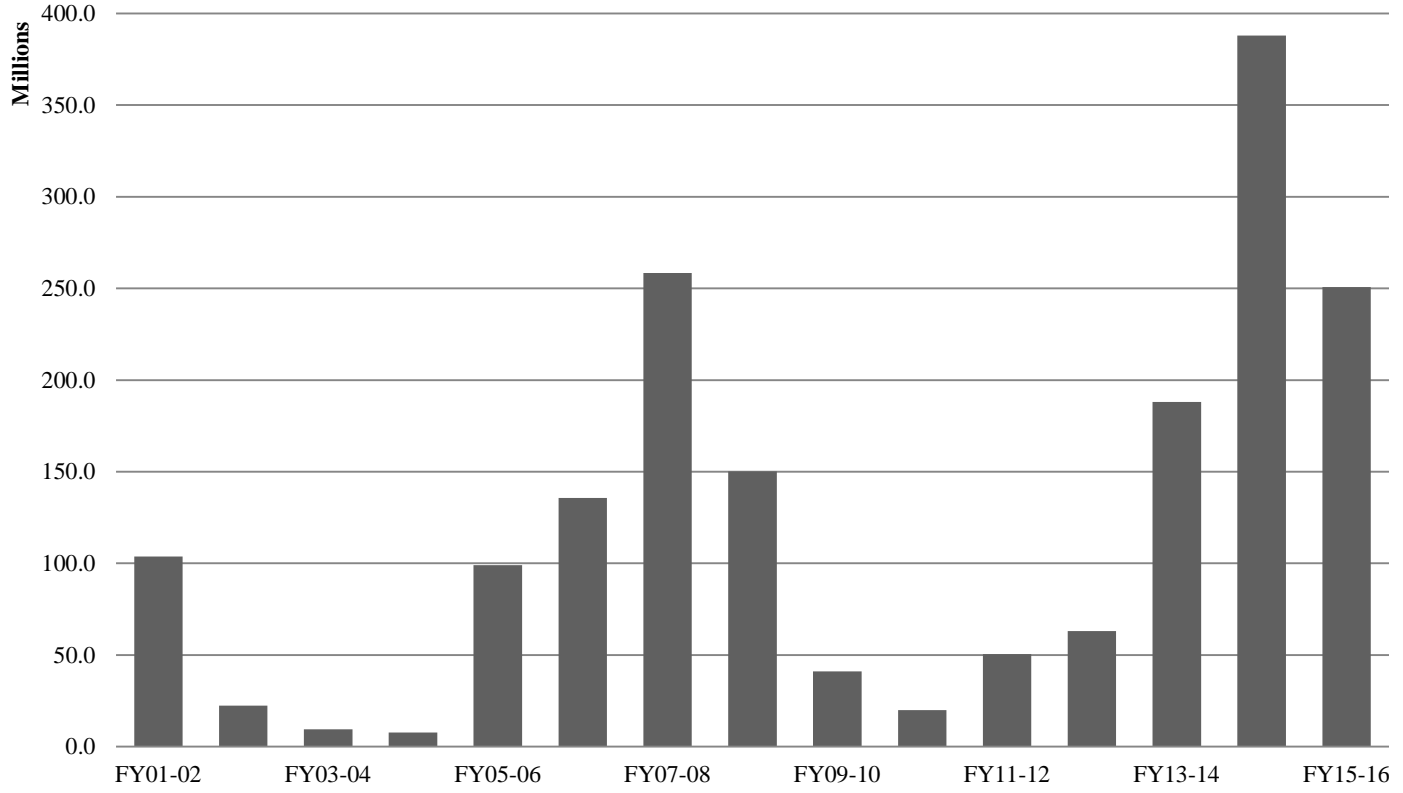
General Factors Driving the Budget

Revenue Available for Capital Construction

The amount appropriated for capital construction is primarily based on the recommendations of the Capital Development Committee and the most recent forecast of revenues available for capital construction given constitutional and statutory constraints on the budget. The Capital Construction Fund provides the primary source of capital construction funding for most state departments and appropriations from the Fund vary substantially from year to year.

In some years, statutory triggers authorize automatic transfers to the Capital Construction Fund to support appropriations. House Bill 02-1310 provided automatic transfers to the Capital Construction Fund and the Highway Users Tax Fund of surplus General Fund revenue. These transfers were replaced in S.B. 09-228. Pursuant to S.B. 09-228, Section 24-75-219, C.R.S., authorizes five years of transfers to the Capital Construction Fund of 0.5 percent of total General Fund revenues for two years followed by 1.0 percent for three years. While these transfers were originally authorized to begin in FY 2012-13, they are delayed until a personal income trigger is met. Transfers begin in the first fiscal year in which, for the calendar year that ends before the start of the fiscal year (e.g., CY 2014 for FY 2015-16), personal income increases by at least 5.0 percent. They are reduced or eliminated if excess state funds are required to be refunded to taxpayers pursuant to Section 20 of Article X of the State Constitution (TABOR). Automatic transfers will begin in FY 2015-16.

**Appropriations from the Capital Construction Fund
FY 2001-02 to FY 2015-16**



Appropriation Highlights – 2015 Legislative Session

	Capital Construction					FTE
	Total Funds	Capital Construction Fund	Cash Funds	Reappropriated Funds	Federal Funds	
FY 2014-15 Appropriation:						
HB 14-1336	\$492,833,491	\$364,420,213	\$116,124,738	\$8,566,515	\$3,722,025	0.0
SB 15-165	32,261,879	23,008,332	11,295,025	(1,138,978)	(902,500)	0.0
HB 15-1333	<u>594,750</u>	<u>594,750</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$525,690,120	\$388,023,295	\$127,419,763	\$7,427,537	\$2,819,525	0.0
FY 2015-16 Appropriation:						
Capital construction, capital renewal, and capital lease purchase payments	\$257,092,622	\$153,872,618	\$103,027,066	\$0	\$192,938	0.0
Information technology projects	119,943,391	76,877,790	13,911,135	13,911,135	15,243,331	0.0
Controlled maintenance	<u>19,195,021</u>	<u>19,195,021</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
SB 15-234	\$396,231,034	\$249,945,429	\$116,938,201	\$13,911,135	\$15,436,269	0.0
HB 15-1310	552,500	0	552,500	0	0	0.0

Capital Construction						
	Total Funds	Capital Construction Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 15-1333	<u>730,510</u>	<u>730,510</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$397,514,044	\$250,675,939	\$117,490,701	\$13,911,135	\$15,436,269	0.0
Increase/(Decrease)	(\$128,176,076)	(\$137,347,356)	(\$9,929,062)	\$6,483,598	\$12,616,744	0.0
Percentage Change	(24.4%)	(35.4%)	(7.8%)	87.3%	447.5%	n/a

FY 2014-15 Appropriation - Mid-year Adjustments

Senate Bill 15-165 adds \$32,261,879 total funds, including increases of \$23,008,332 Capital Construction Fund and \$11,295,025 cash funds, and decreases of \$1,138,978 reappropriated funds and \$902,500 federal funds for mid-year adjustments to FY 2014-15 capital construction appropriations. Changes include:

- an increase of \$15.2 million Capital Construction Fund for the Human Resource Information System, formerly known as the Statewide Leave, Time Tracking, and Human Resources Management System Modernization in the Governor's Office of Information Technology (OIT);
- an increase of \$9.2 million cash funds from institutional sources to add cash funds to a state-funded project for the University of Colorado at Boulder Ketchum Arts and Sciences Building;
- an increase of \$5.1 million total funds, including \$4.5 million Capital Construction Fund, for CORE enhancements and ongoing configuration in OIT;
- an increase of \$4.0 million Capital Construction Fund for the Arvada CBI lab renovation;
- an increase of \$1.0 million cash funds from the Legislative Department Cash Fund for the Capitol Building, House and Senate chamber renovations;
- an increase of \$935,000 Capital Construction Fund to add the Division of Youth Corrections to the Mental Health Institutes', electronic health record and pharmacy system replacement;
- an increase of \$541,000 federal funds for the Department of Military and Veterans Affairs, Aurora Readiness Center;
- an increase of \$528,000 cash funds from various department cash funds for the second year of 21 annual COP payments for the Department of Agriculture's office consolidation;
- an increase of \$500,000 Capital Construction Fund for the Ute Indian Museum Expansion;
- an increase of \$1.4 million Capital Construction Fund, offset by a decrease of \$1.4 million federal funds, for veterans nursing homes improvements;
- an increase of \$3.6 million reappropriated funds, offsetting a decrease of \$3.6 million Capital Construction Fund, to refinance the CORE enhancements and ongoing configuration through allocations to state agencies in the COFRS Modernization line item; and
- moving a \$194,000 Capitol Complex project line item from the Department of Public Safety to the Department of Personnel.

House Bill 15-1333 adds \$594,750 Capital Construction Fund from the Regional Center Depreciation Account within the Capital Construction Fund for heat-detection fire alarm systems at regional center group homes operated by the Department of Human Services.

FY 2015-16 Appropriation Highlights

Capital construction, capital renewal, and capital lease purchase payments: The appropriation includes \$257,092,622 total funds, including \$153,872,618 Capital Construction Fund for 24 state-funded and seven cash-funded capital construction or capital renewal projects and one state-funded capital lease purchase payment.

Information technology projects: The appropriation includes \$119,943,391 total funds, including \$76,877,790 Capital Construction Fund from the Information Technology Capital Account within the Capital Construction Fund for seven state-funded and two cash-funded information technology projects.

Controlled maintenance: The appropriation includes \$19,195,021 Capital Construction Fund for 26 level I controlled maintenance projects.

Additional legislation: House Bill 15-1310 adds \$552,500 cash funds from the Wildlife Cash Fund to the Division of Parks and Wildlife in the Department of Natural Resources for FY 2015-16 to purchase property in Garfield County. House Bill 15-1333 adds \$730,510 Capital Construction Fund from the Regional Center Depreciation Account within the Capital Construction Fund for improvements to the security perimeter fence at Kipling Village located at the Wheat Ridge Regional Center operated by the Department of Human Services for FY 2015-16. For more information on additional legislation, see the "Recent Legislation" section at the end of Part III of this department.

PART III

DEPARTMENT DETAILS

Department Details

DEPARTMENT OF AGRICULTURE

Department of Agriculture						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Total Appropriation:	\$44,206,921	\$9,317,936	\$29,155,798	\$1,629,526	\$4,103,661	274.1
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Commissioner's Office and Administrative Services	10,724,836	3,023,907	5,899,934	1,500,526	300,469	18.7
Agricultural Services	13,610,946	4,302,099	6,848,122	84,000	2,376,725	122.9
Agricultural Markets Division	4,757,649	669,152	3,119,889	45,000	923,608	41.4
Brand Board	4,281,277	0	4,281,277	0	0	59.0
Colorado State Fair	8,806,576	250,000	8,556,576	0	0	26.9
Conservation Board	2,025,637	1,072,778	450,000	0	502,859	5.2
<u>Breakdown of Total Appropriation by Bill</u>						
HB 14-1336	44,184,405	9,311,389	29,141,578	1,629,526	4,101,912	274.1
SB 15-143	22,516	6,547	14,220	0	1,749	0.0
FY 2015-16 Total Appropriation:	\$46,274,053	\$9,706,234	\$30,740,614	\$1,656,548	\$4,170,657	280.4
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Commissioner's Office and Administrative Services	11,665,142	3,080,330	6,718,932	1,527,548	338,332	18.7
Agricultural Services	14,462,138	4,453,063	7,524,671	84,000	2,400,404	129.2
Agricultural Markets Division	4,829,690	689,079	3,169,055	45,000	926,556	41.4
Brand Board	4,252,044	0	4,252,044	0	0	59.0
Colorado State Fair	8,925,912	300,000	8,625,912	0	0	26.9
Conservation Board	2,139,127	1,183,762	450,000	0	505,365	5.2
<u>Breakdown of Total Appropriation by Bill</u>						
SB 15-234	45,709,657	9,706,234	30,176,218	1,656,548	4,170,657	274.1
SB 15-196	249,763	0	249,763	0	0	2.0
HB 15-1367	314,633	0	314,633	0	0	4.3
Increase/(Decrease)	\$2,067,132	\$388,298	\$1,584,816	\$27,022	\$66,996	6.3
Percentage Change	4.7%	4.2%	5.4%	1.7%	1.6%	2.3%

Informational Funds: The FY 2015-16 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Agriculture are annotated with the "(I)". For additional information, see Appendix J.

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2015-16 Appropriations containing an (I) notation	\$6,120,517	\$0	\$1,949,860	\$0	\$4,170,657

Detail of Appropriation by Administrative Section

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 Colorado. The Administrative Services section provides administrative and technical support for Department programs including accounting, budgeting, and human resources. Funding sources for this division include General Fund, various cash funds, and federal grants. Reappropriated funds are received from various cash funds within the Department for centrally appropriated line items.

Commissioner's Office and Administrative Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$10,702,320	\$3,017,360	\$5,885,714	\$1,500,526	\$298,720	18.7
SB 15-143	<u>22,516</u>	<u>6,547</u>	<u>14,220</u>	<u>0</u>	<u>1,749</u>	<u>0.0</u>
TOTAL	\$10,724,836	\$3,023,907	\$5,899,934	\$1,500,526	\$300,469	18.7
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$10,724,836	\$3,023,907	\$5,899,934	\$1,500,526	\$300,469	18.7
Centrally appropriated line items	641,604	254,939	319,276	0	67,389	0.0
Move lease purchase payments to operating budget	529,063	0	529,063	0	0	0.0
Agriculture education and leadership program	300,000	0	300,000	0	0	0.0
Indirect cost assessment	27,022	0	0	27,022	0	0.0
Annualize prior year budget actions	(585,866)	(198,516)	(357,824)	0	(29,526)	0.0
SB 15-234	\$11,636,659	\$3,080,330	\$6,690,449	\$1,527,548	\$338,332	18.7
SB 15-196	3,780	0	3,780	0	0	0.0
HB 15-1367	<u>24,703</u>	<u>0</u>	<u>24,703</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$11,665,142	\$3,080,330	\$6,718,932	\$1,527,548	\$338,332	18.7
Increase/(Decrease)	\$940,306	\$56,423	\$818,998	\$27,022	\$37,863	0.0
Percentage Change	8.8%	1.9%	13.9%	1.8%	12.6%	n/a

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 15-143 adds a total of \$22,516 to the Department's FY 2014-15 appropriations, including \$6,547 General Fund, for adjustments to centrally appropriated line items for the CORE accounting system, payments to the Governor's Office of Information Technology, and administrative law judge services.

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Centrally appropriated line items: The appropriation includes an increase of \$641,604 total funds for adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; vehicle lease payments; payments to the Governor's Office of Information Technology; and CORE operations.

Move lease purchase payments to operating budget: The appropriation moves lease purchase payment (certificates of participation) amounts that were previously appropriated in the capital construction section of the Long Bill into the operating budget. The appropriation includes an appropriation increase of \$529,063 cash funds for lease payments made by the Department for the office space at 305 Interlocken Parkway in Broomfield, Colorado. The State owns this building and the Department is assessed an annual per square footage charge to cover the State's obligations while accommodating the operating costs of the building.

Agriculture education and leadership program: The appropriation includes \$300,000 cash funds to provide support to non-profit and state efforts to enhance agricultural education and leadership through a grant program.

Indirect cost assessment: The appropriation includes an increase of \$27,022 total funds in the Division's indirect cost assessment.

Annualize prior year budget actions: The appropriation includes a reduction of \$585,866 total funds associated with a number of changes to the out-year impact of funding decisions made through the FY 2014-15 Long Bill, including the annualization of FY 2014-15 salary survey and merit pay.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Agricultural Services

This section includes four major Department program areas administered by their respective divisions:

- *Animal Industry Division* programs monitor the health of livestock and other animals used in various agricultural fields; prevent and control livestock disease; license and inspect pet animal facilities; implement pest control; and investigate animal cruelty claims.
- *Plant Industry Division* programs manage statewide pest control programs; register pesticides and pesticide applicators; inspect plants and plant byproducts intended for domestic use or international export; oversee the organic certification program; and inspect nursery stock for quality and health.

- *Inspection and Consumer Services Division* programs ensure compliance with product quality standards through licensing and inspection, the certification of large and small commercial weights and measurements devices, and analysis of fertilizer and animal feed for chemical contaminants.
- *Conservation Services Division* programs provide technical and financial support, leadership, statewide coordination, and regulatory oversight to public and private landowners on an array of natural resource management challenges including noxious weed management and biological pest control.

These divisions receive cash funds from license and inspection fees, as well as General Fund.

Agricultural Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	<u>\$13,610,946</u>	<u>\$4,302,099</u>	<u>\$6,848,122</u>	<u>\$84,000</u>	<u>\$2,376,725</u>	<u>122.9</u>
TOTAL	\$13,610,946	\$4,302,099	\$6,848,122	\$84,000	\$2,376,725	122.9
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$13,610,946	\$4,302,099	\$6,848,122	\$84,000	\$2,376,725	122.9
Annualize prior year budget actions	288,257	150,964	113,614	0	23,679	0.0
Indirect cost assessment	27,022	0	27,022	0	0	0.0
Line item funding and title changes for ASD	0	0	0	0	0	0.0
SB 15-234	\$13,926,225	\$4,453,063	\$6,988,758	\$84,000	\$2,400,404	122.9
SB 15-196	245,983	0	245,983	0	0	2.0
HB 15-1367	<u>289,930</u>	<u>0</u>	<u>289,930</u>	<u>0</u>	<u>0</u>	<u>4.3</u>
TOTAL	\$14,462,138	\$4,453,063	\$7,524,671	\$84,000	\$2,400,404	129.2
Increase/(Decrease)	\$851,192	\$150,964	\$676,549	\$0	\$23,679	6.3
Percentage Change	6.3%	3.5%	9.9%	0.0%	1.0%	5.1%

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes an increase of \$288,257 total funds associated with a number of changes to the out-year impact of funding decisions made through the FY 2014-15 Long Bill, including the annualization of FY 2014-15 salary survey and merit pay.

Indirect cost assessment: The appropriation includes an increase of \$27,022 cash funds in this section’s indirect cost assessment.

Line item funding and title changes for ASD: The appropriation includes a reorganization of the Agriculture Services Division (ASD) line items, including: an update to the section title, updates to the line items’ titles, the

discontinuation of bottom-line funding for the applicable line items, and adjustments to line items to more accurately reflect the Department’s divisional organization. These adjustments have no appropriations impact.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Agricultural Markets Division

The Agricultural Markets Division is organized into two subdivisions:

- The *Agricultural Markets* subdivision provides support and marketing assistance to Colorado’s agricultural businesses competing in local, national, and international arenas by coordinating market orders, promoting Colorado agricultural products, and assisting start-up or expanding food processing companies within the state. The primary sources of funding are the Wine Industry Development Cash Fund, the Agriculture Value-Added Development Cash Fund, and General Fund.
- The *Agricultural Products Inspection* subdivision administers the agricultural products inspection program, which performs mandatory and non-mandatory inspections to determine the grade, size, and quality of fruits and vegetables. This subdivision receives \$200,000 General Fund in addition to cash funds from agricultural products inspection fees.

Agricultural Markets Division						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	<u>\$4,757,649</u>	<u>\$669,152</u>	<u>\$3,119,889</u>	<u>\$45,000</u>	<u>\$923,608</u>	<u>41.4</u>
TOTAL	\$4,757,649	\$669,152	\$3,119,889	\$45,000	\$923,608	41.4
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$4,757,649	\$669,152	\$3,119,889	\$45,000	\$923,608	41.4
Annualize prior year budget actions	72,041	19,927	49,166	0	2,948	0.0
SB 15-234	<u>\$4,829,690</u>	<u>\$689,079</u>	<u>\$3,169,055</u>	<u>\$45,000</u>	<u>\$926,556</u>	<u>41.4</u>
TOTAL	\$4,829,690	\$689,079	\$3,169,055	\$45,000	\$926,556	41.4
Increase/(Decrease)	\$72,041	\$19,927	\$49,166	\$0	\$2,948	(0.0)
Percentage Change	1.5%	3.0%	1.6%	0.0%	0.3%	n/a

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes an increase of \$72,041 total funds associated with a number of changes to the out-year impact of funding decisions made through the FY 2014-15 Long Bill, including the annualization of FY 2014-15 salary survey and merit pay.

Brand Board

The Brand Board serves the livestock industry and assists the public with problems related to livestock management. This division administers and records livestock brands and inspects cattle, horse, and alternative livestock brands (such as deer and elk) to verify ownership at the time of sale, transport, or slaughter. The Brand Board is cash funded from the Brand Inspection Fund and the Alternative Livestock Farm Cash Fund. Pursuant to 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 State Constitution (TABOR).

Brand Board						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	<u>\$4,281,277</u>	<u>\$0</u>	<u>\$4,281,277</u>	<u>\$0</u>	<u>\$0</u>	<u>59.0</u>
TOTAL	\$4,281,277	\$0	\$4,281,277	\$0	\$0	59.0
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$4,281,277	\$0	\$4,281,277	\$0	\$0	59.0
Annualize prior year budget actions	(29,233)	0	(29,233)	0	0	0.0
SB 15-234	<u>\$4,252,044</u>	<u>\$0</u>	<u>\$4,252,044</u>	<u>\$0</u>	<u>\$0</u>	<u>59.0</u>
TOTAL	\$4,252,044	\$0	\$4,252,044	\$0	\$0	59.0
Increase/(Decrease)	(\$29,233)	\$0	(\$29,233)	\$0	\$0	0.0
Percentage Change	(0.7%)	n/a	(0.7%)	n/a	n/a	0.0%

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes a reduction of \$29,233 cash funds associated with a number of changes to the out-year impact of funding decisions made through the FY 2014-15 Long Bill, including a reduction of one-time funding for replacement of vehicles for the Brand Board.

Colorado State Fair

The Colorado State Fair Authority, administered by an eleven-member board, plans and operates the annual fair event, as well as non-fair events held at the fairgrounds during the rest of the year. The State Fair is designated as a Type 1 agency pursuant to Section 35-65-401 (1) (a), C.R.S., and is almost entirely cash funded from the Colorado State Fair Authority Cash Fund and the Agriculture Management Fund. Revenue is from fees collected during the State Fair and from other non-fair events and funds personal services and operating expenses. The State Fair receives \$250,000 General Fund for Future Farmers of America and 4-H program support. Attendance for the 2014 State Fair was 498,720, which was a 5.0 percent increase from 2013.

Colorado State Fair						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	<u>\$8,806,576</u>	<u>\$250,000</u>	<u>\$8,556,576</u>	<u>\$0</u>	<u>\$0</u>	<u>26.9</u>
TOTAL	\$8,806,576	\$250,000	\$8,556,576	\$0	\$0	26.9
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$8,806,576	\$250,000	\$8,556,576	\$0	\$0	26.9
Annualize prior year budget actions	69,336	0	69,336	0	0	0.0
State Fair financial stability study	50,000	50,000	0	0	0	0.0
SB 15-234	<u>\$8,925,912</u>	<u>\$300,000</u>	<u>\$8,625,912</u>	<u>\$0</u>	<u>\$0</u>	<u>26.9</u>
TOTAL	\$8,925,912	\$300,000	\$8,625,912	\$0	\$0	26.9
Increase/(Decrease)	\$119,336	\$50,000	\$69,336	\$0	\$0	0.0
Percentage Change	1.4%	20.0%	0.8%	n/a	n/a	0.0%

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes an increase of \$69,336 cash funds associated with a number of changes to the out-year impact of funding decisions made through the FY 2014-15 Long Bill, including the annualization of FY 2014-15 salary survey and merit pay.

State Fair financial stability study: The appropriation includes an increase of \$50,000 General Fund to the Colorado State Fair to conduct a study of the Colorado State Fair Authority’s finances in order to provide a comprehensive plan for long-term financial stability.

Conservation Board

The Conservation Board is responsible for providing administrative and fiscal oversight to Colorado's 77 conservation districts. The Board also coordinates 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. The primary sources of funding are General Fund, federal grant dollars from the U.S. Department of Agriculture Natural Resources Conservation Service, and cash funds transferred from the Severance Tax Operational Fund.

Conservation Board						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	<u>\$2,025,637</u>	<u>\$1,072,778</u>	<u>\$450,000</u>	<u>\$0</u>	<u>\$502,859</u>	<u>5.2</u>
TOTAL	\$2,025,637	\$1,072,778	\$450,000	\$0	\$502,859	5.2

Conservation Board						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$2,025,637	\$1,072,778	\$450,000	\$0	\$502,859	5.2
Direct assistance grant inflation adjustment	92,053	92,053	0	0	0	0.0
Annualize prior year budget actions	21,437	18,931	0	0	2,506	0.0
SB 15-234	<u>\$2,139,127</u>	<u>\$1,183,762</u>	<u>\$450,000</u>	<u>\$0</u>	<u>\$505,365</u>	<u>5.2</u>
TOTAL	\$2,139,127	\$1,183,762	\$450,000	\$0	\$505,365	5.2
Increase/(Decrease)	\$113,490	\$110,984	\$0	\$0	\$2,506	0.0
Percentage Change	5.6%	10.3%	0.0%	n/a	0.5%	0.0%

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Direct assistance grant inflation adjustment: The appropriation includes an increase of \$92,053 General Fund for a 10-year inflation adjustment to the funding of a program to assist the state’s Conservation Districts with operating expenses. Distributions are made via a competitive grant process according to evaluation criteria that examine a district's long range plans, annual workload, number of district meetings held each year, participation in conservation activities, and the district's plan to implement education programs.

Annualize prior year budget actions: The appropriation includes an increase of \$21,437 total funds associated with a number of changes to the out-year impact of funding decisions made through the FY 2014-15 Long Bill, including the annualization of FY 2014-15 salary survey and merit pay.

Recent Legislation

2014 Session Bills

H.B. 14-1300 (GF Transfer to CO State Fair Authority Cash Fund): Transferred \$300,000 General Fund from the Controlled Maintenance Trust Fund to the Colorado State Fair Authority Cash Fund to renovate and improve facilities at the Colorado State Fairgrounds in Pueblo and to pay associated program costs.

H.B. 14-1336 (Long Bill): General appropriations act for FY 2014-15.

2015 Session Bills

S.B. 15-143 (Supplemental Bill): Supplemental appropriation to the Department to modify FY 2014-15 appropriations included in the FY 2014-15 Long Bill (H.B. 14-1336).

S.B. 15-196 (Industrial Hemp Certified Seeds Concentration Test): Provides the Department with \$249,763 cash funds and 2.0 FTE to expand the Industrial Hemp Committee from 9 to 11 members and requires the Department to administer an industrial hemp certified seed program. The Department may import seeds to develop the certified seed program in accordance with state and federal laws.

S.B. 15-234 (Long Bill): General appropriations act for FY 2015-16.

H.B. 15-1367 (Retail Marijuana Taxes): Refers a ballot issue to voters in November 2015, asking whether the State may retain and spend revenue collected from the Proposition AA excise and special sales taxes on retail marijuana in FY 2014-15. Creates a \$58.0 million Proposition AA Refund Account (Refund Account) in the General Fund. Contingent on voter approval of the ballot issue, the act makes several appropriations to the Department of Agriculture for FY 2015-16, as detailed in the following table.

Appropriations to Department of Agriculture That Are Contingent on Voter Approval		
Division and Line Item	Fund Source	Dollar Amount
<u>Commissioner's Office and Administrative Services</u>		
Legal Services	CF - Marijuana Tax Cash Fund	\$24,703
<u>Agriculture Services</u>		
Plant Industry Division	CF - Marijuana Tax Cash Fund	289,930
<u>Colorado State Fair</u>		
FFA and 4H Funding	CF - Proposition AA Refund Account	<u>300,000</u>
Total		\$614,633

Independent of whether the voters approve the ballot issue, the act appropriates \$314,633 from the Marijuana Tax Cash Fund and 4.3 FTE to the Department in FY 2015-16 for the regulation of pesticide application to marijuana crops. For additional information, see the "Recent Legislation" section at the end of the Department of Revenue.

Department Details

DEPARTMENT OF CORRECTIONS

FY 2014-15 and FY 2015-16 Appropriations by Division and Bill

Department of Corrections						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Total Appropriation:	\$808,625,772	\$720,902,032	\$40,096,980	\$46,402,892	\$1,223,868	6,209.2
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Management	215,202,658	208,537,909	6,095,295	276,542	292,912	93.5
Institutions	389,733,405	388,197,415	1,391,191	64,799	80,000	4,706.0
Support Services	42,892,693	41,600,228	559,736	732,729	0	240.5
Inmate Programs	40,689,203	35,812,149	2,824,426	1,959,068	93,560	545.4
Community Services	47,212,858	44,984,504	10,000	2,179,256	39,098	424.6
Parole Board	1,769,827	1,769,827	0	0	0	16.2
Correctional Industries	56,279,166	0	14,370,370	41,190,498	718,298	155.0
Canteen Operation	14,845,962	0	14,845,962	0	0	28.0
<u>Breakdown of Total Appropriation by Bill</u>						
HB 14-1336	798,310,521	710,711,718	39,979,286	46,380,247	1,239,270	6,116.3
SB 10-128	4,482	4,482	0	0	0	0.0
HB 10-1081	28,800	28,800	0	0	0	0.0
HB 13-1154	124,063	124,063	0	0	0	0.0
HB 13-1318	20,816	20,816	0	0	0	0.0
HB 13-1325	20,816	20,816	0	0	0	0.0
SB 14-064	1,565,025	1,565,025	0	0	0	24.0
HB 14-1355	7,953,877	7,953,877	0	0	0	71.9
SB 15-144	597,372	472,435	117,694	22,645	(15,402)	(3.0)
FY 2015-16 Total Appropriation:	\$867,977,195	\$780,620,458	\$39,431,411	\$46,665,389	\$1,259,937	6,239.8
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Management	229,633,226	223,010,707	6,053,065	276,542	292,912	93.9
Institutions	427,893,004	426,356,541	1,391,664	64,799	80,000	4,731.9
Support Services	42,401,830	40,918,120	679,726	803,984	0	241.2
Inmate Programs	44,515,655	41,057,784	1,405,175	1,959,068	93,628	545.7
Community Services	49,684,882	47,456,528	10,000	2,179,256	39,098	427.6
Parole Board	1,820,778	1,820,778	0	0	0	16.5
Correctional Industries	57,069,610	0	14,933,571	41,381,740	754,299	155.0
Canteen Operation	14,958,210	0	14,958,210	0	0	28.0

Department of Corrections						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<u>Breakdown of Total Appropriation by Bill</u>						
SB 15-234	868,560,106	779,703,369	40,931,411	46,665,389	1,259,937	6,239.8
HB 13-1154	121,773	121,773	0	0	0	0.0
HB 13-1318	14,987	14,987	0	0	0	0.0
HB 13-1325	5,551	5,551	0	0	0	0.0
SB 14-049	21,484	21,484	0	0	0	0.0
SB 14-092	21,484	21,484	0	0	0	0.0
SB 14-161	21,484	21,484	0	0	0	0.0
SB 14-176	21,484	21,484	0	0	0	0.0
HB 14-1037	21,484	21,484	0	0	0	0.0
SB 15-124	(853,476)	(853,476)	0	0	0	0.0
SB 15-185	9,800	9,800	0	0	0	0.0
SB 15-195	0	1,500,000	(1,500,000)	0	0	0.0
HB 15-1341	11,034	11,034	0	0	0	0.0
Increase/(Decrease)	\$59,351,423	\$59,718,426	(\$665,569)	\$262,497	\$36,069	30.6
Percentage Change	7.3%	8.3%	(1.7%)	0.6%	2.9%	0.5%

Informational Funds: The FY 2015-16 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Corrections are annotated with the "(I)". For additional information, see Appendix J.

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2015-16 Appropriations containing an (I) notation	\$16,218,147	\$0	\$14,958,210	\$0	\$1,259,937

Detail of Appropriation by Administrative Section

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 reimburses private prisons, local jails, and community programs created pursuant to S.B. 03-252 for housing offenders. The External Capacity Subprogram also monitors private prisons. The Inspector General Subprogram is responsible for investigating crimes in prisons. Cash funds and reappropriated funds are primarily from Correctional Industries and Canteen sales revenue, the State Criminal Alien Assistance Program Cash Fund, the Victims Assistance and Law Enforcement fund, and from revenues received for monitoring private prisons that house out-of-state offenders in Colorado.

	Management					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$208,632,155	\$201,982,357	\$6,080,344	\$276,542	\$292,912	96.5
SB 14-064	233,096	233,096	0	0	0	0.0
HB 14-1355	930,108	930,108	0	0	0	0.0
SB 15-144	<u>5,407,299</u>	<u>5,392,348</u>	<u>14,951</u>	<u>0</u>	<u>0</u>	<u>(3.0)</u>
TOTAL	\$215,202,658	\$208,537,909	\$6,095,295	\$276,542	\$292,912	93.5
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$215,202,658	\$208,537,909	\$6,095,295	\$276,542	\$292,912	93.5
External capacity caseload	8,529,413	8,529,413	0	0	0	0.0
Centrally appropriated line items	4,289,082	4,331,312	(42,230)	0	0	0.0
Community provider rate	1,804,243	1,804,243	0	0	0	0.0
Annualize prior legislation	562,562	562,562	0	0	0	0.0
Leap day adjustment	289,979	289,979	0	0	0	0.0
Mental health staffing	287,498	287,498	0	0	0	0.0
Annualize prior year budget actions	249,291	249,291	0	0	0	0.4
Payments to District Attorneys	(18,024)	(18,024)	0	0	0	0.0
SB 15-234	\$231,196,702	\$224,574,183	\$6,053,065	\$276,542	\$292,912	93.9
SB 15-124	<u>(1,563,476)</u>	<u>(1,563,476)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$229,633,226	\$223,010,707	\$6,053,065	\$276,542	\$292,912	93.9
Increase/(Decrease)	\$14,430,568	\$14,472,798	(\$42,230)	\$0	\$0	0.4
Percentage Change	6.7%	6.9%	(0.7%)	0.0%	0.0%	0.4%

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 15-144 makes the following adjustments to the Department's FY 2014-15 appropriation:

- Increases the appropriation for external capacity, which pays for placement of some of the Department's offenders in private prisons and jails, by \$5,503,911 General Fund to house an increasing offender population;
- Increases the appropriation for legal services provided by the Attorney General's office by \$441,090 total funds;
- Reduces the appropriation for payments to district attorneys for prosecution of crimes that occur in Department facilities by \$381,976 General Fund; and
- Reduces the appropriation by \$155,726 General Fund and 3.0 FTE to align the number of FTE with the Division's needs.

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

External capacity caseload: The appropriation includes an increase of \$8.5 million General Fund to accommodate an increasing number of offenders in jails, private prisons, and "community return to custody" facilities (halfway houses for parolees who have had their parole temporarily revoked).

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; workers' compensation; legal services; payment to risk management and property funds; and Capitol complex leased space.

Community provider rate: The appropriation includes an increase of \$1.8 million General Fund for a 1.7 percent community provider rate increase for private prisons, jails, and halfway houses that hold revoked parolees.

Annualize prior legislation: The appropriation includes an increase of \$562,562 General Fund to reflect the second year impact of H.B. 14-1355 (Reentry Programs for Adult Parolees, \$418,420) and S.B. 14-064 (Isolated Confinement for Mental Illness, \$144,142).

Leap day adjustment: The appropriation includes funding for the leap day that will occur in 2016. Private prisons, jails, and the community corrections facilities that house some of the State's revoked parolees are paid on a per offender per day basis; a leap day requires an extra day of payments.

Mental health staffing: The appropriation increases the FY 2015-16 General Fund appropriation by \$287,498 General Fund as part of an effort to provide more mental health staff and more corrections officers for the San Carlos Correctional Facility and provide more mental health staff for the Denver Women's Correctional Facility.

Annualize prior year budget actions: The appropriation includes \$249,291 General Fund and 0.4 FTE for changes that are due to the out-year impact of funding decisions made through the FY 2014-15 Long Bill including:

- Annualization of FY 2014-15 salary survey and merit pay;
- Funding for Prison Rape Elimination Act (PREA) compliance; and
- Additional parole board staff;

Payments to District Attorneys: The appropriation reduces by \$18,024 General Fund reimbursements to District Attorneys for the prosecution of crimes that occur in correctional facilities within their judicial districts, which reflects the expected decline of these expenditures in FY 2015-16.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Institutions

The Institutions division includes all cost centers directly attributable to the operation of state-owned and operated correctional facilities. Included are costs for utilities, maintenance, housing and security, food, medical, laundry, case management, mental health, and the costs of running the Youthful Offender System.

The cash funds are primarily from fees charged for inmate medical costs and utilities costs associated with Correctional Industries programs. The federal funds are primarily from donated U.S. Department of Agriculture foods.

	Institutions					FTE
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	
FY 2014-15 Appropriation:						
HB 14-1336	\$391,332,057	\$389,874,071	\$1,313,187	\$64,799	\$80,000	4,650.5
SB 10-128	4,482	4,482	0	0	0	0.0
HB 10-1081	28,800	28,800	0	0	0	0.0
HB 13-1154	124,063	124,063	0	0	0	0.0
HB 13-1318	20,816	20,816	0	0	0	0.0
HB 13-1325	20,816	20,816	0	0	0	0.0
SB 14-064	1,320,529	1,320,529	0	0	0	24.0
HB 14-1355	1,989,037	1,989,037	0	0	0	31.5
SB 15-144	<u>(5,107,195)</u>	<u>(5,185,199)</u>	<u>78,004</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$389,733,405	\$388,197,415	\$1,391,191	\$64,799	\$80,000	4,706.0
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$389,733,405	\$388,197,415	\$1,391,191	\$64,799	\$80,000	4,706.0
Move lease purchase payments to operating budget	20,254,768	20,254,768	0	0	0	0.0
Annualize prior year budget actions	8,404,153	8,404,153	0	0	0	0.2
Pharmaceutical and external medical costs	4,233,085	4,233,085	0	0	0	0.0
Radio replacement plan	1,875,800	1,875,800	0	0	0	0.0
Mental health staffing	1,436,192	1,436,192	0	0	0	22.9
Maintenance operating increase	834,175	834,175	0	0	0	0.0
Food service equipment and inflation	587,608	587,608	0	0	0	0.0
Inmate pay	300,000	300,000	0	0	0	0.0
Buena Vista wastewater	225,924	225,924	0	0	0	0.0
Community provider rate	188,619	188,619	0	0	0	0.0
Indirect cost assessment	473	0	473	0	0	0.0
Adjustment for funding already in 5-year sentencing bills	(249,731)	(249,731)	0	0	0	0.0
Annualize prior legislation	(187,882)	(187,882)	0	0	0	2.8
Earned time savings from H.B. 12-1223	(4,350)	(4,350)	0	0	0	0.0
SB 15-234	\$427,632,239	\$426,095,776	\$1,391,664	\$64,799	\$80,000	4,731.9
HB 13-1154	121,773	121,773	0	0	0	0.0
HB 13-1318	14,987	14,987	0	0	0	0.0
HB 13-1325	5,551	5,551	0	0	0	0.0
SB 14-049	21,484	21,484	0	0	0	0.0
SB 14-092	21,484	21,484	0	0	0	0.0

	Institutions					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 14-161	21,484	21,484	0	0	0	0.0
SB 14-176	21,484	21,484	0	0	0	0.0
HB 14-1037	21,484	21,484	0	0	0	0.0
HB 15-1341	<u>11,034</u>	<u>11,034</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$427,893,004	\$426,356,541	\$1,391,664	\$64,799	\$80,000	4,731.9
Increase/(Decrease)	\$38,159,599	\$38,159,126	\$473	\$0	\$0	25.9
Percentage Change	9.8%	9.8%	0.0%	0.0%	0.0%	0.6%

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 15-144 makes the following adjustments to the Department's FY 2014-15 appropriation:

- Increases the appropriation for utilities by \$1,438,788 total funds; and
- Decreases the appropriation for pharmaceuticals and external medical care by \$6,545,983 General Fund, comprised of increases of \$2,988,117 for pharmaceuticals and \$958,293 for the purchase of medical services from other medical facilities and a decrease of \$10,492,393 for catastrophic medical expenses.

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Move lease purchase payments to operating budget: The appropriation moves \$20.3 million of General Fund lease purchase payments (certificates of participation) that were previously appropriated in the capital construction section of the Long Bill into the operating budget.

Annualize prior year budget actions: The appropriation includes \$8.4 million General Fund and 0.2 FTE for changes that are due to the out year impact of funding decisions made through the FY 2014-15 Long Bill including:

- Annualization of FY 2014-15 salary survey and merit pay;
- PREA compliance;
- Additional parole board staff; and
- Providing ID's to all discharged offenders.

Pharmaceutical and external medical costs: The appropriation increases by \$4.2 million General Fund the appropriation for pharmaceuticals and for the "external" medical expense of taking offenders to outside providers for medical care that cannot be provided by the Department's clinical staff. The increase reflects the expected increase in the offender population and the rising cost per offender of pharmaceuticals and external medical care.

Radio replacement plan: The appropriation increases the General Fund operating appropriation for the Superintendents Subprogram by \$1.9 million to begin an ongoing seven year plan that would replace over 3,000 radios. The appropriation also funds battery replacement.

Mental health staffing: The appropriation adds \$1.4 million General Fund and 22.9 FTE to provide more mental health staff and more corrections officers for the San Carlos Correctional Facility and provide more mental health staff for the Denver Women's Correctional Facility.

Maintenance operating increase: The appropriation includes an \$834,175 General Fund increase for maintenance to meet the demands of aging facilities and equipment, including \$134,175 to be paid to the Colorado Mental Health Institute at Pueblo for maintenance expenses.

Food service equipment and inflation: The appropriation increases by \$587,608 the General Fund appropriation for food-related costs. The appropriation includes: (1) \$345,000 for the increased cost of the raw goods needed for food preparation; (2) \$200,000 for replacement of aging food service equipment; and (3) \$42,608 to increase the Department's payment for meals purchased from the Colorado Mental Health Institute at Pueblo (CMHIP), which is part of the Department of Human Services. CMHIP prepares the meals for the La Vista Correctional Facility, the San Carlos Correctional Facility, and the Youthful Offender System main facility, which are all located on the CMHIP campus.

Inmate pay: The appropriation provides \$300,000 General Fund for pay increases for inmates. The average offender with a full-time assignment who is not in Correctional Industries is now paid 66¢ per day and this increase will raise that pay by 12¢ daily.

Buena Vista wastewater: The appropriation increases the Department's utilities appropriation by \$225,924 General Fund in order to pay increased wastewater charges at the Buena Vista Correctional Complex.

Community provider rate: The appropriation includes an increase of \$188,619 General Fund for a 1.7 percent community provider rate increase for providers of various clinical services.

Indirect cost assessment: The appropriation increases indirect cost assessments.

Adjustment for funding already in 5-year sentencing bills: The appropriation is reduced by \$249,731 General Fund to reflect funding that is already in 5-year sentencing bills that were passed in previous years.

Annualize prior legislation: The appropriation includes a \$187,882 General Fund reduction and an increase of 2.8 FTE to reflect the second year impact of H.B. 14-1355 (Reentry Programs for Adult Parolees, \$116,506 reduction, 2.8 FTE increase) and S.B. 14-064 (Isolated Confinement for Mental Illness, \$71,376 reduction).

Earned time savings from H.B. 12-1223: The appropriation includes a \$4,350 General Fund reduction that reflects the end of start up costs related to the use of prior savings generated by H.B. 12-1223. House Bill 12-1223 directed its savings to inmate education and parole wraparound services.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Support Services

The Support Services division includes business operations, personnel, offender services, communications, transportation, training, information systems, and facility services. The cash funds and reappropriated funds are primarily from sales revenue from Canteen Operations and Correctional Industries.

Support Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$42,017,447	\$40,730,564	\$549,697	\$721,784	\$15,402	233.2
SB 14-064	11,400	11,400	0	0	0	0.0
HB 14-1355	592,978	592,978	0	0	0	7.3
SB 15-144	<u>270,868</u>	<u>265,286</u>	<u>10,039</u>	<u>10,945</u>	<u>(15,402)</u>	<u>0.0</u>
TOTAL	\$42,892,693	\$41,600,228	\$559,736	\$732,729	\$0	240.5
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$42,892,693	\$41,600,228	\$559,736	\$732,729	\$0	240.5
Annualize prior year budget actions	452,673	452,673	0	0	0	0.0
Transportation operating expenses	148,744	148,744	0	0	0	0.0
Annualize prior legislation	100,813	100,813	0	0	0	0.7
Mental health staffing	16,875	16,875	0	0	0	0.0
Indirect cost assessment	0	(78,117)	0	78,117	0	0.0
Centrally appropriated line items	(1,219,768)	(1,332,896)	119,990	(6,862)	0	0.0
SB 15-234	\$42,392,030	\$40,908,320	\$679,726	\$803,984	\$0	241.2
SB 15-185	<u>9,800</u>	<u>9,800</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$42,401,830	\$40,918,120	\$679,726	\$803,984	\$0	241.2
Increase/(Decrease)	(\$490,863)	(\$682,108)	\$119,990	\$71,255	\$0	0.7
Percentage Change	(1.1%)	(1.6%)	21.4%	9.7%	n/a	0.3%

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 15-144 makes the following adjustments to the Department's FY 2014-15 appropriation:

- Provides a net increase of \$163,146 total funds for a true-up of COFRS Modernization allocations and to fund CORE enhancements and ongoing configuration;
- Provides an extra \$109,747 General Fund for the Governor's Office of Information Technology to address necessary technical modifications to the State's human resources' computer systems; and
- Reduces the appropriation by \$2,025 General Fund as part of an action to align the number of FTE in the Executive Director's Office with that Division's needs.

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes \$452,673 General Fund for annualization of funding decisions made through the FY 2014-15 Long Bill, including salary survey, merit pay, and PREA compliance actions.

Transportation operating expenses: The appropriation increases the General Fund appropriation for Transportation Subprogram operating expenditures by \$148,744.

Annualize prior legislation: The appropriation includes an increase of \$100,813 General Fund and 0.7 FTE to reflect the second year impact of H.B. 14-1355 (Reentry Programs for Adult Parolees).

Mental health staffing: The appropriation increases the FY 2015-16 General Fund appropriation by \$16,875 General Fund related to the provision of more mental health staff and corrections officers for the San Carlos Correctional Facility and more mental health staff for the Denver Women’s Correctional Facility.

Indirect cost assessment: The appropriation adjusts the Department's indirect cost assessments.

Centrally appropriated line items: The appropriation includes net reductions of \$1.2 million total funds to centrally appropriated line items for the following: vehicle lease payments; payments to the Governor’s Office of Information Technology (OIT); and CORE operations.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Inmate Programs

The Inmate Programs division includes educational, vocational, recreational, and inmate labor programs operated by the Department. This division also includes the Sex Offender Treatment Subprogram, the Drug and Alcohol Treatment Subprogram, and the Volunteers Subprogram. Cash and reappropriated funds are primarily from the Correctional Treatment Cash Fund and sales revenue of the Canteen Operation.

Inmate Programs						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	<u>\$40,689,203</u>	<u>\$35,812,149</u>	<u>\$2,824,426</u>	<u>\$1,959,068</u>	<u>\$93,560</u>	<u>545.4</u>
TOTAL	\$40,689,203	\$35,812,149	\$2,824,426	\$1,959,068	\$93,560	545.4
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$40,689,203	\$35,812,149	\$2,824,426	\$1,959,068	\$93,560	545.4
Earned time savings from H.B. 12-1223	2,606,383	2,606,383	0	0	0	0.3
Annualize prior year budget actions	1,185,302	1,104,553	80,749	0	0	0.0
Community provider rate	34,699	34,699	0	0	0	0.0
Indirect cost assessment	68	0	0	0	68	0.0
SB 15-234	\$44,515,655	\$39,557,784	\$2,905,175	\$1,959,068	\$93,628	545.7
SB 15-195	<u>0</u>	<u>1,500,000</u>	<u>(1,500,000)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$44,515,655	\$41,057,784	\$1,405,175	\$1,959,068	\$93,628	545.7
Increase/(Decrease)	\$3,826,452	\$5,245,635	(\$1,419,251)	\$0	\$68	0.3
Percentage Change	9.4%	14.6%	(50.2%)	0.0%	0.1%	0.1%

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Earned time savings from H.B. 12-1223: The appropriation provides \$2.6 million General Fund for inmate education. The appropriation derives from savings generated by H.B. 12-1223 (Earned Time).

Annualize prior year budget actions: The appropriation includes \$1.2 million total funds for annualization of FY 2014-15 salary survey and merit pay.

Community provider rate: The appropriation includes an extra \$34,699 General Fund for a 1.7 percent rate increase for providers of clinical services.

Indirect cost assessment: The appropriation includes an increase of \$68 federal funds for the Department's indirect cost assessments.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Community Services

The Community Services division includes the Parole Subprogram, the Community Supervision Subprogram (for inmates in community corrections and in the Intensive Supervision-Inmate [ISP-Inmate program]), and the Community Re-entry Subprogram. Other costs associated with residential community corrections placements are appropriated to the Department of Public Safety's Division of Criminal Justice. The reappropriated funds are from the Correctional Treatment Cash Fund.

Community Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$42,771,104	\$40,542,750	\$10,000	\$2,179,256	\$39,098	391.5
HB 14-1355	<u>4,441,754</u>	<u>4,441,754</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>33.1</u>
TOTAL	\$47,212,858	\$44,984,504	\$10,000	\$2,179,256	\$39,098	424.6
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$47,212,858	\$44,984,504	\$10,000	\$2,179,256	\$39,098	424.6
Annualize prior year budget actions	773,777	773,777	0	0	0	0.0
Earned time savings from H.B. 12-1223	648,143	648,143	0	0	0	0.0
Community provider rate	170,956	170,956	0	0	0	0.0
Annualize prior legislation	169,148	169,148	0	0	0	3.0
SB 15-234	\$48,974,882	\$46,746,528	\$10,000	\$2,179,256	\$39,098	427.6
SB 15-124	<u>710,000</u>	<u>710,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$49,684,882	\$47,456,528	\$10,000	\$2,179,256	\$39,098	427.6
Increase/(Decrease)	\$2,472,024	\$2,472,024	\$0	\$0	\$0	3.0
Percentage Change	5.2%	5.5%	0.0%	0.0%	0.0%	0.7%

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes \$773,777 General Fund for annualization of FY 2014-15 salary survey and merit pay.

Earned time savings from H.B. 12-1223: The appropriation provides \$648,143 General Fund for parole wraparound services. The appropriation derives from savings generated by H.B. 12-1223 (Earned Time).

Community provider rate: The appropriation includes an increase of \$170,956 General Fund for a 1.7 percent community provider rate increase for providers of various clinical services for parolees.

Annualize prior legislation: The appropriation includes an increase of \$169,148 General Fund and 3.0 FTE to reflect the second year impact of H.B. 14-1355 (Reentry Programs for Adult Parolees).

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Parole Board

The Parole Board has the discretion to grant or deny parole to offenders who have reached their parole eligibility date. The Board must parole offenders when they reach their mandatory parole date. The Board imposes conditions of parole on parolees and it may revoke parole when those conditions are violated.

Parole Board						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	<u>\$1,769,827</u>	<u>\$1,769,827</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>16.2</u>
TOTAL	\$1,769,827	\$1,769,827	\$0	\$0	\$0	16.2
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$1,769,827	\$1,769,827	\$0	\$0	\$0	16.2
Annualize prior year budget actions	50,951	50,951	0	0	0	0.3
SB 15-234	<u>\$1,820,778</u>	<u>\$1,820,778</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>16.5</u>
TOTAL	\$1,820,778	\$1,820,778	\$0	\$0	\$0	16.5
Increase/(Decrease)	\$50,951	\$50,951	\$0	\$0	\$0	0.3
Percentage Change	2.9%	2.9%	n/a	n/a	n/a	1.9%

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes \$50,951 General Fund for annualization of FY 2014-15 budget actions regarding salary survey, merit pay, and additional parole board staff.

Correctional Industries

Correctional Industries manages profit-oriented work programs that provide inmates with on-the-job training while generating revenues to cover costs. Major businesses operated by Correctional Industries include the manufacture of license plates, office furniture, and modular office systems; a print shop; a leather products shop; wildland fire fighting; dog and horse training; and a garment production operation. Correctional Industries sells its products primarily to other government agencies. Correctional Industries is fully supported by cash and reappropriated funds from sales of Correctional Industries products and services. Because Correctional Industries is an enterprise, its appropriations are exempt from Section 20 of Article X of the State Constitution (TABOR).

Correctional Industries						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$56,255,766	\$0	\$14,358,670	\$41,178,798	\$718,298	155.0
SB 15-144	<u>23,400</u>	<u>0</u>	<u>11,700</u>	<u>11,700</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$56,279,166	\$0	\$14,370,370	\$41,190,498	\$718,298	155.0
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$56,279,166	\$0	\$14,370,370	\$41,190,498	\$718,298	155.0
Inmate pay	535,890	0	366,190	169,700	0	0.0
Annualize prior year budget actions	185,869	0	185,869	0	0	0.0
Indirect cost assessment	68,685	0	11,142	21,542	36,001	0.0
SB 15-234	<u>\$57,069,610</u>	<u>\$0</u>	<u>\$14,933,571</u>	<u>\$41,381,740</u>	<u>\$754,299</u>	<u>155.0</u>
TOTAL	\$57,069,610	\$0	\$14,933,571	\$41,381,740	\$754,299	155.0
Increase/(Decrease)	\$790,444	\$0	\$563,201	\$191,242	\$36,001	0.0
Percentage Change	1.4%	n/a	3.9%	0.5%	5.0%	0.0%

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 15-144 provides an extra \$23,400 of cash and reappropriated funds to increase the base pay of offenders who work for Colorado Correctional Industries from 60¢ to 66¢ per day.

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Inmate pay: The appropriation provides \$535,890 cash funds for pay increases for inmates who work for correctional industries.

Annualize prior year budget actions: The appropriation includes \$185,869 cash funds for annualization of FY 2014-15 salary survey and merit pay.

Indirect cost assessment: The appropriation increases indirect cost assessments by \$68,685 total funds.

Canteen Operation

The Canteen Operation provides personal items for purchase by inmates, including toiletries, snack foods, televisions, phone services, and other approved items. Per court order, all funds remaining after expenses are used to provide inmates with additional educational or recreational resources including library materials and cable television services. The Canteen Operation is fully supported by cash funds from sales of canteen products to inmates. Because Correctional Industries is an enterprise, its appropriations are exempt from Section 20 of Article X of the State Constitution (TABOR). Canteen appropriations are informational pursuant to Section 17-24-126 (1) C.R.S.

Canteen Operation						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$14,842,962	\$0	\$14,842,962	\$0	\$0	28.0
SB 15-144	<u>3,000</u>	<u>0</u>	<u>3,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$14,845,962	\$0	\$14,845,962	\$0	\$0	28.0
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$14,845,962	\$0	\$14,845,962	\$0	\$0	28.0
Annualize prior year budget actions	97,117	0	97,117	0	0	0.0
Indirect cost assessment	8,891	0	8,891	0	0	0.0
Inmate pay	6,240	0	6,240	0	0	0.0
SB 15-234	<u>\$14,958,210</u>	<u>\$0</u>	<u>\$14,958,210</u>	<u>\$0</u>	<u>\$0</u>	<u>28.0</u>
TOTAL	\$14,958,210	\$0	\$14,958,210	\$0	\$0	28.0
Increase/(Decrease)	\$112,248	\$0	\$112,248	\$0	\$0	0.0
Percentage Change	0.8%	n/a	0.8%	n/a	n/a	0.0%

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 15-144 provides an extra \$3,000 cash funds to increase the base pay of offenders who work for the Canteen program from 60¢ to 66¢ per day.

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes \$97,117 cash funds for annualization of FY 2014-15 salary survey and merit pay.

Indirect cost assessment: The appropriation increases indirect cost assessments by \$8,891 cash funds.

Inmate pay: The appropriation provides \$6,240 cash funds for pay increases for inmates who work in the canteen operation.

Recent Legislation

2014 Session Bills

S.B. 14-049 (Public Transportation and Utility Endangerment): Makes the intent to steal or remove materials from a public transportation facility, including freight and passenger trains, a class three felony. Includes a 5-year statutory General Fund appropriation to the Department of Corrections that provides \$21,484 for FY 2015-16, \$42,968 for FY 2016-17, \$64,452 for FY 2017-18, and \$85,935 for FY 2018-19.

S.B. 14-059 (Statute of Limitations for Crimes Related to Sex Crimes): Eliminates the statute of limitations for crimes that accompany a sex offense. Under prior law, sex offenses were not subject to the statute of limitations but accompanying crimes were often subject to the statute of limitations. Thus this bill may lead to added charges against someone who is charged with a sex offense years after the crime took place. The result could be greater time served in prison, but it is impossible to estimate the expenditure increase.

S.B. 14-064 (Use of Isolated Confinement for Offenders with Mental Illness): Prohibits the Department of Corrections from placing a person with serious mental illness in long-term isolated confinement (administrative segregation) unless exigent circumstances are present. Appropriates \$1,565,025 General Fund and 24.0 FTE to the Department for FY 2014-15.

S.B. 14-092 (Insurance Fraud Crime): Creates the crime of insurance fraud and identifies fraudulent actions for persons applying for issuance or renewal of insurance policies, insurance claimants, agents, and brokers. Includes a 5-year statutory General Fund appropriation to the Department that provides \$21,484 for FY 2015-16 and \$19,640 for FY 2016-17.

S.B. 14-161 (Update Uniform Election Code): Updates the state election code and changes several election-related criminal offenses. Includes a 5-year statutory General Fund appropriation to the Department that provides \$21,484 for FY 2015-16 and \$19,640 for FY 2016-17. For more information, see the corresponding bill description in the "Recent Legislation" section of the Department of State.

S.B. 14-163 (Clean up S.B. 13-250 Drug Sentencing): Clarifies and harmonizes statutes for drug offenses enacted under Senate Bill 13-250 (Drug Sentencing Changes).

S.B. 14-176 (Criminal Penalties for Chop Shops): Creates the crime of ownership or operation of an automobile "chop shop" and makes the offense a class 4 felony. Includes a 5-year statutory General Fund appropriation to the Department that provides \$21,484 for FY 2015-16, \$42,968 for FY 2016-17, \$64,452 for FY 2017-18, and \$82,534 for FY 2018-19.

S.B. 14-213 (Statute of Limitations for Vehicular Homicide): Increases the statute of limitations for certain cases of vehicular homicide. For criminal defendants who also leave the scene of the accident, the statute of limitations for both crimes is increased from five years to ten years. General Fund expenditures by the Department of Corrections are projected to increase by \$21,484 annually beginning in FY 2020-21.

H.B. 14-1037 (Enforcing Laws Against Designer Drugs): Prohibits the distribution, dispensing, manufacturing, display, offer, or sales of any product that contains synthetic cannabinoids. Establishes civil penalties for violation of the law and funds increased field testing of illicit substances, which is expected to increase prosecution of drug crimes. Includes a 5-year statutory General Fund appropriation to the Department that provides \$21,484 each year for FY 2015-16, FY 2016-17, FY 2017-18, and FY 2018-19.

H.B. 14-1214 (Increase Penalties for Assault on Emergency Medical Service Providers): Adds emergency medical services personnel to the list of victims that trigger enhanced sentencing for the crimes of first degree murder, first degree assault, and second degree assault when the victim was engaged in his or her official duties and the offender should have reasonably known the person was an emergency medical services provider. Includes a 5-year statutory General Fund appropriation to the Department that provides \$20,052 for FY 2017-18 and \$59,295 for FY 2018-19.

H.B. 14-1260 (Penalties for Sex Offense Against a Child Under 12): Requires an indeterminate sentence for a class 2, class 3, or class 4 felony sex offense when the act includes sexual intrusion or sexual penetration against a child under the age of 12 when the offender was an adult and at least ten years older than the child. Department expenditures are likely to rise beginning in FY 2019-20.

H.B. 14-1266 (Value Based Crime Threshold Level Changes): Makes adjustments to the crimes of criminal mischief, fraud by check, defrauding a secured creditor or debtor, unauthorized use of a financial transaction device, computer crime, and aggravated motor vehicle theft. Adjusts the penalties for these crimes based on the value of the goods or property stolen, reclassifies some current felonies as misdemeanors and some current misdemeanors as lower level offenses, including petty offenses. The bill is expected to decrease the Department' General Fund expenditures by a total of \$7,252,911 over the four fiscal years beginning in FY 2015-16.

H.B. 14-1309 (Repurpose DOC Day Surgery Center): Allows the Department to use the day surgery center building at the Denver Reception and Diagnostic Center as an auxiliary medical facility, to amend or modify the related lease purchase agreement, and to make lease purchase payments from any moneys appropriated to the Department.

H.B. 14-1336 (FY 2014-15 Long Appropriations Bill): General appropriations act for FY 2014-15.

H.B. 14-1355 (Reentry Programs for Adult Parolees): Directs the Department to develop and implement initiatives to decrease recidivism, enhance public safety, and increase each offender's chances of achieving success upon his or her release. These initiatives include:

- Programs to help incarcerated offenders prepare for release to the community;
- Efforts to assist each offender's transition from a correctional facility into the community; and
- Operational enhancements, including equipment, training, and programs to supervise offenders in the community.

For FY 2014-15, appropriates \$7,953,877 General Fund and 71.9 FTE to the Department.

2015 Session Bills

S.B. 15-067 (Second Degree Assault Injury To Emergency Responders): Raises classification from assault in the third degree to assault in the second degree for certain criminal actions. Includes a 5-year statutory General Fund appropriation to the Department that provides \$219,576 for FY 2016-17, \$329,363 for FY 2017-18, \$417,635 for FY 2018-19, and \$505,907 for FY 2019-20.

S.B. 15-124 (Reduce Parole Revocations for Technical Violations): Narrows the scope of behavior that warrants arresting a parolee for a technical violation. Requires the use of intermediate sanctions to address noncompliance by a parolee in a manner consistent with the severity of the behavior and the risk level of the parolee, including referrals to treatment and support services. Reduces net FY 2015-16 General Fund appropriations to the Department by \$853,476, comprised of a decrease of \$1,563,476 for private prisons and an

increase of \$710,000 for grants to community-based organizations that support parolees. For more information, see the corresponding bill description in the "Recent Legislation" section of the Department of Public Safety.

S.B. 15-144 (Supplemental Bill): Supplemental appropriation to the Department of Corrections to modify FY 2014-15 appropriations included in the FY 2014-15 Long Bill (S.B. 14-1336).

S.B. 15-182 (Department of Corrections Transfer Offenders into and out of Youthful Offender System): Allows the Director of the Department of Corrections (DOC) or his designee to transfer DOC offenders ages 24 or younger between the Youthful Offender System and DOC adult prisons.

S.B. 15-185 (Police Data Collection and Community Policing): Requires the Department of Public Safety to compile and report parole hearing data, arrest data, and other related information to the General Assembly and the Colorado Commission on Criminal and Juvenile Justice. Includes a FY 2015-16 General Fund appropriation of \$9,800 to the Department of Corrections for one-time programming costs and a reappropriation of this sum to the Office of Information Technology. For more information, see the corresponding bill description in the "Recent Legislation" section of the Department of Public Safety.

S.B. 15-195 (Spending Savings from Earned Time in the Department of Corrections): Limits the amount of earned time savings that may be appropriated to the Department for inmate education and parole wrap-around services to \$6.5 million per year. Requires the Department to set phone rates so that the Department's resulting phone revenue will equal the direct and indirect cost of operating the phone system. Increases the Department's FY 2015-16 General Fund appropriation by \$1.5 million and reduces the FY 2015-16 cash funds appropriation from Canteen sales revenue by \$1.5 million.

S.B. 15-234 (FY 2015-16 Long Appropriations Bill): General appropriations act for FY 2015-16.

H.B. 15-1043 (Felony Offense for Repeat DUI Offenders): Increases the penalty for Driving Under the Influence (DUI) and related offenses from a misdemeanor to a class 4 felony after three or more convictions. Includes a 5-year statutory General Fund appropriation to the Department that provides \$2,581,944 for FY 2016-17, \$6,497,158 for FY 2017-18, \$9,397,689 for FY 2018-19, and \$9,397,689 for FY 2019-20. For more information, see the corresponding bill description in the "Recent Legislation" section of the Judicial Department.

H.B. 15-1229 (Retaliation Against a Prosecutor): Creates a new class 4 felony offense for the crime of retaliation against a prosecutor. Includes a 5-year statutory General Fund appropriation to the Department that provides \$22,068 for FY 2016-17, \$22,068 for FY 2017-18, \$22,068 for FY 2018-19, and \$5,076 for FY 2019-20.

H.B. 15-1269 (Transfer Persons To and From Correctional Facility): Clarifies that mentally ill inmates may only be transferred from the Department of Corrections (DOC) to the Department Human Services (DHS) when such a transfer is done in accordance with a policy that provides for due process and in situations where the inmate cannot be safely confined in a DOC facility. Repeals the authority of the DHS to transfer non-offenders to the DOC. The DHS may only transfer a person receiving care at the Colorado Mental Health Institute at Pueblo or Fort Logan to a DOC facility if that person is serving a sentence to the DOC. The DHS is also authorized to return a person to the DOC if the inmate cannot be safely confined in the DHS facility. For more information, see the corresponding bill description in the "Recent Legislation" section of the Department of Human Services.

H.B. 15-1303 (Sentencing For Certain Second Degree Assaults): Removes mandatory sentencing as a crime of violence for second degree assault committed against a person who the defendant knew or reasonably should have known was a peace officer, firefighter, or emergency medical service provider. Such a crime is no longer automatically a crime of violence. The bill is expected to reduce costs for the Department by an indeterminate amount.

H.B. 15-1305 (Unlawful Manufacture Marijuana Concentrate): Makes it a class 2 drug felony for an unlicensed person to manufacture or permit manufacture of marijuana concentrate using a hazardous substance. Includes a 5-year statutory General Fund appropriation to the Department that provides \$22,068 for FY 2016-17, \$22,068 for FY 2017-18, and \$11,034 for FY 2018-19.

H.B. 15-1341 (Increase Penalty Sexual Exploitation of Child): Increases the penalty for certain cases of sexual exploitation of a child by possession of sexually exploitative material from a class 6 felony to a class 5 felony and modifies terms concerning electronic media that constitute sexually exploitative material. Includes a 5-year statutory General Fund appropriation to the Department that provides \$11,034 for FY 15-16, \$275,849 for FY 2016-17, \$487,701 for FY 2017-18, \$487,701 for FY 2018-19, and \$487,701 for FY 2019-20.

Department Details

DEPARTMENT OF EDUCATION

FY 2014-15 and FY 2015-16 Appropriations by Division and Bill

Department of Education						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Total Appropriation:	\$5,248,362,136	\$3,357,973,487	\$1,192,935,611	\$61,142,113	\$636,310,925	582.0
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Management and Administration	84,607,095	14,167,133	36,095,119	16,987,414	17,357,429	164.4
Assistance to Public Schools	5,139,050,663	3,329,403,791	1,155,494,278	38,247,467	615,905,127	211.9
Library Programs	9,881,787	4,202,204	271,214	2,360,000	3,048,369	38.1
School for the Deaf and the Blind	14,822,591	10,200,359	1,075,000	3,547,232	0	167.6
<u>Breakdown of Total Appropriation by Bill</u>						
HB 14-1336	4,983,060,379	3,355,683,787	960,419,839	30,693,725	636,263,028	574.8
SB 14-075	68,921	68,921	0	0	0	0.0
SB 14-124	4,000,000	0	2,000,000	2,000,000	0	1.2
SB 14-150	5,000,000	0	5,000,000	0	0	1.0
SB 14-215	2,500,000	0	2,500,000	0	0	1.0
HB 14-1085	1,920,000	960,000	0	960,000	0	1.0
HB 14-1102	1,903,178	0	1,903,178	0	0	1.0
HB 14-1118	261,561	0	261,561	0	0	0.3
HB 14-1156	791,471	791,471	0	0	0	0.0
HB 14-1175	50,000	50,000	0	0	0	0.0
HB 14-1202	142,750	142,750	0	0	0	0.0
HB 14-1276	250,000	0	250,000	0	0	0.3
HB 14-1292	179,052,176	0	179,052,176	0	0	0.0
HB 14-1298	72,000,495	0	44,500,495	27,500,000	0	1.2
HB 14-1326	7,000	7,000	0	0	0	0.0
HB 14-1376	144,216	144,216	0	0	0	0.2
HB 14-1382	47,659	47,659	0	0	0	0.0
SB 15-145	59,758	77,683	(54,210)	(11,612)	47,897	0.0
SB 15-166	(2,897,428)	0	(2,897,428)	0	0	0.0
SB 15-234	(141,471)	(141,471)	0	0	0	0.0
SB 15-235	141,471	141,471	0	0	0	0.0
FY 2015-16 Total Appropriation:	\$5,434,487,782	\$3,567,985,216	\$1,186,095,361	\$29,757,276	\$650,649,929	598.8

Department of Education						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Management and Administration	83,740,796	13,598,970	34,057,733	17,593,195	18,490,898	164.5
Assistance to Public Schools	5,326,240,233	3,538,349,545	1,150,689,837	8,150,474	629,050,377	217.1
Library Programs	8,529,170	4,787,725	272,791	360,000	3,108,654	38.1
School for the Deaf and the Blind	15,977,583	11,248,976	1,075,000	3,653,607	0	179.1
<u>Breakdown of Total Appropriation by Bill</u>						
SB 15-234	5,395,441,471	3,542,723,792	1,172,310,474	29,757,276	650,649,929	598.0
SB 15-056	935,180	0	935,180	0	0	0.0
SB 15-235	161,258	161,258	0	0	0	0.0
SB 15-267	30,000,000	25,000,000	5,000,000	0	0	0.0
SB 15-290	218,825	0	218,825	0	0	0.0
HB 15-1170	92,934	92,934	0	0	0	0.7
HB 15-1270	7,232	7,232	0	0	0	0.1
HB 15-1321	10,000,000	0	10,000,000	0	0	0.0
HB 15-1323	(2,369,118)	0	(2,369,118)	0	0	0.0
Increase/(Decrease)	\$186,125,646	\$210,011,729	(\$6,840,250)	(\$31,384,837)	\$14,339,004	16.8
Percentage Change	3.5%	6.3%	(0.6%)	(51.3%)	2.3%	2.9%

General Fund Exempt: Amounts in the General Fund column include appropriations from both the General Fund and General Fund Exempt Account. The General Fund Exempt Account was created by Referendum C, passed by Colorado voters in November 2005. Referendum C allowed the State to retain for FY 2005-06 through FY 2009-10 all revenue collected in excess of the TABOR limit and for FY 2010-11 and subsequent fiscal years all revenues in excess of the TABOR limit but less than the excess state revenues cap. The retained revenue must be placed in the General Fund Exempt Account. The table below shows the amount of General Fund that is appropriated for FY 2014-15 and FY 2015-16 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. For additional information on General Fund Exempt appropriations, see Appendix H.

General Fund Summary	Total General Fund	General Fund	General Fund Exempt
FY 2014-15	\$3,357,973,487	\$2,544,837,530	\$813,135,957
FY 2015-16	\$3,567,985,216	\$2,719,860,748	\$848,124,468

Informational Funds: The FY 2015-16 Long Bill and other legislation indicate when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Education are annotated with the "(I)". For additional information, see Appendix J.

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2015-16 Appropriations containing an (I) notation	\$667,332,102	\$0	\$3,897,434	\$12,784,739	\$650,649,929

Detail of Appropriation by Administrative Section

Management and Administration

This section provides funding for the State Board of Education, the Commissioner of Education, and general department administrative responsibilities including: human resources, budgeting, accounting, information management, assessments, and data analyses. This section also includes funding for the Office of Professional Services, the Division of On-line Learning, activities associated with educator effectiveness, and the State Charter School Institute.

Cash funds primarily include the State Education Fund, the State Public School Fund, the Educator Licensure Cash Fund, the Institute Charter School Assistance Fund, general education development (GED) program fees, and the Public School Capital Construction Assistance Fund. Reappropriated funds consist primarily of indirect cost recoveries, the transfer of funds from various cash- and federally-funded line items, and the transfer of various grants and donations originally appropriated in the Assistance to Public Schools section.

Management and Administration						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$83,942,262	\$13,782,375	\$35,851,329	\$16,999,026	\$17,309,532	164.2
HB 14-1202	142,750	142,750	0	0	0	0.0
HB 14-1298	298,000	0	298,000	0	0	0.0
HB 14-1376	144,216	144,216	0	0	0	0.2
HB 14-1382	47,659	47,659	0	0	0	0.0
SB 15-145	<u>32,208</u>	<u>50,133</u>	<u>(54,210)</u>	<u>(11,612)</u>	<u>47,897</u>	<u>0.0</u>
TOTAL	\$84,607,095	\$14,167,133	\$36,095,119	\$16,987,414	\$17,357,429	164.4
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$84,607,095	\$14,167,133	\$36,095,119	\$16,987,414	\$17,357,429	164.4
Centrally appropriated line items	2,885,238	343,377	349,934	643,952	1,547,975	0.0
Field implementation support	896,758	896,758	0	0	0	4.9
Educator licensure legal services	111,257	0	111,257	0	0	0.0
Indirect cost assessment	88,999	0	53,375	0	35,624	0.0
State Review Panel online portal	77,375	77,375	0	0	0	0.0
Security desk and measures	67,375	0	0	67,375	0	0.0
CSDB strategic plan implementation	22,787	22,787	0	0	0	0.0
Server hosting for CSI	3,496	0	0	3,496	0	0.0

Management and Administration						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Eliminate dual appropriations	0	6,530	7,275	(13,805)	0	0.0
Educator effectiveness FTE reduction	0	0	0	0	0	(6.0)
Annualize prior year budget actions	(2,531,624)	(1,698,387)	(96,472)	(95,237)	(641,528)	0.4
Assessment cost adjustments	(566,502)	0	(757,900)	0	191,398	0.0
Annualize prior year legislation	(316,769)	(316,769)	0	0	0	0.0
Basic skills placement adjustment	(270,917)	0	(270,917)	0	0	0.0
SB 15-234	\$85,074,568	\$13,498,804	\$35,491,671	\$17,593,195	\$18,490,898	163.7
SB 15-056	935,180	0	935,180	0	0	0.0
HB 15-1170	92,934	92,934	0	0	0	0.7
HB 15-1270	7,232	7,232	0	0	0	0.1
HB 15-1323	<u>(2,369,118)</u>	<u>0</u>	<u>(2,369,118)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$83,740,796	\$13,598,970	\$34,057,733	\$17,593,195	\$18,490,898	164.5
Increase/(Decrease)	(\$866,299)	(\$568,163)	(\$2,037,386)	\$605,781	\$1,133,469	0.1
Percentage Change	(1.0%)	(4.0%)	(5.6%)	3.6%	6.5%	0.1%

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 15-145 modified FY 2014-15 appropriations for centrally appropriated line items for the CORE accounting system, payments to the Governor’s Office of Information Technology, and administrative law judge services.

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; leased space; Capitol complex leased space; and payments to the Governor’s Office of Information Technology (OIT); and CORE operations.

Field implementation support: The appropriation includes an increase of \$896,758 General Fund and 4.9 FTE to continue the Department’s support of the field implementation of S.B. 10-191 (Educator Effectiveness).

Educator licensure legal services: The appropriation includes an increase of \$111,257 cash funds to allow the Educator Licensure Program to purchase an additional 1,171 hours of legal services from the Department of Law.

Indirect cost assessment: The appropriation includes a net increase in the division’s indirect cost assessment.

State Review Panel online portal: The appropriation includes an increase of \$77,375 General Fund to enhance and maintain an online system to streamline the State Review Panel's reviews of schools and school districts with improvement plans.

Security desk and measures: The appropriation includes an increase of \$67,375 reappropriated funds to improve security at the Department's headquarters building at 201 East Colfax Ave.

CSDB strategic plan implementation: The appropriation includes an increase of \$22,787 General Fund for centrally appropriated line items associated with the enhancement of services at the Colorado School for the Deaf and the Blind (CSDB) in accordance with the CSDB's strategic plan.

Server hosting for CSI: The appropriation includes an increase of \$3,496 reappropriated funds to allow the Department to host additional software and data for the State Charter School Institute (CSI).

Eliminate dual appropriations: The appropriation includes a net-zero change in total funds for centrally appropriated line items associated with the elimination of dual appropriation structures for five programs in the Department's budget pursuant to S.B. 15-108 (Direct Appropriations for CDE Programs).

Educator effectiveness FTE reduction: The appropriation reduces the FTE associated with educator effectiveness implementation based on the depletion of one-time state and federal funding supporting the program.

Annualize prior year budget actions: The appropriation includes a number of changes to the out-year impact of funding decisions made through the FY 2014-15 appropriation including:

- Annualization of the FY 2014-15 salary survey and merit pay;
- Elimination of one-time funding associated with core network and information technology improvements; and
- Elimination of one-time funding associated with updates to the statewide standardized assessment system.

Assessment cost adjustments: The appropriation includes a net decrease of \$566,502 total funds to reflect estimated contract costs for the administration of statewide standardized assessments in FY 2015-16.

Annualize prior year legislation: The appropriation includes adjustments to reflect the second-year impact of prior year legislation. The reduction is primarily driven by the elimination of one-time funding provided through H.B. 14-1202 (Local Accountability) and H.B. 14-136 (Student Opportunity Gaps).

Basic skills placement adjustment: The appropriation includes a reduction of \$270,917 cash funds from the State Education Fund based on actual utilization of the Basic Skills Placement or Assessment Program.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Assistance to Public Schools

This section includes funding that is distributed to public schools or is used to directly support public schools (e.g., federally-funded Department staff that provide technical assistance to districts concerning special education programs). This section is comprised of the following four subsections:

- **Public School Finance:** This subsection includes funding for the state share of districts' total program funding required under the School Finance Act, for other distributions that are directly related to school district pupil counts, and for administration of the School Finance Act and related programs.
- **Categorical Programs:** This subsection includes state and federal funding for all programs defined as "categorical programs" pursuant to Article IX, Section 17 of the Colorado Constitution.
- **Grant Programs, Distributions, and Other Assistance:** This subsection includes other state and federal funds that are distributed to schools and districts, or that are used to provide direct support and assistance to schools and districts.
- **Indirect Cost Assessment:** This subsection reflects all of the indirect cost assessments against fund sources within the Assistance to Public Schools division.

The changes in appropriation by subdivision and the factors driving such changes are included in tables for each subdivision.

Assistance to Public Schools						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$4,874,441,289	\$3,327,526,399	\$923,222,296	\$7,787,467	\$615,905,127	204.9
SB 14-075	68,921	68,921	0	0	0	0.0
SB 14-124	4,000,000	0	2,000,000	2,000,000	0	1.2
SB 14-150	5,000,000	0	5,000,000	0	0	1.0
SB 14-215	2,500,000	0	2,500,000	0	0	1.0
HB 14-1085	1,920,000	960,000	0	960,000	0	1.0
HB 14-1102	1,903,178	0	1,903,178	0	0	1.0
HB 14-1118	261,561	0	261,561	0	0	0.3
HB 14-1156	791,471	791,471	0	0	0	0.0
HB 14-1175	50,000	50,000	0	0	0	0.0
HB 14-1276	250,000	0	250,000	0	0	0.3
HB 14-1292	179,052,176	0	179,052,176	0	0	0.0
HB 14-1298	71,702,495	0	44,202,495	27,500,000	0	1.2
HB 14-1326	7,000	7,000	0	0	0	0.0
SB 15-166	(2,897,428)	0	(2,897,428)	0	0	0.0
SB 15-234	(141,471)	(141,471)	0	0	0	0.0
SB 15-235	<u>141,471</u>	<u>141,471</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$5,139,050,663	\$3,329,403,791	\$1,155,494,278	\$38,247,467	\$615,905,127	211.9
FY 2015-16 Appropriation:						
SB 15-234	\$5,285,860,150	\$3,513,188,287	\$1,135,471,012	\$8,150,474	\$629,050,377	217.1
SB 15-235	161,258	161,258	0	0	0	0.0

Assistance to Public Schools						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 15-267	30,000,000	25,000,000	5,000,000	0	0	0.0
SB 15-290	218,825	0	218,825	0	0	0.0
HB 15-1321	<u>10,000,000</u>	<u>0</u>	<u>10,000,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$5,326,240,233	\$3,538,349,545	\$1,150,689,837	\$8,150,474	\$629,050,377	217.1
Increase/(Decrease)	\$187,189,570	\$208,945,754	(\$4,804,441)	(\$30,096,993)	\$13,145,250	5.2
Percentage Change	3.6%	6.3%	(0.4%)	(78.7%)	2.1%	2.5%

Public School Finance

This subsection of the Assistance to Public Schools section primarily consists of appropriations for the State's share of funding required under the School Finance Act of 1994, as amended. The local share of funding (34.1 percent of the amount required under the Act for FY 2015-16 or \$2.1 billion) is not reflected in appropriations to the Department. This subsection also includes funding for other distributions that are directly related to school district pupil counts, as well as funding for staff responsible for administering the School Finance Act and the Colorado Preschool Program, for providing technical assistance and making grants for full-day kindergarten programs, and for auditing school districts to ensure compliance with the federal school lunch, public school transportation, and English language proficiency programs.

For FY 2015-16, 82.5 percent of the State's share of districts' total program funding is from the General Fund; the remainder is appropriated from two cash funds: the State Education Fund and the State Public School Fund. Administrative costs are primarily supported by transfers from the State Share of Districts' Total Program Funding, which has the effect of reducing funding that would otherwise be distributed to school districts.

School Finance Formula Overview: FY 2015-16 Funding for Public School Finance

The annual Long Bill contains appropriations based on current law. Thus, for purposes of public school finance, the annual Long Bill contains appropriations to fund public schools based on projected student enrollment, the existing statutory public school finance funding formula, and the minimum constitutionally required increase in the statewide base per-pupil funding amount. The General Assembly also passes a separate bill each year, called the school finance bill, that modifies the statutory school finance formula for the upcoming fiscal year. The school finance bill always specifies, in statute, the constitutionally required increase in the statewide base per-pupil funding amount. In addition, the school finance bill often includes other statutory modifications that increase or decrease the cost of funding public schools. The school finance bill then includes an appropriation clause which increases or decreases Long Bill appropriations for the following fiscal year accordingly.

The FY 2015-16 Long Bill (S.B. 15-234) includes appropriations sufficient to fully fund public schools based on projected student enrollment for FY 2015-16, support the minimum constitutionally required increase in the statewide base per-pupil funding amount, and maintain the negative factor as a constant dollar amount from FY 2014-15 to FY 2015-16 (\$880.2 million) as required by H.B. 14-1298. Specifically, appropriations in the Public School Finance subsection of the Long Bill increased by \$138.0 million total funds compared to FY 2014-15, as described below in the “FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions” section.

The 2015 school finance bill (S.B. 15-267) includes formula modifications that increase the cost of funding the public school finance formula for FY 2015-16. The bill includes an appropriation clause that increases appropriations for the state share of districts' total program funding for FY 2015-16 by \$25.0 million General Fund.

The largest line item appropriation within this subsection provides the State Share of Districts' Total Program Funding. The table below provides data related to this line item appropriation for both FY 2014-15 and FY 2015-16. As detailed in the table:

- Long Bill appropriations for districts' total program funding are based on the formula prior to S.B. 15-267 (School Finance). As directed by H.B. 14-1298, the Long Bill appropriation provides the increase in state funds necessary to maintain the negative factor as a constant dollar amount (\$880.2 million) from FY 2014-15 to FY 2015-16.
- Senate Bill 15-267 modifies the statutory school finance formula, increasing the costs of fully funding the formula for FY 2015-16. This bill increases districts' total program funding by \$25.0 million, provides that amount in state funds, and thus reduces the negative factor by \$25.0 million in FY 2015-16.

When the above bills are taken into account, total state and local funding for school districts for FY 2015-16 is \$306.1 million (5.2 percent) higher than for FY 2014-15. This level of funding is anticipated to increase average per-pupil funding from \$7,026 in FY 2014-15 to \$7,294 in FY 2015-16 (an increase of \$268 per pupil, or 3.8 percent).

School Finance Formula Overview					
Districts' Total Program Funding: FY 2014-15 and FY 2015-16					
School Finance: Total Program	FY 2014-15 Amended Appropriation	Long Bill (SB 15-234) Appropriation	Adjustments in SB 15-267	FY 2015-16 Appropriation	Annual Change
Funded pupil count	844,546.4	855,433.0	0.0	855,433.0	10,886.6
<i>Annual percent change</i>					<i>1.3%</i>
Statewide <u>base</u> per-pupil funding	\$6,121.00	\$6,292.39	\$0.00	\$6,292.39	\$171.39
<i>Annual percent change</i>					<i>2.8%</i>
Total program funding (<u>prior</u> to negative factor)	\$6,813,620,535	\$7,094,740,921	\$0	\$7,094,740,921	\$281,120,386
LESS: Negative factor reduction	<u>(880,176,146)</u>	<u>(880,176,146)</u>	<u>25,000,000</u>	<u>(855,176,146)</u>	<u>25,000,000</u>
EQUALS: Adjusted total program funding	\$5,933,444,389	\$6,214,564,775	\$25,000,000	\$6,239,564,775	\$306,120,386
<i>Annual percent change</i>					<i>5.2%</i>
<i>Total funds reduction as percent of "full" funding</i>	<i>-12.9%</i>	<i>-12.4%</i>		<i>-12.1%</i>	
Statewide <u>average</u> per-pupil funding	\$7,025.60	\$7,264.82	\$29.22	\$7,294.04	\$268.44
<i>Annual percent change</i>					<i>3.8%</i>
<u>Local share</u> of adjusted total program funding	\$1,982,831,906	\$2,126,243,629	\$0	\$2,126,243,629	\$143,411,723
<i>Annual percent change</i>					<i>7.2%</i>

School Finance Formula Overview					
Districts' Total Program Funding: FY 2014-15 and FY 2015-16					
School Finance: Total Program	FY 2014-15	Long Bill			Annual Change
	Amended Appropriation	(SB 15-234) Appropriation	Adjustments in SB 15-267	FY 2015-16 Appropriation	
State share of adjusted total program funding	\$3,950,612,483	\$4,088,321,146	\$25,000,000	\$4,113,321,146	\$162,708,663
<i>Annual percent change</i>					<i>4.1%</i>
<i>State share as % of Districts' Total Program</i>	<i>66.6%</i>	<i>65.8%</i>		<i>65.9%</i>	

The next table compares FY 2014-15 and FY 2015-16 appropriations for the Public School Finance subsection of the budget. This table is followed by descriptions of mid-year adjustments to FY 2014-15 appropriations and descriptions of the year-over-year funding changes that are reflected in the Long Bill (S.B. 15-234). Descriptions of the statutory changes and the appropriation changes included in bills other than the Long Bill are included in the "Recent Legislation" section at the end of the Education section.

Public School Finance						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$3,796,450,018	\$3,183,971,540	\$610,957,407	\$1,521,071	\$0	17.2
SB 14-075	68,921	68,921	0	0	0	0.0
HB 14-1292	152,552,176	0	152,552,176	0	0	0.0
HB 14-1298	18,649,267	0	18,649,267	0	0	0.7
HB 14-1326	7,000	7,000	0	0	0	0.0
SB 15-166	(2,897,428)	0	(2,897,428)	0	0	0.0
SB 15-234	0	0	0	0	0	0.0
TOTAL	\$3,964,829,954	\$3,184,047,461	\$779,261,422	\$1,521,071	\$0	17.9
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$3,964,829,954	\$3,184,047,461	\$779,261,422	\$1,521,071	\$0	17.9
Total program increase	137,708,663	183,789,887	(46,081,224)	0	0	0.0
Hold-harmless full-day kindergarten	263,851	0	263,851	0	0	0.0
Annualize prior year budget actions	66,617	0	680	65,937	0	0.0
Annualize prior year legislation	(3,292)	0	(3,292)	0	0	0.0
SB 15-234	\$4,102,865,793	\$3,367,837,348	\$733,441,437	\$1,587,008	\$0	17.9
SB 15-267	30,000,000	25,000,000	5,000,000	0	0	0.0
HB 15-1321	10,000,000	0	10,000,000	0	0	0.0
TOTAL	\$4,142,865,793	\$3,392,837,348	\$748,441,437	\$1,587,008	\$0	17.9
Increase/(Decrease)	\$178,035,839	\$208,789,887	(\$30,819,985)	\$65,937	\$0	0.0
Percentage Change	4.5%	6.6%	(4.0%)	4.3%	n/a	0.0%

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 15-166 reduces *state* funding that is distributed to public schools through the School Finance Act by \$2.9 million cash funds from the State Education Fund to account for a \$2.9 million increase in the *local* revenues available to support school finance. By maintaining total program funding at a constant level with lower-than-anticipated student counts and at-risk student counts, S.B. 15-166 reduces the negative factor by \$14.0 million in FY 2014-15. Senate Bill 15-234 modifies the FY 2014-15 appropriation to reflect the portion of the General Fund appropriation that is from the General Fund Exempt Account based on the Legislative Council Staff March 2015 revenue forecast.

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Total program increase: The Long Bill appropriation reflects a \$137,708,663 increase in state funding for the School Finance Act, including an increase of \$183,879,887 General Fund and a decrease of \$46,081,224 cash funds. The Long Bill appropriation reflects the increase in state funding necessary to maintain the negative factor as a constant dollar amount (\$880.2 million) from FY 2014-15 to FY 2015-16.

Hold-harmless full-day kindergarten: The appropriation increases funding for certain districts for full-day kindergarten based on changes in per pupil funding.

Annualize prior year budget actions: The appropriation reflects the annualization of the FY 2014-15 salary survey and merit pay.

Annualize prior year legislation: The appropriation includes a decrease of \$3,292 cash funds for the second year impact of H.B. 14-1298 (School Finance).

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Categorical Programs

This subsection includes appropriations for all "categorical programs", a term that refers to programs designed to serve particular groups of students (e.g., students with limited proficiency in English) or particular student needs (e.g., transportation). Article IX, Section 17 of the Colorado Constitution defines categorical programs and requires the General Assembly to increase total state funding for all categorical programs annually by at least the rate of inflation plus one percent for FY 2001-02 through FY 2010-11 and by at least the rate of inflation for subsequent fiscal years.

Categorical programs are funded primarily with General Fund, cash funds from the State Education Fund, and various sources of federal funds. Additional cash funds are from the Public School Transportation Fund. Reappropriated funds include federal funds transferred from the Department of Human Services.

Categorical Programs						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$443,573,176	\$141,765,474	\$135,072,018	\$104,043	\$166,631,641	72.1
HB 14-1102	<u>1,903,178</u>	<u>0</u>	<u>1,903,178</u>	<u>0</u>	<u>0</u>	<u>1.0</u>
TOTAL	\$445,476,354	\$141,765,474	\$136,975,196	\$104,043	\$166,631,641	73.1
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$445,476,354	\$141,765,474	\$136,975,196	\$104,043	\$166,631,641	73.1
Categorical programs increase	7,792,139	0	7,792,139	0	0	0.0
Annualize prior year budget actions	279,781	0	0	0	279,781	0.0
Centrally appropriated line items	(405,571)	0	0	0	(405,571)	0.0
SB 15-234	<u>\$453,142,703</u>	<u>\$141,765,474</u>	<u>\$144,767,335</u>	<u>\$104,043</u>	<u>\$166,505,851</u>	<u>73.1</u>
TOTAL	\$453,142,703	\$141,765,474	\$144,767,335	\$104,043	\$166,505,851	73.1
Increase/(Decrease)	\$7,666,349	\$0	\$7,792,139	\$0	(\$125,790)	(0.0)
Percentage Change	1.7%	0.0%	5.7%	0.0%	(0.1%)	(0.0%)

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Categorical programs increase: As required by Amendment 23, the appropriation includes a \$7,792,139 (2.8 percent) increase in *state* funding for categorical programs (based on the actual percent change in the Denver-Boulder-Greeley consumer price index in 2014). The full amount of the increase is from the State Education Fund. The following table details the allocation of the increase among categorical programs.

Long Bill Appropriation Increase in State Funding for Categorical Programs for FY 2015-16				
Long Bill Line Item	FY 2014-15 Appropriation of State Funds	Allocation of FY 2015-16 Increases in State Funds		FY 2015-16 Long Bill Appropriation of State Funds
		\$ Change	% Change	
District Programs Required by Statute				
Special education programs for children with disabilities	\$160,981,786	\$4,253,619	2.6%	\$165,235,405
English language proficiency programs	16,739,145	1,403,779	8.4%	18,142,924
Other Categorical Programs				
Public school transportation	54,217,347	1,379,914	2.5%	55,597,261
Career and technical education	24,983,788	452,860	1.8%	25,436,648
Special education programs for gifted and talented children	11,910,269	184,796	1.6%	12,095,065
Expelled and at-risk student services grant program	7,493,560	0	0.0%	7,493,560
Small attendance center aid	959,379	117,171	12.2%	1,076,550
Comprehensive health education	1,005,396	0	0.0%	1,005,396

Long Bill Appropriation Increase in State Funding for Categorical Programs for FY 2015-16				
Long Bill Line Item	FY 2014-15 Appropriation of State Funds	Allocation of FY 2015-16 Increases in State Funds		FY 2015-16 Long Bill Appropriation of State Funds
		\$ Change	% Change	
Totals	\$278,290,670	\$7,792,139	2.8%	\$286,082,809

Annualize prior year budget actions: The appropriation reflects the annualization of the FY 2014-15 salary survey and merit pay.

Centrally appropriated line items: The appropriation reflects a reduction in this subsection to consolidate leased space funding previously provided through appropriations to individual program line items into a single line item in the Management and Administration section.

Grant Programs, Distributions, and Other Assistance

This subsection includes state and federal funds that are distributed to schools and districts, or that are used to provide direct support and assistance to schools and districts, other than those programs that are defined as categorical programs. This subsection includes funding for the Public School Capital Construction Assistance Board and the Facility Schools Board.

Significant sources of cash funds include: the Public School Capital Construction Assistance Fund, the State Education Fund, moneys transferred from the Tobacco Litigation Settlement Cash Fund, the State Public School Fund, fees collected for workshops and training, and gifts, grants, and donations. Significant sources of reappropriated funds include federal child care funds transferred from the Department of Human Services, and federal Medicaid funds transferred from the Department of Health Care Policy and Financing that are used to administer the Public School Health Services Program.

The most significant sources of federal funds reflected in this subsection include the following:

- Title I of the Elementary and Secondary Education Act -- funding to improve education for children at risk of school failure, including those who live in low income communities, migrant children, and those who are neglected and delinquent;
- U.S. Department of Agriculture Food and Nutrition Service -- funding for the National School Lunch Program, which provides for reduced-cost or free meals to students; and
- Title II of the Elementary and Secondary Education Act -- funding for professional development and activities designed to improve educator quality.

<i>Grant Programs, Distributions, and Other Assistance</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$632,360,847	\$1,789,385	\$177,167,871	\$6,106,782	\$447,296,809	115.6

Grant Programs, Distributions, and Other Assistance

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 14-124	4,000,000	0	2,000,000	2,000,000	0	1.2
SB 14-150	5,000,000	0	5,000,000	0	0	1.0
SB 14-215	2,500,000	0	2,500,000	0	0	1.0
HB 14-1085	1,920,000	960,000	0	960,000	0	1.0
HB 14-1118	261,561	0	261,561	0	0	0.3
HB 14-1156	791,471	791,471	0	0	0	0.0
HB 14-1175	50,000	50,000	0	0	0	0.0
HB 14-1276	250,000	0	250,000	0	0	0.3
HB 14-1292	26,500,000	0	26,500,000	0	0	0.0
HB 14-1298	53,053,228	0	25,553,228	27,500,000	0	0.5
SB 15-234	(141,471)	(141,471)	0	0	0	0.0
SB 15-235	<u>141,471</u>	<u>141,471</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$726,687,107	\$3,590,856	\$239,232,660	\$36,566,782	\$447,296,809	120.9
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$726,687,107	\$3,590,856	\$239,232,660	\$36,566,782	\$447,296,809	120.9
Annualize prior year legislation	23,211,375	(171,684)	8,311,606	0	15,071,453	0.0
BEST cash grant adjustment	5,000,000	0	5,000,000	0	0	0.0
BEST statewide priority assessment	3,209,311	0	3,209,311	0	0	6.0
Counselor corps grant program increase	1,993,812	0	1,993,812	0	0	0.0
Annualize prior year budget actions	872,402	204,231	90,493	302,793	274,885	0.6
Eliminate dual appropriations	(30,460,000)	0	0	(30,460,000)	0	0.0
Informational funds adjustment	(2,282,422)	0	0	0	(2,282,422)	(1.4)
Centrally appropriated line items	(391,493)	(18,151)	(84,424)	(24,135)	(264,783)	0.0
Marijuana tax revenue adjustment	(219,556)	0	(219,556)	0	0	0.0
Reflect revenue estimates	(136,836)	0	(155,248)	18,412	0	0.0
Other	(161,201)	(19,787)	(141,414)	0	0	0.0
SB 15-234	\$727,322,499	\$3,585,465	\$257,237,240	\$6,403,852	\$460,095,942	126.1
SB 15-235	161,258	161,258	0	0	0	0.0
SB 15-290	<u>218,825</u>	<u>0</u>	<u>218,825</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$727,702,582	\$3,746,723	\$257,456,065	\$6,403,852	\$460,095,942	126.1
Increase/(Decrease)	\$1,015,475	\$155,867	\$18,223,405	(\$30,162,930)	\$12,799,133	5.2
Percentage Change	0.1%	4.3%	7.6%	(82.5%)	2.9%	4.3%

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 15-234 reduces FY 2014-15 appropriations for the Child Nutrition School Lunch Protection Program by \$141,471 General Fund to align with a statutory cap on appropriations for the program. Senate Bill

15-235 increases the statutory cap on appropriations for the Child Nutrition School Lunch Protection Program and appropriates \$141,471 General Fund to support the program in FY 2014-15.

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Annualize prior year legislation: The appropriation includes an increase of \$23,211,375 total funds for the second- or third-year impact of prior year legislation, including the following significant changes:

- Increase of \$15,071,453 federal funds for the annualization of H.B. 13-1006 (Breakfast After the Bell); and
- Increase of \$8,500,000 million cash funds associated with public school capital construction to annualize H.B. 14-1292 (Student Success).

BEST cash grant adjustment: The appropriation includes an increase of \$5,000,000 cash funds from the Public School Capital Construction Assistance Fund to support cash grants to be awarded by the Building Excellent Schools Today (BEST) Program in FY 2015-16.

BEST statewide priority assessment: The appropriation includes an increase of \$3,209,311 cash funds from the Public School Capital Construction Assistance Fund and 6.0 FTE to reconfigure the Building Excellent Schools Today (BEST) priority assessment database and provide additional assistance to schools and school districts applying for funding from the BEST program in response to a September 2013 performance audit.

Counselor corps grant program increase: The appropriation includes an increase of \$1,993,812 cash funds from the State Education Fund for the Counselor Corps Grant Program.

Annualize prior year budget actions: The appropriation includes a number of changes to reflect the out-year impact of funding decisions made through the FY 2014-15 appropriation, including the following significant increases:

- \$558,985 total funds (including \$272,738 General Fund) associated with the Start Smart Nutrition Program; and
- \$385,426 total funds (including \$3,502 General Fund) for the annualization of the FY 2014-15 salary survey and merit pay.

Eliminate dual appropriations: The appropriation includes a reduction of \$30,460,000 total funds to eliminate a dual appropriation structure for four programs in this subsection pursuant to S.B. 15-108 (Direct Appropriations for CDE Programs).

Informational funds adjustment: The appropriation includes a reduction of \$2,282,422 federal funds and 1.4 FTE shown for informational purposes to reflect a reduction in federal grant funds available for the Office of Dropout Prevention and Student Reengagement as a result of the expiration a federal grant.

Centrally appropriated line items: The appropriation reflects a reduction in this subsection to consolidate leased space funding previously provided through appropriations to individual program line items into a single line item in the Management and Administration section.

Marijuana tax revenue adjustment: The appropriation includes a decrease of \$219,556 cash funds based on the Legislative Council revenue forecast of available funds in the Marijuana Tax Cash Fund in FY 2015-16.

Reflect revenue estimates: The appropriation includes a net reduction of \$136,836 total funds to reflect updated revenue estimates for specific fund sources.

Other: The appropriation includes other minor adjustments.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Indirect Cost Assessment

This subsection, created in the FY 2013-14 Long Bill, reflects all of the indirect cost assessments against fund sources within the Assistance to Public Schools division. Major fund sources include federal funds in the Special Education Programs for Children with Disabilities line item and the Appropriated Sponsored Programs line item, with relatively minor contributions from cash and reappropriated fund sources within the division.

<i>Indirect Cost Assessment</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	<u>\$2,057,248</u>	<u>\$0</u>	<u>\$25,000</u>	<u>\$55,571</u>	<u>\$1,976,677</u>	<u>0.0</u>
TOTAL	\$2,057,248	\$0	\$25,000	\$55,571	\$1,976,677	0.0
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$2,057,248	\$0	\$25,000	\$55,571	\$1,976,677	0.0
Indirect cost assessment	471,907	0	0	0	471,907	0.0
SB 15-234	<u>\$2,529,155</u>	<u>\$0</u>	<u>\$25,000</u>	<u>\$55,571</u>	<u>\$2,448,584</u>	<u>0.0</u>
TOTAL	\$2,529,155	\$0	\$25,000	\$55,571	\$2,448,584	0.0
Increase/(Decrease)	\$471,907	\$0	\$0	\$0	\$471,907	0.0
Percentage Change	22.9%	n/a	0.0%	0.0%	23.9%	n/a

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Indirect cost assessment: The appropriation includes a net increase in the division's indirect cost assessment.

Library Programs

This section contains appropriations for all library-related programs and staff. There are approximately 1,800 publicly-funded libraries in Colorado, including libraries operated by school districts, higher education institutions, and counties and municipalities, as well as institutional libraries (e.g., nursing homes, correctional institutions, etc.). State library programs, which provide support to locally-funded libraries, are primarily supported by General Fund and federal funds.

Cash fund sources include grants and donations. Reappropriated funds are transferred from the Colorado Disabled Telephone Users Fund to the Reading Services for the Blind Cash Fund and are used to support privately operated reading services for the blind.

Library Programs						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	<u>\$9,881,787</u>	<u>\$4,202,204</u>	<u>\$271,214</u>	<u>\$2,360,000</u>	<u>\$3,048,369</u>	<u>38.1</u>
TOTAL	\$9,881,787	\$4,202,204	\$271,214	\$2,360,000	\$3,048,369	38.1
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$9,881,787	\$4,202,204	\$271,214	\$2,360,000	\$3,048,369	38.1
State grants to libraries increase	500,000	500,000	0	0	0	0.0
Annualize prior year budget actions	97,383	35,521	1,577	0	60,285	0.0
Reading services for the blind increase	50,000	50,000	0	0	0	0.0
Eliminate dual appropriations	(2,000,000)	0	0	(2,000,000)	0	0.0
SB 15-234	<u>\$8,529,170</u>	<u>\$4,787,725</u>	<u>\$272,791</u>	<u>\$360,000</u>	<u>\$3,108,654</u>	<u>38.1</u>
TOTAL	\$8,529,170	\$4,787,725	\$272,791	\$360,000	\$3,108,654	38.1
Increase/(Decrease)	(\$1,352,617)	\$585,521	\$1,577	(\$2,000,000)	\$60,285	0.0
Percentage Change	(13.7%)	13.9%	0.6%	(84.7%)	2.0%	0.0%

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

State grants to libraries increase: The appropriation includes an increase of \$500,000 General Fund for the State Grants to Publicly-Supported Libraries Program.

Annualize prior year budget actions: The appropriation reflects the annualization of the FY 2014-15 salary survey and merit pay.

Reading services for the blind increase: The appropriation includes an increase of \$50,000 General Fund for the Reading Services for the Blind program.

Eliminate dual appropriations: The appropriation includes a reduction of \$2,000,000 reappropriated funds to eliminate a dual appropriation structure for the state grants to publicly-supported libraries program pursuant to S.B. 15-108 (Direct Appropriations for CDE Programs).

School for the Deaf and the Blind

This section contains appropriations for the operation of the Colorado School for the Deaf and the Blind (CSDB), which is located in Colorado Springs. The CSDB provides educational services for children throughout the state who are deaf, hearing impaired, blind, or visually impaired, and under the age of 21. In FY

2013-14, the School had a total enrollment of 504 children, including 289 infants and toddlers served off campus and 215 students (ages 3 to 21) who received services on campus.

The primary source of funding for the CSDB is General Fund. However, the CSDB also receives State Education Fund moneys that are reappropriated from the Facility School Funding line item. Similar to community-based residential facilities that operate education programs, the CSDB is permitted to receive up to 1.73 times the *statewide base per pupil funding* level, based on the number of instructional days in the School's calendar. The CSDB also receives other sources of state and federal funding (e.g., Medicaid and nutrition funding), tuition from other states that place children at CSDB, payments from school districts that place students at CSDB on a short-term basis for diagnostic purposes, and various grants and fees. The General Assembly appropriates state General Fund moneys to cover operating costs that are not covered by other funding sources.

School for the Deaf and the Blind						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$14,795,041	\$10,172,809	\$1,075,000	\$3,547,232	\$0	167.6
SB 15-145	<u>27,550</u>	<u>27,550</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$14,822,591	\$10,200,359	\$1,075,000	\$3,547,232	\$0	167.6
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$14,822,591	\$10,200,359	\$1,075,000	\$3,547,232	\$0	167.6
CSDB strategic plan implementation	907,890	822,244	0	85,646	0	11.5
Annualize prior year budget actions	124,916	123,780	0	1,136	0	0.0
CSDB teacher salary adjustment	102,391	102,391	0	0	0	0.0
CSDB utilities	20,220	20,220	0	0	0	0.0
Fund source adjustments	0	(19,593)	0	19,593	0	0.0
Centrally appropriated line items	(425)	(425)	0	0	0	0.0
SB 15-234	<u>\$15,977,583</u>	<u>\$11,248,976</u>	<u>\$1,075,000</u>	<u>\$3,653,607</u>	<u>\$0</u>	<u>179.1</u>
TOTAL	\$15,977,583	\$11,248,976	\$1,075,000	\$3,653,607	\$0	179.1
Increase/(Decrease)	\$1,154,992	\$1,048,617	\$0	\$106,375	\$0	11.5
Percentage Change	7.8%	10.3%	0.0%	3.0%	n/a	6.9%

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 15-145 modified the FY 2014-15 appropriation to support additional utilities expenses at the CSDB.

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

CSDB strategic plan implementation: The appropriation includes an increase of \$907,890 total funds (including \$822,244 General Fund) and 11.5 FTE for the Colorado School for the Deaf and the Blind (CSDB) to enhance school services in accordance with the school's strategic plan.

Annualize prior year budget actions: The appropriation reflects the annualization of the FY 2014-15 salary survey and merit pay.

CSDB teacher salary adjustment: The appropriation includes an increase of \$102,391 General Fund for salary increases for teachers employed at the Colorado School for the Deaf and the Blind based on the Colorado Springs District 11 salary schedule, as required by Section 22-80-106.5, C.R.S.

CSDB utilities: The appropriation includes an increase of \$20,220 General Fund to support increased utility costs at the Colorado School for the Deaf and the Blind.

Fund source adjustments: The appropriation includes a decrease in General Fund which is offset by an increase in reappropriated funds.

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for shift differential and vehicle lease payments.

Recent Legislation

2014 Session Bills

S.B. 14-075 (Deployed Military Motor Vehicle Fees and Taxes): Exempts members of the United States armed forces who are Colorado residents and deployed outside of the U.S. for a full year from paying certain motor vehicle registration fees. Decreases local revenues available for public school finance by an estimated \$68,921 for FY 2014-15 and increases the state share of districts' total program funding to offset the anticipated decrease. Appropriates \$68,921 General Fund to the Department of Education for FY 2014-15. For additional information, see the corresponding bill description at the end of Part III for the Department of Revenue.

S.B. 14-124 (School Turnaround Leaders Development Program): Repeals the School Leadership Academy Program and creates the School Turnaround Leaders Development Program in the Department of Education. Requires the Department of Education to contract with providers of high quality turnaround leadership development programs and award grants to school districts to develop turnaround leaders. Requires the State Board of Education to adopt rules to implement the new program. For FY 2014-15, appropriates \$2,000,000 cash funds from the State Education Fund into the School Turnaround Leaders Development Fund created in the bill and reappropriates those funds and 1.2 FTE to the Department of Education.

S.B. 14-150 (School Counselor Corps Program): Modifies the School Counselor Corps Grant Program in the Department of Education. Redefines "secondary school" to include any school with grades 6-12; requires grant recipients to use state guidelines when implementing counseling programs; modifies grant award criteria; increases the statutory limit on grant awards from \$5.0 million per year to \$10.0 million per year; and requires the Department of Education to provide support to secondary schools to train principals on the most effective use of the program. Also creates the School Counselor Corps Advisory Board to review and evaluate grant applications and make recommendations to the Department of Education and the State Board of Education. Appropriates \$5,000,000 cash funds from the State Education Fund and 1.0 FTE to the Department of Education for FY 2014-15. Please note that H.B. 14-1298 reduces the appropriation in S.B. 14-150 by \$2.0 million for FY 2014-15.

S.B. 14-215 (Disposition of Legal Marijuana Related Revenues): Creates the Marijuana Tax Cash Fund (MTCF) and directs that all sales tax moneys collected by the state starting in FY 2014-15 from retail and medical marijuana be deposited in the MTCF instead of the Marijuana Cash Fund. Specifies permissible uses of moneys in the MTCF. Relevant to the Department of Education, allows use of funds to increase the availability of school-based prevention, early intervention, and health care services and programs to reduce the risk of marijuana and other substance use and abuse by school-aged children.

Creates the school health professional grant program in the department of education to provide matching grants to education providers to enhance the presence of school health professionals in secondary schools throughout the state and to facilitate better screening, education, and referral care coordination for secondary school students with substance abuse and other behavioral health needs.

Appropriates \$2,500,000 cash funds from the MCTF and 1.0 FTE to the Department of Education for FY 2014-15 for the matching grant program. For additional information, see the corresponding bill description at the end of Part III for the Department of Revenue.

H.B. 14-1085 (Adult Education and Literacy): Creates an adult education and literacy grant program in the Department of Education to provide state funding for adult education and literacy programs that participate in workforce development partnerships. Requires the State Board of Education to adopt rules for the new program. Requires grant recipients to provide specific information to the Department of Education and requires the Department of Education to annually evaluate the effectiveness of the program and submit an annual report to the Governor's office, the State Board of Education, and the General Assembly. Creates the Adult Education and Literacy Grant Fund to support the program. For FY 2014-15, reduces the Long Bill appropriation to the Controlled Maintenance Trust Fund by \$960,000 General Fund, appropriates that amount of General Fund to the Adult Education and Literacy Grant Fund, and reappropriates that amount from the Adult Education and Literacy Fund and 1.0 FTE to the Department of Education.

H.B. 14-1102 (Gifted Education Programs): Modifies the statutes concerning the education of gifted students and the requirements for gifted education programs in public K-12 schools. Modifies requirements for administrative units' gifted education plans and requires the State Board of Education to adopt rules as necessary to implement the bill. Codifies the State Gifted Education Advisory Committee. Among other changes, strongly encourages administrative units to implement universal screening to identify gifted students no later than second grade and requires administrative units to make a good faith effort to hire a qualified individual to administer gifted education programs on at least a half-time basis. Requires the General Assembly to appropriate funds to offset the costs of universal screening and hiring 0.5 FTE qualified personnel for each district. Allows administrative units to apply for grants to reimburse costs for screening students and hiring qualified personnel; and directs the Department of Education to distribute funds in the order applications are received in the event that appropriations are not sufficient to cover all costs. Appropriates \$1,903,178 cash funds from the State Education Fund and 1.0 FTE to the Special Education for Gifted and Talented Children categorical program within the Department of Education for FY 2014-15.

H.B. 14-1118 (Advanced Placement Incentives Pilot Program): Creates the Advanced Placement Incentives Pilot Program in the Department of Education to provide supplemental funding to rural school districts (as identified by the State Board of Education) or rural schools that offer advanced placement courses. Specifies requirements for districts participating in the program. Directs the Department of Education to distribute \$500 to participating rural schools for each student that completes an advanced placement course and who subsequently takes the advanced placement exam. Specifies permissible uses of funds by participating schools. Limits participation to the first 475 students from rural schools participating in the program. Appropriates

\$261,561 cash funds from the State Education Fund and 0.3 FTE to the Department of Education for FY 2014-15.

H.B. 14-1156 (Eligibility Age School Lunch Protection Program): Expands statutory eligibility for the Child Nutrition School Lunch Protection Program to include students through fifth grade (rather than second grade as under current law). For FY 2014-15: (1) reduces the Long Bill appropriation to the Controlled Maintenance Trust Fund by \$791,471 General Fund; and (2) appropriates \$791,471 General Fund to the Department of Education.

H.B. 14-1175 (Minority K-12 Teachers Study Strategies Report): Requires the Department of Education to study and develop strategies to increase the recruitment, preparation, development, and retention of high-quality minority teachers. Requires the Department to prepare and submit a report on its findings to the Governor's Office, the State Board of Education, and the Education Committees of the General Assembly by December 1, 2014. For FY 2014-15: (1) reduces the Long Bill appropriation to the Controlled Maintenance Trust Fund by \$50,000 General Fund; and (2) appropriates \$50,000 General Fund to the Department of Education.

H.B. 14-1202 (Local Accountability Requirements for School Districts): Creates the Standards and Assessment Task Force (task force) to study how the statewide assessment system is administered, how data are used, and the impact of statewide student assessments on local testing systems, instructional time, and administrative workload for school districts and public schools. Requires the Department of Education to provide information and staff support to the task force upon the request of the task force. Requires the task force and the Department of Education to prepare a final report of findings and legislative recommendations and present those to the Joint Education Committee of the General Assembly by January 31, 2015. For FY 2014-15: (1) reduces the Long Bill appropriation to the Controlled Maintenance Trust Fund by \$142,750 General Fund; (2) appropriates \$142,750 General Fund to the Department of Education; and (3) reappropriates \$20,000 of that amount to the Department of Law for the provision of legal services.

H.B. 14-1250 (School District Payments for Floods and Total Program): For FY 2013-14 only, directs the State Board of Education to provide supplemental assistance from the Contingency Reserve Fund to school districts that experienced any of the following conditions: (1) a reduction of 15 or more funded pupils caused by pupil displacement from the September 2013 floods; (2) flood-related transportation costs; (3) decreases of more than \$500 in total program per pupil funding as a result of unexpected decreases in assessed valuation; or (4) significant decreases in per pupil revenue as a result of unexpected increases in pupil counts. For FY 2013-14, appropriates \$1,733,884 General Fund to the Contingency Reserve Fund and reappropriates that amount to the Department of Education.

H.B. 14-1251 (Mid-year School Finance Adjustments): Makes mid-year adjustments to school finance-related appropriations of state funds for FY 2013-14. As detailed in the following table, increase *state* total program funding for public schools for FY 2013-14 by \$55.4 million. The increase is based on: (1) an \$18.5 million increase in total program funding for FY 2013-14 (including state and local shares) based on the actual student count that occurred in October 2013; and (2) a \$36.9 million shortfall in local tax revenues for school finance below the amount anticipated in the original FY 2013-14 appropriation. Absent legislative action, the combination of increased total program funding and reduced local tax revenues would have required the Department of Education to increase the size of the statutory school finance formula's negative factor by \$55.4 million, causing per pupil funding to decrease by \$66.72, on average, below the amount anticipated by districts.

House Bill 14-1251: Adjustments to FY 2013-14 School Finance Appropriations			
	Initial Appropriation	Mid-year Adjustment	Adjusted Appropriation
<u>State Share of Districts' Total Program Funding</u>			
General Fund	\$2,933,673,790	\$51,637,093	\$2,985,310,883
Cash Funds: State Education Fund	523,620,586	3,800,402	527,420,988
Cash Funds: State Public School Fund	<u>75,368,389</u>	<u>0</u>	<u>75,368,389</u>
Total State Funds	\$3,532,662,765	\$55,437,495	\$3,588,100,260

H.B. 14-1276 (Grant Program to Train High School Students in CPR): Creates a grant program in the Department of Education to provide funding for public high schools that provide hands-on training for students in cardiopulmonary resuscitation (CPR) and the use of an automated external defibrillator. Requires the State Board of Education to adopt rules for the program. Creates the School Cardiopulmonary Resuscitation and Automated External Defibrillator Training Fund. For FY 2014-15: (1) reduces the Long Bill appropriation to the Controlled Maintenance Trust Fund by \$250,000 General Fund (which the bill transfers to the School Cardiopulmonary Resuscitation and Automated External Defibrillator Training Fund); and (2) appropriates \$250,000 cash funds from the School Cardiopulmonary Resuscitation and Automated External Defibrillator Training Fund and 0.3 FTE to the Department of Education.

H.B. 14-1292 (Student Success Act): Amends the “Public School Finance Act of 1994” and other statutory provisions to provide funding for school districts for FY 2014-15, making the following changes:

- Appropriates funds to reduce the value of the negative factor by \$152.4 million compared to current law (the Long Bill appropriation) and \$110.0 million below the negative factor amount in FY 2013-14. Increases *statewide average per pupil funding* by \$180.28 relative to current law (the Long Bill appropriation).
- Increases the required annual appropriation from the State Education Fund for *state aid for charter school facilities* from \$7.0 million in FY 2013-14 to \$13.5 million in FY 2014-15 and \$19.0 million in FY 2015-16 and subsequent years.
- Makes a one-time transfer of \$6.5 million cash funds from the State Education Fund to the State Charter School Debt Reserve Fund in FY 2014-15.
- Increases the annual statutory transfer from the State Education Fund to the Early Literacy Fund by \$20.0 million in FY 2014-15 (from \$16.0 million in FY 2013-14 to \$36.0 million in FY 2014-15 and subsequent years. (This transfer is reduced by \$2.0 million in FY 2014-15 by H.B. 14-1298, discussed below).
- Changes financial reporting requirements for public school districts and schools.
- Requires the Department of Education to contract for the development of a single website to display comparable financial data for schools and school districts statewide. Creates the Financial Reporting Fund, transfers \$3.0 million cash funds from the State Education Fund to the Financial Reporting Fund in FY 2014-15 and continuously appropriates those funds to the Department of Education for FY 2014-15 through FY 2017-18 for system development.

House Bill 14-1292: FY 2014-15 Appropriations		
Purpose	Amount	Fund Source
<i>Section 21 (1): Long Bill Adjustments Related to School Finance Formula Changes</i>		
(a) State Share of Districts' Total Program Funding	\$152,358,980	Cash Funds - State Education Fund (SEF)
(b) Hold-harmless Full-day Kindergarten Funding	193,196	Cash Funds - SEF
Subtotal: Adjustments Related to Statutory Changes to School Finance Formula	\$152,552,176	Cash Funds - SEF

House Bill 14-1292: FY 2014-15 Appropriations		
Purpose	Amount	Fund Source
<i>Section 21 (1): Other Long Bill Adjustments And Appropriations</i>		
(c) State Aid to Charter School Facilities	6,500,000	Cash Funds - SEF
<i>Section 21: New Appropriations</i>		
(2) Early Literacy Program	20,000,000	Cash Funds - Early Literacy Fund from SEF
Total Appropriations	\$179,052,176	Total Funds
	159,052,176	Cash Funds - SEF
	20,000,000	Other Cash Funds

Also adjusts footnote #5 in the FY 2014-15 Long Bill (H.B. 14-1336) to increase the amount of funding that the Department may use to fund students in the Accelerating Students Through Concurrent Enrollment (ASCENT) Program from \$4,419,336 to \$4,536,864.

H.B. 14-1298 (School Finance): Amends the “Public School Finance Act of 1994” and other statutory provisions to provide funding for school districts for FY 2014-15, making the following changes.

- Increases the *statewide base per pupil funding* amount from \$5,954.28 to \$6,121.00 (2.8 percent) to account for the annual change in the Denver-Boulder consumer price index in CY 2013.
- For FY 2014-15, increases the specified minimum total program funding amount that results after the application of the *negative factor* by \$152.4 million.
- Limits the dollar amount of the negative factor in FY 2015-16 to be less than or equal to the value of the negative factor for FY 2014-15.
- Repeals and reenacts the English Language Proficiency Act. Among other changes, allows local education providers to receive state funding for each English language learner (ELL) student for up to five years, compared to two years per student under current law. Changes reporting requirements associated with ELL programs for local education providers and for the Department of Education. Modifies oversight, monitoring, and technical assistance requirements for the Department of Education.
- Creates the Professional Development and Student Support Program to distribute funds to districts with ELL students on a per pupil basis and specifies the method of distribution of those funds. Creates the Professional Development and Student Support Fund (PDSSF) to support the program. Appropriates \$27.0 million cash funds from the State Education Fund into the PDSSF for FY 2014-15 and reappropriates those funds to the Department of Education.
- Creates the English Language Proficiency Act Excellence Award Program to award grants to local education providers and charter schools that achieve the highest English language and academic growth among ELL students and the highest academic achievement for ELL students who transition out of the English Language Proficiency Program. Creates the Excellence Awards Fund to support the program, appropriates \$500,000 from the State Education Fund into the new cash fund in FY 2014-15 and reappropriates those funds to the Department of Education for distribution to local education providers.
- Increases the authorized number of participants in the Colorado Preschool Program by \$5,000 half-day slots and allows school districts flexibility to use the additional slots for half-day preschool, full-day preschool, or full-day kindergarten programs.
- Clarifies the method used to calculate the cost of living factor in years when average teacher salaries either decline or increase by less than 1.0 percent.
- Applies statutory minimum per pupil funding to all charter schools.

- Increases the FY 2014-15 Long Bill appropriation for Boards of Cooperative Educational Services (BOCES) by \$2.0 million.
- Reduces the annual transfer from the State Education Fund to the Early Literacy Fund in FY 2014-15 and subsequent years from \$20.0 million (as established in H.B. 14-1292) to \$18.0 million.
- Reduces the FY 2014-15 appropriation for the School Counselor Corps Grant Program in S.B. 14-150 from \$5.0 million to \$3.0 million.

The following table details the appropriations in H.B. 14-1298.

House Bill 14-1298: FY 2014-15 Appropriations		
Purpose	Amount	Fund Source
Section 26 Adjustment to H.B. 14-1292 (Student Success Act)		
Early Literacy Program	(\$2,000,000)	Early Literacy Fund from the State Education Fund (SEF)
Section 27: Adjustment to S.B. 14-150 (School Counselor Corps Grant Program)		
School Counselor Corps Grant Program	(2,000,000)	Cash Funds - SEF
Sections 28 and 31: Long Bill Adjustments Related to School Finance Formula Changes/1		
(28) (1) State Share of Districts' Total Program Funding	(30,384,050)	Cash Funds - SEF
(28) (2) State Share of Districts' Total Program Funding	30,384,050	Cash Funds - State Public School Fund
(31) (1) State Share of Districts' Total Program Funding	18,585,660	Cash Funds - SEF
Subtotal: Adjustments Related to Statutory Changes to School Finance Formula	<u>\$18,585,660</u>	Total Funds
	(11,798,390)	Cash Funds - SEF
	30,384,050	Cash Funds - State Public School Fund
Section 29: Other Long Bill Adjustments And Appropriations		
(1) (a) BOCES Funding per Section 22-5-122, C.R.S.	2,000,000	Cash Funds - SEF
(1) (b) English Language Learners Technical Assistance	53,228	Cash Funds - SEF (includes 0.5 FTE)
(1) (c) Public School Finance Administration	63,607	Cash Funds - SEF (includes 0.7 FTE)
(2) Controlled Maintenance Trust Fund	(68,084)	General Fund
Section 32: New Appropriations		
(1) Excellence Awards Fund	500,000	Cash Funds - SEF
(1) English Language Proficiency Act Excellence Awards Program	500,000	Reappropriated Funds
(2) Department of Human Services Child Care Licensing and Administration	68,084	General Fund (includes 1.1 FTE)
(3) Implementation of Section 22-2-134, C.R.S.	298,000	Cash Funds - SEF
(4) Professional Development and Student Support Fund	27,000,000	Cash Funds - SEF
(4) Professional Development and Student Support Program	27,000,000	Reappropriated Funds
Total Appropriations	<u>\$72,000,495</u>	Total Funds
	0	General Fund
	16,116,445	Cash Funds - SEF
	28,384,050	Other Cash Funds
	27,500,000	Reappropriated Funds

/1 Section 31 took effect because House Bill 14-1292 (Student Success Act) became law. Section 30 of H.B. 14-1298 would have taken effect if H.B. 14-1292 did *not* become law. Because H.B. 14-1292 became law, this table only shows the appropriation in Section 31.

H.B. 14-1326 (Tax Incentive for Alternative Fuel Trucks): Makes changes to areas of tax policy affecting low-emission and alternative fuel vehicles. Reduces local revenues anticipated to be available for public school finance by an estimated \$7,000 in FY 2014-15. Appropriates \$7,000 General Fund to the Department of Education for FY 2014-15 to offset the anticipated decline in local revenues. For additional information, see the corresponding bill description in Part III for the Department of Revenue.

H.B. 14-1336 (Long Bill): General appropriations act for FY 2014-15.

H.B. 14-1376 (Analysis of Student Opportunity Gaps): Requires the Department of Education to create a core course level participation report, including student participation in each core course level disaggregated by student groups and, when available, the proficiency levels of students in each core course level as measured on statewide assessments, disaggregated by student groups, no later than November 1, 2014. Requires the Department of Education to work with public schools and school districts during the 2014-15 and 2015-16 school years to refine the report. Beginning with the 2016-17 school year, requires public schools and school districts to use the data in the course performance report when preparing school or district performance or improvement plans under state accountability laws to address disparities in proficiency. For FY 2014-15, provides \$144,216 General Fund and 0.2 FTE to the Department of Education.

H.B. 14-1382 (K-12 On-line Education): Modifies statutes concerning on-line education programs and on-line schools. Creates a task force to review best practices and policies for authorizing and administering multi-district on-line schools, to recommend the State Board of Education quality standards and practices for authorizers, and to recommend to the State Board of Education and the General Assembly the regulatory and statutory changes that are necessary to certify authorizers of multi-district on-line schools. Specifies the duties of the task force. Directs the Commissioner of Education to appoint members to the task force and specifies criteria for appointment. Allows the Department of Education to contract with an outside entity to provide facilitation services or other assistance to the task force. Requires the task force to submit written recommendations to the State Board of Education and to the Education Committees of the General Assembly no later than January 1, 2015. Also requires on-line programs and on-line schools to document students' compliance with compulsory attendance requirements. For FY 2014-15, provides \$47,659 General Fund to the Department of Education.

2015 Session Bills

S.B. 15-056 (Frequency of Statewide Social Studies Testing): Modifies requirements related to the Department of Education's administration of statewide standardized social studies assessments. Continues to require the Department to administer social studies assessments to students enrolled in a single specified elementary school grade, middle school grade, and high school grade but prohibits administration in grade twelve. Contingent on H.B. 15-1323 or S.B. 15-257 becoming law, requires the Department of Education to administer the assessment to a representative sample of schools annually so long as it administers the assessment in each public school at least once every three years. Allows school districts and charter schools to request to have the assessment administered in years when they would otherwise not be part of the representative sample and requires the Department of Education to administer the assessment in any such school in the year following the request. Contingent on H.B. 15-1323 or S.B. 15-257 becoming law, appropriates \$935,180 cash funds from the State Education Fund to the Department of Education for FY 2015-16. Because H.B. 15-1323 became law, the appropriation is effective for FY 2015-16.

S.B. 15-111 (Educator Licensure Cash Fund Continuous Appropriation): Extends the continuous appropriation of the Educator Licensure Cash Fund to the Department of Education through FY 2017-18. Prior law continuously appropriated the Educator Licensure Cash Fund to the Department for FY 2011-12 through FY 2014-15; S.B. 15-111 extends the continuous appropriation for three additional fiscal years.

S.B. 15-145 (Supplemental Bill): Supplemental appropriation to the Department of Education to modify appropriations for FY 2014-15.

S.B. 15-166 (Current Year Adjustments for School Finance): Makes mid-year adjustments to school finance-related appropriations of state funds for FY 2014-15. Decreases *state* total program funding in FY 2014-15 by \$2.9 million cash funds from the State Education Fund to account for a \$2.9 million increase in *local* revenues available for school finance and maintain a constant level of total program funding. Maintaining a constant level of total program funding with lower-than-anticipated pupil counts and at-risk pupil counts reduced the negative factor in FY 2014-15 by \$14.0 million.

S.B. 15-234 (Long Bill): General appropriations act for FY 2015-16. Also includes supplemental adjustments to FY 2014-15 appropriations for the Department of Education.

S.B. 15-235 (Increasing Cap on Appropriation for School Lunch Protection Program): Increases the statutory cap on appropriations to support the Child Nutrition School Lunch Protection Program from \$1.5 million per year to \$2.5 million per year, beginning in FY 2014-15. Makes the following appropriations to the Department of Education for the Child Nutrition School Lunch Protection Program: (1) \$141,471 General Fund for FY 2014-15; and (2) \$161,258 General Fund for FY 2015-16.

S.B. 15-267 (School Finance): Amends the “Public School Finance Act of 1994” and other statutory provisions to provide funding for school districts for FY 2015-16, making the following changes:

- Increases the *statewide base per pupil funding* amount from \$6,121.00 to \$6,292.39 (2.8 percent) to account for the annual change in the Denver-Boulder-Greeley consumer price index in CY 2014.
- For FY 2015-16, increases the specified minimum total program funding amount that results after the application of the *negative factor* by \$25.0 million.
- Limits the dollar amount of the negative factor in FY 2016-17 to be less than or equal to the value of the negative factor for FY 2015-16.
- Repeals the “minimum state aid” requirement in the School Finance Act which had been suspended for FY 2010-11 through FY 2014-15 but was to be reinstated in FY 2015-16 under current law.
- Creates an “at-risk per pupil additional funding” distribution outside of the school finance formula and directs the Department to distribute funds to school districts based on the number of at-risk students in the school district.
- Increases the transfer of interest and income earned on the Public School (Permanent) Fund to the State Public School Fund by \$5.0 million per year beginning in FY 2015-16 and appropriates the additional \$5.0 million in FY 2015-16 to support the newly created at-risk per pupil additional funding distribution.

Makes the following appropriations to the Department of Education for FY 2015-16: (1) \$25.0 million General Fund for the state share of districts’ total program funding; and (2) \$5.0 million cash funds from the State Public School Fund (originally from interest and income earned on the Permanent Fund) for at-risk per pupil additional funding.

S.B. 15-290 (Colorado Student Leaders Institute): Creates the Colorado Student Leaders Institute, a competitive summer residential education program for high school students. Creates an executive governing board for the institute and sets the conditions for the board's composition and selection. Sets minimum requirements for curriculum, enrichment activities, and student participation and limits participation to no more than 100 students annually. Authorizes the institute to solicit gifts, grants, and donations, and deposits any such revenues in the Colorado Student Leaders Cash Fund (created in the bill), and continuously appropriates all revenues in the cash fund to the institute's executive board. For FY 2015-16, makes the following appropriations: \$218,825 cash funds from the State Education Fund to the Department of Education to be transferred to the Office of the Lieutenant Governor; and \$218,825 reappropriated funds and 1.0 FTE to the Office of the Lieutenant Governor.

H.B. 15-1170 (Increasing Postsecondary and Workforce Readiness): Creates the position of postsecondary and workforce readiness statewide coordinator within the Department of Labor and Employment to work with local education providers, businesses, industry, area vocational schools, community colleges, the Department of Education, the Department of Higher Education, and the career and technical education division within the community college system to raise the level of postsecondary and workforce readiness achieved by high school students. Beginning in FY 2016-17, modifies the statewide education accountability system by requiring the Department of Education to include the percentages of high school graduates who enroll in a career and technical education program, community college, or four-year institution of higher education as measures of postsecondary and workforce readiness. For FY 2015-16, makes the following appropriations: \$92,934 General Fund and 0.7 FTE to the Department of Education; \$118,969 General Fund and 1.0 FTE to the Department of Labor and Employment (CDLE); and \$20,000 reappropriated funds (from the appropriation to the CDLE) to the Office of the Governor for information technology services provided to the CDLE.

H.B. 15-1270 (Pathways in Technology Early College High Schools): Authorizes the creation of Pathways in Technology Early College High Schools (P-Tech schools). A P-Tech school is a public school that includes grades 9 through 14 and is designed to prepare students for careers in industry by enabling students to graduate with both a high school diploma and an associate degree. A P-Tech school is operated as a collaborative effort by a local education provider such as a school district, a community college, and one or more industry employers. A P-tech school, in contrast to other early colleges, focuses specifically on science, technology, engineering, and mathematics, and includes two additional years of high school (grades 13 and 14). A P-Tech school is funded through the annual School Finance Act, and a district with a P-Tech school may include the P-Tech school's students in grades 9-12 in the school district's pupil enrollment. Students in grades 13 and 14 are funded at the fixed per pupil amount established annually for students participating in the ASCENT program (Accelerating Students through Concurrent Enrollment). A student enrolled in grades 13 and 14 may also receive a stipend from the College Opportunity Fund for the postsecondary courses the student takes. For FY 2015-16, makes the following appropriations: \$7,232 General Fund and 0.1 FTE to the Department of Education; and \$7,232 General Fund and 0.1 FTE to the Department of Higher Education. The bill is expected to drive costs of \$4.1 million General Fund by FY 2021-22, due to impacts on school finance once the bill is fully implemented.

H.B. 15-1274 (Creation of Career Pathways for Students): Requires the Colorado Workforce Development Council in the Department of Labor and Employment, in collaboration and consultation with partners including the Department of Higher Education and the community college system, the Department of Education, the Governor's Office of Economic Development and International Trade, and partner industries and local educational institutions, to design integrated career pathways within identified growth industries. For FY 2015-16, provides the following appropriations: \$485,043 General Fund and 2.5 FTE to the Department of Labor and Employment for the Workforce Development Council; \$86,960 General Fund to the Department of Higher

Education, which is reappropriated to the community college system; and \$200,000 reappropriated funds to the Department of Higher Education, from the amount initially appropriated to the Department of Labor and Employment, for an on-line resource publicizing the new career pathways. For more information, see the “Recent Legislation” sections at the end of Part III for the Department of Higher Education and the Department of Labor and Employment.

H.B. 15-1275 (Career and Tech Ed in Concurrent Enrollment): Clarifies that career and technical course work related to apprenticeship programs and internship programs may be used for concurrent enrollment, and directs the Concurrent Enrollment Advisory Board to collaborate with other entities to promote cooperative agreements that include apprenticeship programs and internship programs in concurrent enrollment programs. For FY 2015-16, appropriates \$450,000 General Fund to the Department of Higher Education. For additional information, see the corresponding bill description at the end of Part III for the Department of Higher Education.

H.B. 15-1321 (Flexibility & Funding for Rural School Districts): Provides additional administrative flexibility for small rural school districts. Authorizes the Department of Education to define rural school districts based on size and proximity to urban areas. Exempts rural districts that enroll fewer than 1,000 students from certain requirements related to accountability reporting and school-level financial transparency requirements. Allows rural school districts enrolling fewer than 6,500 students to provide notice of meetings to school board members via electronic mail rather than written mail as under current law. Defines small rural school district as a school district that the Department of Education identifies as rural and that enrolls fewer than 1,000 students in kindergarten through twelfth grade. Allows small rural districts to raise additional local property tax revenues through mil levy overrides, increasing the limit from 20.0 percent of the district’s total program funding or \$200,000 (whichever is greater) to 30.0 percent of total program funding or \$200,000 (whichever is greater). Makes a one-time appropriation of \$10.0 million cash funds from the State Education Fund to the Department of Education for FY 2015-16 for distribution to small rural school districts and eligible charter schools (institute charter schools that have small rural districts as accounting districts) on a per-pupil basis for specific uses in alignment with authorized uses of State Education Fund moneys.

H.B. 15-1323 (Changes to Assessments in Public Schools): Modifies the system of statewide standardized assessments in English language arts, mathematics, science, and social studies. Restricts the Department of Education (CDE) to administering the tests in English language arts and mathematics to students enrolled in grades three through nine and science tests one time each in elementary, middle, and high school. Eliminates social studies assessments. Requires the CDE to continue to administer a curriculum-based college entrance exam to students in eleventh grade and to administer the writing portion of the exam when requested to do so by students. Requires the CDE to administer a tenth grade college entrance preparation exam. Requires the CDE to request various waivers of federal law. Requires that the CDE make tests available in paper and pencil format when requested by a local education provider (LEP) and requires each LEP to adopt a written policy by which the LEP decides whether to request paper and pencil tests. Requires that LEPs adopt a policy allowing parents of students to opt out of participation in one or more state assessments without imposing negative consequences on the student or parent. Creates a pilot program through which LEPs may jointly or individually administer local assessments to prove the validity and reliability of the assessments and the comparability of the assessments with the existing statewide assessments. Based on results of the pilot program, requires the CDE to recommend that the State Board of Education (State Board) either adopt one of the local assessments as the new statewide assessment or continue administering the statewide assessment. If the State Board adopts a new state assessment, the bill requires the State Board to notify the General Assembly, as implementation of a new statewide assessment is conditional on the enactment of legislation approving the assessment. For FY 2015-16,

reduces appropriations to the Department of Education by \$2,369,118 cash funds from the State Education Fund.

H.B. 15-1367 (Retail Marijuana Taxes): Refers a ballot issue to voters in November 2015, asking whether the State may retain and spend revenue collected from the Proposition AA excise and special sales taxes on retail marijuana in FY 2014-15. Creates a \$58.0 million Proposition AA Refund Account (Refund Account) in the General Fund. Contingent on voter approval of the ballot issue, the act makes several appropriations to the Department of Education for FY 2015-16, as detailed in the following table.

Appropriations to Department of Education That Are Contingent on Voter Approval		
Division and Line Item	Fund Source	Dollar Amount
<u>Assistance to Public Schools</u>		
Appropriation to School Bullying and Prevention Cash Fund	CF - Proposition AA Refund Account	\$2,000,000
Appropriation to Student Re-engagement Grant Program Fund	CF - Proposition AA Refund Account	1,000,000
Student Re-engagement Grant Program	RF – Student Re-engagement Grant Program Fund	<u>1,000,000</u>
Total Appropriations		\$3,500,000

For additional information see the “Recent Legislation” section at the end of Part III of the Department of Revenue and Appendix L.

Department Details

DEPARTMENT OF GOVERNOR – LIEUTENANT GOVERNOR – STATE PLANNING AND BUDGETING

FY 2014-15 and FY 2015-16 Appropriations by Division and Bill

Governor - Lieutenant Governor - State Planning and Budgeting						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Total Appropriation:	\$293,323,703	\$34,983,120	\$41,899,571	\$210,000,641	\$6,440,371	1,073.1
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Office of the Governor	41,805,339	6,584,160	11,675,566	19,668,956	3,876,657	67.1
Office of the Lieutenant Governor	317,407	316,223	1,184	0	0	5.0
Office of State Planning and Budgeting	2,163,472	467,297	176,454	1,519,721	0	19.5
Economic Development Programs	54,559,583	23,132,094	28,795,439	189,336	2,442,714	55.6
Office of Information Technology	194,477,902	4,483,346	1,250,928	188,622,628	121,000	925.9
<u>Breakdown of Total Appropriation by Bill</u>						
HB 14-1336	276,156,502	31,523,647	41,178,760	197,025,868	6,428,227	1,068.6
SB 14-005	16,480	0	0	16,480	0	0.0
SB 14-012	13,764	0	0	13,764	0	0.0
SB 14-014	4,092	0	0	4,092	0	0.0
SB 14-030	824	0	0	824	0	0.0
SB 14-036	4,120	0	0	4,120	0	0.0
SB 14-041	4,120	0	0	4,120	0	0.0
SB 14-075	104,030	0	0	104,030	0	0.0
SB 14-087	43,260	0	0	43,260	0	0.0
SB 14-130	6,203	0	0	6,203	0	0.0
SB 14-166	171,600	86,600	0	85,000	0	0.0
SB 14-172	20,960	0	0	20,960	0	0.0
SB 14-194	6,077	0	0	6,077	0	0.0
SB 14-215	190,097	0	190,097	0	0	2.0
SB 14-223	(1,000,000)	(1,000,000)	0	0	0	0.0
HB 14-1012	80,307	0	80,307	0	0	0.5
HB 14-1029	4,120	0	0	4,120	0	0.0
HB 14-1034	4,120	0	0	4,120	0	0.0
HB 14-1066	6,592	0	0	6,592	0	0.0
HB 14-1093	200,000	100,000	0	100,000	0	0.0
HB 14-1100	97,850	0	0	97,850	0	0.0

Governor - Lieutenant Governor - State Planning and Budgeting						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 14-1203	7,000,000	3,500,000	0	3,500,000	0	0.0
HB 14-1311	106,283	106,283	0	0	0	0.5
HB 14-1317	1,387,841	0	0	1,387,841	0	0.0
HB 14-1326	412	0	0	412	0	0.0
HB 14-1350	226,454	50,000	176,454	0	0	0.0
HB 14-1360	53,560	0	0	53,560	0	0.0
HB 14-1367	33,990	0	0	33,990	0	0.0
SB 15-146	8,380,045	616,590	273,953	7,477,358	12,144	1.5
SB15-234	0	0	0	0	0	0.0
FY 2015-16 Total Appropriation:	\$270,661,393	\$41,668,200	\$42,239,163	\$180,261,421	\$6,492,609	1,088.7
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Office of the Governor	22,881,781	6,124,354	12,205,245	684,171	3,868,011	67.1
Office of the Lieutenant Governor	649,395	429,386	1,184	218,825	0	6.0
Office of State Planning and Budgeting	2,133,786	587,132	0	1,546,654	0	19.5
Economic Development Programs	59,210,189	27,833,265	28,781,806	91,520	2,503,598	60.3
Office of Information Technology	185,786,242	6,694,063	1,250,928	177,720,251	121,000	935.8
<u>Breakdown of Total Appropriation by Bill</u>						
SB 15-234	268,978,544	41,427,966	42,239,163	178,818,806	6,492,609	1,085.7
SB 15-014	1,068,560	0	0	1,068,560	0	0.0
SB 15-029	848	0	0	848	0	0.0
SB 15-185	9,800	0	0	9,800	0	0.0
SB 15-229	4,120	0	0	4,120	0	0.0
SB 15-239	59,280	0	0	59,280	0	0.0
SB 15-282	125,983	125,983	0	0	0	1.0
SB 15-290	218,825	0	0	218,825	0	1.0
HB 15-1004	4,120	0	0	4,120	0	0.0
HB 15-1026	52,942	0	0	52,942	0	0.0
HB 15-1170	20,000	0	0	20,000	0	0.0
HB 15-1219	20,000	20,000	0	0	0	0.0
HB 15-1313	4,120	0	0	4,120	0	0.0
HB 15-1366	94,251	94,251	0	0	0	1.0
Increase/(Decrease)	(\$22,662,310)	\$6,685,080	\$339,592	(\$29,739,220)	\$52,238	15.6
Percentage Change	(7.7%)	19.1%	0.8%	(14.2%)	0.8%	1.5%

Informational Funds: The FY 2015-16 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of

Governor – Lieutenant Governor – State Planning and Budgeting are annotated with the "(I)". For additional information, see Appendix J.

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2015-16 Appropriations containing an (I) notation	\$27,734,193	\$0	\$21,241,584	\$0	\$6,492,609

Detail of Appropriation by Administrative Section

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 Colorado Energy Office, the Boards and Commissions Office, the Citizens' Advocate Office, and the Office of Policy and Initiatives. Approximately 26.8 percent of funds are from the General Fund for direct administration of the Governor's office and residence and for centrally appropriated items such as employee benefits and risk management. Cash funds, which reflect 53.3 percent of the appropriations to the Office, are from various sources, including severance tax revenue in the Colorado Energy Office and rental fees for use of the Governor's Mansion. The reappropriated funds, which account for 3.0 percent of the Office's appropriations, are from other divisions within the Department and indirect cost recoveries for services. Federal funds reflect 16.9 percent of this division's funding, and are related to miscellaneous programs, primarily in the Colorado Energy Office.

Office of the Governor						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$41,285,785	\$6,522,050	\$11,230,266	\$19,668,956	\$3,864,513	65.1
SB 14-215	190,097	0	190,097	0	0	2.0
SB 15-146	<u>329,457</u>	<u>62,110</u>	<u>255,203</u>	<u>0</u>	<u>12,144</u>	<u>0.0</u>
TOTAL	\$41,805,339	\$6,584,160	\$11,675,566	\$19,668,956	\$3,876,657	67.1
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$41,805,339	\$6,584,160	\$11,675,566	\$19,668,956	\$3,876,657	67.1
Centrally appropriated line items	7,245,374	(93,423)	403,523	6,839,155	96,119	0.0
Electric vehicle grant fund spending authority	313,000	0	313,000	0	0	0.0
Indirect cost assessment	13,662	0	94,255	0	(80,593)	0.0
Centrally appropriated line items reorganization	(23,358,284)	0	0	(23,358,284)	0	0.0
Annualize prior year budget actions	(2,640,235)	(97,882)	(69,669)	(2,448,512)	(24,172)	0.0

Office of the Governor						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Disabled parking educational materials dissemination	(249,000)	(249,000)	0	0	0	0.0
Annualize prior year legislation	(230,931)	(19,501)	(211,430)	0	0	0.0
CORE operational support transfer	(17,144)	0	0	(17,144)	0	0.0
SB 15-234	<u>\$22,881,781</u>	<u>\$6,124,354</u>	<u>\$12,205,245</u>	<u>\$684,171</u>	<u>\$3,868,011</u>	<u>67.1</u>
TOTAL	\$22,881,781	\$6,124,354	\$12,205,245	\$684,171	\$3,868,011	67.1
Increase/(Decrease)	(\$18,923,558)	(\$459,806)	\$529,679	(\$18,984,785)	(\$8,646)	0.0
Percentage Change	(45.3%)	(7.0%)	4.5%	(96.5%)	(0.2%)	0.0%

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 15-146 provides a supplemental appropriation of \$329,457 total funds, including \$62,110 General Fund, for the following:

- An increase of \$211,430 cash fund spending authority from the Registration Number Fund to repay a loan made from moneys in the Disability Investigational and Pilot Support Fund for the start-up costs associated with the auctioning of license plate numbers to the public; and
- An increase of \$118,027 total funds, including \$62,110 General Fund, for various information technology projects.

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; workers' compensation; legal services; payment to risk management and property funds; Capitol complex leased space; CORE operations; and payments to the Governor's Office of Information Technology (OIT).

Electric vehicle grant fund spending authority: The appropriation includes an increase of \$313,000 cash funds from the Electric Vehicle Grant Fund for the Colorado Energy Office's to provide grant funds to encourage the installation of charging stations.

Indirect cost assessment: The appropriation includes a net increase of \$13,662 total funds in the Office's indirect cost assessment.

Centrally appropriated line items reorganization: The appropriation includes a reorganization of the centrally appropriated line items in the Offices of the Governor and Information Technology. This change has no net fiscal impact across the Department.

Annualize prior year budget actions: The appropriation includes a reduction of \$2,640,235 total funds, including a decrease of \$97,882 General Fund, due to the out year impact of funding decisions made through the FY 2014-15 Long Bill. The adjustments in this Office are driven by salary survey and merit pay distributions.

Disabled parking educational materials dissemination: The appropriation includes \$251,000 total funds, including \$250,000 General Fund, for the Office of the Governor to collaborate with Colorado Advisory Council for Persons With Disabilities to continue a project initiated in FY 2014-15 providing education and outreach to local government entities on the enforcement of disabled parking laws. The appropriation for this purpose represents a decrease of \$249,000 General Fund compared to FY 2014-15 appropriation due to a decrease in the second year costs of the project.

Annualize prior year legislation: The appropriation includes a reduction of \$230,931 total funds, including a decrease of \$19,501 General Fund, for the second or third year impact of legislation. The change is primarily driven by a one-time cash funds appropriation for the Office from the Registration Number Fund to repay a loan made from moneys in the Disability Investigational and Pilot Support Fund for the start-up costs associated with the auctioning of license plate numbers to the public.

CORE operational support transfer: The appropriation includes a decrease of \$17,144 reappropriated funds for the centrally appropriated line item expenses associated with the transfer of Colorado Operations Resource Engine (CORE) support staff from the Office of Information Technology to the Department of Personnel.

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. Approximately 66.1 percent of the funding for the Office of the Lieutenant Governor is General Fund, 0.2 percent is cash funds from private donations, and 33.7 percent is reappropriated funds transferred to the Office from the Department of Education for the Colorado Student Leaders Institute pilot program.

Office of the Lieutenant Governor						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$317,407	\$316,223	\$1,184	\$0	\$0	5.0
TOTAL	\$317,407	\$316,223	\$1,184	\$0	\$0	5.0
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$317,407	\$316,223	\$1,184	\$0	\$0	5.0
Serve Colorado funding	100,000	100,000	0	0	0	0.0
Annualize prior year budget actions	13,163	13,163	0	0	0	0.0
SB 15-234	\$430,570	\$429,386	\$1,184	\$0	\$0	5.0
SB 15-290	218,825	0	0	218,825	0	1.0

Office of the Lieutenant Governor						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
TOTAL	\$649,395	\$429,386	\$1,184	\$218,825	\$0	6.0
Increase/(Decrease)	331,988	113,163	\$0	218,825	\$0	1.0
Percentage Change	104.6%	35.8%	0.0%	n/a	n/a	20.0%

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Serve Colorado funding: The appropriation includes an increase of \$100,000 General Fund for the Office of the Lieutenant Governor to support the Serve Colorado program that strives to build a culture of civic engagement across Colorado by working in partnership with a vast array of community based organizations.

Annualize prior year budget actions: The appropriation includes an increase of \$13,163 General Fund due to various changes to reflect the out year impact of funding decisions included in the FY 2014-15 Long Bill, including the annualization of the FY 2014-15 salary survey and merit pay.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

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. The Office is funded primarily with reappropriated funds from statewide indirect cost recoveries and General Fund moneys for special projects.

Office of State Planning and Budgeting						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$1,937,018	\$417,297	\$0	\$1,519,721	\$0	19.5
HB 14-1350	226,454	50,000	176,454	0	0	0.0
SB 15-234	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$2,163,472	\$467,297	\$176,454	\$1,519,721	\$0	19.5
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$2,163,472	\$467,297	\$176,454	\$1,519,721	\$0	19.5
Ongoing staffing for Results First and performance planning	156,900	156,900	0	0	0	0.0
Annualize prior year budget actions	39,868	12,935	0	26,933	0	0.0
Annualize prior year legislation	(226,454)	(50,000)	(176,454)	0	0	0.0

Office of State Planning and Budgeting						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 15-234	<u>\$2,133,786</u>	<u>\$587,132</u>	<u>\$0</u>	<u>\$1,546,654</u>	<u>\$0</u>	<u>19.5</u>
TOTAL	\$2,133,786	\$587,132	\$0	\$1,546,654	\$0	19.5
Increase/(Decrease)	(\$29,686)	\$119,835	(\$176,454)	\$26,933	\$0	0.0
Percentage Change	(1.4%)	25.6%	(100.0%)	1.8%	n/a	0.0%

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 15-234 provides authority for the Office of State Planning and Budgeting to expend \$25,000 total funds appropriated for FY 2014-15 up until June 30, 2016 for a prison utilization study.

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Ongoing staffing for Results First and performance planning: The appropriation includes an increase of \$156,900 General Fund for the Office to compensate two staff currently working on the Pew-MacArthur Results First Initiative. The goal of the project is to implement cost-benefit analysis tools to assist in analyzing programmatic funding.

Annualize prior year budget actions: The appropriation includes an increase of \$39,868 total funds, including \$12,935 General Fund, due to various changes to reflect the out year impact of funding decisions included in the FY 2014-15 Long Bill, including the annualization of the FY 2014-15 salary survey and merit pay.

Annualize prior year legislation: The appropriation includes a reduction of \$226,454 total funds, including a decrease of \$50,000 General Fund, for the second- or third-year impact of legislation. The change is primarily driven by the conclusion of a one-time appropriation for modifications to the Regional Tourism Act contained in H.B. 14-1350 (Modifications To Regional Tourism Act).

Economic Development Programs

The Office of Economic Development and International Trade is the central coordination office for the State's business assistance, retention, expansion, and recruitment programs. The Office includes the Economic Development Commission, the Global Business Development Office, Small Business Development Centers, Colorado Welcome Centers, Colorado Tourism Office, Creative Industries Council, and the Colorado Office of Film, Television, and Media. The Office also coordinates programs related to advanced industries. The largest portion of the Office's funding is from cash funds, which receive statutory transfers from the Limited Gaming Fund. Reappropriated funds in the Office are from the Department of Regulatory Agencies and statewide indirect cost assessments. Federal funds in the Office are from various sources, including the National Endowment for the Arts.

Economic Development Programs						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$55,067,643	\$23,839,211	\$28,696,382	\$89,336	\$2,442,714	53.1
SB 14-166	86,600	86,600	0	0	0	0.0
SB 14-223	(1,000,000)	(1,000,000)	0	0	0	0.0
HB 14-1012	80,307	0	80,307	0	0	0.5
HB 14-1093	200,000	100,000	0	100,000	0	0.0
HB 14-1311	106,283	106,283	0	0	0	0.5
SB 15-146	<u>18,750</u>	<u>0</u>	<u>18,750</u>	<u>0</u>	<u>0</u>	<u>1.5</u>
TOTAL	\$54,559,583	\$23,132,094	\$28,795,439	\$189,336	\$2,442,714	55.6
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$54,559,583	\$23,132,094	\$28,795,439	\$189,336	\$2,442,714	55.6
Colorado Tourism Office funding increase	2,500,000	2,500,000	0	0	0	0.0
Film incentive rebate program funding	2,500,000	2,500,000	0	0	0	0.0
Colorado FIRST and Existing Industry Program funding increase	1,774,978	1,774,978	0	0	0	0.0
Competitive intelligence and marketing plan	1,100,000	1,100,000	0	0	0	1.0
Annualize prior year legislation	666,045	793,397	(27,352)	(100,000)	0	0.5
Colorado Credit Reserve program continuation	400,000	400,000	0	0	0	0.0
Aerospace and defense industry champion funding	233,393	233,393	0	0	0	1.0
Indirect cost assessment	36,644	0	0	0	36,644	0.0
Leading Edge Program funding increase	25,000	25,000	0	0	0	0.0
Annualize prior year budget actions	(4,825,688)	(4,865,831)	13,719	2,184	24,240	0.2
SB 15-234	\$58,969,955	\$27,593,031	\$28,781,806	\$91,520	\$2,503,598	58.3
SB 15-282	125,983	125,983	0	0	0	1.0
HB 15-1219	20,000	20,000	0	0	0	0.0
HB 15-1366	<u>94,251</u>	<u>94,251</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1.0</u>
TOTAL	\$59,210,189	\$27,833,265	\$28,781,806	\$91,520	\$2,503,598	60.3
Increase/(Decrease)	\$4,650,606	\$4,701,171	(\$13,633)	(\$97,816)	\$60,884	4.7
Percentage Change	8.5%	20.3%	(0.0%)	(51.7%)	2.5%	8.5%

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 15-146 provides a supplemental appropriation of cash fund spending authority in the amount \$18,750 from the Economic Gardening Pilot Project Fund. The Office of Economic Development and

International Trade charges a fee to participants in Small Business Development Centers’ economic gardening projects, but does not have spending authority to spend the funds it collects.

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Colorado Tourism Office funding increase: The appropriation includes an increase of \$2,500,000 General Fund for the Colorado Tourism Office to market Colorado to a wider audience in an effort to increase the number of visitors to the state. Specifically, the funds will be used for additional television and digital ads in primary markets, to buy ads in national magazines, to expand the Office’s agri-tourism program, and to gain access to new international markets.

Film incentive rebate program funding: The appropriation includes \$2,500,000 General Fund for performance-based film incentives offered by the Colorado Office of Film, Television, and Media. The appropriation also includes a footnote providing the Office with authority to expend moneys appropriated for FY 2015-16 for the film incentives program through June 30, 2017.

Colorado FIRST and Existing Industry Program funding increase: The appropriation includes an increase of \$1,774,978 General Fund to support the Colorado FIRST and Existing Industry Program. The moneys are reappropriated from the Office of Economic Development and International Trade to the Department of Higher Education for allocation to the State’s community colleges. The Program provides grants to companies locating or expanding operations in Colorado to pay costs associated with job training.

Competitive intelligence and marketing plan: The appropriation includes an increase of \$1,100,000 General Fund and 1.0 FTE to enhance the Office of Economic Development and International Trade’s ability to target businesses and markets to recruit to the state. Moneys are provided for three components: hiring a marketing officer dedicated to marketing Colorado to businesses worldwide and recruiting them to move to Colorado, hiring a contract employee to be a data analyst for the marketing officer to aid in formulating a marketing plan for the state, and procuring analytical tools and database subscriptions to better mine prospect data.

Annualize prior year legislation: The appropriation includes an increase of \$666,045 total funds, including \$793,397 General Fund, for the second- or third-year impact of legislation.

Annualize prior year legislation					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
SB 14-223 (Payment Claims Lower North Fork Wildfire)	\$1,000,000	\$1,000,000	\$0	\$0	\$0
HB 14-1093 (Creative District Community Loan Fund)	(200,000)	(100,000)	0	(100,000)	0
SB 14-166 (By Colorado App To Promote Businesses In CO)	(76,600)	(76,600)	0	0	0
HB 14-1311 (Job Creation & Main Street Revitalization Act)	(30,003)	(30,003)	0	0	0
HB 14-1012 (Advanced Industry Investment Income Tax Credit)	<u>(27,352)</u>	<u>0</u>	<u>(27,352)</u>	<u>0</u>	<u>0</u>
Total	\$666,045	\$793,397	(\$27,352)	(\$100,000)	\$0

Colorado Credit Reserve Program continuation: The appropriation includes an increase of \$400,000 General Fund for the Office of Economic Development and International Trade to maintain the existing Colorado Credit Reserve Program that is administered by the Colorado Housing and Financing Authority (CHFA). Moneys will be used to provide lenders with an incentive to provide working capital to Colorado businesses.

Aerospace and defense industry champion funding: The appropriation includes \$233,393 General Fund and 1.0 FTE for the Office of Economic Development and International Trade to oversee the implementation of the state’s aerospace strategic plan and develop and align strategies for the state’s military bases, including Base Realignment and Closure (BRAC) activities.

Indirect cost assessment: The appropriation includes a net increase of \$36,644 federal funds in the division’s indirect cost assessment.

Leading Edge Program funding increase: The appropriation includes an increase of \$25,000 General Fund for the Office of Economic Development and International Trade to increase business training opportunities administered via the Office’s Leading Edge Program through the state’s Small Business Development Centers. The opportunities consist of comprehensive training on how to start and operate a small business.

Annualize prior year budget actions: The appropriation includes a number of changes to reflect the out year impact of funding included in the FY 2014-15 Long Bill, including the annualization of the FY 2014-15 salary survey and merit pay and the conclusion of multiple one-time funding increases across the division’s programs.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Office of Information Technology

The Governor's Office of Information Technology (OIT) oversees executive department technology initiatives and recommends strategies to maximize service delivery efficiency in a cost-effective manner through the application of enterprise technology solutions. The Office provides services to State agencies on a cost reimbursement basis with OIT acting as a vendor to State agencies. Services offered by OIT to State agencies have a mixture of costs (e.g. personal services, benefits, operating expenses, and contract expenses) associated with the service delivery. The costs are allocated to agencies based on the level of service consumed. OIT's FY 2015-16 budget consists of 95.7 percent reappropriated funds transferred from agencies for services provided by OIT.

Office of Information Technology						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$177,548,649	\$428,866	\$1,250,928	\$175,747,855	\$121,000	925.9
SB 14-005	16,480	0	0	16,480	0	0.0
SB 14-012	13,764	0	0	13,764	0	0.0
SB 14-014	4,092	0	0	4,092	0	0.0
SB 14-030	824	0	0	824	0	0.0
SB 14-036	4,120	0	0	4,120	0	0.0
SB 14-041	4,120	0	0	4,120	0	0.0
SB 14-075	104,030	0	0	104,030	0	0.0
SB 14-087	43,260	0	0	43,260	0	0.0
SB 14-130	6,203	0	0	6,203	0	0.0

Office of Information Technology						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 14-166	85,000	0	0	85,000	0	0.0
SB 14-172	20,960	0	0	20,960	0	0.0
SB 14-194	6,077	0	0	6,077	0	0.0
HB 14-1029	4,120	0	0	4,120	0	0.0
HB 14-1034	4,120	0	0	4,120	0	0.0
HB 14-1066	6,592	0	0	6,592	0	0.0
HB 14-1100	97,850	0	0	97,850	0	0.0
HB 14-1203	7,000,000	3,500,000	0	3,500,000	0	0.0
HB 14-1317	1,387,841	0	0	1,387,841	0	0.0
HB 14-1326	412	0	0	412	0	0.0
HB 14-1360	53,560	0	0	53,560	0	0.0
HB 14-1367	33,990	0	0	33,990	0	0.0
SB 15-146	<u>8,031,838</u>	<u>554,480</u>	<u>0</u>	<u>7,477,358</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$194,477,902	\$4,483,346	\$1,250,928	\$188,622,628	\$121,000	925.9
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$194,477,902	\$4,483,346	\$1,250,928	\$188,622,628	\$121,000	925.9
Centrally appropriated line items reorganization	23,358,284	0	0	23,358,284	0	0.0
Backup Colorado, Phase II	3,804,115	(554,480)	0	4,358,595	0	0.0
IT infrastructure refresh	3,407,200	0	0	3,407,200	0	0.0
Elevation data acquisition and GIS personnel	2,574,716	2,574,716	0	0	0	4.0
IT Systems infrastructure staff	682,645	0	0	682,645	0	7.3
Active directory consolidation	606,956	0	0	606,956	0	0.0
Network infrastructure upgrade	508,200	0	0	508,200	0	0.0
Enterprise wireless solution	300,000	0	0	300,000	0	0.0
Data governance and analytics planning	226,800	0	0	226,800	0	0.0
Colorado Information Marketplace service costs	65,000	65,000	0	0	0	0.0
Oil and Gas Task Force recommendation for the Department of Public Health and the Environment	50,000	0	0	50,000	0	0.0
Indirect cost assessment	28,638	0	0	28,638	0	0.0
Colorado Grants Management System maintenance	18,147	0	0	18,147	0	0.0
Annualize prior year budget actions	(37,678,930)	125,481	0	(37,804,411)	0	0.6
Annualize prior year legislation	(7,171,209)	0	0	(7,171,209)	0	0.0
Cloud computing migration	(532,397)	0	0	(532,397)	0	0.0
CORE operational support transfer	(161,659)	0	0	(161,659)	0	(2.0)
Centrally appropriated line items	(1,956)	0	0	(1,956)	0	0.0
SB 15-234	\$184,562,452	\$6,694,063	\$1,250,928	\$176,496,461	\$121,000	935.8

Office of Information Technology						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 15-014	1,068,560	0	0	1,068,560	0	0.0
SB 15-029	848	0	0	848	0	0.0
SB 15-185	9,800	0	0	9,800	0	0.0
SB 15-229	4,120	0	0	4,120	0	0.0
SB 15-239	59,280	0	0	59,280	0	0.0
HB 15-1004	4,120	0	0	4,120	0	0.0
HB 15-1026	52,942	0	0	52,942	0	0.0
HB 15-1170	20,000	0	0	20,000	0	0.0
HB 15-1313	<u>4,120</u>	<u>0</u>	<u>0</u>	<u>4,120</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$185,786,242	\$6,694,063	\$1,250,928	\$177,720,251	\$121,000	935.8
Increase/(Decrease)	(\$8,691,660)	\$2,210,717	\$0	(\$10,902,377)	\$0	9.9
Percentage Change	(4.5%)	49.3%	0.0%	(5.8%)	0.0%	1.1%

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 15-146 provides a supplemental appropriation of \$8,031,838 total funds, including \$554,480 General Fund, highlighted by the following adjustments:

- A transfer of \$4,713,243 reappropriated funds from FY 2014-15 capital construction appropriations for the Colorado Financial Reporting System (COFRS) Modernization project to the agency's operating budget to support the implementation of the new Colorado Operations Resource Engine (CORE);
- An increase of \$2,041,369 reappropriated funds transferred from the Department of Human Services to continue the migration of the Department's computer systems to a hosted, cloud-based environment;
- An increase of \$613,875 reappropriated funds transferred from State agencies to contract with a vendor for 3,915 hours of project management and programming services to support the Personnel Management Services team in addressing a backlog of technical modifications to human resources' systems;
- An increase of \$554,480 General Fund to implement the second phase of an initiative to improve information technology system backup and disaster recovery capabilities; and
- An increase of \$108,871 reappropriated funds transferred from the Departments of Human Services, Local Affairs, and Public Safety to maintain and support the current version of the Colorado Grants Management System.

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Centrally appropriated line items reorganization: The appropriation includes a reorganization of the centrally appropriated line items in the Offices of the Governor and Information Technology. This change has no net fiscal impact.

Backup Colorado, Phase II: The appropriation includes an increase of \$3,804,115 total funds for the Office to implement standardized information technology backup and disaster recovery systems and processes across the executive branch agencies.

IT infrastructure refresh: The appropriation includes an increase of \$3,407,200 reappropriated funds for the Office to implement a standardized refresh (replacement) cycle for network, systems, and voice infrastructure. Network infrastructure consists of routers and switches, while systems infrastructure consists of physical servers, hosting storage, shared storage, and backup systems. Voice systems include newer Voice over IP (VoIP) technologies and Managed IP Communications (MIPC).

Elevation data acquisition and GIS personnel: The appropriation includes an increase of \$2,574,716 General Fund and 4.0 FTE for the Office to acquire digital elevation data for Mesa County and parts of Delta, Gunnison, Logan, and Weld Counties and to hire individuals to coordinate digital mapping data.

IT Systems infrastructure staff: The appropriation includes an increase of \$682,645 reappropriated funds and 7.3 FTE for the Office's enterprise server unit to provide enhanced operational support to agencies. The moneys are to be used to supplement the Office's staffing in the areas of physical server support, central virtual server support, and infrastructure administration support.

Active directory consolidation: The appropriation includes an increase of \$606,956 reappropriated funds to consolidate the information technology systems that are used to authenticate and authorize all users and computers in a network. The underlying system, known as an Active Directory, is used by the Office to assign and enforce security policies for all computers, install or update software, determine login settings, and grant permissions for access to resources (e.g. printers). The funding provided will be used to consolidate the disparate systems used for this purpose by 13 executive branch agencies.

Network infrastructure upgrade: The appropriation includes an increase of \$508,200 reappropriated funds transferred from the Department of Public Health and Environment (CDPHE) to the Office to enhance network connectivity between the State's data center (EFort) and the Department.

Enterprise wireless solution: The appropriation includes an increase of \$300,000 reappropriated funds for the operating, maintenance, and licensing expenses associated with moving all State agency wireless access points to one wireless controller managed by the Office. The initiative will provide wireless access to employees across multiple locations, allow and control vendor and partner wireless access, and manage guest access at appropriate locations.

Data governance and analytics planning: The appropriation includes an increase of \$226,800 reappropriated funds for the Office to contract with a vendor to facilitate the creation of a data governance model. The moneys will be used for a study recommending whether a service that provides a central repository for analysis across departments is feasible, and if so what it would entail, what the optimal configuration would be, and where it would fit best structurally within the State. The current process is to create an independent data sharing infrastructure with interfaces requiring initial investment and ongoing maintenance.

Colorado Information Marketplace service costs: The appropriation includes an increase of \$65,000 General Fund for the Office to fund the website subscription service that supports the Colorado Information Marketplace. The subscription covers services related to a data repository, data sharing, charting capabilities, mapping capabilities, and interfaces for entities to create mobile applications using public information.

Oil and Gas Task Force recommendation for the Department of Public Health and Environment: The appropriation includes an increase of \$50,000 reappropriated funds transferred to the Office from the

Department of Public Health and Environment for the costs associated with tracking citizens' concerns related oil and gas operations.

Indirect cost assessment: The appropriation includes a net increase of \$28,638 reappropriated funds in the Office's indirect cost assessment.

Colorado Grants Management System maintenance: The appropriation includes an increase of \$18,147 reappropriated funds for the Office to maintain the system used by various departments to track grants received and grants it dispensed.

Annualize prior year budget actions: The appropriation includes a number of changes to reflect the out year impact of funding included in the FY 2014-15 Long Bill, including the following highlights:

- An increase of \$2,352,899 reappropriated funds transferred from State agencies for the annualization of salary survey and merit pay;
- A decrease of \$40,159,304 reappropriated funds transferred from the Department of Health Care Policy and Financing and Department of Human Services for phase two of the CBMS modernization project. This project is slated to conclude during FY 2014-15 and no further appropriation was made for FY 2015-16;
- A decrease of \$2,810,000 reappropriated funds transferred from State agencies as a result of the conclusion of the initial phase of the information technology service management ecosystem project; and
- A decrease of \$975,000 reappropriated funds transferred from State agencies as a result of the conclusion of the initial phase of a project to eliminate redundant applications.

Annualize prior year legislation: The appropriation includes a reduction of \$7,171,209 reappropriated funds transferred from State agencies for the second or third year impact of legislation. The change is primarily driven by numerous one-time transfers from the Department of Revenue for changes to its systems driven by legislation, as well as the conclusion of several one-time FY 2014-15 projects initiated through the mid-year supplemental process during the 2015 legislative session.

Cloud computing migration: The appropriation includes a decrease of \$532,397 reappropriated funds transferred from the Department of Human Services to the Office due to a decrease in the second-year costs associated with the migration of applications, including Trails and the Child Care Automated Tracking System (CHATS), to a hosted, cloud-based environment.

CORE operational support transfer: The appropriation includes a decrease of \$161,659 reappropriated funds and 2.0 FTE to transfer Colorado Operations Resource Engine (CORE) support staff from the Office to the Department of Personnel.

Centrally appropriated line items: The appropriation includes adjustments to the centrally appropriated line item for legal services.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Recent Legislation

2014 Session Bills

S.B. 14-005 (Wage Protection Act): Authorizes the Department of Labor and Employment to establish an administrative process to handle wage claim cases received and requires the division to investigate and adjudicate all wage claim cases up to \$7,500 per employee. Reappropriates \$16,480 from the Department of Labor and Employment to the Governor's Office of Information Technology for FY 2014-15 to make programming changes. For more information on S.B. 14-005, please see the "Recent Legislation" section in the Department of Labor and Employment section of this document.

S.B. 14-012 (Aid To The Needy Disabled Program): Requires the Department of Human Services to increase the monthly benefit amount for Aid to the Needy and Disabled program by 8.0 percent in FY 2014-15. From FY 2015-16 to FY 2018-19, subject to available appropriations, the Department is encouraged to increase the monthly award until it is equal to the award level in FY 2006-07, and then to increase the award to account for cost of living in future years. Reappropriates \$13,764 from the Department of Human Services to the Governor's Office of Information Technology for FY 2014-15 to make changes to the Colorado Benefits Management System (CBMS). For more information on S.B. 14-012, please see the "Recent Legislation" section in the Department of Human Services section of this document.

S.B. 14-014 (Prop Tax Rent Heat Fuel Grants For Low-income): Makes changes to the Property Tax, Rent, and Heat Rebate Program to increase the maximum property tax and rent rebate for income-eligible claimants, establish a flat rate rebate for both the property tax and rent rebate and the heat rebate in an expanded range of income eligibility, and implement various recommendations of the August 2013 legislative audit of the program. Reappropriates \$4,092 from the Department of Human Services to the Governor's Office of Information Technology for FY 2014-15 to make changes to the Colorado Benefits Management System (CBMS). For more information on S.B. 14-014, please see the "Recent Legislation" section in the Department of Revenue section of this document.

S.B. 14-030 (Distinguished Flying Cross License Plate Waive Fee): Eliminates all fees for one set of Distinguished Flying Cross license plates, if the cross was awarded for valor. Reappropriates \$824 from the Department of Revenue to the Governor's Office of Information Technology for FY 2014-15 to make changes to the Colorado State Titling and Registration System. For more information on S.B. 14-036, please see the "Recent Legislation" section in the Department of Revenue section of this document.

S.B. 14-036 (Emergency Medical Services License Plate): Creates the Emergency Medical Services special license plate. The license plate will be available to an applicant who provides documentation to the Department of Revenue confirming that he or she has donated \$10 to the Emergency Medical Services Association of Colorado. Reappropriates \$4,120 from the Department of Revenue to the Governor's Office of Information Technology for FY 2014-15 to make changes to the Colorado State Titling and Registration System. For more information on S.B. 14-036, please see the "Recent Legislation" section in the Department of Revenue section of this document.

S.B. 14-041 (USS Colorado Submarine Special License Plate): Creates the USS Colorado special license plate. The plate will indicate that the owner is a supporter of the USS Colorado submarine, and will be available on January 1, 2015. Reappropriates \$4,120 from the Department of Revenue to the Governor's Office of Information Technology for FY 2014-15 to make changes to the Colorado State Titling and Registration

System. For more information on S.B. 14-041, please see the "Recent Legislation" section in the Department of Revenue section of this document.

S.B. 14-075 (Deployed Military Motor Vehicle Fee & Taxes): Exempts members of the United States armed forces who are Colorado residents and deployed outside of the United States for a full year from paying certain motor vehicle registration fees. Reappropriates \$104,030 from the Department of Revenue to the Governor's Office of Information Technology for FY 2014-15 to make changes to the Colorado State Titling and Registration System and the GenTax system. For more information on S.B. 14-075, please see the "Recent Legislation" section in the Department of Revenue section of this document.

S.B. 14-087 (Identification Card Issuance Standards): Requires the Department of Revenue to report to the Transportation Legislation Review Committee of the General Assembly each year regarding the effectiveness of exceptions processing for identification cards for individuals who are lawfully present in the United States but may have difficulty with certain documentary evidence. Reappropriates \$43,260 from the Department of Revenue to the Governor's Office of Information Technology for FY 2014-15 to make changes to the Driver's License System. For more information on S.B. 14-087, please see the "Recent Legislation" section in the Department of Revenue section of this document.

S.B. 14-129 (Marijuana Criminal Provision Clean Up): Makes various changes to criminal penalties for offenses involving marijuana, and reappropriates \$4,120 from the Department of Revenue to the Governor's Office of Information Technology for FY 2013-14 for computer programming changes. For more information on S.B. 14-129, please see the "Recent Legislation" section in the Department of Revenue section of this document.

S.B. 14-130 (Increase Personal Care Allowance Nursing Facility): Raises the per month basic minimum amount that State licensed nursing facilities and intermediate care facilities allow a long-term care resident as a personal needs allowance. Reappropriates \$6,203 from the Department of Human Services to the Governor's Office of Information Technology for FY 2014-15 for changes to the Colorado Benefits Management System (CBMS). For more information on S.B. 14-130, please see the "Recent Legislation" section in the Department of Human Services section of this document.

S.B. 14-166 (Create By Colorado App To Promote Businesses In CO): Requires the Office of Economic Development and International Trade to contract for the creation of the By Colorado App, mobile application software that allows a user to search for goods and services offered by businesses that are located, owned, headquartered in, or conduct manufacturing in the state. Appropriates \$86,600 General Fund to the Office of Economic Development and International Trade for FY 2014-15 to contract for the creation of the mobile application. Reappropriates \$85,000 of this amount to the Governor's Office of Information Technology to procure the services to develop the mobile application.

S.B. 14-172 (Firefighter Heart Circulatory Malfunction Benefits): Requires any municipality, special district, fire authority, or county improvement district employing one or more firefighters to provide benefits for heart and circulatory malfunctions for full-time firefighters, as long as the State provides sufficient funding to cover the cost. Reappropriates \$20,960 from the Department of Local Affairs to the Governor's Office of Information Technology for FY 2014-15 for programming services. For more information on S.B. 14-172, please see the "Recent Legislation" section in the Department of Local Affairs section of this document.

S.B. 14-194 (Driver's License Fee Allocations): Modifies the statutory provisions associated with the collection and processing of fees for the issuance of driver's licenses. Reappropriates \$6,077 from the

Department of Revenue to the Governor's Office of Information Technology for FY 2014-15 to make changes to the Driver's License System to allow county clerks to retain the adjusted amount of a driver's license fee. For more information on S.B. 14-194, please see the "Recent Legislation" section in the Department of Revenue section of this document.

S.B. 14-215 (Disposition Of Legal Marijuana Related Revenue): Creates the Marijuana Tax Cash Fund for tax revenue collected in connection with the retail marijuana industry. The taxes include the excise tax revenue on wholesale marijuana in excess of \$40.0 million per year, the 10.0 percent sales tax revenue less 15.0 percent to local government, and sales tax revenue from the 2.9 percent State sales tax on both retail and medical marijuana. Appropriates \$190,097 from the Marijuana Tax Cash Fund and 2.0 FTE to the Office of the Governor for the creation of the Office of Marijuana Coordination. For more information on S.B. 14-215, please see the "Recent Legislation" section in the Department of Revenue section of this document.

S.B. 14-223 (Payment Claims Lower North Fork Wildfire): Amends the Colorado Governmental Immunity Act to include specific provisions governing the settlement of outstanding claims relating to the Lower North Fork Wildfire. Reduces \$1.0 million General Fund for economic development incentives in the Office of Economic Development and International Trade for FY 2014-15 to cover the costs associated with S.B. 14-223. The bill also includes a provision whereby the reduction in funds for the Office for economic development incentives will be replenished in a like amount if the State's General Fund revenues for FY 2013-14 are greater than obligations. For more information on S.B. 14-223, please see the "Recent Legislation" section in the Department of Personnel section of this document.

H.B. 14-1012 (Advanced Industry Investment Income Tax Credit): Repeals the Colorado Innovation Investment Income Tax Credit and replaces it with the Advanced Industry Investment Income Tax Credit. The total amount of the tax credit shall not exceed \$375,000 for the 2014 calendar year and \$750,000 for each of the 2015, 2016, and 2017 calendar years. Appropriates \$80,307 from the Advanced Industry Investment Tax Credit Cash Fund and 0.5 FTE to the Office of Economic Development and International Trade for FY 2014-15 to implement and administer the tax credit.

H.B. 14-1029 (Disabled Parking License Plates Placards): Repeals and reenacts the laws governing reserved parking for persons with disabilities, and makes clarifying changes to the program. Reappropriates \$4,120 from the Department of Revenue to the Governor's Office of Information Technology for FY 2014-15 to make changes to the Colorado State Titling and Registration System to update registration and title modules. For more information on H.B. 14-1029, please see the "Recent Legislation" section in the Department of Revenue section of this document.

H.B. 14-1034 (Wine Packaging Permits): Creates a wine packaging permit to be issued by the Department of Revenue that allows a licensed winery to package wine manufactured by another winery. Reappropriates \$4,102 from the Department of Revenue to the Governor's Office of Information Technology for FY 2014-15 to make programming changes to the licensing system. For more information on H.B. 14-1034, please see the "Recent Legislation" section in the Department of Revenue section of this document.

H.B. 14-1066 (County Clerk And Recorder Driver's License Fee): Adjusts the amount of a driver's license fee that may be retained by a county clerk when issuing a driver's license. Reappropriates \$6,592 from the Department of Revenue to the Governor's Office of Information Technology for FY 2014-15 to make changes to the Driver's License System to allow county clerks to retain the adjusted amount of a driver's license fee. For more information on H.B. 14-1066, please see the "Recent Legislation" section in the Department of Revenue section of this document.

H.B. 14-1093 (Establish Creative District Community Loan Fund): Creates the Creative District Community Loan Fund in the Office of Economic Development and International Trade. Loans or loan guarantees are made for projects in State-certified creative districts or candidate districts, administered by the Creative Industries Division in the Office. Loans are available to fund the development and construction of commercial and mixed-use real estate projects, community facilities, and infrastructure. Loans from the fund must be accompanied by matching funds of at least three times the amount of the loan, including in-kind contributions of property. Appropriates \$100,000 General Fund to the Creative District Community Loan Fund for FY 2014-15 and reappropriates a like amount to the Office for FY 2014-15 for loans and loan guarantees, as well as for the administration of the program.

H.B. 14-1100 (Motor Vehicle Title Branding): Requires that branding be placed on the certificate of title of a motor vehicle in instances where the vehicle is non-repairable, flood-damaged, has had the odometer tampered with, has an incorrect odometer, or has a designation placed on the title by another jurisdiction. Reappropriates \$97,850 from the Department of Revenue to the Governor's Office of Information Technology for FY 2014-15 to make changes to the Colorado State Titling and Registration System to capture and retain title brand information and to print the brand information on the title. For more information on H.B. 14-1100, please see the "Recent Legislation" section in the Department of Revenue section of this document.

H.B. 14-1203 (Funding For Digital Trunked Radio System Maintenance): Establishes a \$3.5 million annual appropriation beginning in FY 2013-14 and continuing for 12 years from the General Fund or any other designated fund to replace legacy radio equipment and hardware at radio tower sites that are part of the Digital Trunked Radio System (DTRS). In addition, beginning in FY 2017-18 and continuing for eight years, the bill establishes an annual appropriation of \$3.7 million from the General Fund or any other designated fund to upgrade and maintain software used to operate the DTRS. The General Assembly shall annually determine the amount to be appropriated from the General Fund or any other designated fund source. Appropriates \$3.5 million from the General Fund to the Public Safety Communications Trust Fund for FY 2013-14 and FY 2014-15 and reappropriates a like amount to the Governor's Office of Information Technology for FY 2013-14 and FY 2014-15.

H.B. 14-1311 (Job Creation & Main Street Revitalization Act): Creates an income tax credit for a property owner that completes a qualified rehabilitation project on a historical property. Appropriates \$106,283 General Fund and 0.5 FTE to the Office of Economic Development and International Trade for a program manager to partner with the Historical Society and the Department of Revenue to assist in developing the criteria, processes, and procedures for determining eligibility for the income tax credit. In addition, the Office will incur other operating expenses such as hiring a consultant to facilitate the development of the program. The Office will also require programming changes to its Salesforce computer program.

H.B. 14-1317 (Colorado Child Care Assistance Program Changes): Makes various changes to the Colorado Child Care Assistance Program (CCCAP) administered by the Department of Human Services. Reappropriates \$1,387,841 from the Department of Human Services to the Governor's Office of Information Technology for FY 2014-15 to make programming changes to the Colorado Benefits Management System (CBMS), Child Care Automated Tracking System (CHATS), and Automated Child Support Enforcement System (ACSES). For more information on H.B. 14-1317, please see the "Recent Legislation" section in the Department of Human Services section of this document.

H.B. 14-1326 (Tax Incentives For Alternative Fuel Trucks): Makes changes to areas of tax policy affecting low-emission and alternative fuel vehicles. Reappropriates \$412 from the Department of Revenue to the Governor's Office of Information Technology for FY 2014-15 to make changes to the Colorado State Titling

and Registration System for the taxable value of Class A and Class B vehicles. For more information on H.B. 14-1326, please see the "Recent Legislation" section in the Department of Revenue section of this document.

H.B. 14-1336 (Long Bill): General appropriations act for FY 2014-15.

H.B. 14-1350 (Modifications To Regional Tourism Act): Changes the application process for Regional Tourism Act projects, and limits the amount of State sales tax increment financing that can be approved for each future project. Provides the Office of State Planning and Budgeting with \$176,454 cash funds spending authority for FY 2014-15 to contract with a third party to conduct an economic analysis of regional tourism projects. Appropriates \$50,000 General Fund to the Office for additional analytical work related to regional tourism projects.

H.B. 14-1360 (Sunset Review Licensure Of Home Care Agencies): Continues the regulation of home care agencies and home care placement agencies until September 1, 2019, and implements the recommendations contained in the Department of Regulatory Agencies' sunset report. Reappropriates \$53,560 from the Department of Public Health and Environment to the Governor's Office of Information Technology for FY 2014-15 to make programming modifications to the licensing system and the survey and inspection tracking system. For more information on H.B. 14-1360, please see the "Recent Legislation" section in the Department of Public Health and Environment section of this document.

H.B. 14-1367 (Autocycles, Motorcycles, & Motor Vehicles): Defines "autocycle" and removes this type of vehicle from classification and regulation as a motorcycle. Reappropriates \$33,990 from the Department of Revenue to the Governor's Office of Information Technology for FY 2014-15 to make changes to the Colorado State Titling and Registration System to create a new "autocycle" license plate type, to allow for autocycle registration, and to collect and distribute fees. For more information on H.B. 14-1367, please see the "Recent Legislation" section in the Department of Revenue section of this document.

2015 Session Bills

S.B. 15-014 (Medical Marijuana): Makes several changes to the regulation of medical marijuana in Colorado. As it relates to the Governor's Office of Information Technology, it transfers \$1,068,560 from the Department of Public Health and Environment's Medical Marijuana Program Cash Fund to the Office for FY 2015-16 to enhance the Medical Marijuana Registry Database. For more information on this bill, please see the "Recent Legislation" section in the Department of Public Health and Environment section of this document.

S.B. 15-029 (Volunteer Firefighter Pension Plan Study): Requires the Office of the State Auditor (OSA) to coordinate a study concerning the structure and tax consequences of current volunteer firefighter pension plans (VFPPs) in Colorado. As it relates to the Governor's Office of Information Technology, it transfers \$848 General Fund to the Office for FY 2015-16 to support the Department of Local Affairs subject matter expert. For more information on this bill, please see the "Recent Legislation" section in the Department of Local Affairs section of this document.

SB 15-185 (Police Data Collection and Community Policing) Creates the "Community Law Enforcement Action Reporting (CLEAR) Act." As it relates to the Governor's Office of Information Technology, it transfers \$9,800 General Fund to the Office for FY 2015-16 to support the Department of Corrections in updating its computer system to separate race from ethnicity for data tracking purposes. For more information on this bill,

please see the "Recent Legislation" sections in the Departments of Public Safety and Corrections sections of this document.

S.B. 15-229 (ALS Motor Vehicles License Plate): Creates the Amyotrophic Lateral Sclerosis (ALS) license plate. The license plate will be available to any applicant who pays the standard license plate taxes and fees and a one-time additional special license plate fee of \$50 on January 1, 2016, or when the Rocky Mountain Chapter of the ALS Association has collected 3,000 signatures of individuals committing to purchase the plate, whichever is later. Appropriates \$5,304 cash funds to the Department of Revenue for FY 2015-16. Of this amount, \$4,120 is reappropriated to the Governor’s Office of Information Technology.

S.B. 15-234 (Long Bill): General appropriations act for FY 2015-16.

SB 15-239 (Transfer Vocational Rehab from DHS to CDLE): Transfers the state's vocational rehabilitation programs from the Department of Human Services (DHS) to the Colorado Department of Labor and Employment (CDLE) beginning July 1, 2016. As it relates to the Governor’s Office of Information Technology, it transfers \$59,280 General Fund to the Office for FY 2015-16 to support the IT needs associated with the personnel transfer. For more information on this bill, please see the "Recent Legislation" section in the Department of Human Services and Department of Labor and Employment sections of this document.

SB 15-282 (Jump-start Prog Econ Dev Distressed Counties): Provides tax benefits to approved new businesses that locate inside a rural jump-start zone and establish a relationship with a State institution of higher education, junior college, or an area vocational school. A rural jump start zone is an area within a distressed county. The Colorado Economic Development Commission will be responsible for developing guidelines for the administration of the rural jump-start zone program and identifying eligible distressed countries. Appropriates \$125,983 and 1.0 FTE to the Office of Economic Development and International Trade for FY 2015-16 to manage the program and to modify the computer system that manages program data.

S.B. 15-288 (Compensation Paid to Elected Officials): Replaces the existing fixed dollar salaries listed in statute for certain state officials and state legislators with a new method for determining salaries that aligns them to certain judicial officers' salaries. The new method for determining these salaries will begin January 2019, and salary amounts will be adjusted every four years to maintain the alignment.

Change in Salaries for Selected State Officials Beginning January 2019				
State Official	Current Salary (established January 1999)	Benchmarks for Salaries Beginning January 2019		
		Colorado Judicial Officer	Percent of Judicial Officer Salary	Estimated Salaries as of January 2019 ^{1/}
Governor	\$90,000	Chief Justice, Colorado Supreme Court	66.0%	\$128,049
Lieutenant Governor	68,500	County Court Judges, Class B Counties	58.0%	97,040
Attorney General	80,000	Chief Judge, Colorado Court of Appeals	60.0%	111,916
State Legislators	30,000	County Court Judges, Class B Counties	25.0%	41,828
Secretary of State	68,500	County Court Judges, Class B Counties	58.0%	97,040

Change in Salaries for Selected State Officials Beginning January 2019				
State Official	Current Salary (established January 1999)	Benchmarks for Salaries Beginning January 2019		
		Colorado Judicial Officer	Percent of Judicial Officer Salary	Estimated Salaries as of January 2019 ^{1/}
Treasurer	68,500	County Court Judges, Class B Counties	58.0%	97,040

^{1/} Estimates are based on judicial officer salaries established for FY 2015-16 through footnote 45 of the FY 2015-16 Long Bill (S.B. 15-234), increased by estimated inflation rates of 2.5 percent in FY 2016-17 and 2.3 percent each fiscal year thereafter.

Increases statutory salaries for county commissioners, sheriffs, treasurers, assessors, clerks, coroners, and surveyors by 30.0 percent, effective January 2016. Requires the Director of Research of the Legislative Council to periodically adjust the salaries of these elected county officials for inflation, and post the adjusted salary amounts on the General Assembly's web site.

SB 15-290 (Colorado Student Leaders Institute): Creates the “Colorado Student Leaders Institute,” a competitive summer residential education program for high school students. The institute will operate for four weeks each summer on the campus of an institution of higher education. Transfers \$218,825 from the Department of Education’s State Education Fund to the Office of the Lieutenant Governor for FY 2015-16. The Office will use the funds to implement the program and hire 1.0 FTE for program administration. For more information on this bill, please see the "Recent Legislation" section in the Department of Education section of this document.

H.B. 15-1004 (Firefighter Motorcycle License Plate): Directs the Department of Revenue to issue firefighter license plates for motorcycles, passenger cars, trucks, or recreational motor vehicles that do not exceed 16,000 pounds empty weight. This adds motorcycles to the list of vehicles that may use a firefighter license plate. Transfers \$4,120 from the Department of Revenue’s Colorado State Titling and Registration Account in the Highway Users Tax Fund to the Governor’s Office of Information Technology to update the Colorado State Titling and Registration System (CSTARS).

H.B. 15-1026 (Reserved Parking Disabled Military License Plates): Allows the Division of Motor Vehicles (DMV) within the Department of Revenue to create and issue a people with disabilities (PWD) version for each of the 36 other military special license plates. The DMV will also create a people with disabilities version of each of the 36 military motorcycle special license plates. In total, 72 new PWD military veterans license plates will be created. Appropriates \$58,134 cash funds to the Department of Revenue in FY 2015-16. Of this amount, \$52,942 is reappropriated to the Governor’s Office of Information Technology to update the Colorado State Titling and Registration System (CSTARS).

H.B. 15-1170 (Increasing Postsecondary and Workforce Readiness): Creates the position of postsecondary and workforce readiness statewide coordinator within the Department of Labor and Employment to work with local education providers, businesses, industry, area vocational schools, community colleges, the Department of Education, the Department of Higher Education, and the career and technical education division within the community college system to raise the level of postsecondary and workforce readiness achieved by high school students. Beginning in FY 2016-17, modifies the statewide education accountability system by requiring the Department of Education to include the percentages of high school graduates who enroll in a career and technical education program, community college, or four-year institution of higher education as measures of

postsecondary and workforce readiness. For FY 2015-16, makes the following appropriations: (1) \$92,934 General Fund and 0.7 FTE to the Department of Education; (2) \$118,969 General Fund to the Department of Labor and Employment (DOLE); and (3) \$20,000 reappropriated funds (from the appropriation to the DOLE) to the Office of the Governor for information technology services.

H.B. 15-1219 (Enterprise Zone Investment Tax Credit for Renewable Energy Projects): Allows a taxpayer who places a renewable energy project in an enterprise zone and receives certification to claim an Enterprise Zone Investment Tax Credit (ITC) for the project an option to receive a refund of the credit. The amount of the refund is equal to 80 cents for every one dollar of ITC credit and is capped at \$750,000 per tax year and taxpayer. Renewable energy investments completed on or after January 1, 2015 may elect to receive a refund. A taxpayer can only receive a refund from one new renewable investment at a time. The taxpayer must exhaust the full amount of the refund from one project before electing to receive a refund from another renewable energy investment that generated ITC credits. Requires the Governor's Office of Economic Development and International Trade to annually post on its website the level of renewable energy investment and other information resulting from the refund. Appropriates \$20,000 General Fund to the Office for FY 2015-16 to modify the computer system that manages program data. Additionally, appropriates \$33,000 General Fund to the Department of Revenue in FY 2015-16. Of this amount, \$1,200 is reappropriated to the Department of Personnel.

H.B. 15-1313 (Rocky Mountain National Park License Plate): Creates the Rocky Mountain National Park License Plate. For FY 2015-16, it appropriates \$5,452 cash funds to the Department of Revenue and \$4,120 in reappropriated funds to the Governor's Office of Information Technology to update the Colorado State Titling and Registration System (CSTARS).

H.B. 15-1366 (Expand Job Growth Tax Credit for Higher Education Projects): Changes the job growth incentive tax credit for taxpayers who enter into a partnership with a state institution of higher education. In particular, this bill allows the credit to be refundable under certain conditions and relaxes the requirements to qualify for the credit. Firms must create at least five jobs with wages of at least 100.0 percent of the average wage within the county in which the new jobs are located, and retain those jobs for one year. For FY 2015-16, appropriates \$94,251 General Fund and 1.0 FTE to the Office of Economic Development and International Trade to administer the program and to modify the computer system that manages program data.

Department Details

DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

FY 2014-15 and FY 2015-16 Appropriations by Division and Bill

Department of Health Care Policy and Financing						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Total Appropriation:	\$7,931,705,080	\$2,352,444,300	\$899,805,052	\$6,104,791	\$4,673,350,937	390.9
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	236,736,083	54,564,510	26,227,567	3,613,069	152,330,937	360.4
Medical Services Premiums	5,803,165,803	1,701,515,402	556,327,440	0	3,545,322,961	0.0
Behavioral Health Community Programs	566,544,902	180,313,608	4,483,063	0	381,748,231	0.0
Office of Community Living	471,159,611	226,657,367	34,109,515	0	210,392,729	30.5
Indigent Care Program	524,392,657	20,214,706	236,282,799	0	267,895,152	0.0
Other Medical Services	189,933,338	111,872,399	37,301,423	2,491,722	38,267,794	0.0
Department of Human Services Medicaid-Funded Programs	139,772,686	57,306,308	5,073,245	0	77,393,133	0.0
<u>Breakdown of Total Appropriation by Bill</u>						
HB 14-1336	7,855,593,433	2,259,525,686	946,748,434	7,782,578	4,641,536,735	389.1
SB 14-012	4,697	2,301	41	0	2,355	0.0
SB 14-014	1,397	684	13	0	700	0.0
SB 14-130	1,081,934	530,056	9	0	551,869	0.0
SB 14-144	75,000	0	0	0	75,000	0.0
SB 14-151	165,000	0	165,000	0	0	0.0
SB 14-159	128,688	128,688	0	0	0	0.0
SB 14-180	55,000	55,000	0	0	0	0.8
SB 14-215	6,363,807	4,000,000	0	0	2,363,807	0.0
HB 14-1045	7,006,802	0	2,424,016	0	4,582,786	1.0
HB 14-1211	51,133	16,533	0	0	34,600	0.0
HB 14-1213	129,831	44,519	0	0	85,312	0.0
HB 14-1317	44,529	21,813	391	0	22,325	0.0
HB 14-1357	297,985	145,983	0	0	152,002	0.0
HB 14-1360	110,000	0	110,000	0	0	0.0
HB 14-1368	5,746,227	0	2,829,586	0	2,916,641	0.0
SB 15-147	135,848,721	89,830,809	35,353,260	(1,677,787)	12,342,439	0.0
SB 15-167	(1,081,344)	(1,081,344)	0	0	0	0.0

Department of Health Care Policy and Financing						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 15-234	(79,917,760)	(776,428)	(87,825,698)	0	8,684,366	0.0
FY 2015-16 Total Appropriation:	\$8,890,454,397	\$2,507,080,610	\$1,031,847,224	\$7,805,549	\$5,343,721,014	421.2
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	267,311,268	61,086,951	29,669,200	3,618,827	172,936,290	388.0
Medical Services Premiums	6,594,830,484	1,816,359,768	703,597,288	0	4,074,873,428	0.0
Behavioral Health Community Programs	654,435,622	191,031,785	9,111,432	0	454,292,405	0.0
Office of Community Living	524,942,512	249,867,197	35,394,381	1,695,000	237,985,934	33.2
Indigent Care Program	529,832,849	12,158,464	211,882,043	0	305,792,342	0.0
Other Medical Services	210,668,439	125,484,487	40,252,113	2,491,722	42,440,117	0.0
Department of Human Services Medicaid-Funded Programs	108,433,223	51,091,958	1,940,767	0	55,400,498	0.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 15-234	8,873,331,056	2,506,252,972	1,024,522,841	6,110,549	5,336,444,694	413.7
SB 15-011	362,649	179,347	0	0	183,302	0.8
SB 15-228	539,823	269,912	0	0	269,911	4.0
HB 15-1186	10,616,568	367,564	4,840,203	0	5,408,801	0.0
HB 15-1309	37,606	10,815	833	0	25,958	0.0
HB 15-1318	2,176,695	0	788,347	0	1,388,348	2.7
HB 15-1368	3,390,000	0	1,695,000	1,695,000	0	0.0
Increase/(Decrease)	\$958,749,317	\$154,636,310	\$132,042,172	\$1,700,758	\$670,370,077	30.3
Percentage Change	12.1%	6.6%	14.7%	27.9%	14.3%	7.8%

General Fund Exempt: Amounts in the General Fund column include appropriations from both the General Fund and General Fund Exempt Account. The General Fund Exempt Account was created by Referendum C, passed by Colorado voters in November 2005. Referendum C allowed the State to retain for FY 2005-06 through FY 2009-10 all revenue collected in excess of the TABOR limit and for FY 2010-11 and subsequent fiscal years all revenues in excess of the TABOR limit but less than the excess state revenues cap. The retained revenue must be placed in the General Fund Exempt Account. The table below shows the amount appropriated from the General Fund Exempt Account for FY 2014-15 and FY 2015-16 for the 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), C.R.S. For additional information on General Fund Exempt appropriations, see Appendix H.

General Fund Summary	Total General Fund	General Fund	General Fund Exempt
FY 2014-15	\$2,352,444,300	\$1,538,884,743	\$813,559,557
FY 2015-16	\$2,507,080,610	\$1,658,528,549	\$848,552,061

In addition to Referendum C revenue, the General Fund Exempt amount for the Department of Health Care Policy and Financing includes money from Amendment 35 to the Colorado Constitution, passed by Colorado voters in November 2004. 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 counties and cities. Because Amendment 35 moneys are exempt from the TABOR limit, the General Fund appropriations of these moneys are General Fund Exempt. Pursuant to Section 24-22-117 (1) (c) (I) (B.5), C.R.S., beginning in FY 2011-12, 50.0 percent of the tobacco tax revenues appropriated to the General Fund must be appropriated for the Children's Basic Health Plan.

Informational Funds: The FY 2015-16 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Health Care Policy and Financing are annotated with the "(I)". For additional information, see Appendix J.

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2015-16 Appropriations containing an (I) notation	\$280,244,771	\$0	\$41,266,388	\$0	\$238,978,383

Detail of Appropriation by Administrative Section

Executive Director's Office

This appropriation for the Executive Director's Office contains the administrative funding for the Department, including the Department's personnel, operation of the Medicaid Management Information System, utilization reviews, provider audits, eligibility determinations, contract research and analysis, and customer services. The fund sources for this division include the General Fund, federal funds received for the Medicaid and Children's Basic Health Plan programs, the Health Care Expansion Fund, the Children's Basic Health Plan Trust Fund, the Hospital Provider Fee Cash Fund, and various other cash funds.

Executive Director's Office						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$233,142,438	\$52,428,793	\$24,783,896	\$5,271,928	\$150,657,821	358.6
SB 14-159	128,688	128,688	0	0	0	0.0
SB 14-180	55,000	55,000	0	0	0	0.8
SB 14-215	50,000	50,000	0	0	0	0.0
HB 14-1045	56,486	0	28,243	0	28,243	1.0
HB 14-1211	51,133	16,533	0	0	34,600	0.0
HB 14-1360	110,000	0	110,000	0	0	0.0
SB 15-147	2,480,763	1,637,208	1,140,428	(1,658,859)	1,361,986	0.0
SB 15-234	<u>661,575</u>	<u>248,288</u>	<u>165,000</u>	<u>0</u>	<u>248,287</u>	<u>0.0</u>
TOTAL	\$236,736,083	\$54,564,510	\$26,227,567	\$3,613,069	\$152,330,937	360.4

FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$236,736,083	\$54,564,510	\$26,227,567	\$3,613,069	\$152,330,937	360.4
MMIS adjustments	18,996,593	3,169,969	934,236	0	14,892,388	0.0
CBMS funding simplification	11,065,769	3,905,878	1,712,893	(151,059)	5,598,057	0.0
Annualize prior year legislation	3,043,647	233,548	1,290,728	0	1,519,371	0.2
Centrally appropriated line items	2,676,412	981,566	(231,641)	139,466	1,787,021	0.0
Customer service center	2,042,250	661,840	359,286	0	1,021,124	20.8
Personal health records	772,570	122,257	0	0	650,313	0.0
Person-centered planning rules and Olmstead	352,313	138,657	37,500	0	176,156	0.0
Audits-managed care and primary care fund	350,000	150,000	50,000	0	150,000	0.0
Community First Choice planning	314,041	157,020	0	0	157,021	0.9
IT stability and security	267,129	133,563	0	0	133,566	0.0
ACC reprourement preparation	250,000	125,000	0	0	125,000	0.0
Consumer direction for supported living services	100,000	25,000	0	0	75,000	0.0
Comprehensive primary care	84,952	42,476	0	0	42,476	0.0
Predictive analytics FTE	78,723	7,873	0	0	70,850	0.9
Transfers to other departments	33,958	424,743	(110,000)	0	(280,785)	0.0
FMAP change	0	0	0	(978)	978	0.0
Annualize prior year budget actions	(10,568,421)	(4,124,693)	(624,708)	30,440	(5,849,460)	0.0
Marijuana tax revenue adjustment	(50,000)	(50,000)	0	0	0	0.0
Indirect cost adjustment	(27,612)	27,612	23,339	(12,111)	(66,452)	0.0
SB 15-234	\$266,518,407	\$60,696,819	\$29,669,200	\$3,618,827	\$172,533,561	383.2
SB 15-011	112,102	56,052	0	0	56,050	0.8
SB 15-228	539,823	269,912	0	0	269,911	4.0
HB 15-1186	115,736	57,868	0	0	57,868	0.0
HB 15-1309	<u>25,200</u>	<u>6,300</u>	<u>0</u>	<u>0</u>	<u>18,900</u>	<u>0.0</u>
TOTAL	\$267,311,268	\$61,086,951	\$29,669,200	\$3,618,827	\$172,936,290	388.0
Increase/(Decrease)	\$30,575,185	\$6,522,441	\$3,441,633	\$5,758	\$20,605,353	27.6
Percentage Change	12.9%	12.0%	13.1%	0.2%	13.5%	7.7%

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 15-147 and S.B. 15-234 modified FY 2014-15 appropriations to add funding for provider fee analytics, leased space expenses, the Department's share of expenses for the new state accounting system, addressing recommendations of the Community Living Advisory Group, and information technology projects. These increases were partially offset by decreases due to a reorganization of funding for the Colorado Benefits Management System and rescheduling and rescoping of improvements to the Medicare Management Information System.

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

MMIS adjustments: The appropriation includes \$19.0 million, including \$3.2 million General Fund, to address unanticipated costs associated with the development of the new Medicaid Management Information System (MMIS) initially approved during the supplemental. In total, the project modification adds \$31.1 million from FY 2014-15 through FY 2016-17, including \$4.4 million General Fund. Of the General Fund cost over the three years, approximately \$2.6 million is driven by the need to extend the current MMIS contract and another \$2.2 million is driven by an underestimate of the cost of commercial off-the-shelf software used for the Pharmacy Benefits Management System and the Business Intelligence and Data Management analytical tools. These General Fund costs are offset by some roll-forwards from previous years. For the rest of the work, the Department receives a 90 percent federal match and the General Fund share of costs is relatively small.

CBMS funding simplification: The appropriation reorganizes funding for the Colorado Benefits Management System, resulting in a net increase of \$11,065,769 total funds, including an increase of \$3,905,878 General Fund, for this division. However, the total change for the *Department* is a decrease of \$2,260,463 total funds, including a decrease of \$3,440,366 General Fund, to change the fund sources of the current appropriation based on updated system usage statistics. Note, the decrease in General Fund in this department partially offsets an increase of \$2,607,795 General Fund in the Department of Human Services' supplemental bill for the same purpose. Additionally, the appropriation includes roll-forward authority from FY 2014-15 to FY 2015-16 for unspent moneys in the budget for the second phase of the CBMS modernization project.

Annualize prior year legislation: The appropriation includes annualizations of S.B. 14-180 (Dental health seniors), H.B. 14-1211 (Complex rehab), and S.B. 13-200 (Medicaid eligibility expansion).

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; vehicle lease payments; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; Capitol complex leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

Customer service center: The appropriation provides \$2.0 million, including \$661,840 General Fund, for the Department to hire 25 additional staff (20.8 FTE in the first year) and pay the associated operating costs to address an increase in call volume experienced by the customer service center.

Personal health records: The appropriation includes \$772,570, including \$122,257 General Fund, to create a secure, centralized web portal through which Medicaid clients can access online health education materials, view their personal health records, and communicate securely with their providers.

Person-centered planning rules and Olmstead: The appropriation includes \$352,313, including \$138,657 General Fund, to annualize funding provided in FY 2014-15 to analyze new federal rules regarding person-centered planning for home and community based services and Colorado's response to the Olmstead decision.

Audits-managed care and primary care fund: The appropriation includes \$350,000, including \$150,000 General Fund, to audit the financial and encounter data submitted by managed care providers to ensure accuracy and consistency and to explore the use of medical loss ratios for managed care contracts, based on recommendations from the Government Accountability Office. Also included in the appropriation is a transfer from the Primary Care Fund to pay for audits necessary to distribute the grants appropriately.

Community First Choice planning: The appropriation provides \$314,041, including \$157,020 General Fund, and one new staff position (0.9 FTE in the first year) to manage the planning process and perform analysis related to the Community First Choice (CFC) option. The CFC is an option under the Affordable Care Act to include participant-directed waiver services in the Medicaid state plan. Adopting this option would make participant-directed services available to a broader population. It would also provide a six percentage point increase in the federal match for these services. The funding is intended to ensure that the General Assembly has the information necessary to decide whether to implement the CFC option, and in what form.

IT stability and security: The appropriation includes \$267,129, including \$133,563 General Fund, to address stability and security issues with the DDDWeb application that is used for case management for clients with intellectual and developmental disabilities and the Business Utilization Services application that is used for case management of long term services and supports.

ACC reprourement preparation: The appropriation provides \$250,000, including \$125,000 General Fund, for consulting services in preparation for the reprourement of Regional Care Collaborative Organizations responsible for administering the Accountable Care Collaborative.

Consumer direction for supported living services: The appropriation provides \$100,000, including \$25,000 General Fund, for the administration of consumer directed attendant support services for people with intellectual and developmental disabilities who qualify for supported living services. The funds for the service cost of this new benefit are provided in the Office of Community Living.

Comprehensive primary care: The appropriation includes \$84,952, including \$42,476 General Fund, for Medicaid's allocated share of the Comprehensive Primary Care initiative (CPCi) that connects payer information with health outcomes.

Predictive analytics FTE: The appropriation includes \$78,723, including \$7,873 General Fund, for one new staff position (0.9 FTE in the first year) to manage technology that identifies and prevents potentially fraudulent claims.

Transfers to other departments: The appropriation includes a net increase of \$33,958, including \$424,743 General Fund, for Medicaid appropriations transferred to other departments, including the Department of Public Health and Environment and the Department of Human Services.

FMAP change: The appropriation includes a reduction of reappropriated funds and an increase of federal Medicaid funds due to the increase in Colorado's Federal Medical Assistance Percentage (FMAP) rate on October 1, 2015.

Annualize prior year budget actions: The appropriation includes the following annualizations of prior year budget actions:

Annualizations of prior year budget actions					
	Total	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 14-15 R5 Medicaid health information exchange	\$3,967,250	\$396,725	\$0	\$0	\$3,570,525
FY 14-15 R9 Medicaid community living initiative	1,039	519	0	0	520
FY 14-15 BA10 Dental provider incentives	(5,000,000)	(2,500,000)	0	0	(2,500,000)
FY 14-15 R6 Eligibility determination enhanced match	(2,536,068)	0	0	0	(2,536,068)
FY 14-15 R12 Administrative contract reprocrements	(1,734,748)	(257,415)	(606,807)	0	(870,526)

Annualizations of prior year budget actions					
	Total	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 14-15 S6 BA6 Leased space	(1,154,948)	(596,619)	19,145	0	(577,474)
FY 13-14 R5	(1,033,939)	(92,349)	(18,798)	0	(922,792)
FY 15-16 CLAG recommendation LB add-on	(496,575)	(248,288)	0	0	(248,287)
FY 15-16 S12/BA12 Leased space true-up	(444,117)	(284,307)	62,247	0	(222,057)
FY 14-15 BA12 Enroll dual eligibles in ACC	(366,622)	147,921	0	0	(514,543)
FY 14-15 R10 Primary care specialty collaboration	(300,000)	(150,000)	0	0	(150,000)
FY 14-15 BA13 Disability determinations contract reprourement	(293,406)	(146,703)	0	0	(146,703)
FY 12-13 BA8	(200,000)	(17,863)	(3,636)	0	(178,501)
FY 12-13 R12	(200,000)	0	(50,000)	0	(150,000)
FY 15-16 CBMS RFI funding removal correction	(180,508)	(66,253)	(24,062)	0	(90,193)
FY 15-16 S15/BA15 PACAP contractor	(159,073)	(79,537)	0	0	(79,536)
FY 14-15 Rate setting study	(150,000)	(75,000)	0	0	(75,000)
FY 14-15 R15 LTSS for individuals with complex medical conditions	(125,000)	(62,500)	0	0	(62,500)
Prior year merit pay and salary survey	(73,545)	(51,833)	90	30,440	(52,242)
FY 14-15 NP5 OIT	(34,413)	(17,206)	0	0	(17,207)
FY 14-15 BA13 Disability determinations contract reprourement	(28,584)	(14,292)	0	0	(14,292)
FY 14-15 NP3 OIT	(11,941)	(5,970)	0	0	(5,971)
FY 14-15 NP4 OIT	(6,750)	(3,375)	0	0	(3,375)
FY 15-16 S14/BA14 Medical identification card adjustment	<u>(6,473)</u>	<u>(348)</u>	<u>(2,887)</u>	<u>0</u>	<u>(3,238)</u>
Total	(\$10,568,421)	(\$4,124,693)	(\$624,708)	\$30,440	(\$5,849,460)

Marijuana tax revenue adjustment: The appropriation reduces funding from marijuana tax revenue based on the most recent Legislative Council Staff forecast of the available funds.

Indirect cost adjustment: The appropriation includes a net decrease in the Department's indirect cost assessment.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Medical Services Premiums

This division provides the health care funding for an estimated 1,003,612 Medicaid clients in FY 2014-15. Medical services include medical care services (i.e. physician visits, prescription drugs, hospitalization) and long-term care services (i.e. nursing home care and community-based services). Significant sources of cash funds include the Health Care Expansion Fund, provider fees from hospitals and nursing facilities, and funds certified at public hospitals as the state match for federal funds. The majority of reappropriated funds are transferred from the Department of Public Health and Environment. Federal funds represent the federal funds available for the Medicaid program through the federal medical assistance program (FMAP).

Medical Services Premiums						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$5,716,177,008	\$1,608,148,500	\$620,547,350	\$0	\$3,487,481,158	0.0
SB 14-130	1,057,300	517,971	0	0	539,329	0.0
SB 14-151	165,000	0	165,000	0	0	0.0
HB 14-1045	6,820,477	0	2,351,018	0	4,469,459	0.0
HB 14-1357	297,985	145,983	0	0	152,002	0.0
SB 15-147	141,891,780	83,683,422	25,167,600	0	33,040,758	0.0
SB 15-234	<u>(63,243,747)</u>	<u>9,019,526</u>	<u>(91,903,528)</u>	<u>0</u>	<u>19,640,255</u>	<u>0.0</u>
TOTAL	\$5,803,165,803	\$1,701,515,402	\$556,327,440	\$0	\$3,545,322,961	0.0
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$5,803,165,803	\$1,701,515,402	\$556,327,440	\$0	\$3,545,322,961	0.0
Enrollment/utilization trends						
Medical Services Premiums - services	490,270,926	92,338,953	7,971,326	0	389,960,647	0.0
Medical Services Premiums – booster payments / financing	<u>290,785,123</u>	<u>9,409,493</u>	<u>150,996,434</u>	<u>0</u>	<u>130,379,196</u>	<u>0.0</u>
<i>Subtotal - Enrollment/utilization trends</i>	<i>781,056,049</i>	<i>101,748,446</i>	<i>158,967,760</i>	<i>0</i>	<i>520,339,843</i>	<i>0.0</i>
Eligibility/benefit changes						
Lifetime cap on home modifications	711,238	350,000	0	0	361,238	0.0
Consumer direction for supported living services	<u>(1,233,531)</u>	<u>(607,021)</u>	<u>0</u>	<u>0</u>	<u>(626,510)</u>	<u>0.0</u>
<i>Subtotal - Eligibility/benefit changes</i>	<i>(522,293)</i>	<i>(257,021)</i>	<i>0</i>	<i>0</i>	<i>(265,272)</i>	<i>0.0</i>
Provider rate changes						
Community provider rate	13,965,105	4,521,553	189,909	0	9,253,643	0.0
Targeted rate increases	<u>59,599,307</u>	<u>22,529,938</u>	<u>1,496,448</u>	<u>0</u>	<u>35,572,921</u>	<u>0.0</u>
<i>Subtotal - Provider rate changes</i>	<i>73,564,412</i>	<i>27,051,491</i>	<i>1,686,357</i>	<i>0</i>	<i>44,826,564</i>	<i>0.0</i>
FMAP change	0	(1,058,041)	(233,262)	0	1,291,303	0.0
Continuous eligibility financing	(42,715,698)	(17,619,753)	(3,400,642)	0	(21,695,303)	0.0
Chronically acute long-stay clients	(28,000,000)	0	(14,000,000)	0	(14,000,000)	0.0
Annualize prior year legislation	(1,909,274)	928,235	(1,231,801)	0	(1,605,708)	0.0
Annualize prior year budget actions	(275,439)	3,758,353	640,543	0	(4,674,335)	0.0
SB 15-234	\$6,584,363,560	\$1,816,067,112	\$698,756,395	\$0	\$4,069,540,053	0.0
SB 15-011	250,547	123,295	0	0	127,252	0.0
HB 15-1186	10,205,160	164,846	4,840,203	0	5,200,111	0.0
HB 15-1309	<u>11,217</u>	<u>4,515</u>	<u>690</u>	<u>0</u>	<u>6,012</u>	<u>0.0</u>
TOTAL	\$6,594,830,484	\$1,816,359,768	\$703,597,288	\$0	\$4,074,873,428	0.0
Increase/(Decrease)	\$791,664,681	\$114,844,366	\$147,269,848	\$0	\$529,550,467	0.0
Percentage Change	13.6%	6.7%	26.5%	n/a	14.9%	n/a

FY 2014-15 Appropriation – Mid-year Adjustments

The FY 2014-15 appropriation was modified through two 2015 bills:

- Senate Bill 15-147 increased appropriations by \$141.9 million total funds, including an increase of \$83.7 million General Fund, primarily based on preliminary forecasted changes in Medicaid enrollment and expenditures.
- Senate Bill 15-234 decreased appropriations by \$63.2 million total funds, including an increase of \$9.0 million General Fund, primarily based on revised caseload and expenditure estimates.

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Enrollment/utilization trends: The appropriation includes a net increase of \$781.1 million, including \$101.7 million General Fund, for revised caseload and expenditure estimates, including:

- An increase of \$490.3 million, including \$92.3 million General Fund, for the Medical Services Premiums line item for medical services and long-term services and supports;
- An increase of \$290.8 million, including \$9.4 million General Fund, for the Medical Services Premiums line item for booster payments to hospitals through the Hospital Provider Fee and miscellaneous other financing.

Eligibility/benefit changes: The appropriation includes a net decrease of \$522,293, including \$257,021 General Fund, for changes to the Medicaid benefit package, including:

- An increase of \$711,238, including \$350,000 General Fund, to increase the lifetime cap on home modifications from \$12,500 to an estimated \$14,067; and
- A decrease of \$1.2 million, including \$607,021 General Fund, as a result of providing consumer directed attendant support services to people with intellectual and developmental disabilities who qualify for supported living services. Note that while there is a decrease for the Medical Services Premiums line item there is an increase for the Office of Community Living for a net cost for this benefit change of \$1.3 million, including \$592,765 General Fund.

Provider rate changes: The appropriation includes \$73.6 million, including \$27.1 million General Fund, for increases in provider rates, including:

- \$14.0 million, including \$4.5 million General Fund, for an across-the-board increases of 0.5 percent for providers paid from the Medical Services Premiums line item; and
- \$60.0 million, including \$22.5 million General Fund, for several targeted rate increases summarized in the table below:

	Targeted Rate Increases			
	TOTAL	General Fund	Cash Funds	Federal Funds
Dental fillings and extractions to 65% of customary	\$15,058,255	\$4,094,339	\$1,349,220	\$9,614,696
Personal care/homemaker to \$17 per hour	14,380,828	6,991,806	38,420	7,350,602
Anesthesia services	12,862,698	4,300,000	23,153	8,539,545
Private duty nursing to \$45 per hour	5,167,006	2,512,143	13,805	2,641,058
Eye materials for children	3,995,056	1,837,053	0	2,158,003
Physical and occupational therapy devices	3,587,269	1,075,534	33,475	2,478,260
Dental sealants for children	1,484,511	682,625	0	801,886
Emergency medical transportation	1,109,263	300,000	2,252	807,011
Prenatal and postpartum care services	624,511	306,442	0	318,069
Diabetic self-management education group visits	485,433	162,280	874	322,279
Vision retinal services	407,583	136,255	734	270,594
Dental X-rays	365,089	99,278	32,736	233,075

Targeted Rate Increases				
	TOTAL	General Fund	Cash Funds	Federal Funds
In-home respite	66,320	30,977	1,761	33,582
Prostate biopsy	5,485	1,206	18	4,261
TOTAL	\$59,599,307	\$22,529,938	\$1,496,448	\$35,572,921

FMAP change: The appropriation includes a reduction of General Fund and cash funds and an increase of federal Medicaid funds due to the increase in Colorado's Federal Medical Assistance Percentage (FMAP) rate on October 1, 2015. The average FMAP for the state for FY 2015-16 will 50.79 percent.

Medicaid Federal Medical Assistance Percentage (FMAP)					
State Fiscal Year	Ave. FMAP	FMAP by Quarter (of state fiscal year)			
		Q1	Q2	Q3	Q4
FY 12-13	50.00	50.00	50.00	50.00	50.00
FY 13-14	50.00	50.00	50.00	50.00	50.00
FY 14-15	50.76	50.00	51.01	51.01	51.01
FY 15-16	50.79	51.01	50.72	50.72	50.72

Continuous eligibility financing: The appropriation includes a decrease of \$42.7 million, including \$17.6 million General Fund, for a change in the way continuous eligibility for children is financed. Previously, of the children eligible for Medicaid based on continuous eligibility, an estimated portion that would have been eligible based on Transitional Medicaid were financed with General Fund. The new policy finances all children eligible based on continuous eligibility with the Hospital Provider Fee, consistent with statute. This reduces the amount of Hospital Provider Fee available for booster payments, thereby reducing the federal funds.

Chronically acute long-stay clients: The appropriation includes a decrease \$28,000,000 to better reflect anticipated expenditures for an intergovernmental agreement with Denver Health to finance nursing services as an alternative to hospitalization for chronically acute long-stay patients.

Annualize prior year legislation: The appropriation includes an increase of \$1,588,240, including \$778,079 General Fund, for the second year impact of S.B. 14-130 (personal care allowance nursing facility), an increase of \$893,956, including \$437,949 General Fund, for the second year impact of H.B. 14-1357 (In-home support services), a decrease of \$3,556,502 for the second year impact of H.B. 14-1045 (Breast & Cervical Cancer Prevention reauthorization), and a decrease of \$834,968, including \$287,793 General Fund for the sunset of H.B. 08-1373 (Breast & Cervical Cancer Fund).

Annualize prior year budget actions: The appropriation includes the following annualizations of prior year budget actions:

Annualizations of prior year budget actions					
	Total	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 14-15 R11 Provider rate increase	\$7,209,884	\$2,393,037	\$90,097	\$0	\$4,726,750
FY 14-15 Full denture benefit	2,430,715	0	546,729	0	1,883,986
FY 15-16 IDD Fund	2,318,548	2,318,548	0	0	0
FY 14-15 Removal of five-year bar	1,304,745	632,379	0	0	672,366
FY 14-15 FQHC rate increases	660,159	198,819	10,424	0	450,916

Annualizations of prior year budget actions					
	Total	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 14-15 Raise cap on home modifications	253,846	125,000	0	0	128,846
FY 14-15 Family planning rates	165,207	26,063	0	0	139,144
FY 14-15 R9 Medicaid community living initiative	7,164	2,590	0	0	4,574
FY 14-15 Hospice rate increase	1,155	518	0	0	637
FY 14-15 BA12 Enroll dual eligibles in ACC	(10,593,190)	(7,229)	0	0	(10,585,961)
FY 14-15 R8 New IDD enrollments	(1,868,689)	(934,345)	0	0	(934,344)
FY 14-15 R12 Administrative contract reprocurments	(1,753,499)	(876,750)	0	0	(876,749)
FY 14-15 R10 Primary care specialty collaboration	<u>(411,484)</u>	<u>(120,277)</u>	<u>(6,707)</u>	<u>0</u>	<u>(284,500)</u>
Total	(\$275,439)	\$3,758,353	\$640,543	\$0	(\$4,674,335)

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Behavioral Health Community Programs

This division provides funding for Medicaid clients' mental health and substance use disorder care through the purchase of services from regional behavioral health organizations (BHOs). Each BHO receives a pre-determined monthly amount for each Medicaid client within its geographic region who is *eligible* for behavioral health services. This division also provides funding for Medicaid fee-for-service payments for behavioral health services provided to clients who are not enrolled in a BHO and for the provision of behavioral health services that are not covered by the BHO contract. Appropriations for FY 2015-16 reflect funding for a projected 1,255,060 Medicaid clients eligible for behavioral health services. The funding for this division is primarily General Fund and federal funds. Cash fund sources include the Hospital Provider Fee Cash Fund and the Breast and Cervical Cancer Prevention and Treatment Fund.

Behavioral Health Community Programs						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$550,715,017	\$172,504,409	\$4,489,831	\$0	\$373,720,777	0.0
SB 14-215	6,313,807	3,950,000	0	0	2,363,807	0.0
HB 14-1045	129,839	0	44,755	0	85,084	0.0
SB 15-147	(1,558,444)	7,409,640	(345,277)	0	(8,622,807)	0.0
SB 15-167	(1,081,344)	(1,081,344)	0	0	0	0.0
SB 15-234	<u>12,026,027</u>	<u>(2,469,097)</u>	<u>293,754</u>	<u>0</u>	<u>14,201,370</u>	<u>0.0</u>
TOTAL	\$566,544,902	\$180,313,608	\$4,483,063	\$0	\$381,748,231	0.0
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$566,544,902	\$180,313,608	\$4,483,063	\$0	\$381,748,231	0.0
Enrollment/utilization trends - Behavioral health programs	92,715,806	18,692,358	1,251,435	0	72,772,013	0.0
Community provider rate	140,586	33,899	1,676	0	105,011	0.0
Annualize prior year budget actions	36,499	14,933	0	0	21,566	0.0

Behavioral Health Community Programs						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Continuous eligibility financing	0	(3,400,642)	3,400,642	0	0	0.0
FMAP change	0	(1,898,565)	(2,731)	0	1,901,296	0.0
Marijuana tax revenue adjustment	(5,232,463)	(2,868,656)	0	0	(2,363,807)	0.0
Annualize prior year legislation	(65,380)	0	(22,653)	0	(42,727)	0.0
SB 15-234	\$654,139,950	\$190,886,935	\$9,111,432	\$0	\$454,141,583	0.0
HB 15-1186	<u>295,672</u>	<u>144,850</u>	<u>0</u>	<u>0</u>	<u>150,822</u>	<u>0.0</u>
TOTAL	\$654,435,622	\$191,031,785	\$9,111,432	\$0	\$454,292,405	0.0
Increase/(Decrease)	\$87,890,720	\$10,718,177	\$4,628,369	\$0	\$72,544,174	0.0
Percentage Change	15.5%	5.9%	103.2%	n/a	19.0%	n/a

FY 2014-15 Appropriation – Mid-year Adjustments

The FY 2014-15 appropriation was modified through three 2015 bills:

- Senate Bill 15-147 reduced appropriations by \$1.8 million total funds (including an increase of \$7.3 million General Fund) based on preliminary forecasted changes in Medicaid enrollment and expenditures. This reduction was offset by an increase of \$203,752 total funds (half of which came from General Fund) to correct an accounting error that prevented the Department from making a contractual payment to a behavioral health organization (BHO) to ensure a smooth transition between contractors following the BHO reprocurement.
- Senate Bill 15-167 reduced General Fund appropriations for school-based prevention and intervention program by \$1.1 million based on actual grant awards.
- Senate Bill 15-234 increased appropriations by \$12.0 million total funds (including a decrease of \$2.5 million General Fund) based on revised caseload and expenditure estimates.

FY 2015-16 Appropriation – Overview

The following table is provided to frame the discussion of each incremental budget change that follows. This table compares the most recent caseload and expenditure estimates for FY 2014-15 and FY 2015-16. This table corresponds to the total appropriations that are reflected in the table above, and thus it includes the impact of all adjustments and benefit changes that are reflected in the appropriations for FY 2015-16.

FY 2015-16 Medicaid Behavioral Health Community Programs Budget Overview						
Description	FY 2014-15		FY 2015-16		Annual Change	
	Caseload	Funding	Caseload	Funding	Caseload	Funding
Capitation Payments						
<u>Eligibility Categories</u>						
Adults age 65+ (up to SSI)	42,087	\$6,969,616	42,971	\$7,277,158	884	\$307,542
Adults:						
Parents/caretakers (up to 138% FPL); pregnant adults (up to 200% FPL)	251,219	75,815,247	282,708	95,548,001	31,489	19,732,754

FY 2015-16 Medicaid Behavioral Health Community Programs Budget Overview						
Description	FY 2014-15		FY 2015-16		Annual Change	
	Caseload	Funding	Caseload	Funding	Caseload	Funding
Adults without dependent children (up to 138% FPL)	240,362	171,952,160	287,239	208,653,660	46,877	36,701,500
Breast and Cervical Cancer Program (up to 250% FPL)	379	77,673	179	60,207	(200)	(17,466)
Individuals with disabilities under age 65 (up to 450% FPL)	80,827	141,562,724	85,135	154,610,515	4,308	13,047,791
Children (up to 147% FPL)	495,433	112,428,298	536,440	126,732,162	41,007	14,303,864
Children/young adults under age 27 in or formerly in foster care	<u>20,129</u>	<u>51,437,491</u>	<u>20,237</u>	<u>53,264,149</u>	<u>108</u>	<u>1,826,658</u>
Subtotal	1,130,436	560,243,209	1,254,909	646,145,852	124,473	85,902,643
Adjustments:						
Date of death retractions	n/a	(462,511)	n/a	(416,261)	n/a	46,250
Adults without dependent children rate reconciliation	n/a	<u>(6,121,515)</u>	n/a	<u>0</u>	n/a	<u>6,121,515</u>
Capitation subtotal with adjustments	1,130,436	553,659,183	1,254,909	645,729,591	124,473	92,070,408
H.B. 15-1186 (Services for Children with Autism)	n/a		151	295,672	151	295,672
S.B. 14-215 (Disposition of Legal Marijuana Related Revenue)	n/a	<u>4,363,807</u>	n/a	<u>0</u>	n/a	<u>(4,363,807)</u>
Capitation Payments Total	1,130,436	\$558,022,990	1,255,060	\$646,025,263	124,624	\$88,002,273
Fee for Service						
Inpatient		\$1,796,270		\$1,994,058		\$197,788
Outpatient		5,564,432		6,177,135		612,703
Physician	-	<u>88,802</u>		<u>98,580</u>	-	<u>9,778</u>
Subtotal		7,449,504		8,269,773		820,269
Provider rate increase		Included above		140,586		140,586
Fee for Service Total		\$7,449,504		\$8,410,359		\$960,855
Other Appropriations						
School-based Substance Abuse Prevention and Intervention Grant Program		\$868,656		\$0		(\$868,656)
BHO Contract Reprocurement		<u>203,752</u>		<u>0</u>		<u>(203,752)</u>
Total		\$1,072,408		\$0		(\$1,072,408)
Total Behavioral Health Community Programs	1,130,436	\$566,544,902	1,255,060	\$654,435,622	124,624	\$87,890,720
<i>Incremental Percentage Change</i>					<i>11.0%</i>	<i>15.5%</i>

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Enrollment/utilization trends - Behavioral health programs: The appropriation includes a net increase of \$92.7 million (including \$18.7 million General Fund) that is attributable to revised caseload and expenditure estimates for the capitation and fee-for-service Medicaid behavioral health programs. The above table provides details related to projected changes for each eligibility category.

Community provider rate: The appropriation includes an increase of \$140,586 total funds (including \$33,899 General Fund) for a 1.7 percent increase in rates for fee-for-service behavioral health provider rates.

Annualize prior year budget actions: The appropriation includes adjustments for the second-year impact of prior year budget actions:

Annualize prior year budget actions					
	Total	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 14-15 Removal of five-year bar	\$212,313	\$103,081	\$0	\$0	\$109,232
FY 14-15 R8 New IDD enrollments	15,270	7,490	0	0	7,780
FY 14-15 R11 Provider rate increase	12,668	6,238	0	0	6,430
FY 14-15 Correct technical error in SB 15-147	<u>(203,752)</u>	<u>(101,876)</u>	<u>0</u>	<u>0</u>	<u>(101,876)</u>
Total	\$36,499	\$14,933	\$0	\$0	\$21,566

Continuous eligibility financing: The appropriation includes a \$3.4 million General Fund decrease and a \$3.4 million cash funds increase due to a change in the way continuous eligibility for children is financed. Previously, of the children eligible for Medicaid based on continuous eligibility, an estimated portion that would have been eligible based on Transitional Medicaid were financed with General Fund. The new policy finances all children eligible based on continuous eligibility with the Hospital Provider Fee, consistent with statute.

FMAP change: The appropriation includes a \$1.9 million reduction of General Fund and cash funds and a \$1.9 million increase of federal Medicaid funds due to the increase in Colorado's Federal Medical Assistance Percentage (FMAP) rate on October 1, 2015.

Marijuana tax revenue adjustment: For this department, S.B. 14-215 included General Fund appropriations for two programs for FY 2014-15 and then transferred marijuana tax revenues to the General Fund to offset the costs of these programs. Based on the Legislative Council revenue forecast for the marijuana industry for FY 2015-16, the appropriation reflects reductions in this section totaling \$5,232,463, including: (1) \$4,363,807 (including \$2,000,000 General Fund and \$2,363,807 federal funds) for school-based prevention and early intervention services provided by behavioral health organizations; and (2) \$868,656 General Fund for the School-based Substance Abuse Prevention and Intervention Grant Program.

Annualize prior year legislation: The appropriation includes a reduction of \$65,380 total funds to reflect the second-year impact of H.B. 14-1045 (Breast and cervical cancer prevention reauthorization).

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Office of Community Living: The Office houses the Division for Intellectual and Developmental Disabilities (IDD) and is responsible for the following functions related to the provision of services by community based providers to individuals with intellectual and developmental disabilities:

- Administration of three Medicaid waivers for individuals with developmental disabilities;
- Establishment of service reimbursement rates;
- Ensuring compliance with federal Centers for Medicare and Medicaid rules and regulations;
- Communication and coordination with community-centered boards regarding waiver policies, rate changes, and waiting list information reporting; and
- Administration of the Family Support Services Program

Office of Community Living						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$478,939,702	\$230,582,978	\$30,841,087	\$0	\$217,515,637	30.5
HB 14-1368	5,746,227	0	2,829,586	0	2,916,641	0.0
SB 15-147	(8,682,433)	(5,100,000)	1,675,000	0	(5,257,433)	0.0
SB 15-234	<u>(4,843,885)</u>	<u>1,174,389</u>	<u>(1,236,158)</u>	<u>0</u>	<u>(4,782,116)</u>	<u>0.0</u>
TOTAL	\$471,159,611	\$226,657,367	\$34,109,515	\$0	\$210,392,729	30.5
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$471,159,611	\$226,657,367	\$34,109,515	\$0	\$210,392,729	30.5
Office of Community Living	18,967,057	8,417,480	1,546,987	0	9,002,590	0.0
Annualize prior year budget actions	18,234,264	8,541,973	(3,268,428)	0	12,960,719	0.0
Community provider rate	8,461,129	4,056,459	522,960	0	3,881,710	0.0
Consumer direction for supported living services	2,387,292	1,174,786	0	0	1,212,506	0.0
Targeted rate increases	166,464	81,917	0	0	84,547	0.0
FMAP change	0	937,215	0	0	(937,215)	0.0
SB 15-234	\$519,375,817	\$249,867,197	\$32,911,034	\$0	\$236,597,586	30.5
HB 15-1318	2,176,695	0	788,347	0	1,388,348	2.7
HB 15-1368	<u>3,390,000</u>	<u>0</u>	<u>1,695,000</u>	<u>1,695,000</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$524,942,512	\$249,867,197	\$35,394,381	\$1,695,000	\$237,985,934	33.2
Increase/(Decrease)	\$53,782,901	\$23,209,830	\$1,284,866	\$1,695,000	\$27,593,205	2.7
Percentage Change	11.4%	10.2%	3.8%	n/a	13.1%	8.9%

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 15-147 and S.B. 15-234 modified the FY 2014-15 appropriation to account for changes in the number of individuals receiving services through one of the three Medicaid waivers for adults and children with intellectual and developmental disabilities.

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Office of Community Living: The appropriation includes an increase of \$18,967,057 total funds to add new enrollments to the waiver and to account for a base increase in the number of individuals who started to receiving services in FY 2015-16. The following table summarizes the net changes from the FY 2014-15 appropriation as amended by the midyear caseload adjustments.

Intellectual and Developmental Disabilities Maximum Waiver Enrollment				
Waiver	FY 14-15	FY 15-16	Difference	Percent
Adult Comprehensive	4,970	5,065	95	1.9%
Adult Supported Living Services - Medicaid	5,408	5,561	153	2.8%
Adult Supported Living Services - General Fund	692	692	0	0.0%
Children's Extensive Support Services	1,251	1,300	49	3.9%

Average Per Enrollment Cost				
Waiver	FY 14-15	FY 15-16	Difference	Percent
Adult Comprehensive	66,812	74,386	7,574	11.3%
Adult Supported Living Services - Medicaid	14,557	15,717	1,160	8.0%
Adult Supported Living Services - General Fund	14,557	15,717	1,160	8.0%
Children's Extensive Support Services	18,804	19,192	388	2.1%
Case Management	3,126	3,109	(17)	(0.6%)

Annualize prior year budget actions: The appropriation includes adjustments for the second-year impact of prior year budget actions which added additional enrollments. Enrollments are funded for six months in the first year to account for the time required to enroll and begin providing an individual services. The second year of the enrollment requires additional funding so that a full twelve months of services is funded.

Community provider rate: The appropriation includes an increase of \$8,461,129 total funds (including \$4,056,459 General Fund) for a 1.7 percent increase in rates for community providers.

Consumer direction for supported living services: An increase of \$2,387,292 total funds (including \$1,174,786 General Fund), to provide consumer directed attendant support services to people with intellectual and developmental disabilities who qualify for supported living services. Note that this increase is offset by a reduction in the Medical Services Premiums line item.

Targeted rate increases: The appropriation includes an increase of \$166,464 total funds (including \$81,917 General Fund) for targeted rate increases. See the Medical Services Premiums division for additional information.

FMAP change: The appropriation includes a net zero adjustment (including a \$937,215 General Fund increase) due to the increase in Colorado's Federal Medical Assistance Percentage (FMAP) rate on October 1, 2015.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Indigent Care Program

This division contains funding for the following programs:

Indigent Care Program -- This program provides partial reimbursement to participating hospitals and clinics that serve uninsured or under-insured clients. To be eligible for this program, clients must have income or assets equal to or lower than 250 percent of the federal poverty level (FPL) and may not qualify for assistance through the Medicaid program.

Children's Basic Health Plan -- This program provides health insurance to otherwise uninsured children from families at or below 250 percent of the federal poverty guidelines. The program also provides health insurance to eligible adult women between 185 percent and 250 percent of the federal poverty guidelines.

Funding sources include the General Fund, Hospital Provider Fee Cash Fund, tobacco tax and tobacco settlement revenues, and federal funds.

Indigent Care Program						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$562,952,715	\$31,893,589	\$231,189,651	\$0	\$299,869,475	0.0
HB 14-1213	129,831	44,519	0	0	85,312	0.0
SB 15-147	(15,923,038)	(4,761,426)	237,914	0	(11,399,526)	0.0
SB 15-234	<u>(22,766,851)</u>	<u>(6,961,976)</u>	<u>4,855,234</u>	<u>0</u>	<u>(20,660,109)</u>	<u>0.0</u>
TOTAL	\$524,392,657	\$20,214,706	\$236,282,799	\$0	\$267,895,152	0.0
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$524,392,657	\$20,214,706	\$236,282,799	\$0	\$267,895,152	0.0
Children's Basic Health Plan	2,394,019	11,763,217	(15,796,089)	0	6,426,891	0.0
Annualize prior year budget actions	2,191,625	(1,564,057)	214,718	0	3,540,964	0.0
Annualize prior year legislation	903,359	9,838	344,242	0	549,279	0.0
FMAP change	0	(18,265,240)	(9,113,770)	0	27,379,010	0.0
Audits-managed care and primary care fund	(50,000)	0	(50,000)	0	0	0.0
SB 15-234	\$529,831,660	\$12,158,464	\$211,881,900	\$0	\$305,791,296	0.0
HB 15-1309	<u>1,189</u>	<u>0</u>	<u>143</u>	<u>0</u>	<u>1,046</u>	<u>0.0</u>
TOTAL	\$529,832,849	\$12,158,464	\$211,882,043	\$0	\$305,792,342	0.0
Increase/(Decrease)	\$5,440,192	(\$8,056,242)	(\$24,400,756)	\$0	\$37,897,190	0.0
Percentage Change	1.0%	(39.9%)	(10.3%)	n/a	14.1%	n/a

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 15-147 and S.B. 15-234 modified the FY 2014-15 appropriations primarily to account for changes in the projected enrollment and utilization of the Children's Basic Health Plan.

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Children's Basic Health Plan: The appropriation includes an increase of \$2.4 million, including \$11.8 million General Fund, for revised caseload and expenditure estimates for the Children's Basic Health Plan.

Annualize prior year budget actions: The appropriation includes the following annualizations of prior year budget actions:

Annualizations of prior year budget actions					
	Total	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 14-15 Removal of five-year bar	\$1,822,218	(\$229,710)	\$0	\$0	\$2,051,928
FY 14-15 BA11 Alignment of CHP+ oral health benefits to CHIPRA	1,178,100	(1,334,347)	599,171	0	1,913,276
FY 14-15 R12 Administrative contract reprocrements	<u>(808,693)</u>	<u>0</u>	<u>(384,453)</u>	<u>0</u>	<u>(424,240)</u>
Total	\$2,191,625	(\$1,564,057)	\$214,718	\$0	\$3,540,964

Annualize prior year legislation: The appropriation includes an increase of \$714,195 for the second year impact of S.B. 13-200 (Medicaid eligibility expansion) and an increase of \$189,164, including \$9,838 General Fund, for the second year impact of H.B. 14-1213 (Pharmacy benefit manager).

FMAP change: The appropriation includes a reduction of General Fund and cash funds and an increase of federal Medicaid funds due to the increase in Colorado's Federal Medical Assistance Percentage (FMAP) rate on October 1, 2015. The Children's Basic Health Plan (CHP+) receives a federal match rate derived from the Medicaid FMAP. From October 1, 2015 through September 30, 2019 the federal match rate for CHP+ is scheduled to increase 23 percentage points, in addition to changing with the Medicaid FMAP, pursuant to the Affordable Care Act.

CHP+ Enhanced Federal Medical Assistance Percentage (eFMAP)					
State Fiscal Year	Ave. FMAP	eFMAP by Quarter (of state fiscal year)			
		Q1	Q2	Q3	Q4
FY 12-13	65.00	65.00	65.00	65.00	65.00
FY 13-14	65.00	65.00	65.00	65.00	65.00
FY 14-15	65.53	65.00	65.71	65.71	65.71
FY 15-16	82.80	65.71	88.50	88.50	88.50

Audits–managed care and primary care fund: The appropriation includes a transfer from the Primary Care Fund to the Executive Director's Office to pay for audits necessary to distribute Primary Care Fund grants appropriately.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Other Medical Services

This division contains the funding for:

- The state's obligation under the Medicare Modernization Act for prescription drug benefits;
- The Old Age Pension State-Only Medical Program;
- Health training programs, including the Commission on Family Medicine and the University Teaching Hospitals; and
- Public School Health Services.

Funding sources for these programs include the General Fund, cash funds for certified expenditures at school districts, the Old Age Pension Medical and Supplemental Medical Fund, reappropriated funds from Amendment 35 tobacco taxes, and matching federal funds.

Other Medical Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$174,198,027	\$103,657,959	\$31,424,455	\$2,491,722	\$36,623,891	0.0
SB 14-144	75,000	0	0	0	75,000	0.0
SB 15-147	17,484,548	10,038,677	5,876,968	0	1,568,903	0.0
SB 15-234	<u>(1,824,237)</u>	<u>(1,824,237)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$189,933,338	\$111,872,399	\$37,301,423	\$2,491,722	\$38,267,794	0.0
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$189,933,338	\$111,872,399	\$37,301,423	\$2,491,722	\$38,267,794	0.0
Medicare Modernization Act	8,867,899	9,297,324	0	0	(429,425)	0.0
Public school health services	6,110,799	0	2,786,520	0	3,324,279	0.0
Annualize prior year legislation	3,013,058	2,962,510	125,548	0	(75,000)	0.0
Rural residency slots	2,743,345	1,350,000	0	0	1,393,345	0.0
FMAP change	0	2,254	38,622	0	(40,876)	0.0
SB 15-234	<u>\$210,668,439</u>	<u>\$125,484,487</u>	<u>\$40,252,113</u>	<u>\$2,491,722</u>	<u>\$42,440,117</u>	<u>0.0</u>
TOTAL	\$210,668,439	\$125,484,487	\$40,252,113	\$2,491,722	\$42,440,117	0.0
Increase/(Decrease)	\$20,735,101	\$13,612,088	\$2,950,690	\$0	\$4,172,323	0.0
Percentage Change	10.9%	12.2%	7.9%	0.0%	10.9%	n/a

FY 2014-15 Appropriation – Mid-year Adjustments

The FY 2014-15 appropriation was modified through two 2015 bills:

- Senate Bill 15-147 increased appropriations by \$17.5 million total funds, including an increase of \$10.0 million General Fund, primarily based on preliminary forecasted changes in the state's obligation to reimburse the federal government pursuant to the Medicare Modernization Act for prescription drugs for people dually eligible for Medicaid and Medicare;
- Senate Bill 15-234 decreased appropriations by \$1.8 million General Fund, primarily based on a revised forecast of the state's obligation to reimburse the federal government pursuant to the Medicare Modernization Act for prescription drugs for people dually eligible for Medicaid and Medicare.

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Medicare Modernization Act: The appropriation includes an increase of \$8.9 million, including \$9.3 million General Fund, for the state's obligation, pursuant to the Medicare Modernization Act, to pay the federal government for prescription drugs for people dually eligible for Medicaid and Medicare.

Public school health services: The appropriation includes an increase of \$6.1 million due to an increase in certified public expenditures by school districts and boards of cooperative education for public school health services.

Annualize prior year legislation: The appropriation includes an increase of \$2,962,510 General Fund for the second year impact of S.B. 14-180 (Dental health seniors), an increase of \$125,548 for the third year impact of S.B. 13-200 (Medicaid eligibility expansion), and a decrease of \$75,000 for the second year impact of S.B. 14-144 (Family medicine residency).

Rural residency slots: The appropriation includes \$2.7 million, including \$1.4 million General Fund, for five additional family medicine residency placements in rural communities.

FMAP change: The appropriation includes an increase of General Fund and cash funds and a decrease of federal Medicaid funds due to re-estimating the fiscal impact of changes in Colorado's Federal Medical Assistance Percentage (FMAP) rate on October 1, 2015.

Department of Human Services Medicaid-Funded Programs

This section contains funding for programs administered by the Department of Human Services that are funded with Medicaid dollars. General Fund is appropriated in this section, matched with anticipated federal funds, then transferred to the Department of Human Services as Medicaid cash funds.

Department of Human Services Medicaid-Funded Programs						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$139,468,526	\$60,309,458	\$3,472,164	\$18,928	\$75,667,976	0.0

Department of Human Services Medicaid-Funded Programs						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 14-012	4,697	2,301	41	0	2,355	0.0
SB 14-014	1,397	684	13	0	700	0.0
SB 14-130	24,634	12,085	9	0	12,540	0.0
HB 14-1317	44,529	21,813	391	0	22,325	0.0
SB 15-147	155,545	(3,076,712)	1,600,627	(18,928)	1,650,558	0.0
SB 15-234	<u>73,358</u>	<u>36,679</u>	<u>0</u>	<u>0</u>	<u>36,679</u>	<u>0.0</u>
TOTAL	\$139,772,686	\$57,306,308	\$5,073,245	\$0	\$77,393,133	0.0
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$139,772,686	\$57,306,308	\$5,073,245	\$0	\$77,393,133	0.0
Human Services programs	3,271,079	1,447,683	0	0	1,823,396	0.0
Targeted rate increases	251,439	123,379	0	0	128,060	0.0
FMAP change	0	(38,178)	0	0	38,178	0.0
Annualize prior year budget actions	(25,063,899)	(6,271,210)	(1,270,547)	0	(17,522,142)	0.0
CBMS funding simplification	(9,779,212)	(1,466,770)	(1,861,478)	0	(6,450,964)	0.0
Annualize prior year legislation	(18,870)	(9,254)	(453)	0	(9,163)	0.0
SB 15-234	<u>\$108,433,223</u>	<u>\$51,091,958</u>	<u>\$1,940,767</u>	<u>\$0</u>	<u>\$55,400,498</u>	<u>0.0</u>
TOTAL	\$108,433,223	\$51,091,958	\$1,940,767	\$0	\$55,400,498	0.0
Increase/(Decrease)	(\$31,339,463)	(\$6,214,350)	(\$3,132,478)	\$0	(\$21,992,635)	0.0
Percentage Change	(22.4%)	(10.8%)	(61.7%)	n/a	(28.4%)	n/a

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 15-147 modified the FY 2014-15 appropriation for the Colorado Benefits Management System to adjust the fund sources based on updated system usage statistics, adjusted the appropriations for the mental health institutes to reflect updated revenue estimates, and adjusted the appropriation for youth corrections based on caseload adjustments. Senate Bill 15-234 modified the FY 2014-15 appropriation for the Division of Youth Corrections based on midyear staffing increases.

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Human Services programs: The appropriation includes an increase of \$3,271,079 total funds (including \$41,447,683 General Fund) for programs in the Department of Human Services that receive Medicaid funding. These changes include an increase of \$2,474,478 total funds for the Regional Centers for People with Intellectual and Developmental Disabilities and an increase of \$292,746 total funds for caseload adjustments in early intervention services.

Targeted rate increases: The appropriation includes an increase of \$251,439 total funds (including \$123,379 General Fund) for targeted rate increases for the Special Connections Program, a program that provides treatment services for Medicaid-eligible pregnant women who have alcohol and/or drug abuse problems.

FMAP change: The appropriation includes a net zero adjustment (including a \$38,178 General Fund decrease) due to the increase in Colorado's Federal Medical Assistance Percentage (FMAP) rate on October 1, 2015.

Annualize prior year budget actions: The appropriation includes a number of changes to annualize funding decisions made through the prior year Long Bill.

CBMS funding simplification: The appropriation includes a reduction of \$9,779,212 total funds (including \$1,466,770 General Fund) to align various sources of funding applicable to CBMS with the current cost allocation trends.

Annualize prior year legislation: The appropriation includes adjustments related to prior year legislation.

Recent Legislation

2014 Session Bills

S.B. 14-012 (Aid to the Needy Disabled): Requires the Department of Human Services to increase the monthly benefit amount for the Aid to the Needy and Disabled program by 8.0 percent in FY 2014-15. From FY 2015-16 to FY 2018-19, subject to available appropriations, the Department is encouraged to increase the monthly award until it is equal to the award level in FY 2006-07, and then to increase the award to account for cost of living in future years. Appropriates \$4,697 total funds, including \$2,301 General Fund, to the Department of Health Care Policy and Financing for FY 2014-15, and reappropriates these moneys to the Department of Human Services to contract with the Governor's Office of Information Technology to make changes to the Colorado Benefits Management System (CBMS). For more information on S.B. 14-012, please see the "Recent Legislation" section in the Department of Human Services section of this document.

S.B. 14-014 (Heat Fuel Grants): Makes changes to the Property Tax, Rent, and Heat Rebate Program to increase the maximum property tax and rent rebate for income-eligible claimants, establish a flat rate rebate for both the property tax and rent rebate and the heat rebate in an expanded range of income eligibility, and implements various recommendations of the August 2013 legislative audit of the program. Appropriates \$1,397 total funds, including \$684 General Fund, to the Department of Health Care Policy and Financing for FY 2014-15, and reappropriates these moneys to the Department of Human Services to contract with the Governor's Office of Information Technology to make changes to the Colorado Benefits Management System (CBMS). For more information on S.B. 14-014, please see the "Recent Legislation" section in the Department of Revenue section of this document.

S.B. 14-130 (Nursing Personal Care Allowance): Increases from \$50 to \$75 per month the personal needs allowance for Medicaid recipients in nursing facilities and inflates this amount by the increase in nursing facility rates in future years. Makes the FY 2014-15 appropriations contained in the table below to implement the act and, in addition, reduces General Fund appropriations to the Controlled Maintenance Trust Fund by \$532,412.

Cost of Implementing S.B. 14-130					
Line Item	TOTAL	GF	CF	RF	FF
Health Care Policy and Financing					
Medical Service Premiums					
Medical and Long-Term Care Services for Medicaid Eligible Individuals	\$1,057,300	\$517,971	\$0	\$0	\$539,329
Department of Human Services Medicaid-funded programs					
Office of Information Technology Services - Medicaid Funding					
Colorado Benefits Management System	2,289	1,138	9	0	1,142
Services for People with Disabilities					
Regional Centers	22,345	10,947	0	0	11,398
Human Services					
Office of Information Technology Services					
Colorado Benefits Management System					
Colorado Benefits Management System, Operating Expenses	6,203	2,356	215	2,289	1,343
Services for People with Disabilities -- Medicaid Funding					
Regional Centers for People with Developmental Disabilities					
Wheat Ridge Regional Center Personal Services	0	0	(9,216)	9,216	0
Grand Junction Regional Center Personal Services	0	0	(7,111)	7,111	0
Pueblo Regional Center Personal Services	0	0	(6,018)	6,018	0
Governor - Lieutenant Governor - State Planning and Budgeting					
Office of Information Technology					
Applications					
Colorado Benefits Management System	<u>6,203</u>	<u>0</u>	<u>0</u>	<u>6,203</u>	<u>0</u>
TOTAL	\$1,094,340	\$532,412	(\$22,121)	\$30,837	\$553,212

S.B. 14-144 (Family Medicine Residency Training in Rural Areas): Expands the responsibilities of the Commission on Family Medicine regarding family medicine residency training programs in rural and underserved areas and appropriates a net \$75,000 federal funds to the Commission for this purpose in FY 2014-15.

S.B. 14-151 (Nursing Home Innovations): Modifies the Nursing Home Innovation Grant Program, including establishing minimum annual grants based on the balance in the Nursing Home Penalty Cash Fund, and appropriates \$165,000 from the Nursing Home Penalty Cash Fund to the Department of Health Care Policy and Financing for FY 2014-15 for an increase in grant awards.

S.B. 14-159 (Medical Clean Claims): Modifies procedures and deadlines for the Medical Clean Claims Task Force responsible for developing standardized payment rules and edits for payers and providers for undisputed claims, and appropriates \$128,688 General Fund to the Department of Health Care Policy and Financing in FY 2014-15 for the Task Force's new duties.

S.B. 14-180 (Transfer Senior Dental Program to HCPF): Transfers the Dental Assistance Program for Seniors, also known as the Old Age Pension (OAP) Dental Program, from the Department of Public Health and Environment (DPHE) to the Department of Health Care Policy and Financing (HCPF) as of July 1, 2015. Renames the Program the Colorado Dental Health Care Program for Low-Income Seniors and modifies the eligibility criteria to align with other dental benefits for seniors and to target services to economically disadvantaged seniors as defined in rule. Provides funds to qualified grantees, including Area Agencies on Aging, community organizations, Local Public Health Agencies, federally qualified health centers, and private dental practices. Requires HCPF to award grants to qualified grantees on or after July 1, 2015, and to establish rates for dental services under the program. Grantees are required to provide outreach, identify eligible seniors and dental care providers, and pay claims for services. Creates the Senior Dental Advisory Committee. Reduces the appropriation in the DPHE by \$55,000 General Fund and increases the appropriation in HCPF by \$55,000 General Fund and 0.8 FTE for FY 2014-15.

S.B. 14-215 (Disposition of Legal Marijuana Related Revenue): Creates the Marijuana Tax Cash Fund (MTCF) and directs that all sales tax moneys collected by the state starting in FY 2014-15 from retail and medical marijuana be deposited in the MTCF instead of the Marijuana Cash Fund. Specifies permissible uses of moneys in the MTCF, including increasing the availability of school-based prevention, early intervention, and health care services and programs to reduce the risk of marijuana and other substance use and abuse by school-aged children. Creates the School-based Substance Abuse Prevention and Intervention grant program in the Department of Health Care Policy and Financing (HCPF) to award competitive grants to entities to provide school-based prevention and intervention programs for youth, primarily focused on reducing marijuana use, but including strategies and efforts to reduce alcohol use and prescription drug misuse. Appropriates a total of \$6,363,807 to HCPF for FY 2014-15, including \$2,000,000 General Fund for the newly created grant program, and \$4,363,807 (including \$2,000,000 General Fund and \$2,363,807 federal Medicaid funds) for school-based prevention and intervention substance use disorder services to be provided by behavioral health organizations. Directs the State Treasurer to transfer \$4,260,000 from the MTCF to the General Fund to offset the General Fund appropriations to HCPF. For more information see the "Recent Legislation" section at the end of the Department of Revenue section of this report.

H.B. 14-1045 (Breast and Cervical Cancer Prevention): Reauthorizes and modifies the Breast and Cervical Cancer Prevention Program in the Department of Health Care Policy and Financing and for FY 2014-15: (1) decreases appropriations from tobacco tax money in the Prevention, Early Detection, and Treatment Fund to the Department of Public Health and Environment for transfer to the Department of Health Care Policy and Financing for breast and cervical cancer treatment by \$936,892 and increases appropriations to the Department of Public Health and Environment by the same amount for breast and cervical cancer screening; and (2) provides a total of \$7,006,802 and 1.0 FTE, including \$2,424,017 cash funds from the Breast and Cervical Cancer Prevention and Treatment Fund and \$4,582,785 from federal funds, to the Department of Health Care Policy and Financing for the reauthorized Breast and Cervical Cancer Prevention program.

H.B. 14-1211 (Complex Rehabilitation Technology in Medicaid): Modifies the Medicaid benefit for Complex Rehabilitation Technology designed and configured to meet a client's unique medical, physical, and functional needs, such as manual wheelchair systems, alternate positioning systems, standing frames, and gait trainers. Appropriates \$51,133 to the Department of Health Care Policy and Financing in FY 2014-15 for implementation of the benefit modifications, including \$16,533 General Fund and \$34,600 federal funds, and reduces appropriations to the Controlled Maintenance Trust Fund by \$16,533 General Fund.

H.B. 14-1213 (Pharmacy Benefit Manager): Changes regulations for pharmacy benefit managers and appropriates, in FY 2014-15, \$129,831 to the Department of Health Care Policy and Financing, including

\$44,519 General Fund and \$85,312 federal funds, for increased costs of the Children's Basic Health Plan associated with the new regulations. Reduces appropriations to the Controlled Maintenance Trust Fund by \$44,519 General Fund.

H.B. 14-1236 (Supplemental Bill): Supplemental appropriation to the Department of Health Care Policy and Financing to modify appropriations for FY 2012-13 and FY 2013-14.

H.B. 14-1252 (Intellectual and Development Disabilities Services System Capacity): Amends the Intellectual and Developmental Disabilities Cash Fund (fund) to allow moneys in the fund to be used for administrative expenses relating to Medicaid waiver renewal and redesign and for increasing system capacity for home- and community-based services for persons with intellectual and developmental disabilities. Requires the Department, on or before April 1, 2014, to report to the Joint Budget Committee the plan for the distribution of moneys appropriated for increases in system capacity, and requires the Department to distribute the moneys by April 15, 2014 for increases in system capacity. Requires each community-centered board or provider that receives moneys for increases in system capacity shall report to the department on the use of the funds by October 1, 2014. Appropriates the following in FY 2013-14:

- Makes FY 2013-14 supplemental adjustments to the waivers;
- \$4,500,000 General Fund to the Fund;
- \$13,852 total funds and 0.2 FTE to the Department for administrative expenses for waiver renewal;
- \$400,000 total funds, of which \$200,000 is cash funds from the Fund and \$200,000 is matching federal funds, for waiver renewal and redesign; and
- \$4,293,074 cash funds from the Fund for system capacity improvements.

H.B. 14-1317 (Colorado Child Care Assistance Program Changes): Makes changes to the Colorado Child Care Assistance Program in the Department of Human Services. Includes an appropriation of \$44,529 total funds, of which \$21,813 is General Fund, to the Department for FY 2014-15. See the "Recent Legislation" section for the Department of Human Services for additional information.

H.B. 14-1336 (Long Bill): General appropriations act for FY 2014-15. Includes provisions modifying appropriations to the Department of Health Care Policy and Financing for FY 2012-13 and FY 2013-14.

H.B. 14-1357 (In-home Support Services in Medicaid): Modifies the Medicaid benefit for in-home support services, such as household and personal care services, for clients who would otherwise require care in a nursing facility, and appropriates \$297,985 to the Department of Health Care Policy and Financing in FY 2014-15, including \$145,983 General Fund and \$152,002 federal funds, for implementation of the benefit modifications. Also, reduces appropriations to the Controlled Maintenance Trust Fund by \$145,983 General Fund.

H.B. 14-1360 (Sunset Review Licensure of Home Care Agencies): Continues the regulation of home care agencies and home care placement agencies until September 1, 2019, and implements the recommendations of the sunset report. Allows HCPF-certified community-centered boards or services agencies (CCBs) that provide in-home personal care services to obtain a home care agency license, prohibits the Department from conducting inspections related to a home care agency license renewal, or from assessing fees for a new or renewal home care agency license, for certified CCBs until July 1, 2016. Until that date, requires the Department and HCPF to establish a work group with CCBs and recipients of Medicaid Home- and Community-Based Services (HCBS) waivers to identify gaps or conflicts between home care agency license requirements and HCBS

provider requirements. Requires the work group to submit recommendations for resolving gaps or conflicts to the State Board of Health and the Medical Services Board, and requires the boards to adopt rules regarding the gaps and conflicts by July 1, 2016. Requires the departments to report on the progress of these requirements during the 2014 and 2015 annual SMART Act presentations to the joint committees of reference. Appropriates \$110,000 cash funds to the Department which is reappropriated to the Department of Public Health and Environment for FY 2014-15.

H.B. 14-1368 (Transition Youth Developmental Disabilities to Adult Services): Establishes a plan and appropriates funds to transfer youth into adult services for persons with IDD under Medicaid Home- and Community-Based Services (HCBS) in the Department of Health Care Policy and Financing (HCPF). The bill sets forth criteria for transition planning and instructs the State Board of Human Services and the Medical Services Board to promulgate any rules necessary to guide the transition. Creates the Child Welfare Transition Cash Fund (Fund). Appropriates a total of \$5,746,227 total funds, including \$2,829,586 cash funds and \$2,916,641 federal funds to the Department for FY 2014-15.

2015 Session Bills

S.B. 15-011 (Spinal cord injury alternative medicine pilot program): Continues and changes the Medicaid Spinal Cord Injury Alternative Medicine Pilot Program. Provides \$362,649 total funds, including \$179,347 General Fund and \$183,302 federal funds, and 0.8 FTE to the Department of Health Care Policy and Financing for the program.

S.B. 15-147 (Supplemental Bill): Supplemental appropriation to the Department of Health Care Policy and Financing to modify appropriations for FY 2014-15.

S.B. 15-167 (Modify FY 2014-15 Appropriations from Marijuana Revenue): Aligns FY 2014-15 appropriations from and transfers related to the Marijuana Tax Cash Fund with actual marijuana tax revenue collected in FY 2013-14. With respect to the Department of Health Care Policy and Financing, the bill reduces the General Fund appropriation for the School-based Substance Abuse Prevention and Intervention Grant Program by \$1,081,344 (from \$2,000,000 to \$918,656). The bill also reduces the associated statutory transfer from the General Fund to the Marijuana Tax Cash Fund by \$1,151,631 (from \$4,260,000 to \$3,108,369). For additional information, see the "Recent Legislation" section at the end of the Department of Revenue.

S.B. 15-228 (Medicaid Provider Rate Review): Establishes an annual process for the Department of Health Care Policy and Financing to review Medicaid provider rates, creates an advisory committee, and requires reporting to the Joint Budget Committee. Provides \$539,823 total funds, including \$269,912 General Fund and \$269,911 federal funds, and 4.0 FTE to implement the rate review process.

S.B. 15-234 (Long Bill): General appropriations act for FY 2015-16. Includes provisions modifying appropriations to the Department of Health Care Policy and Financing for FY 2013-14 and FY 2014-15.

H.B. 15-1186 (Services for Children with Autism): For the Children with Autism waiver program the bill:

1. Expands eligibility to add children ages 6 to 8
2. Allows children who begin receiving services before age 8 to receive a full three years of services, and no more than three years
3. Allows General Fund support and thereby eliminates the current enrollment cap of 75 children

4. Eliminates the annual statutory \$25,000 per child expenditure cap on services and allows the cap to be adjusted through the budget process
5. Provides for an annual evaluation of the effectiveness of services for people with autism

To implement these changes, the bill provides \$10.6 million, including \$367,564 General Fund, to the Department of Health Care Policy and Financing in FY 2015-16. The table below summarizes the projected costs over the next three years. The source of cash funds is tobacco settlement moneys deposited in the Autism Treatment Cash Fund.

Children with Autism Waiver Expansion			
	FY 15-16	FY 16-17	FY 17-18
Total	<u>\$10,616,568</u>	<u>\$19,042,713</u>	<u>\$22,726,738</u>
General Fund	367,564	8,830,589	10,567,929
Cash Funds	4,840,203	508,566	577,333
Federal Funds	5,408,801	9,703,558	11,581,476

H.B. 15-1309 (Protective Restorations by Dental Hygienists): Allows dental hygienists to receive a permit from the Colorado Dental Board to perform interim therapeutic restorations. The Department must establish an advisory committee to develop standards for interim therapeutic restorations. The bill places various restrictions on dental hygienists performing interim therapeutic restorations, including prohibiting the use of local anesthesia and requiring that a dentist first provide the diagnosis, treatment plan, and instruction for the dental hygienist to perform the restoration. Appropriations include \$37,940 cash funds from the Division of Professions and Occupations Cash Funds to the Department of Regulatory Affairs for FY 2015-16, including \$30,514 for personal services and \$7,426 for the purchase of legal services from the Department of Law. The bill also appropriates \$37,606 to the Department of Health Care Policy and Financing for FY 2015-16, including \$10,815 General Fund and \$833 cash funds from various cash funds. This provision also anticipates that the Department of Health Care Policy and Financing will receive \$25,958 federal funds to implement the act.

H.B. 15-1318 (Consolidate Intellectual and Developmental Disability Waivers): Requires the Department of Health Care Policy and Financing (Department) to consolidate the two existing home- and community-based waivers for adults with intellectual and developmental disabilities into a single waiver by July 1, 2016 or as soon as the Department receives approval from the Centers for Medicare and Medicaid. Requires the redesigned waiver to include flexible service definitions, provide access to services and supports when and where they are needed, offer services and supports based on the individual's needs and preferences, and incorporate the following principles (which are drawn from the Community Living Advisory Report):

- (a) Freedom of choice over living arrangements and social, community, and recreational opportunities;
- (b) Individual authority over supports and services;
- (c) Support to organize resources in ways that are meaningful to the individual receiving services;
- (d) Health and safety assurances;
- (e) Opportunity for community contribution; and
- (f) Responsible use of public dollars.

Requires the use of a needs assessment tool that aligns with the Community Living Advisory Group recommendations and one that is fully integrated with the assessment processes for other long-term services. The tool must ensure an individual's voice and needs are accounted for when determining what services the individual needs. The bill requires the payment system for services to be efficient, transparent and equitable and ensure the fair distribution of available resources. Requires the Department to submit to the JBC as part of

the FY 2016-17 Governor's budget request a justification for the continued use of the Supports Intensity Scale (SIS) assessment. If the JBC concludes the justification is insufficient, the Department shall present a transition plan to a different assessment tool for the redesigned waiver.

Requires the Department to develop a plan by July 1, 2016 for the delivery of conflict-free case management services that comply with federal requirements related to person-centered planning. The Department is required to report back to the Joint Budget Committee during the FY 2016-17 budget process regarding plan development and any required statutory changes. The Department is required to get input from Community Centered Boards, Single Entry Points and other stakeholders on the development of the plan. Appropriates \$2,176,695 total funds, including \$788,347 cash funds and 2.7 FTE to the Department for FY 2015-16.

H.B. 15-1368 (Cross-system Response Pilot Intellectual and Developmental Disabilities): Establishes the Cross-system Response for Behavioral Health Crises Pilot Program (Pilot Program) to provide crisis intervention, stabilization, and follow-up services to individuals who:

- Have both an intellectual or developmental disability and a mental health or behavioral disorder;
- Require services not available through an existing Medicaid waiver; and
- Are not covered under the Colorado behavioral health care system.

Requires the Pilot Program to begin on or before March 1, 2016 and consist of multiple sites that represent different geographic areas of the state. The Pilot Program must provide access to intensive coordinated psychiatric, behavioral, and mental health services as an alternative to emergency department care or in-patient hospitalization; offer community-based, mobile supports to individuals with dual diagnoses and their families; offer follow-up supports to individuals with dual diagnoses, their families, and their caregivers to reduce the likelihood of future crises; provide education and training for families and service agencies; provide data about the cost in Colorado of providing such services throughout the state; and provide data to inform changes to existing regulatory or procedural barriers to the authorized use of public funds across systems, including the Medicaid state plan, home- and community-based service Medicaid waivers, and the capitated mental health system.

Requires the Department of Health Care Policy and Financing (Department) to conduct a cost-analysis study related to the services that would need to be added to eliminate service gaps and ensure that individuals with intellectual and developmental disabilities are fully included in the Colorado behavioral health system. Also, requires the Department to provide recommendations for eliminating the service gap. Authorizes the Departments of Human Services and Health Care Policy and Financing to examine the feasibility of allowing a Community Centered-Board to use a vacant Regional Center group home for the Pilot Program. Appropriates \$1,695,000 cash funds from the Intellectual and Developmental Disabilities Services Cash Fund to the Cross-system Response for Behavioral Health Crises Pilot Program Fund and reappropriates these monies for the pilots in the Department of Health Care Policy and Financing for FY 2015-16.

Department Details

DEPARTMENT OF HIGHER EDUCATION

FY 2014-15 and FY 2015-16 Appropriations by Division and Bill

Department of Higher Education						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Total Appropriation:	\$3,467,576,248	\$762,082,525	\$2,048,656,281	\$634,406,378	\$22,431,064	23,455.2
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Department Administrative Office	4,078,664	117,689	2,380,014	954,944	626,017	0.0
Colorado Commission on Higher Education	14,587,037	1,092,770	5,300,758	2,902,964	5,290,545	91.3
Colorado Commission on Higher Education Financial Aid	153,093,098	152,747,922	0	345,176	0	0.0
College Opportunity Fund Program	583,800,859	583,800,859	0	0	0	0.0
Governing Boards	2,594,693,210	0	2,012,398,726	582,294,484	0	23,022.7
Local District Junior College Grants Pursuant to Section 23-71-301, C.R.S.	14,693,860	14,044,591	649,269	0	0	0.0
Division of Occupational Education	53,166,482	8,983,694	0	28,608,810	15,573,978	32.0
Auraria Higher Education Center	19,300,000	0	0	19,300,000	0	177.8
History Colorado	30,163,038	1,295,000	27,927,514	0	940,524	131.4
<u>Breakdown of Total Appropriation by Bill</u>						
HB 14-1336	3,282,561,278	659,765,586	2,023,919,592	576,442,493	22,433,607	23,452.2
SB 14-001	157,876,365	100,162,480	0	57,713,885	0	0.0
SB 14-211	500,000	250,000	0	250,000	0	0.0
HB 14-1319	804,986	804,986	0	0	0	3.0
HB 14-1384	1,000,000	1,000,000	0	0	0	0.0
SB 15-148	131,276	99,473	34,346	0	(2,543)	0.0
SB 15-234	24,702,343	0	24,702,343	0	0	0.0
FY 2015-16 Total Appropriation:	\$3,732,557,075	\$857,415,995	\$2,150,842,834	\$701,803,695	\$22,494,551	23,856.3
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Department Administrative Office	4,510,951	0	2,774,216	1,081,157	655,578	0.0
Colorado Commission on Higher Education	29,334,171	8,299,371	12,409,000	3,335,255	5,290,545	92.4
Colorado Commission on Higher Education Financial Aid	174,082,678	174,082,678	0	0	0	0.0

Department of Higher Education						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
College Opportunity Fund Program	648,178,010	648,178,010	0	0	0	0.0
Governing Boards	2,754,476,234	0	2,107,804,599	646,671,635	0	23,412.5
Local District Junior College Grants Pursuant to Section 23-71-301, C.R.S.	16,250,619	15,589,215	661,404	0	0	0.0
Division of Occupational Education	56,382,347	9,971,721	0	30,836,648	15,573,978	32.0
Auraria Higher Education Center	19,879,000	0	0	19,879,000	0	188.0
History Colorado	29,463,065	1,295,000	27,193,615	0	974,450	131.4
Breakdown of Total Appropriation by Bill						
SB 15-234	3,731,739,272	856,871,803	2,150,856,183	701,516,735	22,494,551	23,856.2
SB 15-186	(13,349)	0	(13,349)	0	0	0.0
HB 15-1270	7,232	7,232	0	0	0	0.1
HB 15-1274	373,920	86,960	0	286,960	0	0.0
HB 15-1275	450,000	450,000	0	0	0	0.0
Increase/(Decrease)	\$264,980,827	\$95,333,470	\$102,186,553	\$67,397,317	\$63,487	401.1
Percentage Change	7.6%	12.5%	5.0%	10.6%	0.3%	1.7%

General Fund Exempt: Amounts in the General Fund column include appropriations from both the General Fund and General Fund Exempt Account. The General Fund Exempt Account was created by Referendum C, passed by Colorado voters in November 2005. Referendum C allowed the State to retain for FY 2005-06 through FY 2009-10 all revenue collected in excess of the TABOR limit and for FY 2010-11 and subsequent fiscal years all revenues in excess of the TABOR limit but less than the excess state revenues cap. The retained revenue must be placed in the General Fund Exempt Account. The table below shows the amount appropriated from the General Fund Exempt Account for FY 2014-15 and FY 2015-16 for higher education pursuant to Sections 24-77-103.6 (2) (b) and 24-77-104.5 (1) (b) (III), Colorado Revised Statutes. For additional information on General Fund Exempt appropriations, see Appendix H.

General Fund Summary	Total General Fund	General Fund	General Fund Exempt
FY 2014-15	\$762,082,525	\$9,049,192	\$753,033,333
FY 2015-16	\$857,415,995	\$69,415,995	\$788,000,000

Informational Funds: The FY 2015-16 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Higher Education are annotated with the "(I)". For additional information, see Appendix J.

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2015-16 Appropriations containing an (I) notation	\$2,131,188,377	\$0	\$2,108,693,826	\$0	\$22,494,551

Detail of Appropriation by Administrative Section

Department Administrative Office

This division includes funding for centrally appropriated items for the Colorado Commission on Higher Education, Division of Private Occupational Schools, and History Colorado. 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. The sources of cash funds include limited gaming revenues deposited in the State Historical Fund and various fees. The source of reappropriated funds is indirect cost recoveries.

Department Administrative Office						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$3,929,172	\$0	\$2,345,668	\$954,944	\$628,560	0.0
HB 14-1319	18,216	18,216	0	0	0	0.0
SB 15-148	<u>131,276</u>	<u>99,473</u>	<u>34,346</u>	<u>0</u>	<u>(2,543)</u>	<u>0.0</u>
TOTAL	\$4,078,664	\$117,689	\$2,380,014	\$954,944	\$626,017	0.0
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$4,078,664	\$117,689	\$2,380,014	\$954,944	\$626,017	0.0
Centrally appropriated line items	930,774	167,226	611,724	32,239	119,585	0.0
Department data and research personnel	26,268	0	0	26,268	0	0.0
Indirect cost and fund source adjustments	0	(167,226)	36,453	130,773	0	0.0
Annualize prior year actions	(524,755)	(117,689)	(253,975)	(63,067)	(90,024)	0.0
SB 15-234	<u>\$4,510,951</u>	<u>\$0</u>	<u>\$2,774,216</u>	<u>\$1,081,157</u>	<u>\$655,578</u>	<u>0.0</u>
TOTAL	\$4,510,951	\$0	\$2,774,216	\$1,081,157	\$655,578	0.0
Increase/(Decrease)	\$432,287	(\$117,689)	\$394,202	\$126,213	\$29,561	0.0
Percentage Change	10.6%	(100.0%)	16.6%	13.2%	4.7%	n/a

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 15-148 modifies FY 2014-15 appropriations for the CORE accounting system, payments to the Governor's Office of Information Technology, and administrative law judge services.

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; short-term disability; supplemental state contributions to the Public Employees Retirement Association (PERA) pension fund; salary survey; merit pay; workers compensation; administrative law judges; payment to risk management and property funds;

payments to OIT; CORE operations and leased space. Centrally appropriated line items in this department support the operations of the Colorado Commission on Higher Education, Department of Higher Education central offices, the Colorado Geological Survey at the Colorado School of Mines, and History Colorado but do not fund the higher education institutions.

Department data and research personnel: The appropriation adds funds to ensure consistent support for the Department’s data and research unit, including adding funds for health, life, and dental benefits.

Indirect cost and fund source adjustments: The appropriation includes various adjustments to General Fund, reappropriated funds, and cash funds amounts throughout the Department. In this division, the adjustment primarily reflects showing all centrally appropriated amounts as reappropriated and cash funds, rather than General Fund, consistent with Department staffing patterns and past practice.

Annualize prior year actions: The appropriation includes a number of changes to the out-year impact of funding decisions made through the FY 2014-15 Long Bill and new legislation including:

- Annualize FY 2014-15 salary survey and merit pay by moving centrally-appropriated amounts reflected in this division in FY 2014-15 to personal services and program line items in other Department divisions; and
- Eliminate one-time supplemental adjustments for the CORE accounting system, payments to the Governor’s Office of Information Technology, and administrative law judge services (reduce \$131,276 total funds, including \$99,473 General Fund).

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 indirect cost recoveries, fees paid to the Division of Private Occupational Schools, and limited gaming revenues that are used for competitive research grants. The primary source of reappropriated funds is indirect cost recoveries.

Colorado Commission on Higher Education						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$13,800,267	\$306,000	\$5,300,758	\$2,902,964	\$5,290,545	88.3
HB 14-1319	786,770	786,770	0	0	0	3.0
HB 14-1384	0	0	0	0	0	0.0
TOTAL	\$14,587,037	\$1,092,770	\$5,300,758	\$2,902,964	\$5,290,545	91.3
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$14,587,037	\$1,092,770	\$5,300,758	\$2,902,964	\$5,290,545	91.3
Move lease purchase payments to operating budget	14,289,937	7,204,931	7,085,006	0	0	0.0
Department data and research personnel	164,000	164,000	0	0	0	0.0
Geologic Hazard Mitigation FTE	105,494	105,494	0	0	0	1.0

Colorado Commission on Higher Education						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Purchase Tableau software	40,000	40,000	0	0	0	0.0
Annualize prior year actions	6,138	(430,277)	18,539	365,558	52,318	0.0
Indirect cost and fund source adjustments	0	115,221	18,046	(133,267)	0	0.0
Federal funds adjustment	(52,318)	0	0	0	(52,318)	0.0
SB 15-234	\$29,140,288	\$8,292,139	\$12,422,349	\$3,135,255	\$5,290,545	92.3
SB 15-186	(13,349)	0	(13,349)	0	0	0.0
HB 15-1270	7,232	7,232	0	0	0	0.1
HB 15-1274	<u>200,000</u>	<u>0</u>	<u>0</u>	<u>200,000</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$29,334,171	\$8,299,371	\$12,409,000	\$3,335,255	\$5,290,545	92.4
Increase/(Decrease)	\$14,747,134	\$7,206,601	\$7,108,242	\$432,291	\$0	1.1
Percentage Change	101.1%	659.5%	134.1%	14.9%	0.0%	1.2%

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Move lease purchase payments to operating budget: The appropriation moves lease purchase payment (certificates of participation) amounts that were previously appropriated in the capital construction section of the Long Bill into the operating budget.

Department data and research personnel: The appropriation adds funds to ensure consistent support for the Department’s data and research unit.

Geologic Hazard Mitigation FTE: The appropriation adds \$105,494 General Fund and 1.0 FTE for geologic hazard mapping at the Colorado Geological Survey.

Purchase Tableau software: The appropriation adds \$40,000 General Fund to enable the Department to purchase the Tableau software used to operate the funding allocation model pursuant to H.B. 14-1319. This is a one-time amount that will annualize to \$6,000 in future years.

Annualize prior year actions: The appropriation includes a number of changes to the out-year impact of funding decisions made through the FY 2014-15 Long Bill and new legislation including:

- Annualize one-time administrative funding in H.B. 14-1319 (Outcomes-based Funding for HED; reduce \$498,820 total funds, including a reduction of \$804,989 General Fund offset by an increase of \$306,169 reappropriated funds);
- Annualize funding for S.B. 14-175 (Prosecution Fellowship Program; add \$356,496 General Fund);
- Annualize FY 2014-15 salary survey and merit pay by moving centrally-appropriated amounts reflected in the Department Administrative Office in FY 2014-15 to personal services and program line items in other Department divisions.

Indirect cost and fund source adjustments: The appropriation includes various adjustments to General Fund, reappropriated funds, and cash funds amounts throughout the Department.

Federal funds adjustment: The appropriation adjusts federal amounts shown for informational purposes.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Colorado Commission on Higher Education Financial Aid

This division includes the state-funded financial aid programs, most of which are administered by the Colorado Commission on Higher Education.

Colorado Commission on Higher Education Financial Aid						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$112,093,098	\$111,747,922	\$0	\$345,176	\$0	0.0
SB 14-001	40,000,000	40,000,000	0	0	0	0.0
HB 14-1384	1,000,000	1,000,000	0	0	0	0.0
SB 15-234	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$153,093,098	\$152,747,922	\$0	\$345,176	\$0	0.0
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$153,093,098	\$152,747,922	\$0	\$345,176	\$0	0.0
Increase need based financial aid	15,223,943	15,223,943	0	0	0	0.0
Colorado Opportunity Scholarship Initiative	4,000,000	4,000,000	0	0	0	0.0
Fort Lewis Native American Tuition Waiver	1,315,637	1,315,637	0	0	0	0.0
Indirect cost and fund source adjustments	0	345,176	0	(345,176)	0	0.0
General Fund Exempt adjustment	0	0	0	0	0	0.0
SB 15-234	\$173,632,678	\$173,632,678	\$0	\$0	\$0	0.0
HB 15-1275	<u>450,000</u>	<u>450,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$174,082,678	\$174,082,678	\$0	\$0	\$0	0.0
Increase/(Decrease)	\$20,989,580	\$21,334,756	\$0	(\$345,176)	\$0	0.0
Percentage Change	13.7%	14.0%	n/a	(100.0%)	n/a	n/a

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 15-234 includes an adjustment to the portion of General Fund designated as General Fund Exempt in this division.

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Increase need based financial aid: The appropriation includes an increase of \$15.2 million General Fund to comply with Section 23-3.3-103, C.R.S., which requires increases in annual appropriations for student financial assistance at least consistent with increases for the governing boards.

Colorado Opportunity Scholarship Initiative: The appropriation includes an increase of \$4.0 million General Fund (and total funding of \$5.0 million General Fund) for the Colorado Opportunity Scholarship Initiative Fund (COSI) so that this initiative continues to provide grants at the same level as in FY 2014-15. The grants are for programs that assist students who might not otherwise pursue or be successful in college.

Fort Lewis Native American Tuition Waiver: The appropriation includes an increase of \$1.3 million General Fund for the Fort Lewis College Native American tuition waiver. This increase is mandated by Section 23-52-105 (1) (b) (I), C.R.S., which requires the General Assembly to fund 100.0 percent of the tuition obligations for qualifying Native American students attending Fort Lewis College. The total appropriation for this program for FY 2015-16 is \$16.2 million General Fund.

Indirect cost and fund source adjustments: The appropriation includes various adjustments to General Fund, reappropriated funds, and cash funds amounts throughout the Department.

General Fund Exempt adjustment: The appropriation reduces General Fund appropriations by \$35.0 million and increases General Fund Exempt appropriations by the same amount through adjustments throughout the Department.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

College Opportunity Fund Program

This section provides funding for student stipend payments for resident students attending state-operated higher education institutions and resident students attending certain private institutions located in the state, and for fee-for-service contracts between the Commission 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	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$525,674,494	\$525,674,494	\$0	\$0	\$0	0.0
SB 14-001	57,876,365	57,876,365	0	0	0	0.0
SB 14-211	250,000	250,000	0	0	0	0.0
SB 15-234	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$583,800,859	\$583,800,859	\$0	\$0	\$0	0.0

College Opportunity Fund Program						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$583,800,859	\$583,800,859	\$0	\$0	\$0	0.0
Increase for public colleges and universities	64,040,191	64,040,191	0	0	0	0.0
Alzheimer's disease center	250,000	250,000	0	0	0	0.0
Break-out line items	0	0	0	0	0	0.0
General Fund Exempt adjustment	0	0	0	0	0	0.0
SB 15-234	\$648,091,050	\$648,091,050	\$0	\$0	\$0	0.0
HB 15-1274	<u>86,960</u>	<u>86,960</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$648,178,010	\$648,178,010	\$0	\$0	\$0	0.0
Increase/(Decrease)	\$64,377,151	\$64,377,151	\$0	\$0	\$0	0.0
Percentage Change	11.0%	11.0%	n/a	n/a	n/a	n/a

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 15-234 includes an adjustment to the portion of General Fund designated as General Fund Exempt in this division.

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Increase for public colleges and universities: The Long Bill appropriation includes an increase of 11.0 percent for public institutions of higher education, including \$64.0 million General Fund in this section of the budget. Total funding in this section includes \$294.6 million for student stipends for an estimated 130,925 student FTE attending state higher education institutions, with the balance primarily for fee-for-service contracts with state institutions. For FY 2015-16, all increases are to fee-for-service contracts, with funds allocated consistent with the provisions of H.B. 14-1319. For additional information, see the Governing Boards section.

Alzheimer's disease center: The appropriation includes an increase of \$250,000 General Fund for the new Alzheimer's disease center at the University of Colorado Health Sciences Center, bringing the total state contribution to \$500,000.

Break-out line items: The appropriation includes adjustments to break-out fee-for-service appropriations provided for higher education specialty education programs (such as the medical and veterinary schools) to align the appropriation structure with the requirements of Sections 23-18-303 and 304, C.R.S.

General Fund Exempt adjustment: The appropriation reduces General Fund appropriations by \$35.0 million and increases General Fund Exempt appropriations by the same amount through adjustments throughout the Department.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

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 and fee-for-service contracts with the state governing boards. Amounts shown as reappropriated funds in this section are initially appropriated as General Fund in the College Opportunity Fund program section.

Governing Boards						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$2,512,026,982	\$0	\$1,987,696,383	\$524,330,599	\$0	23,022.7
SB 14-001	57,713,885	0	0	57,713,885	0	0.0
SB 14-211	250,000	0	0	250,000	0	0.0
SB 15-234	<u>24,702,343</u>	<u>0</u>	<u>24,702,343</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$2,594,693,210	\$0	\$2,012,398,726	\$582,294,484	\$0	23,022.7
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$2,594,693,210	\$0	\$2,012,398,726	\$582,294,484	\$0	23,022.7
Tuition and fee adjustments	96,189,900	0	96,189,900	0	0	0.0
Increase for public colleges and universities	64,040,191	0	0	64,040,191	0	0.0
Alzheimer's disease center	250,000	0	0	250,000	0	0.0
Public colleges gaming revenue adjustment	63,098	0	63,098	0	0	0.0
FTE adjustment	0	0	0	0	0	389.8
Tobacco Master Settlement revenue adjustment	(847,125)	0	(847,125)	0	0	0.0
SB 15-234	\$2,754,389,274	\$0	\$2,107,804,599	\$646,584,675	\$0	23,412.5
HB 15-1274	<u>86,960</u>	<u>0</u>	<u>0</u>	<u>86,960</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$2,754,476,234	\$0	\$2,107,804,599	\$646,671,635	\$0	23,412.5
Increase/(Decrease)	\$159,783,024	\$0	\$95,405,873	\$64,377,151	\$0	389.8
Percentage Change	6.2%	n/a	4.7%	11.1%	n/a	1.7%

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 15-234 includes adjustments to FY 2014-15 higher education tuition and fee revenue estimates.

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Tuition and fee adjustments: The appropriation incorporates FY 2015-16 projected tuition and fee revenue for each state governing board, based on the Legislative Council Staff projection (for tuition) and institutional projections (for fee revenue). The table below summarizes the actual, estimated, and projected tuition and fee growth by governing board. Consistent with the provisions of S.B. 14-001, undergraduate resident tuition increases are capped at 6.0 percent for FY 2014-15 and FY 2015-16. The amounts below include nonresident and graduate tuition and fees, which are not capped, in addition to resident undergraduate tuition and fees. Tuition and fee revenue is shown for informational purposes only for FY 2014-15 and FY 2015-16.

Department of Higher Education Tuition and Fee Increases by Governing Board FY 2014-15 to FY 2015-16				
Governing Boards/Institutions	FY 2014-15	FY 2015-16	Amount Change	Percentage Change
Adams State University	\$23,535,869	\$25,154,850	\$1,618,981	6.9%
Colorado Mesa University	55,336,694	59,046,777	3,710,083	6.7%
Metropolitan State University	110,465,887	115,132,310	4,666,423	4.2%
Western State Colorado University	18,758,792	20,130,291	1,371,499	7.3%
Colorado State University System	374,852,131	395,430,996	20,578,865	5.5%
Ft. Lewis College	39,957,973	41,587,403	1,629,430	4.1%
University of Colorado System	901,973,703	951,421,217	49,447,514	5.5%
Colorado School of Mines	115,590,498	122,489,777	6,899,279	6.0%
University of Northern Colorado	85,485,172	87,700,778	2,215,606	2.6%
Community College System	<u>267,283,087</u>	<u>271,335,307</u>	<u>4,052,220</u>	1.5%
Subtotal - Governing Boards/Institutions	\$1,993,239,806	\$2,089,429,707	\$96,189,900	4.8%

Increase for public colleges and universities: The Long Bill appropriation includes an increase of \$66.6 million General Fund (11.0 percent) for public institutions of higher education, allocated through the new funding model authorized pursuant to H.B. 14-1319. This includes \$64.0 million reappropriated to the state governing boards in this section of the budget. All state governing boards receive increases of at least 10.0 percent, and some receive more. The appropriation restores state funding for the governing boards to \$34 million short of the FY 2008-09 peak of \$706 million. The chart below shows the allocation of the funding by governing board. Only allocations to the state governing boards (see subtotal) are included in this section of the budget.

Department of Higher Education General Fund Appropriations Increases by Governing Board FY 2014-15 to FY 2015-16				
Governing Boards/Institutions	FY 2014-15	FY 2015-16	Amount Change	Percentage Change
Adams State University	\$12,837,288	\$14,121,017	\$1,283,729	10.0%
Colorado Mesa University	22,027,251	24,465,356	2,438,105	11.1%
Metropolitan State University	43,681,193	50,153,399	6,472,206	14.8%
Western State Colorado University	10,585,447	11,643,992	1,058,545	10.0%
Colorado State University System	121,978,483	134,660,184	12,681,701	10.4%
Ft. Lewis College	10,594,604	11,822,422	1,227,818	11.6%

**Department of Higher Education General Fund Appropriations Increases by Governing Board
FY 2014-15 to FY 2015-16**

Governing Boards/Institutions	FY 2014-15	FY 2015-16	Amount Change	Percentage Change
University of Colorado System*	167,097,810	184,365,667	17,267,857	10.3%
Colorado School of Mines	18,669,456	20,547,328	1,877,872	10.1%
University of Northern Colorado	37,357,027	41,092,729	3,735,702	10.0%
Community College System*	<u>137,465,925</u>	<u>153,462,581</u>	<u>15,996,656</u>	11.6%
Division Subtotal - State Governing Boards*	\$582,294,484	\$646,334,675	\$64,040,191	11.0%
Colorado Mountain College	6,435,286	7,143,039	707,753	11.0%
Aims Community College	7,609,305	8,446,176	836,871	11.0%
Area Vocational Schools	<u>8,983,694</u>	<u>9,971,721</u>	<u>988,027</u>	11.0%
Total - Governing Boards/Institutions*	\$605,322,769	\$671,895,611	\$66,572,842	11.0%

* FY 2015-16 excludes increase for Alzheimer's Research Center, which is reflected separately below. Also excludes increase for the community college system in H.B. 15-1274.

Of the total \$646.3 million in Long Bill allocations to the state governing boards:

- \$294,582,047 is for student stipends for an estimated 130,925 student FTE attending state higher education institutions. The stipend rate (\$2,250 per student FTE) and estimated number of students is the same as the figures used for FY 2014-15 appropriations.
- \$351,752,627 is for fee-for-service contracts with state institutions and includes:
 - \$143,428,824 to support institutional roles and missions. This includes funding based on credit hours provided by each institution that are weighted based on the relative costs of providing various types of classes, funding for Pell-eligible resident students served, a “tuition stability factor” designed to address issues such the excess costs at small rural institutions, and amounts to ensure no institution receives less than a 10.0 percent increase for the first year of the new model);
 - \$115,883,797 for specialty education programs (the medical school at the University of Colorado and the veterinary school and agricultural extension programs at Colorado State University); and
 - \$92,440,006 for institutional outcomes (degrees and certificates awarded and degrees and certificates awarded per enrolled FTE, weighted depending upon the type of degree, whether the degree/certificate is awarded to a Pell-eligible student, and whether it is in a science or technology field).

Alzheimer’s disease center: The appropriation includes an increase of \$250,000 General Fund, reappropriated in this section of the budget to the University of Colorado, for the new Alzheimer’s disease center at the University of Colorado Health Sciences Center. This brings the total state contribution for the center to \$500,000.

Public colleges gaming revenue adjustment: The appropriation adjusts amounts shown for informational purposes based on the FY 2013-14 actual gaming revenue received by institutions with a two year mission from gaming revenue authorized pursuant to 2008 amendment 50 to the State Constitution. Fiscal year 2013-14

receipts totaled \$5,874,216. The appropriation in this section includes funding from this source for the state-operated community colleges, Adams State University, and Colorado Mesa University.

FTE adjustment: The appropriation adjusts employee FTE shown in the Long Bill for each governing board to reflect the most recent estimates available (estimates for FY 2014-15), reflecting a net increase of 400.0 FTE, including 389.8 in this section. FTE figures are shown for informational purposes only.

Full Time Equivalent (FTE) Employees				
	FY 2014-15	FY 2015-16	Change	Percent
Adams State University	327.1	330.0	2.9	0.9%
Colorado Mesa University	657.9	695.3	37.4	5.7%
Metropolitan State University of Denver	1,347.6	1,362.6	15.0	1.1%
Western State Colorado University	234.8	241.4	6.6	2.8%
Colorado State University System	4,324.7	4,587.2	262.5	6.1%
Ft. Lewis College	392.1	415.0	22.9	5.8%
University of Colorado System	7,402.3	7,825.2	422.9	5.7%
Colorado School of Mines	848.6	878.5	29.9	3.5%
University of Northern Colorado	1,247.1	1,141.9	(105.2)	-8.4%
Community College System	6,240.5	5,935.4	(305.1)	-4.9%
Auraria Higher Education Campus*	177.8	188.0	10.2	5.8%
TOTAL	23,200.5	23,600.5	400.0	1.72%

*Reflected in the Auraria Higher Education section

Tobacco Master Settlement revenue adjustment: The appropriation includes a reduction based on the Legislative Council FY 2015-16 Tobacco Master Settlement revenue projection. The total appropriation from this source, which is allocated to the University of Colorado Health Sciences Center, is \$12,500,677 for FY 2015-16.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Local District Junior College Grants Pursuant to Section 23-71-301, C.R.S.

This section subsidizes the operations of the state's two local district junior colleges: Aims Community College and Colorado Mountain College. These two institutions have special property tax districts that 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. The source of cash funds is limited gaming money.

Local District Junior College Grants Pursuant to Section 23-71-301, C.R.S.

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$13,299,594	\$12,650,325	\$649,269	\$0	\$0	0.0
SB 14-001	1,394,266	1,394,266	0	0	0	0.0
SB 15-234	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$14,693,860	\$14,044,591	\$649,269	\$0	\$0	0.0
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$14,693,860	\$14,044,591	\$649,269	\$0	\$0	0.0
Increase for public colleges and universities	1,544,624	1,544,624	0	0	0	0.0
Public colleges gaming revenue adjustment	12,135	0	12,135	0	0	0.0
Break-out line items	0	0	0	0	0	0.0
SB 15-234	<u>\$16,250,619</u>	<u>\$15,589,215</u>	<u>\$661,404</u>	<u>\$0</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$16,250,619	\$15,589,215	\$661,404	\$0	\$0	0.0
Increase/(Decrease)	\$1,556,759	\$1,544,624	\$12,135	\$0	\$0	0.0
Percentage Change	10.6%	11.0%	1.9%	n/a	n/a	n/a

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 15-234 includes an adjustment to the portion of General Fund designated as General Fund Exempt in this division.

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Increase for public colleges and universities: The Long Bill appropriation includes a General Fund increase of 11.0 percent for public institutions of higher education, including \$1.5 million in this section of the budget for the local district junior colleges (Aims Community College and Colorado Mountain College). For additional detail on funding for Aims Community College and Colorado Mountain College, see the Governing Boards section.

Public colleges gaming revenue adjustment: The appropriation adjusts amounts shown for informational purposes based on the FY 2013-14 actual gaming revenue received by institutions with a two year mission from gaming revenue authorized pursuant to 2008 amendment 50 to the state constitution. This includes funding for Aims Community College and Colorado Mountain College.

Break-out line items: The appropriation includes adjustments to break-out total funding for the local district junior colleges into separate line items for Colorado Mountain College and Aims Community College, in order to align the appropriation structure with the requirements of Sections 23-18-303 and 304, C.R.S.

Division of Occupational Education

This division supervises and administers state occupational education programs 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. The primary source of reappropriated funds is a transfer from the Department of Education for career and technical education, but there is also a smaller transfer from the Governor's Office for training related to economic development, as well as indirect cost recoveries. The federal funds are from grants from the Carl D. Perkins Vocational and Technical Education Act, and miscellaneous smaller grants.

Division of Occupational Education						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$52,274,633	\$8,091,845	\$0	\$28,608,810	\$15,573,978	32.0
SB 14-001	891,849	891,849	0	0	0	0.0
SB 15-234	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$53,166,482	\$8,983,694	\$0	\$28,608,810	\$15,573,978	32.0
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$53,166,482	\$8,983,694	\$0	\$28,608,810	\$15,573,978	32.0
Colorado First/Existing Industry Job Training	1,774,978	0	0	1,774,978	0	0.0
Increase for public colleges and universities	988,027	988,027	0	0	0	0.0
Career and technical education	452,860	0	0	452,860	0	0.0
Indirect cost and fund source adjustments	0	0	0	0	0	0.0
SB 15-234	<u>\$56,382,347</u>	<u>\$9,971,721</u>	<u>\$0</u>	<u>\$30,836,648</u>	<u>\$15,573,978</u>	<u>32.0</u>
TOTAL	\$56,382,347	\$9,971,721	\$0	\$30,836,648	\$15,573,978	32.0
Increase/(Decrease)	\$3,215,865	\$988,027	\$0	\$2,227,838	\$0	0.0
Percentage Change	6.0%	11.0%	n/a	7.8%	0.0%	0.0%

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 15-234 includes an adjustment to the portion of General Fund designated as General Fund Exempt in this division.

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Colorado First/Existing Industry Job Training: The appropriation includes an increase of \$1.8 million reappropriated funds for the Colorado First/Existing Industry Job Training program from funds transferred from

the Governor’s Office of Economic Development. The total FY 2015-16 appropriation for this program, which provides job training services to attract and retain industries in Colorado, is \$4.5 million.

Increase for public colleges and universities: The Long Bill appropriation includes a General Fund increase of 11.0 percent for public institutions of higher education, including \$1.0 million in this section of the budget for the area vocational schools (Emily Griffith, Pickens, and Delta-Montrose Technical Colleges). For additional detail on state funding for the area vocational schools, see the Governing Boards section.

Career and technical education: The appropriation increases funding for career and technical education based on moneys transferred from the Department of Education, resulting in a total appropriation from this source of \$25.4 million.

Indirect cost and fund source adjustments: The appropriation includes various adjustments to General Fund, reappropriated funds, and cash funds amounts throughout the Department, including an adjustment to reappropriated fund source detail in this division.

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 University of Denver, and the University of Colorado at Denver and Health Sciences Center.

Auraria Higher Education Center						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	<u>\$19,300,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$19,300,000</u>	<u>\$0</u>	<u>177.8</u>
TOTAL	\$19,300,000	\$0	\$0	\$19,300,000	\$0	177.8
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$19,300,000	\$0	\$0	\$19,300,000	\$0	177.8
Auraria Higher Education Center adjustment	579,000	0	0	579,000	0	0.0
FTE adjustment	0	0	0	0	0	10.2
SB 15-234	<u>\$19,879,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$19,879,000</u>	<u>\$0</u>	<u>188.0</u>
TOTAL	\$19,879,000	\$0	\$0	\$19,879,000	\$0	188.0
Increase/(Decrease)	\$579,000	\$0	\$0	\$579,000	\$0	10.2
Percentage Change	3.0%	n/a	n/a	3.0%	n/a	5.7%

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Auraria Higher Education Center adjustment: The appropriation increases spending authority for the Auraria Higher Education Center (AHEC) for moneys received for operating costs from the three institutions that share the AHEC campus: the University of Colorado at Denver, Metropolitan State University of Denver, and the Community College of Denver.

FTE adjustment: The appropriation adjusts employee FTE shown in the Long Bill for each governing board to reflect the most recent estimates available (estimates for FY 2014-15), reflecting a net increase of 400.0 FTE, including 10.2 FTE in this section. FTE figures are shown for informational purposes only.

History Colorado

History Colorado, 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. History Colorado 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.

History Colorado						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$30,163,038	\$1,295,000	\$27,927,514	\$0	\$940,524	131.4
TOTAL	\$30,163,038	\$1,295,000	\$27,927,514	\$0	\$940,524	131.4
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$30,163,038	\$1,295,000	\$27,927,514	\$0	\$940,524	131.4
Move lease purchase payments to operating budget	3,121,835	0	3,121,835	0	0	0.0
Gaming cities Historical Fund revenue	500,000	0	500,000	0	0	0.0
Annualize prior year actions	198,702	0	164,776	0	33,926	0.0
History Colorado reorganization	0	0	0	0	0	0.0
History Colorado budget reductions	(4,520,510)	0	(4,520,510)	0	0	0.0
SB 15-234	\$29,463,065	\$1,295,000	\$27,193,615	\$0	\$974,450	131.4
TOTAL	\$29,463,065	\$1,295,000	\$27,193,615	\$0	\$974,450	131.4
Increase/(Decrease)	(\$699,973)	\$0	(\$733,899)	\$0	\$33,926	0.0
Percentage Change	(2.3%)	0.0%	(2.6%)	n/a	3.6%	0.0%

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Move lease purchase payments to operating budget: The appropriation moves lease purchase payment (certificates of participation) amounts that were previously appropriated in the capital construction section of the Long Bill into the operating budget.

Gaming cities Historical Fund revenue: The appropriation includes an increase of \$500,000 cash funds for current projections of limited gaming revenues distributed to gaming cities for historic preservation, consistent with state constitutional requirements.

Annualize prior year actions: The appropriation includes a number of changes to the out-year impact of funding decisions made through the FY 2014-15 Long Bill and new legislation, including annualizing FY 2014-15 salary survey and merit pay by moving centrally-appropriated amounts reflected in the Department Administrative Office in FY 2014-15 to personal services and program line items in other Department divisions.

History Colorado reorganization: The appropriation includes a reorganization of the History Colorado section of the Long Bill. This change has no net fiscal impact.

History Colorado budget reductions: The appropriation reduces spending authority for limited gaming funds deposited to the State Historical Fund, as well as amounts shown for informational purposes from the same source. There is insufficient revenue to support the previous level of appropriations. The reductions include \$695,408 from line items that support the operation of History Colorado museums and facilities, including cuts of 11.5 percent from this fund source in most operating line items. The appropriation also includes a reduction of \$3,825,102 for State Historical Fund statewide preservation grants to better reflect funds anticipated to be available for new grants in FY 2015-16. Amounts for grants (unlike museum and administrative costs) are continuously appropriated and shown for informational purposes only.

Recent Legislation

2014 Session Bills

S.B. 14-001 (College Affordability Act): Caps the annual increase in the rate of undergraduate resident student tuition at state supported higher education institutions at 6.0 percent in FY 2014-15 and FY 2015-16, provides appropriations to increase funding for all state-supported institutions by 11.0 in FY 2014-15, and increases appropriations for financial aid. In total, the bill appropriates \$100,162,480 General Fund to the Department of Higher Education for FY 2014-15. This includes the following:

- \$40,000,000 General Fund for student financial aid, including: \$30,000,000 for need-based grants; \$5,000,000 for work study; and \$5,000,000 for merit-based grants.
- \$60,000,000 General Fund for the College Opportunity Fund (COF) program and allocations to higher education governing boards, including: \$57,713,885 for COF student stipends and fee-for-service contracts with the governing boards of state institutions; \$1,394,266 for local district junior colleges; and \$891,849 for area vocational schools. The COF student stipend and fee-for-service contract funds (\$57,713,885) are reappropriated to the governing boards of state higher education institutions so as to provide an 11.0 percent increase to each governing board over the FY 2013-14 appropriation.
- \$162,480 General Fund for COF student stipends for students attending private institutions.

Additional amounts are allocated to the governing boards as reappropriated funds as follows:

	Stipends	Fee-for-service	Total Reappropriated
Adams State University	\$361,769	\$912,458	\$1,274,227
Colorado Mesa University	1,753,128	432,872	2,186,000
Metropolitan State University	3,793,568	530,202	4,323,770
Western State Colorado University	332,714	717,964	1,050,678
Colorado State University System	5,281,816	6,825,105	12,106,921
Fort Lewis College	545,498	505,996	1,051,494
University of Colorado System	7,336,152	9,224,399	16,560,551
Colorado School of Mines	754,991	1,098,128	1,853,119
University of Northern Colorado	2,061,305	1,646,362	3,707,667
Community College System	13,128,904	470,554	13,599,458
Total	\$35,349,845	\$22,364,040	\$57,713,885

The bill specifies that stipend amounts are based on the assumption that 130,925 student FTE attending state institutions will receive COF stipends in FY 2014-15 and that the per-student stipend amount is increased from \$1,980 per 30 credit hours (amount in H.B. 14-1336) to \$2,250 per 30 credit hours. It also expresses legislative intent that need-based aid and work-study funds should be used to supplement, rather than supplant institutional need-based aid for resident students.

S.B. 14-211 (Alzheimer’s Disease Center): Establishes the Alzheimer's Disease Treatment and Research Center within the University of Colorado School of Medicine to create programs for the care and treatment of persons suffering from Alzheimer's disease. The university must use existing staff and facilities to establish the center. Provides an FY 2014-15 appropriation of \$250,000 General Fund for College Opportunity Fund fee-for-service contracts, reappropriated to the University of Colorado. This is anticipated to be used for developing and expanding programs for care and treatment of Alzheimer’s patients and related financial assistance, educational, and research programs.

H.B. 14-1319 (Outcomes-based Funding for Higher Education): Creates a new mechanism for allocating state funds to institutions of higher education. Beginning with FY 2015-16, governing boards of institutions of higher education may negotiate a fee-for-service contract (FFS contract) with the Department of Higher Education.

- Each FFS contract must include a combination of institutional role and mission funding and institutional performance funding as outlined in the bill. Specific components and measures are to be determined by the Colorado Commission on Higher Education (CCHE).
- Beginning in FY 2015-16, the total annual appropriation for College Opportunity Fund stipends must be at least 52.5 percent of the total state appropriation for the applicable fiscal year (defined as the sum of the FFS contracts described above and student stipend revenue).
- Funding for area vocational schools, local district junior colleges, and specialty education programs increases or decreases by an amount proportional to the total state appropriation (as defined), with some exceptions.

- From FY 2015-16 through FY 2019-20, each governing board's total appropriation may only be five percentage points greater or less than the percentage change in the total state appropriation for all governing boards in the preceding year.

No later than January 1, 2015, the CCHE must determine the components of the FFS contracts, the factors and weights for calculating role and mission funding, and the performance metrics and weights for calculating performance funding. The CCHE is required to hire a facilitator and convene a series of meetings with interested parties to develop the FFS contract components. The CCHE is also required to work with interested parties to develop a tuition policy. On July 1, 2016, and each July 1 through 2020, the CCHE must submit a status report on implementation of the new allocation method to the Joint Budget Committee and the education committees of the General Assembly.

The bill includes appropriations to the Department of Higher Education for developing and administering the new system of \$45,207 General Fund in FY 2013-14 and \$804,986 General Fund and 3.0 FTE in FY 2014-15. These amounts are expected to annualize to \$306,169 General Fund and 3.0 FTE in FY 2015-16. The bill also includes an FY 2014-15 appropriation of \$18,216 reappropriated to the Department of Law for related legal services and a reduction to the General Fund appropriation to the Controlled Maintenance Trust Fund of \$772,133.

H.B. 14-1336 (Long Bill): General appropriations act for FY 2014-15.

H.B. 14-1384 (Higher Education Tuition Assistance): Creates the Colorado Opportunity Scholarship Initiative in the Department of Higher Education (DHE) to establish a corpus of funding that allows the DHE to award tuition assistance and facilitate third-party support services for resident students in higher education. Not more than 10 percent of available moneys may be awarded for student support services, with the balance used to build a financial corpus to provide financial assistance to Colorado students at eligible Colorado higher education institutions. At least 70 percent of moneys allocated for student support services must be allocated to non-profit organizations. Creates an advisory board responsible for program development and oversight with three representatives from the State Work Force Development Council and three representing higher education. Recommendations concerning the program are to be submitted to the Education Committees of the General Assembly by June 30, 2015.

Transfers \$33,588,500 from the Financial Need Scholarship Fund to the newly-created Colorado Opportunity Scholarship Initiative Fund. Also appropriates \$1,000,000 General Fund in FY 2014-15 to the Colorado Opportunity Scholarship Initiative Fund. Amounts in the Colorado Opportunity Scholarship Initiative Fund are continuously appropriated to the Department of Higher Education, which may spend no more than 3.0 percent on the costs of administering the program. Note: the \$33.6 million transferred to the Opportunity Scholarship Initiative Fund derives from the sale of the revenue stream from federally-guaranteed student loans, pursuant to H.B. 10-1428.

2015 Session Bills

S.B. 15-148 (Supplemental Bill): Supplemental appropriation to the Department of Higher Education for FY 2014-15.

S.B. 15-186 (Yoga Teacher Training Private Occupational School): The bill exempts yoga teacher training courses, programs, and schools from the provisions of the Private Occupational Education Act of 1981. Reduces fee revenue and appropriations for the Division of Private Occupational Schools by \$13,349 cash funds in FY 2015-16 and \$16,549 cash funds in FY 2016-17.

S.B. 15-225 (State Historical Society Governance): Changes the way the board of directors for the Colorado State Historical Society is selected. Previously, the board was elected by members of the Historical Society. Effective July 1, 2015, the Governor appoints five members to the board with the consent of the Senate. Four additional members are then selected by the board, and submitted to the Governor for approval and appointment, again with the consent of the Senate. Members appointed to the board have the authority to act on behalf of the board prior to confirmation by the Senate.

S.B. 15-234 (Long Bill): General appropriations act for FY 2015-16. Also includes supplemental adjustments to FY 2014-15 appropriations to the Department of Higher Education.

S.B. 15-236 (Reorganize State Historical Society Funds): Changes the structure of various History Colorado Funds. Creates two subaccounts in the State Historical Fund (SHF): the Preservation Grant Program Account, which receives 50.1 percent of limited gaming revenue to the SHF, and the Museum and Preservation Operations Account, which receives 49.9 percent of limited gaming revenue to the SHF. Divides existing SHF fund balances into these two subaccounts. Amounts in the subaccounts are subject to annual appropriation, except amounts for preservation grants, which are continuously appropriated. Also creates the Enterprise Services Cash Fund for other noncustodial revenue collected by History Colorado, such as admissions and membership fees. This fund is subject to annual appropriation and is not subject to statutory limits on uncommitted reserves.

S.B. 15-237 (Calculation of Limitations in Higher Ed Funding): Makes technical clarifications to definitions used in higher education funding formulas pursuant to House Bill 14-1319 (Outcomes-based Funding for Higher Education). Also delays the implementation of higher education performance funding authorized in Senate Bill 11-052 to no earlier than FY 2017-18.

S.B. 15-238 (General Fund Exempt Institutions of Higher Ed Uses): The General Fund Exempt Account consists of the revenues the state retains and spends under the authority of Referendum C of 2005. Based on existing statute, one-third of the Referendum C revenue that exceeds \$55.0 million must be appropriated for the benefit of students attending institutions of higher education. This bill adds additional appropriation categories to the list of higher education appropriations that may be supported with General Fund Exempt.

S.J.M. 15-001 (Fort Lewis College Native American Tuition Waiver Federal Funds): Memorializes the U.S. Congress, requesting that it support federal legislation to provide federal tuition support for Native American students attending Fort Lewis College who are not Colorado residents.

H.B. 15-1224 (State Moneys Received by Local District Junior Colleges): Requires that the state's two local district junior colleges, Colorado Mountain College and Aims Community College, receive separate appropriations in the Long Bill, rather than having their state support combined in a single line item.

H.B. 15-1254 (Higher Education Funding Appropriations Clean Up): Clarifies a definition used in the description of higher education funding allocation formulas, modifying statutory language added in H.B. 14-1319 (Outcomes-based Funding for Higher Education).

H.B. 15-1270 (Pathways in Technology Early College High Schools): Authorizes the creation of Pathways in Technology Early College High Schools (P-Tech school). A P-Tech school is a public school that includes grades 9 through 14 and is designed to prepare students for careers in industry by enabling students to graduate with both a high school diploma and an associate degree. A P-Tech school is operated as a collaborative effort by a local education provider such as a school district, a community college, and one or more industry employers. A P-tech school, in contrast to other early colleges, focuses specifically on science, technology, engineering, and mathematics, and includes two additional years of high school (grades 13 and 14). A P-Tech school is funded through the annual School Finance Act, and a district with a P-Tech school may include the P-Tech school's students in grades 9-12 in the school district's pupil enrollment. Students in grades 13 and 14 are funded at the fixed per pupil amount established annually for students participating in the ASCENT program (Accelerating Students through Concurrent Enrollment). A student enrolled in grades 13 and 14 may also receive a stipend from the College Opportunity Fund for the postsecondary courses the student takes. For FY 2015-16, increases state appropriations to the Colorado Department of Education by \$7,232 General Fund and 0.1 FTE and increases appropriations to the Department of Higher Education by the same amount. The bill is expected to drive costs of \$4.1 million General Fund by FY 2021-22, due to impacts on school finance once the bill is fully implemented.

H.B. 15-1274 (Creation of Career Pathways for Students): Requires the Colorado Workforce Development Council in the Department of Labor and Employment, in collaboration and consultation with partners including the Department of Higher Education and the community college system, the Department of Education, the Governor's Office of Economic Development and International Trade, and partner industries and local educational institutions, design integrated career pathways within identified growth industries. A career pathway is a series of connected education and training strategies and support services that enable students to secure industry-relevant skills and certification, where applicable, to obtain employment within an occupational area, and to advance to higher levels of future education and employment. At least one career pathway is to be ready for implementation by or before the 2016-17 academic year, and at least two additional career pathways must be ready for implementation at the beginning of each subsequent academic year. Following design and implementation of a new career pathway, the Departments of Higher Education and Labor and Employment must collaborate to promote information concerning the program and provide online student support services. For FY 2015-16 provides appropriations of \$485,043 General Fund and 2.5 FTE to the Department of Labor and Employment for the Workforce Development Council. Provides appropriations to the Department of Higher Education of: (1) \$86,960 General Fund, which is reappropriated to the community college system; and (2) \$200,000 reappropriated funds, from the amount initially appropriated to the Department of Labor and Employment, for an on-line resource publicizing the new career pathways. The bill's General Fund impact is expected to annualize to \$585,217 and 2.5 FTE in FY 2016-17.

H.B. 15-1275 (Career and Tech Ed in Concurrent Enrollment): Clarifies that career and technical course work related to apprenticeship programs and internship programs may be used for concurrent enrollment, and directs the Concurrent Enrollment Advisory Board to collaborate with other entities to promote cooperative agreements that include apprenticeship programs and internship programs in concurrent enrollment programs. Subject to available appropriations, directs the Colorado Commission on Higher Education (CCHE) to create a tuition assistance program for students enrolled in career and technical education certificate programs that do not meet minimum credit hour requirements for the federal Pell grant. Appropriates \$450,000 General Fund to the Department of Higher Education for this new tuition assistance program for FY 2015-16. This amount is expected to be ongoing.

Department Details

DEPARTMENT OF HUMAN SERVICES

FY 2014-15 and FY 2015-16 Appropriations by Division and Bill

Department of Human Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Total Appropriation:	\$1,884,592,242	\$790,048,884	\$346,379,985	\$128,339,086	\$619,824,287	4,961.2
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	91,502,144	52,315,030	3,699,817	21,539,183	13,948,114	135.4
Office of Information Technology Services	73,656,764	40,727,389	1,616,490	1,072,793	30,240,092	11.0
Office of Operations	44,104,046	26,358,046	3,446,796	9,824,701	4,474,503	441.6
County Administration	68,420,549	23,817,877	17,761,504	0	26,841,168	0.0
Division of Child Welfare	448,063,418	246,236,784	87,159,482	15,080,921	99,586,231	89.4
Office of Early Childhood	176,415,421	54,727,739	37,672,967	6,750,855	77,263,860	69.2
Office of Self Sufficiency	292,465,234	7,046,646	29,614,975	33,951	255,769,662	245.7
Behavioral Health Services	248,612,910	178,626,096	18,098,508	16,656,629	35,231,677	1,271.8
Services for People with Disabilities	158,119,471	8,413,907	41,672,798	54,092,671	53,940,095	1,723.6
Adult Assistance Programs	168,064,008	43,756,192	103,545,117	1,800	20,760,899	29.5
Division of Youth Corrections	115,168,277	108,023,178	2,091,531	3,285,582	1,767,986	944.0
<u>Breakdown of Total Appropriation by Bill</u>						
HB 14-1336	1,879,020,661	773,025,447	336,536,384	143,098,145	626,360,685	4,903.0
SB 14-003	2,469,453	1,269,453	0	1,200,000	0	1.0
SB 14-012	1,495,144	1,237,766	247,339	4,697	5,342	0.0
SB 14-014	4,092	976	131	1,397	1,588	0.0
SB 14-021	3,746	3,746	0	0	0	0.0
SB 14-129	38,250	0	38,250	0	0	0.0
SB 14-130	6,203	2,356	(22,130)	24,634	1,343	0.0
SB 14-215	7,600,000	0	7,600,000	0	0	0.0
HB 14-1015	395,270	395,270	0	0	0	1.0
HB 14-1298	68,084	68,084	0	0	0	1.1
HB 14-1317	9,922,744	8,578,187	7,032	44,529	1,292,996	0.0
HB 14-1338	250,000	250,000	0	0	0	0.0
HB 14-1368	0	(2,829,586)	2,829,586	0	0	0.0
SB 15-149	(16,957,851)	7,317,952	(403,820)	(16,034,316)	(7,837,667)	31.3
SB 15-167	(452,787)	0	(452,787)	0	0	0.0
SB 15-234	729,233	729,233	0	0	0	23.8

Department of Human Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2015-16 Total Appropriation:	\$1,914,659,158	\$811,905,208	\$348,624,954	\$131,723,226	\$622,405,770	4,970.9
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	92,313,205	54,987,685	3,597,713	19,638,349	14,089,458	135.4
Office of Information Technology Services	59,444,440	28,528,230	890,369	1,071,589	28,954,252	11.0
Office of Operations	44,435,292	26,212,610	3,524,663	9,974,479	4,723,540	441.6
County Administration	67,363,060	23,546,625	17,535,967	0	26,280,468	0.0
Division of Child Welfare	463,784,129	258,348,479	88,900,890	15,363,412	101,171,348	94.4
Office of Early Childhood	184,190,984	56,928,891	41,193,867	5,928,683	80,139,543	69.7
Office of Self Sufficiency	294,884,076	8,390,903	29,624,307	34,505	256,834,361	245.7
Behavioral Health Services	254,178,268	183,638,257	16,715,045	18,560,075	35,264,891	1,281.1
Services for People with Disabilities	159,991,010	10,283,849	39,601,546	57,713,341	52,392,274	1,663.8
Adult Assistance Programs	174,016,925	48,237,752	104,949,056	1,800	20,828,317	29.5
Division of Youth Corrections	120,057,769	112,801,927	2,091,531	3,436,993	1,727,318	998.7
<u>Breakdown of Total Appropriation by Bill</u>						
SB 15-234	1,903,744,311	802,237,866	349,568,539	130,173,226	621,764,680	4,967.7
SB 15-012	868,895	315,509	0	0	553,386	0.0
SB 15-204	(270,372)	(270,372)	0	0	0	0.0
SB 15-240	2,000,000	2,000,000	0	0	0	0.0
SB 15-241	1,856,635	1,856,635	0	0	0	1.5
SB 15-242	6,408,147	5,714,028	606,415	0	87,704	1.0
HB 15-1131	14,404	14,404	0	0	0	0.3
HB 15-1248	37,138	37,138	0	0	0	0.4
HB 15-1367	0	0	(1,550,000)	1,550,000	0	0.0
Increase/(Decrease)	\$30,066,916	\$21,856,324	\$2,244,969	\$3,384,140	\$2,581,483	9.7
Percentage Change	1.6%	2.8%	0.6%	2.6%	0.4%	0.2%

Informational Funds: The FY 2015-16 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Human Services are annotated with the "(I)". For additional information, see Appendix J.

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2015-16 Appropriations containing an (I) notation	\$504,141,819	\$0	\$235,629,190	\$1,340,200	\$267,172,429

Detail of Appropriation by Administrative Section

Executive Director's Office

This office is responsible for the management and administration of the Department, performing such functions as budgeting, human resources, and 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:

- the Juvenile Parole Board;
- the Developmental Disabilities Council;
- the Colorado Commission for the Deaf and Hard of Hearing;
- compliance with the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA); and
- the child welfare administrative review unit, which performs case reviews of children and youth who are placed in out-of-home residential care.

Cash funds include patient payments collected by the mental health institutes, in addition to other sources. Reappropriated funds are primarily Medicaid cash funds transferred from the Department of Health Care Policy and Financing. Federal fund sources include indirect cost recoveries, the Temporary Assistance for Needy Families Block Grant, and the Substance Abuse Prevention and Treatment Block Grant, among other sources.

Executive Director's Office						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$90,748,005	\$51,567,847	\$3,699,306	\$21,539,183	\$13,941,669	135.4
SB 14-021	3,746	3,746	0	0	0	0.0
HB 14-1338	250,000	250,000	0	0	0	0.0
SB 15-149	<u>500,393</u>	<u>493,437</u>	<u>511</u>	<u>0</u>	<u>6,445</u>	<u>0.0</u>
TOTAL	\$91,502,144	\$52,315,030	\$3,699,817	\$21,539,183	\$13,948,114	135.4
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$91,502,144	\$52,315,030	\$3,699,817	\$21,539,183	\$13,948,114	135.4
Centrally appropriated line items	8,861,373	7,919,046	26,801	(392,817)	1,308,343	0.0
State-owned and -operated youth corrections facilities' staffing increases and caseload adjustments	584,035	584,035	0	0	0	0.0
CMHIP treatment unit	99,603	99,603	0	0	0	0.0
Community provider rate	28,259	10,851	0	17,408	0	0.0
Annualize prior year budget actions	(7,893,868)	(5,072,539)	(128,905)	(1,525,425)	(1,166,999)	0.0
Consolidate funding for Circle Program	(347,969)	(347,969)	0	0	0	0.0
Annualize prior year legislation	(250,000)	(250,000)	0	0	0	0.0
SB 15-234	\$92,583,577	\$55,258,057	\$3,597,713	\$19,638,349	\$14,089,458	135.4

Executive Director's Office						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 15-204	<u>(270,372)</u>	<u>(270,372)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$92,313,205	\$54,987,685	\$3,597,713	\$19,638,349	\$14,089,458	135.4
Increase/(Decrease)	\$811,061	\$2,672,655	(\$102,104)	(\$1,900,834)	\$141,344	(0.0)
Percentage Change	0.9%	5.1%	(2.8%)	(8.8%)	1.0%	(0.0%)

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 15-149 modified the FY 2014-15 appropriation to add funding for centrally appropriated costs associated with additional correctional youth security officers at state-owned and state-operated juvenile justice facilities.

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Centrally appropriated line items: The appropriation includes an increase of \$8,861,373 total funds for adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; vehicle lease payments; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; Capitol complex leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

State-owned and -operated youth corrections facilities' staffing increases and caseload adjustments: The appropriation includes an increase of \$584,035 General Fund for the centrally appropriated costs associated with adding additional correctional youth security officers at the State's detention and commitment facilities.

CMHIP treatment unit: The appropriation includes an increase of \$99,603 General Fund to provide a full 12 months of funding for the new treatment unit at Colorado Mental Health Institute at Pueblo (CMHIP) for patients who were previously transferred to the Department of Corrections (DOC) for safety reasons.

Community provider rate: The appropriation includes an increase of \$28,259 total funds for the 1.7 percent community provider rate increase.

Annualize prior year budget actions: The appropriation includes adjustments related to prior year budget actions.

Consolidate funding for Circle Program: The appropriation transfers \$347,969 General Fund from the Executive Director's Office to the Behavioral Health Services section to consolidate funding for the Circle Program.

Annualize prior year legislation: The appropriation includes a reduction of \$250,000 General Fund for the subsequent year impact of recently passed legislation.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Office of Information Technology Services

The Office of Information Technology Services (OITS) is responsible for developing and maintaining the major centralized computer systems of the Department, including systems that link to all counties in the state. The OITS supports centralized databases and provides support and training to users, including county staff and private social service providers. It also helps to set policies and strategic directions for decentralized information technology systems that are operated by individual divisions within the Department. Major systems funded in this section of the budget include the Colorado Benefits Management System, the Colorado Financial Management System, and the Colorado Trails information system. The primary source of cash funds is the Old Age Pension Fund. The primary source of reappropriated funds is Medicaid funds transferred from the Department of Health Care Policy and Financing. Major sources of federal funds include Title IV-E of the Social Security Act and the Temporary Assistance for Needy Families block grant.

Office of Information Technology Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$85,982,816	\$36,421,901	\$2,619,817	\$18,214,134	\$28,726,964	11.0
SB 14-012	13,764	3,283	442	4,697	5,342	0.0
SB 14-014	4,092	976	131	1,397	1,588	0.0
SB 14-130	6,203	2,356	215	2,289	1,343	0.0
HB 14-1317	1,347,229	31,100	4,189	44,529	1,267,411	0.0
SB 15-149	<u>(13,697,340)</u>	<u>4,267,773</u>	<u>(1,008,304)</u>	<u>(17,194,253)</u>	<u>237,444</u>	<u>0.0</u>
TOTAL	\$73,656,764	\$40,727,389	\$1,616,490	\$1,072,793	\$30,240,092	11.0
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$73,656,764	\$40,727,389	\$1,616,490	\$1,072,793	\$30,240,092	11.0
IT systems interoperability	1,323,360	132,336	0	0	1,191,024	0.0
Enterprise content management	731,400	731,400	0	0	0	0.0
Centrally appropriated line items	401,012	96,833	(87,012)	82,375	308,816	0.0
Adult Protective Services data system licenses	19,200	19,200	0	0	0	0.0
CBMS funding rebalance	16,526	(833,297)	3,623	(479)	846,679	0.0
Colorado Grants Management System maintenance	6,050	6,050	0	0	0	0.0
Annualize prior year budget actions	(14,709,201)	(11,975,322)	(637,797)	(30,667)	(2,065,415)	0.0
Annualize prior year legislation	(1,484,874)	(152,326)	(4,935)	(52,433)	(1,275,180)	0.0
Cloud computing migration	(532,397)	(240,633)	0	0	(291,764)	0.0
SB 15-234	\$59,427,840	\$28,511,630	\$890,369	\$1,071,589	\$28,954,252	11.0
HB 15-1248	<u>16,600</u>	<u>16,600</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$59,444,440	\$28,528,230	\$890,369	\$1,071,589	\$28,954,252	11.0

Office of Information Technology Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Increase/(Decrease)	(\$14,212,324)	(\$12,199,159)	(\$726,121)	(\$1,204)	(\$1,285,840)	0.0
Percentage Change	(19.3%)	(30.0%)	(44.9%)	(0.1%)	(4.3%)	0.0%

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 15-149 modified the FY 2014-15 appropriation to rebalance appropriations for CBMS-related expenses to align with current cost allocation trends. Cost allocation is used to ensure that the different benefit programs using CBMS are paying an appropriate percentage of the cost of CBMS, proportional to the actual usage of the system associated with those programs. Additionally, the bill added funds to complete the migration of several of the Department’s systems to a hosted, cloud-based environment.

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

IT systems interoperability: The appropriation includes an increase of \$1,323,360 total funds, including \$132,336 General Fund, for the operating component of a new system that will standardize all existing information technology systems into one environment, while leaving the core systems in place.

Enterprise content management: The appropriation includes an increase of \$731,400 General Fund to implement a department-wide system to manage documents and files. The system will use the same content management software that the Governor’s Office of Information Technology uses for the Colorado Operations Resource Engine (CORE), CBMS, and Colorado Program Eligibility and Application Kit (PEAK).

Centrally appropriated line items: The appropriation includes an increase of \$401,012 total funds, including \$96,833 General Fund, for adjustments to the centrally appropriated line item for payments to the Governor's Office of Information Technology (OIT).

Adult Protective Services data system licenses: The appropriation transfers \$19,200 General Fund from the Adult Assistance Programs division to the Office of Information Technology Services for the ongoing costs associated with licensing the data system that supports the Department’s Adult Protective Services unit.

CBMS funding rebalance: The appropriation includes an increase of \$16,526 total funds, including a decrease of \$833,297 General Fund, to align various sources of funding applicable to CBMS with the current cost allocation trends.

Colorado Grants Management System maintenance: The appropriation includes an increase of \$6,050 General Fund to maintain the information technology system used by the Department to track grants it receives and grants it dispenses.

Annualize prior year budget actions: The appropriation includes a decrease of \$14,709,201 total funds, including a decrease of \$11,975,322 General Fund, for FY 2015-16. The majority of the change is due to the conclusion of the budgetary requirements associated with the second phase of the CBMS modernization project.

Note that the Department’s FY 2014-15 supplemental bill (S.B. 15-149) provides roll-forward authority for the appropriation made in FY 2014-15 to FY 2015-16 for this phase of the project.

Annualize prior year legislation: The appropriation includes a decrease of \$1,484,874 total funds, including a decrease of \$152,326 General Fund, for FY 2015-16. The majority of the change is due to the conclusion of one-time changes to the Child Care Automated Tracking System (CHATS) included in H.B. 14-1317 (Colorado Child Care Assistance Program Changes).

Cloud computing migration: The appropriation includes a decrease of \$532,397 total funds, including \$240,633 General Fund, due to a decrease in the second year costs associated with the migration of applications, including Trails and the Child Care Automated Tracking System (CHATS), to a hosted, cloud-based environment.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Office of Operations

This section of the budget contains appropriations for various central Departmental functions, and incorporates four department units: Facilities Management, Accounting, Procurement, and Contract Management. The largest of these units, the Division of Facilities Management, is responsible for operating, cleaning, and maintaining an estimated 301 Department buildings and facilities, including ten youth correctional facilities, two state mental health institute campuses, and three regional centers for the developmentally disabled, in addition to Department’s office buildings. The Department’s leased space, vehicle leases and facility utility costs are also managed by this division. The Division of Accounting manages all the Department’s financial operations and resources, including payments to counties and service providers, overall accounts and controls over expenditures and revenues from multiple state and federal sources, and private party billing for the Department’s various community and institutional programs. The Procurement Division purchases goods and services for the Department’s programs, and operates warehouses and distribution centers for all departmental residential facilities. The Contract Management Unit is responsible for managing the contracting process in the Department including development, approval, and oversight of performance of all Department contracts.

Cash funds, reappropriated funds, and federal funds appropriated to this section of the budget are from indirect cost recoveries, among other sources. Reappropriated funds also include Medicaid funds transferred from the Department of Health Care Policy and Financing.

Office of Operations						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$43,917,998	\$26,171,998	\$3,446,796	\$9,824,701	\$4,474,503	441.6
SB 15-149	<u>186,048</u>	<u>186,048</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$44,104,046	\$26,358,046	\$3,446,796	\$9,824,701	\$4,474,503	441.6

Office of Operations						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$44,104,046	\$26,358,046	\$3,446,796	\$9,824,701	\$4,474,503	441.6
Centrally appropriated line items	334,221	178,560	11,660	(20,736)	164,737	0.0
Annualize prior year budget actions	180,112	(140,909)	66,207	170,514	84,300	0.0
Annualize prior year legislation	(183,087)	(183,087)	0	0	0	0.0
SB 15-234	<u>\$44,435,292</u>	<u>\$26,212,610</u>	<u>\$3,524,663</u>	<u>\$9,974,479</u>	<u>\$4,723,540</u>	<u>441.6</u>
TOTAL	\$44,435,292	\$26,212,610	\$3,524,663	\$9,974,479	\$4,723,540	441.6
Increase/(Decrease)	\$331,246	(\$145,436)	\$77,867	\$149,778	\$249,037	0.0
Percentage Change	0.8%	(0.6%)	2.3%	1.5%	5.6%	0.0%

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 15-149 modified the FY 2014-15 appropriation to provide an increase of \$186,048 General Fund for the operating expenses associated with a new security-enhanced treatment unit at the Colorado Mental Health Institute at Pueblo (CMHIP). The Department recently repurposed an existing eight-bed treatment unit at CMHIP to house patients who were previously transferred from CMHIP to the Department of Correction's San Carlos facility for safety reasons.

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Centrally appropriated line items: The appropriation includes an increase of \$334,221 total funds for adjustments to centrally appropriated line items for the following: vehicle lease payments and Capitol complex leased space.

Annualize prior year budget actions: The appropriation includes an increase of \$180,112 total funds, including a decrease of \$140,909 General Fund for FY 2015-16 due to the annualization of salary survey and merit pay and the conclusion of a building space renewal project at the Colorado Mental Health Institute at Fort Logan.

Annualize prior year legislation: The appropriation includes a decrease of \$183,087 General Fund for FY 2015-16 for the second year costs of the Department's FY 2014-15 supplemental bill (S.B. 15-149), which included one-time funds for changes at the Colorado Mental Health Institute at Pueblo.

County Administration

This section contains appropriations for 64 county departments of social services to administer the Supplemental Nutrition Assistance Program (food assistance) and Aid to the Needy Disabled. It also includes appropriations to assist counties with high human services program costs relative to their county property tax bases. Cash funds sources in this section include retained child support collections, fraud refunds, and state revenue intercepts. Federal funds are from the U.S. Department of Agriculture for the Supplemental Nutrition Assistance Program and the Title XX Social Services Block Grant, among other sources.

County Administration						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	<u>\$68,420,549</u>	<u>\$23,817,877</u>	<u>\$17,761,504</u>	<u>\$0</u>	<u>\$26,841,168</u>	<u>0.0</u>
TOTAL	\$68,420,549	\$23,817,877	\$17,761,504	\$0	\$26,841,168	0.0
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$68,420,549	\$23,817,877	\$17,761,504	\$0	\$26,841,168	0.0
Community provider rate	942,511	328,748	174,463	0	439,300	0.0
Annualize prior year budget actions	(2,000,000)	(600,000)	(400,000)	0	(1,000,000)	0.0
SB 15-234	<u>\$67,363,060</u>	<u>\$23,546,625</u>	<u>\$17,535,967</u>	<u>\$0</u>	<u>\$26,280,468</u>	<u>0.0</u>
TOTAL	\$67,363,060	\$23,546,625	\$17,535,967	\$0	\$26,280,468	0.0
Increase/(Decrease)	(\$1,057,489)	(\$271,252)	(\$225,537)	\$0	(\$560,700)	0.0
Percentage Change	(1.5%)	(1.1%)	(1.3%)	n/a	(2.1%)	n/a

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Community provider rate: The appropriation includes an increase of \$942,511 total funds, including \$328,748 General Fund, for the 1.7 percent community provider rate increase.

Annualize prior year budget actions: The appropriation includes a change to the out year impact of funding decisions made through the FY 2014-15 Long Bill, including a reduction of \$2.0 million total funds of which \$600,000 is General Fund for the food assistance backlog.

Division of Child Welfare

This section provides funding for programs that protect children from harm and assist families in caring for and protecting their children. Nearly 90.0 percent of funding in this division is allocated to counties, which are responsible for administering child welfare services under the supervision of the Department. In FY 2014-15, 35,486 children were served in open child welfare cases. Reappropriated funds reflect Medicaid funds and are transferred from the Department of Health Care Policy and Financing. Cash funds include county tax revenues, federal Title IV-E Waiver Demonstration Project funds that are deposited to a cash fund, docket fee revenues, Tobacco Settlement funds, and marijuana sales tax funds that are deposited to a cash fund. Federal fund sources include those available pursuant to Titles IV-B, IV-E, and XX of the Social Security Act, and the Child Abuse Prevention and Treatment Act.

Division of Child Welfare						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$445,963,418	\$249,066,370	\$82,229,896	\$15,080,921	\$99,586,231	89.4
SB 14-215	2,100,000	0	2,100,000	0	0	0.0
HB 14-1368	<u>0</u>	<u>(2,829,586)</u>	<u>2,829,586</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$448,063,418	\$246,236,784	\$87,159,482	\$15,080,921	\$99,586,231	89.4
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$448,063,418	\$246,236,784	\$87,159,482	\$15,080,921	\$99,586,231	89.4
Community provider rate	6,816,349	3,771,262	1,231,066	254,042	1,559,979	0.0
Community-based child abuse prevention	1,035,415	1,035,415	0	0	0	(1.0)
Leap year adjustment	365,272	272,294	68,074	24,904	0	0.0
Child welfare case management	156,857	130,191	0	0	26,666	2.7
Annualize prior year budget actions	(774,400)	(688,668)	0	3,500	(89,232)	0.4
Annualize prior year legislation	(100,000)	0	(100,000)	0	0	0.0
Tobacco Master Settlement revenue adjustment	(64,147)	0	(64,147)	0	0	0.0
Other	45	0	0	45	0	0.0
SB 15-234	\$455,498,809	\$250,757,278	\$88,294,475	\$15,363,412	\$101,083,644	91.5
SB 15-241	1,856,635	1,856,635	0	0	0	1.5
SB 15-242	6,408,147	5,714,028	606,415	0	87,704	1.0
HB 15-1248	<u>20,538</u>	<u>20,538</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.4</u>
TOTAL	\$463,784,129	\$258,348,479	\$88,900,890	\$15,363,412	\$101,171,348	94.4
Increase/(Decrease)	\$15,720,711	\$12,111,695	\$1,741,408	\$282,491	\$1,585,117	5.0
Percentage Change	3.5%	4.9%	2.0%	1.9%	1.6%	5.6%

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Community provider rate: The appropriation includes an increase of \$6,816,349 total funds, including \$3,771,262 General Fund, for the 1.7 percent community provider rate increase.

Community-based child abuse prevention: The appropriation includes an increase of \$1,035,415 General Fund, and a reduction of 1.0 FTE to expand the SafeCare and Community Response Program pilot projects.

Leap year adjustment: The appropriation includes an increase of \$365,272 total funds, including \$272,294 General Fund, to cover costs associated with services charged at a daily rate.

Child welfare case management: The appropriation includes an increase of \$156,857 total funds, including \$130,191 General Fund, and 2.7 FTE for operating expenses associated with the Modernizing the Child Welfare Case Management System capital construction project.

Annualize prior year budget actions: The appropriation includes a number of changes to the out year impact of funding decisions made through the FY 2014-15 Long Bill.

Annualize prior year legislation: The appropriation includes a reduction of \$100,000 cash funds from the Marijuana Tax Cash Fund for the second year impact of S.B. 15-215 (Disposition of Legal Marijuana Related Revenue).

Tobacco Master Settlement revenue adjustment: The appropriation includes a decrease of \$64,147 cash funds based on the Legislative Council FY 2015-16 Tobacco Master Settlement revenue projection.

Other: The bill includes other minor adjustments.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Office of Early Childhood

Pursuant to H.B. 13-1117, the Office of Early Childhood (OEC) was created in order to align child development programs that address early learning, child health, child mental health, and family support and parent education. The bill transferred existing programs from other departments to the Department of Human Services, including: the Early Childhood Leadership Council from the Governor's Office; and the Nurse Home Visitor Program, Tony Grampsas Youth Services Program, Colorado Student Dropout Prevention and Intervention Program, Colorado Before and After School Project, Colorado Children's Trust Fund and its board, and the Family Resource Center Program from the Department of Public Health and Environment. The office is comprised of two divisions – the Division of Early Care and Learning and the Division of Community and Family Supports.

The Division of Early Care and Learning includes funding associated with the state supervision and the county administration of the Colorado Child Care Assistance Program (CCCAP). Through CCCAP, counties provide child care subsidies to low income families and families transitioning from the Colorado Works Program. This division is also responsible for licensing and monitoring child care facilities and for administering various early childhood grant programs. Cash fund sources reflect local funds as well as fees and fines paid by child care facilities. The primary federal funds source is Child Care Development Funds.

The Division of Community and Family Supports includes funding for various early childhood family support programs such as the Nurse Home Visitor program and the Tony Grampsas Youth Services program. Cash fund sources include local funds, the Early Intervention Services Trust Fund, the Colorado Children's Trust Fund, and the Nurse Home Visitor Program Fund. Federal funds are primarily Child Care Development Funds and funds received pursuant to Part C of the federal Individuals with Disabilities Education Improvement Act.

Office of Early Childhood						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$163,003,946	\$42,798,220	\$37,672,967	\$5,268,899	\$77,263,860	67.1
SB 14-003	2,469,453	1,269,453	0	1,200,000	0	1.0
HB 14-1298	68,084	68,084	0	0	0	1.1
HB 14-1317	8,534,903	8,534,903	0	0	0	0.0
SB 15-149	<u>2,339,035</u>	<u>2,057,079</u>	<u>0</u>	<u>281,956</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$176,415,421	\$54,727,739	\$37,672,967	\$6,750,855	\$77,263,860	69.2
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$176,415,421	\$54,727,739	\$37,672,967	\$6,750,855	\$77,263,860	69.2
Early intervention caseload	3,686,734	2,790,476	601,980	294,278	0	0.0
Community provider rate	1,881,897	524,164	222,765	83,550	1,051,418	0.0
Tobacco Master Settlement revenue adjustment	1,478,933	0	1,478,933	0	0	0.0
Childcare Automated Tracking System hybrid enhancement	900,000	0	0	0	900,000	0.0
Family Support Services	750,000	750,000	0	0	0	0.5
Child care micro loans	338,200	0	0	0	338,200	0.0
Child care micro grants	250,000	0	0	0	250,000	0.0
Provider rate spending authority	228,794	0	0	0	228,794	0.0
Annualize prior year budget actions	200,784	76,291	17,222	0	107,271	0.0
Annualize prior year legislation	(1,939,779)	(1,939,779)	1,200,000	(1,200,000)	0	0.0
SB 15-234	<u>\$184,190,984</u>	<u>\$56,928,891</u>	<u>\$41,193,867</u>	<u>\$5,928,683</u>	<u>\$80,139,543</u>	<u>69.7</u>
TOTAL	\$184,190,984	\$56,928,891	\$41,193,867	\$5,928,683	\$80,139,543	69.7
Increase/(Decrease)	\$7,775,563	\$2,201,152	\$3,520,900	(\$822,172)	\$2,875,683	0.5
Percentage Change	4.4%	4.0%	9.3%	(12.2%)	3.7%	0.7%

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 15-149 modified the FY 2014-15 appropriation with an increase of \$2,339,035 total funds, including \$2,057,079 General Fund, for early intervention services and early intervention services case management.

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Early intervention caseload: The appropriation includes a net increase of \$3,686,734 total funds, including \$2,790,476 General Fund, primarily to cover costs associated with early intervention services and early intervention services case management caseload growth.

Community provider rate: The appropriation includes an increase of \$1,881,897 total funds, including \$524,164 General Fund, for the 1.7 percent community provider rate increase.

Tobacco Master Settlement revenue adjustment: The appropriation includes an increase of \$1,478,933 cash funds based on the Legislative Council FY 2015-16 Tobacco Master Settlement revenue projection.

Childcare Automated Tracking System (CHATS) hybrid enhancement: The appropriation includes an increase of \$900,000 federal funds for operating expenses associated with the CHATS capital construction project.

Family Support Services: The appropriation includes an increase of \$750,000 General Fund and 0.5 FTE for grants to entities meeting the statutory requirements of Section 26-18-101, C.R.S., regarding the delivery of evidence based integrated family support services.

Child care micro loans: The appropriation includes an increase of \$338,200 spending authority from the federal Child Care Development Fund Grant for the micro loan program to increase child care capacity in communities around the state.

Child care micro grants: The appropriation includes an increase of \$250,000 spending authority from the federal Child Care Development Fund Grant for the micro grant program to increase child care capacity in communities around the state.

Provider rate spending authority: The appropriation includes an increase of \$228,794 spending authority from the federal Child Care Development Fund Block Grant to cover actual costs of contracted child care licensing inspectors.

Annualize prior year budget actions: The appropriation includes changes to the out year impact of funding decisions made through the FY 2014-15 Long Bill, including salary survey and merit pay.

Annualize prior year legislation: The appropriation includes a reduction of \$1,939,779 total funds for the second year impact of legislation, including H.B. 14-1298 (Financing of Public Schools), H.B. 14-1317 (Colorado Child Care Assistance Program Changes), and S.B. 14-003 (Colorado Child Care Assistance Program Cliff Effect Pilot).

Office of Self Sufficiency

This section includes appropriations for various public assistance programs, including Colorado Works, Low-income Energy Assistance Program (LEAP), child support enforcement, and disability determination programs, among others. The majority of funding for this Office comes from the federal Temporary Assistance for Needy Families Block Grant.

Office of Self Sufficiency						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$299,983,256	\$6,639,192	\$29,512,132	\$33,951	\$263,797,981	244.7
HB 14-1015	395,270	395,270	0	0	0	1.0
HB 14-1317	40,612	12,184	2,843	0	25,585	0.0
SB 15-149	<u>(7,953,904)</u>	<u>0</u>	<u>100,000</u>	<u>0</u>	<u>(8,053,904)</u>	<u>0.0</u>
TOTAL	\$292,465,234	\$7,046,646	\$29,614,975	\$33,951	\$255,769,662	245.7
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$292,465,234	\$7,046,646	\$29,614,975	\$33,951	\$255,769,662	245.7
Annualize prior year legislation	764,118	792,546	(2,843)	0	(25,585)	0.0
Annualize prior year budget actions	485,829	86,202	12,175	554	386,898	0.0
Supplemental Nutrition Assistance Program (SNAP) study	300,000	150,000	0	0	150,000	0.0
SB 15-234	\$294,015,181	\$8,075,394	\$29,624,307	\$34,505	\$256,280,975	245.7
SB 15-012	<u>868,895</u>	<u>315,509</u>	<u>0</u>	<u>0</u>	<u>553,386</u>	<u>0.0</u>
TOTAL	\$294,884,076	\$8,390,903	\$29,624,307	\$34,505	\$256,834,361	245.7
Increase/(Decrease)	\$2,418,842	\$1,344,257	\$9,332	\$554	\$1,064,699	0.0
Percentage Change	0.8%	19.1%	0.0%	1.6%	0.4%	0.0%

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 15-149 modified the FY 2014-15 appropriation to provide an increase of \$100,000 cash funds spending authority from the Colorado Domestic Abuse Program Fund to implement a data collection system for domestic violence services to identify client needs, measure client growth from the services provided, and identify any potential gaps that exist in the delivery of services to clients. Additionally, the bill includes a decrease of \$8,053,904 informational federal funds representing county Temporary Assistance for Needy Families (TANF) reserves to true-up the current appropriation with the up-to-date county reserve level. The appropriation has not been adjusted for the past two fiscal years. This action does not constitute any policy change and serves only to update information based on current data.

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Annualize prior year legislation: The appropriation includes an increase of \$764,118 total funds, including \$792,546 General Fund, primarily for the FY 2015-16 impact of H.B. 14-1015 (Extend Transitional Jobs Program).

Annualize prior year budget actions: The appropriation includes an increase of \$485,829 total funds, including \$86,202 General Fund, for FY 2015-16 primarily due to the annualization of salary survey and merit pay.

Supplemental Nutrition Assistance Program (SNAP) study: The appropriation includes an increase of \$300,000 total funds, including \$150,000 General Fund, to procure consulting services to evaluate SNAP and determine the source of the Program's error rate (over-payments, underpayments, and procedural errors).

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Behavioral Health Services

This section provides funding for community-based mental health and substance use treatment and prevention services. This section also provides funding for the administration and operation of the State's two mental health institutes, which provide inpatient hospitalization for individuals with serious mental illness. Appropriations in this section are allocated among the following five subsections:

- Community Behavioral Health Administration
- Mental Health Community Programs
- Substance Use Treatment and Prevention
- Integrated Behavioral Health Services
- Mental Health Institutes

Behavioral Health Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$243,876,116	\$177,077,005	\$15,825,917	\$15,741,517	\$35,231,677	1,241.2
SB 14-129	38,250	0	38,250	0	0	0.0
SB 14-215	3,500,000	0	3,500,000	0	0	0.0
SB 15-149	1,651,331	1,549,091	(812,872)	915,112	0	30.6
SB 15-167	(452,787)	0	(452,787)	0	0	0.0
SB 15-234	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$248,612,910	\$178,626,096	\$18,098,508	\$16,656,629	\$35,231,677	1,271.8
FY 2015-16 Appropriation:						
SB 15-234	\$254,178,268	\$183,638,257	\$18,265,045	\$17,010,075	\$35,264,891	1,281.1
HB 15-1367	<u>0</u>	<u>0</u>	<u>(1,550,000)</u>	<u>1,550,000</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$254,178,268	\$183,638,257	\$16,715,045	\$18,560,075	\$35,264,891	1,281.1
Increase/(Decrease)	\$5,565,358	\$5,012,161	(\$1,383,463)	\$1,903,446	\$33,214	9.3
Percentage Change	2.2%	2.8%	(7.6%)	11.4%	0.1%	0.7%

Community Behavioral Health Administration

This subsection provides funding for the administration of community-based mental health and substance use treatment and prevention services. This subsection is primarily supported by the federal Substance Abuse Prevention and Treatment Block Grant, the federal Mental Health Services Block Grant, and General Fund.

<i>Community Behavioral Health Administration</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	<u>\$7,900,871</u>	<u>\$1,343,299</u>	<u>\$357,894</u>	<u>\$853,444</u>	<u>\$5,346,234</u>	<u>60.1</u>
TOTAL	\$7,900,871	\$1,343,299	\$357,894	\$853,444	\$5,346,234	60.1
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$7,900,871	\$1,343,299	\$357,894	\$853,444	\$5,346,234	60.1
Annualize prior year budget actions	159,975	101,852	0	24,909	33,214	0.0
SB 15-234	<u>\$8,060,846</u>	<u>\$1,445,151</u>	<u>\$357,894</u>	<u>\$878,353</u>	<u>\$5,379,448</u>	<u>60.1</u>
TOTAL	\$8,060,846	\$1,445,151	\$357,894	\$878,353	\$5,379,448	60.1
Increase/(Decrease)	\$159,975	\$101,852	\$0	\$24,909	\$33,214	0.0
Percentage Change	2.0%	7.6%	0.0%	2.9%	0.6%	0.0%

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes an increase of \$159,975 total funds, including \$101,852 General Fund, for the annualization of the FY 2014-15 salary survey and merit pay.

Mental Health Community Programs

This subsection provides funding for mental health services that are delivered through local community providers. Generally, this funding is allocated to the state's 17 community mental health centers to support services that are not covered by the Medicaid program or by other payer sources. This subsection is primarily supported by General Fund, the federal Mental Health Services Block Grant, and tobacco litigation settlement moneys that are credited to the Offender Mental Health Services Fund.

<i>Mental Health Community Programs</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	<u>\$49,352,996</u>	<u>\$38,592,553</u>	<u>\$4,243,407</u>	<u>\$283,467</u>	<u>\$6,233,569</u>	<u>0.0</u>
TOTAL	\$49,352,996	\$38,592,553	\$4,243,407	\$283,467	\$6,233,569	0.0

<i>Mental Health Community Programs</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$49,352,996	\$38,592,553	\$4,243,407	\$283,467	\$6,233,569	0.0
Consolidate ACT funding	4,117,539	4,117,539	0	0	0	0.0
Community provider rate	656,857	643,324	11,467	2,066	0	0.0
Annualize prior year budget actions	(540,000)	(540,000)	0	0	0	0.0
Tobacco Master Settlement revenue adjustment	(207,460)	0	(207,460)	0	0	0.0
SB 15-234	<u>\$53,379,932</u>	<u>\$42,813,416</u>	<u>\$4,047,414</u>	<u>\$285,533</u>	<u>\$6,233,569</u>	<u>0.0</u>
TOTAL	\$53,379,932	\$42,813,416	\$4,047,414	\$285,533	\$6,233,569	0.0
Increase/(Decrease)	\$4,026,936	\$4,220,863	(\$195,993)	\$2,066	\$0	0.0
Percentage Change	8.2%	10.9%	(4.6%)	0.7%	0.0%	n/a

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Consolidate ACT funding: The appropriation transfers \$4,117,539 General Fund from the Integrated Behavioral Health Services subsection to this subsection to consolidate funding for Assertive Community Treatment (ACT) services for adults with serious and persistent mental illness.

Community provider rate: The appropriation includes an increase of \$656,857 total funds for the 1.7 percent community provider rate increase.

Annualize prior year budget actions: The appropriation includes a reduction of \$540,000 General Fund for second year costs of expanding the availability of mental health first aid instructor and certification courses.

Tobacco Master Settlement revenue adjustment: The appropriation includes a decrease of \$207,460 cash funds from the Offender Mental Health Services Fund based on the Legislative Council FY 2015-16 Tobacco Master Settlement revenue projection.

Substance Use Treatment and Prevention

This subsection provides funding for substance use treatment and prevention services that are delivered through local community providers. Generally, this funding supports services that are not covered by the Medicaid program or by other payer sources. Treatment, prevention, and detoxification services are provided primarily through managed service organizations (MSOs), each of which is responsible for managing the provision of services within a specific geographic area. This subsection is primarily supported by the federal Substance Abuse Prevention and Treatment Block Grant, General Fund, the Persistent Drunk Driver Cash Fund, transfers from the Department of Health Care Policy and Financing (which originate as General Fund and federal Medicaid funds), transfers from the Judicial Department (which originate as General Fund and drug offender surcharge revenues), tobacco settlement moneys that are credited to the Alcohol and Drug Abuse Community Prevention and Treatment Fund, and marijuana tax revenues.

<i>Substance Use Treatment and Prevention</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$45,590,804	\$15,178,862	\$3,702,573	\$3,057,495	\$23,651,874	0.0
SB 14-129	38,250	0	38,250	0	0	0.0
SB 14-215	1,500,000	0	1,500,000	0	0	0.0
SB 15-167	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$47,129,054	\$15,178,862	\$5,240,823	\$3,057,495	\$23,651,874	0.0
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$47,129,054	\$15,178,862	\$5,240,823	\$3,057,495	\$23,651,874	0.0
Community provider rate	393,179	258,040	0	135,139	0	0.0
Marijuana tax revenue adjustment	(1,500,000)	0	(1,500,000)	0	0	0.0
Tobacco Master Settlement revenue adjustment	(51,869)	0	(51,869)	0	0	0.0
SB 15-234	<u>\$45,970,364</u>	<u>\$15,436,902</u>	<u>\$3,688,954</u>	<u>\$3,192,634</u>	<u>\$23,651,874</u>	<u>0.0</u>
TOTAL	\$45,970,364	\$15,436,902	\$3,688,954	\$3,192,634	\$23,651,874	0.0
Increase/(Decrease)	(\$1,158,690)	\$258,040	(\$1,551,869)	\$135,139	\$0	0.0
Percentage Change	(2.5%)	1.7%	(29.6%)	4.4%	0.0%	n/a

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 14-215 appropriated \$1,500,000 cash funds from the Marijuana Tax Cash Fund to the Department for FY 2014-15 for the provision of substance use disorder treatment services for adolescents and pregnant women. Senate Bill 15-167 clarified that this appropriation may be used for substance use disorder prevention services and intensive wrap around services, and authorized the Department to spend any funds that remain available in FY 2015-16.

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Community provider rate: The appropriation includes an increase of \$393,179 total funds for community provider rate increases, including \$282,943 total funds for the 1.7 percent community provider rate increase and an additional \$110,236 reappropriated funds for targeted rate adjustments for the Special Connections Program.

Marijuana tax revenue adjustment: The appropriation includes a decrease of \$1,500,000 cash funds from the Marijuana Tax Cash Fund for treatment and detoxification contracts.

Tobacco Master Settlement revenue adjustment: The appropriation includes a decrease of \$51,869 cash funds from the Alcohol and Drug Abuse Community Prevention and Treatment Fund based on the Legislative Council FY 2015-16 Tobacco Master Settlement revenue projection.

Integrated Behavioral Health Services

This subsection provides funding for: a statewide behavioral health crisis response system; community-based mental health and substance use disorder services for offenders; behavioral health services and supports for individuals transitioning from the mental health institutes to the community; and co-occurring behavioral health services for indigent adolescents and adults in southern Colorado and the Arkansas Valley. This subsection is supported by General Fund and transfers from the Judicial Department (which originate as General Fund, marijuana tax revenues, and drug offender surcharge revenues).

<i>Integrated Behavioral Health Services</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$38,741,189	\$35,162,667	\$0	\$3,578,522	\$0	0.0
SB 14-215	2,000,000	0	2,000,000	0	0	0.0
SB 15-149	(1,388,163)	(1,388,163)	0	0	0	0.0
SB 15-167	<u>(452,787)</u>	<u>0</u>	<u>(452,787)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$38,900,239	\$33,774,504	\$1,547,213	\$3,578,522	\$0	0.0
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$38,900,239	\$33,774,504	\$1,547,213	\$3,578,522	\$0	0.0
Reverse supplemental	1,388,163	1,388,163	0	0	0	0.0
Community provider rate	572,311	572,311	0	0	0	0.0
Rural co-occurring disorder services	500,000	500,000	0	0	0	0.0
Marijuana tax revenue adjustment	2,787	0	2,787	0	0	0.0
Consolidate ACT funding	(4,117,539)	(4,117,539)	0	0	0	0.0
SB 15-234	\$37,245,961	\$32,117,439	\$1,550,000	\$3,578,522	\$0	0.0
HB 15-1367	<u>0</u>	<u>0</u>	<u>(1,550,000)</u>	<u>1,550,000</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$37,245,961	\$32,117,439	\$0	\$5,128,522	\$0	0.0
Increase/(Decrease)	(\$1,654,278)	(\$1,657,065)	(\$1,547,213)	\$1,550,000	\$0	0.0
Percentage Change	(4.3%)	(4.9%)	(100.0%)	43.3%	n/a	n/a

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 15-149 reduced the FY 2014-15 appropriation by \$1,388,163 General Fund due to delays in implementing services for patients transitioning from the mental health institutes to the community. Senate Bill 15-167 reduced the FY 2014-15 cash funds appropriation from the Marijuana Tax Cash Fund for jail-based behavioral health services by \$452,787 based on the Department's allocation of funds.

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Reverse supplemental: The appropriation restores a mid-year reduction of \$1,388,163 General Fund related to delays in implementing services for patients transitioning from the mental health institutes to the community.

Community provider rate: The appropriation includes an increase of \$572,311 total funds for the 1.7 percent community provider rate increase.

Rural co-occurring disorder services: The appropriation includes an increase of \$500,000 General Fund for co-occurring behavioral health treatment services in southern and southeastern Colorado.

Marijuana tax revenue adjustment: The appropriation includes an increase of \$2,787 cash funds from the Marijuana Tax Cash Fund for jail-based behavioral health services.

Consolidate ACT funding: The appropriation transfers \$4,117,539 General Fund from this subsection to the Mental Health Community Programs subsection to consolidate funding for Assertive Community Treatment (ACT) services for adults with serious and persistent mental illness.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Mental Health Institutes

This subsection provides funding for the administration and operation of the State's two mental health institutes. The institutes provide comprehensive psychiatric, psychological, rehabilitation, and therapeutic care to up to 543 individuals with a serious mental illness. The Colorado Mental Health Institute at Pueblo (CMHIP) operates a total of 449 beds, including:

- 305 "forensic" beds for individuals with pending criminal charges who require evaluations of competency to stand trial and restoration to competency, as well as individuals who have been found to be not guilty by reason of insanity; and
- 144 "civil" beds for individuals who are referred for admission by the community mental health centers, private providers, the courts, or the Division of Youth Corrections.

The Colorado Mental Health Institute at Fort Logan (CMHIFL), located in southwest Denver, operates 94 civil beds. This subsection is primarily supported by General Fund, federal Medicare and patient revenues (including transfers from HCPF which originate as General Fund and federal Medicaid funds), funds transferred from the Department of Corrections (DOC) for food services provided by the CMHIP to DOC facilities located on the Pueblo campus, and marijuana tax revenues.

<i>Mental Health Institutes</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$102,290,256	\$86,799,624	\$7,522,043	\$7,968,589	\$0	1,181.1
SB 15-149	3,039,494	2,937,254	(812,872)	915,112	0	30.6
SB 15-234	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$105,329,750	\$89,736,878	\$6,709,171	\$8,883,701	\$0	1,211.7
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$105,329,750	\$89,736,878	\$6,709,171	\$8,883,701	\$0	1,211.7
Annualize prior year budget actions	2,464,676	2,464,676	0	0	0	3.2
MHI equipment replacement	1,711,403	1,711,403	0	0	0	0.0
Consolidate funding for Circle Program	347,969	347,969	0	0	0	0.0
CMHIP treatment unit	281,811	281,811	0	0	0	6.1
Community provider rate	254,606	254,606	0	0	0	0.0
Circle program business plan analysis	225,000	225,000	0	0	0	0.0
DOC payments to CMHIP	176,783	0	0	176,783	0	0.0
Food inflation	23,440	23,440	0	0	0	0.0
Marijuana tax revenue adjustment	0	(1,911,612)	1,911,612	0	0	0.0
Reverse supplemental	(1,294,273)	(1,294,273)	0	0	0	0.0
Other	0	(14,549)	0	14,549	0	0.0
SB 15-234	<u>\$109,521,165</u>	<u>\$91,825,349</u>	<u>\$8,620,783</u>	<u>\$9,075,033</u>	<u>\$0</u>	<u>1,221.0</u>
TOTAL	\$109,521,165	\$91,825,349	\$8,620,783	\$9,075,033	\$0	1,221.0
Increase/(Decrease)	\$4,191,415	\$2,088,471	\$1,911,612	\$191,332	\$0	9.3
Percentage Change	4.0%	2.3%	28.5%	2.2%	n/a	0.8%

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 15-149 increased FY 2014-15 appropriations for the mental health institutes by \$3.0 million total funds and 30.6 FTE, primarily including: (a) \$2,413,428 General Fund and 30.6 FTE for a new security-enhanced treatment unit at CMHIP to house patients that were previously transferred to the Department of Corrections (DOC); (b) \$795,194 General Fund for the purchase of medications for institute patients; and (c) \$499,079 General Fund to cover anticipated expenses associated with sanity evaluations and related trial expenditures. Senate Bill 15-234 shifted \$1.2 million General Fund between two line item appropriations for the CMHIP to correct a technical error in the FY 2014-15 appropriation.

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes an increase of \$2,314,767 General Fund funds for the annualization of the FY 2014-15 salary survey and merit pay, and an increase of \$149,909 General Fund and 3.2 FTE for the second year costs of implementing an electronic health record system for the mental health institutes.

MHI equipment replacement: The appropriation includes a one-time appropriation of \$1,711,403 General Fund for a variety of equipment replacements, repairs, and minor renovations at both mental health institutes.

Consolidate funding for Circle Program: The appropriation transfers \$347,969 General Fund from the Executive Director's Office to the Behavioral Health Services section to consolidate funding for the Circle Program.

CMHIP treatment unit: The appropriation includes an increase of \$281,811 General Fund and 6.1 FTE to provide a full 12 months of funding for the new treatment unit at CMHIP for patients who were previously transferred to the DOC for safety reasons.

Community provider rate: The appropriation includes an increase of \$254,606 total funds for the 1.7 percent community provider rate increase.

Circle program business plan analysis: The appropriation includes \$225,000 General Fund to allow the Department to contract with a vendor to analyze the potential for the Circle program to operate as an autonomous program, separate from CMHIP.

DOC payments to CMHIP: The appropriation includes an increase of \$176,783 reappropriated funds transferred from DOC to CMHIP for services that are provided to DOC facilities on the CMHIP campus.

Food inflation: The appropriation includes an increase \$23,440 General Fund for increases in the raw food costs incurred by the mental health institutes.

Marijuana tax revenue adjustment: For FY 2014-15 and prior fiscal years, the Circle program was supported by General Fund appropriations, and marijuana tax revenues were annually transferred to the General Fund to offset program costs. The appropriation replaces \$1,911,612 in General Fund appropriations for the Circle Program with a direct cash funds appropriation from the Marijuana Tax Cash Fund.

Reverse supplemental: The appropriation includes a decrease of \$1,294,273 General Fund to eliminate the following mid-year increases in FY 2014-15 appropriations:

- \$795,194 for CMHIP pharmaceutical expenses; and
- \$499,079 for expenses incurred by CMHIP for sanity evaluations.

Other: The appropriation includes other minor adjustments.

Services for People with Disabilities

This division includes funding for Community Services for People with Developmental Disabilities, Regional Centers for People with Developmental Disabilities, the Work Therapy Program, the Division of Vocational Rehabilitation, and Homelake Domiciliary and the State Veterans Nursing Homes.

Regional Centers for People with Developmental Disabilities: The State operates three facilities for individuals with developmental disabilities, known as Regional Centers, in Grand Junction, Wheat Ridge, and Pueblo, and provides services through two different settings: through residential and support services in large congregate settings on campus at the Grand Junction and Wheat Ridge centers and through group homes that provide services to 4-6 people per home in a community setting. The primary source of funding for this subdivision is Medicaid reappropriated funds. These funds originate as a combination of General Fund and federal funds in the Department of Health Care Policy and Financing and are transferred to this Department.

Work Therapy Program: This subdivision funds the Work Therapy Program which provides sheltered training and employment workshops for individuals receiving services at the Colorado Mental Health Institute at Fort Logan and the three Regional Centers. These workshops employ approximately 300 individuals, of which 200 are clients at Regional Centers and 100 are clients at Fort Logan. Approximately 65.0 percent of the cash funds are from the work completed by Regional Center clients and 35.0 percent of the cash funds are from work completed by Fort Logan clients. The Work Therapy Cash Fund is the funding source for this subdivision, and it receives revenue from contracts with area businesses and organizations for custodial services, printing, packaging, mailing, and other types of manual processing that can be performed by program clients. Enrolled clients are paid from funds received in proportion to the work performed.

Division of Vocational Rehabilitation: The Division of Vocational Rehabilitation assists individuals, whose disabilities result in barriers to employment or independent living with attainment and maintenance of employment and/or independent living. At any of the 43 field and satellite offices located throughout the state, rehabilitation counselors work with clients to assess their needs and identify appropriate vocational rehabilitation services. The Division also administers state and federal grants to independent living centers working to enable individuals with disabilities to live independently and to programs that provide assistance to elderly blind individuals. The federal government provides reimbursement for 78.7 percent of eligible rehabilitation expenditures up to the total annual federal grant for Colorado. The matching funds for these federal dollars are either General Fund dollars or local government funds, primarily from school districts for the School to Work Alliance Program. Senate Bill 15-239 transfers the Division of Vocational Rehabilitation to the Department of Labor and Employment on July 1, 2016.

Veterans Community Living Centers: The Veterans Community Living Centers are state-owned nursing homes that provide skilled nursing care primarily to honorably discharged veterans and their spouses, widows and in some instances, parents of deceased veterans. The five homes are located throughout the state in Aurora (Fitzsimons), Florence (McCandless), Monte Vista (Homelake), Rifle, and Walsenburg. Each facility is Medicare- and Medicaid-certified and licensed by the Colorado Department of Public Health and Environment. Additionally, the homes are certified by the U.S. Department of Veterans Affairs to receive federal funds in support of the care of veterans. These facilities are designated as enterprises, have continuous spending authority, and are appropriated in the Long Bill for informational purposes only.

Services for People with Disabilities						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$157,590,699	\$8,413,907	\$41,166,371	\$54,070,326	\$53,940,095	1,723.6
SB 14-130	0	0	(22,345)	22,345	0	0.0
SB 15-149	<u>528,772</u>	<u>0</u>	<u>528,772</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$158,119,471	\$8,413,907	\$41,672,798	\$54,092,671	\$53,940,095	1,723.6
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$158,119,471	\$8,413,907	\$41,672,798	\$54,092,671	\$53,940,095	1,723.6
Regional Center methodology	2,474,478	0	0	2,474,478	0	(59.3)
Annualize prior year budget actions	1,815,796	107,448	7,826	1,291,510	409,012	0.0
BEP spending authority	300,000	0	63,900	0	236,100	0.0
Community provider rate	47,338	47,338	0	0	0	0.0
Information funds adjustment	(3,641,415)	0	(2,109,415)	0	(1,532,000)	0.0
SWAP adjustments	(839,814)	0	0	(178,881)	(660,933)	0.0
Annualize prior year legislation	(284,844)	(284,844)	(33,563)	33,563	0	(0.5)
SB 15-234	\$157,991,010	\$8,283,849	\$39,601,546	\$57,713,341	\$52,392,274	1,663.8
SB 15-240	<u>2,000,000</u>	<u>2,000,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$159,991,010	\$10,283,849	\$39,601,546	\$57,713,341	\$52,392,274	1,663.8
Increase/(Decrease)	\$1,871,539	\$1,869,942	(\$2,071,252)	\$3,620,670	(\$1,547,821)	(59.8)
Percentage Change	1.2%	22.2%	(5.0%)	6.7%	(2.9%)	(3.5%)

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 15-149 modified the FY 2014-15 appropriation to add \$425,467 cash fund spending authority to the Grand Junction Regional Center to align the budget with changes in accounting practices; and to add \$103,305 cash funds to the Work Therapy Program to allow additional canteen sites and increased employee wages.

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Regional Center methodology: The appropriation includes an increase of \$2,474,478 Medicaid reappropriated funds due to increased operating costs for the Regional Centers. The following table summarizes the census data and average annual cost per capita used to calculate the total appropriation for the Regional Centers.

Regional Center Census Used to Calculate the Appropriation			
Waiver	Census	Average Annual Per Capita Cost	Total Cost
Wheat Ridge Regional Center Intermediate Care Facility	126	\$235,246	\$29,640,996
Grand Junction Regional Center Intermediate Care Facility	23	346,557	7,970,811
Grand Junction Regional Center Waiver Services	55	234,217	12,881,935
Pueblo Regional Center Waiver Services	66	176,689	11,661,474
Total	270	\$230,205	\$62,155,216

Annualize prior year budget actions: The appropriation includes adjustments related to prior year budget actions.

BEP spending authority: The appropriation includes an increase of \$300,000 total funds, including \$63,900 cash funds for additional spending authority, to access cash fund reserves and draw down matching federal funds for the Business Enterprise Program (BEP) which trains legally blind individuals in business management and food service.

Community provider rate: The appropriation includes an increase of \$47,338 total funds for the 1.7 percent community provider rate increase.

Informational funds adjustment: The appropriation includes an adjustment to cash and federal funds appropriated for informational funds.

SWAP adjustments: The appropriation includes a reduction of \$839,814 total funds based on anticipated School to Work Alliance Program (SWAP) contract amounts.

Annualize prior year legislation: The appropriation includes a reduction of \$284,844 total funds and 0.5 FTE for the subsequent year impact of recently passed legislation.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

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. Cash Funds are primarily from the Old Age Pension Fund and from local funds.

Adult Assistance Programs						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$165,775,355	\$42,502,509	\$102,510,147	\$1,800	\$20,760,899	29.5
SB 14-012	1,481,380	1,234,483	246,897	0	0	0.0
SB 15-149	<u>807,273</u>	<u>19,200</u>	<u>788,073</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$168,064,008	\$43,756,192	\$103,545,117	\$1,800	\$20,760,899	29.5
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$168,064,008	\$43,756,192	\$103,545,117	\$1,800	\$20,760,899	29.5
Senior services	3,850,000	3,850,000	0	0	0	0.0
Old Age Pension cost-of-living adjustment	1,268,896	0	1,268,896	0	0	0.0
Community provider rate	236,792	108,022	75,111	0	53,659	0.0
Respite services	225,000	225,000	0	0	0	0.0
Annualize prior year legislation	181,260	145,008	36,252	0	0	0.0
Senior services data evaluation	150,000	150,000	0	0	0	0.0
Annualize prior year budget actions	60,169	22,730	23,680	0	13,759	0.0
Adult Protective Services data system licenses	(19,200)	(19,200)	0	0	0	0.0
SB 15-234	<u>\$174,016,925</u>	<u>\$48,237,752</u>	<u>\$104,949,056</u>	<u>\$1,800</u>	<u>\$20,828,317</u>	<u>29.5</u>
TOTAL	\$174,016,925	\$48,237,752	\$104,949,056	\$1,800	\$20,828,317	29.5
Increase/(Decrease)	\$5,952,917	\$4,481,560	\$1,403,939	\$0	\$67,418	0.0
Percentage Change	3.5%	10.2%	1.4%	0.0%	0.3%	0.0%

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 15-149 modified the FY 2014-15 appropriation to add \$788,073 cash funds from the Old Age Pension (OAP) Fund to implement a 1.7 percent cost-of-living (COLA) increase for OAP recipients. Additionally, the bill includes an increase of \$19,200 General Fund to provide additional software licenses to county staff for the computer system supporting adult protective services.

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Senior services: The appropriation includes an increase of \$3,850,000 General Fund to provide services for elderly adults to enable them to live independently in the community.

Old Age Pension cost-of-living adjustment: The appropriation includes an increase of \$1,268,896 from the Old Age Pension (OAP) Fund to implement a 1.7 percent cost-of-living increase for OAP recipients.

Community provider rate: The appropriation includes an increase of \$236,792 total funds, including \$108,022 General Fund, for the 1.7 percent community provider rate increase.

Respite services: The appropriation includes an increase of \$225,000 General Fund for respite services for caregivers of at-risk adults and juveniles, as well as a study of the respite care system to identify future needs.

Annualize prior year legislation: The appropriation includes an increase of \$181,260 total funds, including \$145,008 General Fund, for the FY 2015-16 impact of S.B. 14-012 (Aid To The Needy Disabled Program).

Senior services data evaluation: The appropriation includes an increase of \$150,000 General Fund for a contract with an entity which will make recommendations on the data collection and analysis practices that are needed to measure the impact of the State’s investment in services for seniors.

Annualize prior year budget actions: The appropriation includes an increase of \$60,169 total funds, including \$22,730 General Fund, for FY 2015-16 due to the annualization of salary survey and merit pay.

Adult Protective Services data system licenses: The appropriation transfers \$19,200 General Fund from the Adult Assistance Programs division to the Office of Information Technology Services for the ongoing costs associated with licensing the data system that supports the Department’s Adult Protective Services unit.

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. 91-094 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. 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).

Division of Youth Corrections						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$113,758,503	\$108,548,621	\$91,531	\$3,322,713	\$1,795,638	919.5
SB 14-215	2,000,000	0	2,000,000	0	0	0.0
SB 15-149	(1,319,459)	(1,254,676)	0	(37,131)	(27,652)	0.7
SB 15-234	<u>729,233</u>	<u>729,233</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>23.8</u>
TOTAL	\$115,168,277	\$108,023,178	\$2,091,531	\$3,285,582	\$1,767,986	944.0
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$115,168,277	\$108,023,178	\$2,091,531	\$3,285,582	\$1,767,986	944.0
Senate Bill 91-94 programs increase	2,000,000	0	2,000,000	0	0	0.0
Annualize prior year budget actions	1,729,255	1,725,047	0	4,208	0	0.0

Division of Youth Corrections						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
State-owned and -operated youth corrections facilities' staffing increases and caseload adjustments	1,407,745	1,545,559	0	(97,146)	(40,668)	51.2
Community provider rate	985,294	948,180	0	37,114	0	0.0
Oversight of medical care for youth in the child welfare and youth corrections systems	512,848	305,609	0	207,239	0	3.2
Electronic health record system for youth corrections	204,000	204,000	0	0	0	0.0
Food inflation	35,950	35,950	0	0	0	0.0
Title IV-E technical correction	0	0	0	0	0	0.0
Marijuana tax revenue adjustment	(2,000,000)	0	(2,000,000)	0	0	0.0
Technical Correction	(4)	0	0	(4)	0	0.0
SB 15-234	\$120,043,365	\$112,787,523	\$2,091,531	\$3,436,993	\$1,727,318	998.4
HB 15-1131	<u>14,404</u>	<u>14,404</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.3</u>
TOTAL	\$120,057,769	\$112,801,927	\$2,091,531	\$3,436,993	\$1,727,318	998.7
Increase/(Decrease)	\$4,889,492	\$4,778,749	\$0	\$151,411	(\$40,668)	54.7
Percentage Change	4.2%	4.4%	0.0%	4.6%	(2.3%)	5.8%

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 15-149 modified the FY 2014-15 appropriation in the following ways:

- Adds \$231,848 total funds, including \$176,398 General Fund, and 0.7 FTE to address medication management audit recommendations and to oversee the medical, behavioral health, and dental well-being of all children involved in the child welfare and youth corrections systems; and
- Decreases \$1,551,307 total funds, including \$1,431,074 General Fund, as the result of a drop in the average daily population of committed youth from the previously appropriated projection of 784.5 to the December 2014 Legislative Council staff projection of 760.3.

Senate Bill 15-234 modified the FY 2014-15 appropriation to add \$729,233 General Fund and 23.8 FTE to hire additional correctional youth security officers at State-owned and State-operated juvenile justice facilities.

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Senate Bill 91-94 programs increase: The appropriation includes \$2,000,000 cash funds from the Marijuana Tax Cash Fund to support Senate Bill 91-094 programs administered by local jurisdictions that provide a continuum of services designed to ensure that youth are supervised and/or incarcerated at a level that is commensurate with their risk to the community.

Annualize prior year budget actions: The appropriation includes an increase of \$1,729,255 total funds, including \$1,725,047 General Fund, for FY 2015-16 primarily due to the annualization of salary survey and merit pay.

State-owned and -operated youth corrections facilities' staffing increases and caseload adjustments: The appropriation includes an increase of \$1,407,745 total funds, including \$1,545,559 General Fund, and 51.2 FTE to add additional correctional youth security officers at the State's detention and commitment facilities. This incremental change also includes a reduction of total funds and General Fund due to a projected decrease in caseload.

Community provider rate: The appropriation includes an increase of \$985,294 total funds, including \$948,180 General Fund, for the 1.7 percent community provider rate increase.

Oversight of medical care for youth in the child welfare and youth corrections systems: The appropriation includes an increase of \$512,848 total funds, including \$305,609 General Fund, and 3.2 FTE to oversee the medical, behavioral health, and dental well-being of all children involved in child welfare and youth corrections systems.

Electronic health record system for youth corrections: The appropriation includes an increase of \$204,000 General Fund for FY 2015-16 to fund contracted personal services and operating expenses to support the implementation of an electronic health record system.

Food inflation: The appropriation includes an increase of \$35,950 General Fund for FY 2015-16 to account for inflation on raw food in Division of Youth Corrections' facilities.

Title IV-E technical correction: The appropriation includes transferring appropriations between three line items in the Community Programs section of the Division of Youth Corrections.

Marijuana tax revenue adjustment: The appropriation includes a decrease of \$2,000,000 cash funds from the Marijuana Tax Cash Fund appropriated to the Department in S.B. 14-215 (Disposition Of Legal Marijuana Related Revenue) for one-time use in FY 2014-15 for S.B. 91-094 programs.

Technical Correction: The appropriation includes a decrease of \$4 reappropriated funds transferred from the Department of Health Care Policy and Financing to correct an ongoing discrepancy occurring in the budgets of the two agencies.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Recent Legislation

2014 Session Bills

S.B. 14-003 (Colorado Child Care Assistance Program): Creates a grant program in the Department to provide funding to counties participating in the existing Cliff Effect Pilot Program under the Colorado Child Care Assistance Program (CCCAP). Counties may use grant funding to pay for costs of serving families and administrative expenses under the pilot program. Clarifies that receipt of grant funding under the pilot program does not affect a county's CCCAP block grant. Creates the Colorado Child Care Assistance Cliff Effect Pilot Program Fund, and requires DHS to develop an application process for awarding grants and report on pilot program outcomes to the General Assembly by October 1, 2019. Appropriates \$2,469,453 total funds, of which

\$1,269,453 is General Fund and \$1,200,000 is reappropriated funds and 1.0 FTE to the Department for FY 2014-15.

S.B. 14-012 (Aid to the Needy Disabled Program): Requires the Department to increase the monthly benefit amount for Aid to the Needy and Disabled (AND) program by 8.0 percent in FY 2014-15. From FY 2015-16 to FY 2018-19, subject to available appropriations, the DHS is encouraged to increase the monthly award until it is equal to the award level in FY 2006-07, and then to increase the award to account for cost of living in future years. Allows the Department to promulgate rules permitting counties to waive the requirement that applicants first submit a federal Supplemental Security Income (SSI) application for a specified period of time. The bill also increases the cap on funds that may be held in the SSI Stabilization Fund to 20.0 percent of the annual appropriations for the AND program from the current cap of \$1.5 million. The bill also creates the Federal Supplemental Security Income Application Assistance Pilot Program to provide assistance to SSI applicants in order to increase the approval rate and timeliness of federal SSI applications. The Department must contract for and implement the pilot program by October 1, 2014. Appropriates \$1,495,144 total funds, of which \$1,237,766 is General Fund, \$247,339 is cash funds, \$4,697 is reappropriated funds, and \$5,342 is federal funds to the Department for FY 2014-15.

S.B. 14-014 (Property Tax Rent Heat Fuel Grants for Low-Income): Makes the following changes to the Property Tax, Rent, and Heat Rebate Program: increases the maximum property tax and rent rebate for income-eligible claimants to \$700, establishes a "flat rate" rebate for both the property tax and rent rebate and the heat rebate in an expanded range of income eligibility, and implements certain recommendations of the August 2013 Legislative Audit of the program. Appropriates \$4,092 total funds, of which \$976 is General Fund to the Department for FY 2014-15.

S.B. 14-021 (Persons with Mental Illness Criminal Justice): Renames and extends the repeal date of the Legislative Oversight Committee, task force, and cash fund from July 1, 2015, to July 1, 2020. Expands Task Force membership by adding two new members, one new member is from the Office of the Child's Representative and the other is from the Office of the Alternate Defense Counsel. Allows members of the Committee to receive compensation and reimbursement for expenses directly related to fulfilling their duties. Specifies areas of study for the task force which include but are not limited to: housing for a person with mental illness after his or her release from the criminal justice system, medication consistency, delivery, and availability, best practices for suicide prevention, within and outside of correctional facilities, treatment of co-occurring disorders, awareness and training for enhanced staff safety, and enhanced data collection. Appropriates \$3,746 General Fund to the Department for FY 2014-15.

S.B. 14-129 (Marijuana Criminal Provision Clean Up): Makes changes to a number of laws related to criminal penalties for offenses involving marijuana, including adding consumption and possession of marijuana and possession of marijuana paraphernalia to the crime of underage possession or consumption of alcohol and changing the associated penalty structure. Appropriates \$4,120 cash funds from the Marijuana Cash Fund to the Department of Revenue for FY 2013-14 to make related changes to its driver license system, and appropriates \$4,120 reappropriated funds to the Governor's Office of Information Technology for the provision of computer center services to the Department of Revenue. Appropriates \$38,250 cash funds from the Adolescent Substance Abuse Prevention and Treatment Fund to the Department of Human Services for FY 2014-15 for treatment, detoxification, and prevention contract services.

S.B. 14-130 (Increase Personal Care Allowance Nursing Facility): Raises from \$50 to \$75 per month the basic minimum amount that state licensed nursing facilities and intermediate care facilities allow a long-term care resident as a personal needs allowance (PNA). On January 1, 2015, and on January 1 of each year

thereafter, the basic minimum amount is increased by the same percentage increase as the nursing facility provider reimbursement rate. Any decrease in patient payments to nursing facilities is fully funded by payments from the state General Fund and applicable federal funds. Appropriates \$6,203 total funds, of which \$2,356 is General Fund to the Department for FY 2014-15.

S.B. 14-215 (Disposition of Legal Marijuana Related Revenue): Creates the Marijuana Tax Cash Fund (MTCF) and directs that all sales tax moneys collected by the state starting in FY 2014-15 from retail and medical marijuana be deposited in the MTCF instead of the Marijuana Cash Fund. Specifies permissible uses of moneys in the MTCF, including the following purposes relevant to the Department of Human Services (DHS):

- To provide inpatient treatment for adults who suffer from co-occurring disorders at the Colorado Mental Health Institute at Pueblo (i.e., the "Circle Program");
- For community-based programs to provide marijuana prevention and intervention services to youth;
- For local judicial-district based programs to provide marijuana prevention and intervention services to pre-adjudicated and adjudicated youth;
- To expand the provision of jail-based behavioral health services in underserved counties and to enhance the provision of jail-based behavioral health services to offenders transitioning from jail to the community to ensure continuity of care;
- For the provision of substance use disorder treatment services for adolescents and pregnant women; and
- To provide child welfare training specific to issues arising from marijuana use and abuse.

Under current law, the State Treasurer is required to annually transfer the first \$2.0 million of sales tax revenues attributable to medical marijuana to the General Fund. These transfers are intended to offset General Fund expenditures for two programs: (1) The DHS' Circle Program; and (2) Screening, brief intervention, and referral for treatment for substance abuse ("SBIRT"), an optional service covered under the State's Medicaid program and funded through the Department of Health Care Policy and Financing. This act continues these transfers for FY 2013-14 and FY 2014-15, and eliminates these transfers starting in FY 2015-16. Instead, the bill authorizes the General Assembly to appropriate moneys from the MTCF to support the Circle Program.

Appropriates a total of \$7,600,000 from the MTCF to DHS for FY 2014-15, including:

- \$2.0 million for the Tony Grampsas Youth Services Program for programs specifically related to the prevention and intervention of adolescent and youth marijuana use;
- \$2.0 million for the expansion and enhancement of jail-based behavioral health services;
- \$2.0 million for SB 91-94 programs related to the provision of marijuana prevention and intervention services to pre-adjudicated and adjudicated youth;
- \$1.5 million for the provision of substance use disorder treatment services for adolescents and pregnant women; and
- \$100,000 for child welfare training specific to issues arising from marijuana use and abuse.

For more information see the "Recent Legislation" section at the end of the Department of Revenue section of this report.

S.B. 14-223 (Payment of Claims in Connection with Lower North Fork Wildfire): Approves payment to claimants in connection with Lower North Fork wildfire. Reduces appropriations to the Department of Human Services for FY 2013-14 that were initially made through S.B. 13-266 by a total of \$4,281,893 General Fund. For more information see the "Recent Legislation" section at the end of the Department of Personnel section of this report.

H.B. 14-1015 (Extend Transitional Jobs Program): Extends the Transitional Jobs Program (known as ReHire Colorado) through June 30, 2017, except that no new transitional jobs shall be offered after December 31, 2016. Appropriates \$395,270 General Fund and 1.0 FTE to the Department for FY 2014-15.

H.B. 14-1252 (Intellectual and Developmental Disabilities Services System Capacity): Amends the Intellectual and Developmental Disabilities Cash Fund to allow moneys in the fund to be used for administrative expenses relating to Medicaid waiver renewal and redesign and for increasing system capacity for home- and community-based services for persons with intellectual and developmental disabilities. Requires the Department, on or before April 1, 2014, to report to the Joint Budget Committee the plan for the distribution of moneys appropriated for increases in system capacity, and requires the Department to distribute the moneys by April 15, 2014 for increases in system capacity. Requires each community-centered board or provider that receives moneys for increases in system capacity to report to the department on the use of the funds by October 1, 2014. Makes FY 2013-14 supplemental adjustments to funding for the intellectual and developmental disabilities waivers.

H.B. 14-1298 (Financing of Public Schools): Changes the "Public School Finance Act of 1994" by modifying the funding for K-12 public schools. Appropriates \$68,084 General Fund and 1.1 FTE to the Department of Human Services for FY 2014-15 to license and inspect new preschool facilities. For additional information on H.B. 14-1298, see the "Recent Legislation" section at the end of the Department of Education.

H.B. 14-1317 (Colorado Child Care Assistance Program Changes): Makes changes to the Colorado Child Care Assistance Program (CCCAP) including:

- Requires the Department to set provider rates for each county every two years. Allows counties to opt out of the state-established rates and negotiate their own rates with child care providers. Counties setting their own rates must solicit feedback from various stakeholders, including early childhood councils, child care resource and referral agencies, and child care providers. By July 1, 2016, both state- and county-established rates must include a system of tiered reimbursement that provides higher reimbursement to facilities with higher quality ratings. Subject to available appropriations, DHS must contract for a study to compare private payment tuition rates for child care and CCCAP rates and determine if the CCCAP rates provide equal access as required under federal law.
- Limits the co-payment amount for CCCAP families with incomes below 100 percent of the federal poverty level (FPL) to no more than one percent of the family's gross monthly income. Requires the Department to promulgate rules outlining the formula for determining parental co-payments. The co-payment formula must gradually increase the parent share as family income approaches self-sufficiency income levels. Beginning on July 1, 2016, the formula must include a tiered reduced copayment structure for children attending high quality care.
- Requires counties to reimburse providers for absences and holidays based on the quality rating of providers in the state's five-tier rating system.
- Requires counties to provide child care assistance to families with incomes up to 165 percent of the FPL. At their discretion, counties may serve any family so long as its income does not exceed the federal income limit of 85 percent of state median income.
- Expands the activities in which a parent may be participating in order to be eligible for CCCAP. A parent who is not employed but who is enrolled in a post-secondary education program or workforce training program is eligible for CCCAP for a period of up to two years. The bill also expands the period in which an unemployed parent is eligible while actively engaged in job search activities.

- Requires counties to directly enroll a family transitioning from the workforce program in CCCAP without requiring a separate application. If the county has a waiting list for CCCAP, they may choose to place the family on the waiting list or provide the CCCAP subsidy immediately. Families cannot be directly enrolled in CCCAP if they are leaving Colorado Works due to a program violation or no longer meet CCCAP eligibility criteria.
- Requires the Department to establish rules for the exit income eligibility level at which the county may deny benefits for that family. For counties that set their initial CCCAP income eligibility level at less than 185 percent of the FPL, the rules must require the county to set the exit income eligibility level at a higher level than the initial eligibility level.
- Requires that child care be authorized based on maintaining continuity of care for children with the least disruption to the child and that the care schedule not be linked directly with a parent's employment, education, or workforce training schedule.
- Requires counties to maintain a current and accurate waiting list of parents who have inquired about receiving a CCCAP subsidy and are likely eligible for assistance based on self-reported income and eligibility criteria.
- Requires counties to request evidence on 30 days of income, but may, on a case-by-case basis, request up to 12 months if the 30 days of evidence does not accurately reflect family income.

Appropriates \$9,922,744 total funds, of which \$8,578,187 is General Fund, \$7,032 is cash funds, \$44,529 is reappropriated funds, and \$1,292,996 is federal funds to the Department for FY 2014-15.

H.B. 14-1336 (Long Bill): General appropriations act for FY 2014-15. Includes provisions modifying appropriations to the Department of Human Services for FY 2013-14.

H.B. 14-1338 (Regional Center Task Force and Utilization Study): Establishes the 15-member Regional Centers Task Force to study, make recommendations, and report its findings to the General Assembly concerning the state-operated intermediate care facilities (regional centers) for individuals with intellectual disabilities (ICF/IID). Among its duties, the task force is required to: conduct a needs assessment concerning the number of beds required in ICF/IID, make recommendations on whether one or more regional centers should be closed, and, if it determines one or more centers should close, develop a plan on how to transition clients; assess whether the state should operate beds licensed under the Home- and Community-Based Services for Persons with Developmental Disabilities waiver program; and develop a strategic plan for the future use of regional centers, including identification of the most efficient use of building space and staffing. Requires the Department to contract for a utilization study for the state's regional centers. Appropriates \$250,000 General Fund to the Department for FY 2014-15.

H.B. 14-1368 (Transition Youth Developmental Disabilities to Adult Services): Establishes a plan and appropriates funds to transfer youth into adult services for persons with IDD under Medicaid Home- and Community-Based Services (HCBS) in the Department of Health Care Policy and Financing (HCPF). The bill sets forth criteria for transition planning and instructs the State Board of Human Services and the Medical Services Board to promulgate any rules necessary to guide the transition. Creates the Child Welfare Transition Cash Fund (Fund). Adjusts the FY 2014-15 appropriation to the Department by reducing \$2,829,586 General Fund and increasing cash funds appropriation by \$2,829,586 from the Fund for FY 2014-15.

2015 Session Bills

S.B. 15-012 (Colorado Works Pass-through Child Support Payment): Allows the State and counties to disregard child support income a Temporary Assistance for Needy Families (TANF) recipient may be eligible to receive and pass-through such income to the TANF recipient. Under the bill, any child support income a TANF recipient receives will not be considered income when calculating the basic cash assistance grant an individual may receive. Appropriates \$868,895 total funds, including \$315,509 General Fund to the Department of Human Services for FY 2015-16 for information technology enhancements, contract staff to oversee the project, and training for counties concerning changes under the bill.

S.B. 15-149 (Supplemental Bill): Supplemental appropriation to the Department of Human Services to modify appropriations for FY 2014-15.

S.B. 15-167 (Modify FY 2014-15 Appropriations from Marijuana Revenue): Aligns FY 2014-15 appropriations from the Marijuana Tax Cash Fund with actual marijuana tax revenue collected in FY 2013-14. With respect to the Department of Human Services, the bill reduces the cash funds appropriation for Jail-based Behavioral Health Services by \$452,787 (from \$2,000,000 to \$1,547,213). In addition, the bill clarifies that a FY 2014-15 appropriation of \$1,500,000 cash funds from the Marijuana Tax Cash Fund for the provision of substance use disorder treatment services for adolescents and pregnant women may be used for substance use disorder prevention services and intensive wrap around services, and the bill authorizes the Department to spend any funds that remain available in FY 2015-16. For additional information, see the "Recent Legislation" section at the end of the Department of Revenue.

S.B. 15-204 (Office of the Child Protection Ombudsman): Establishes the Office of the Child Protection Ombudsman (the Office) in the Judicial Department as an independent agency, and requires the Office to sign an administrative memorandum of understanding with the Judicial Department with an effective date of no later than January 1, 2016. Modifies the powers and duties of the existing Child Protection Ombudsman Program in the Department of Human Services. Repeals the provision requiring the Executive Director of the Department of Human Services to award a contract for the operation of the Ombudsman Program, and authorizes the Executive Director to extend the existing contract through December 31, 2015. Reduces the General Fund appropriation to the Department of Human Services for FY 2015-16 for the Child Protection Ombudsman by \$270,372 (from \$512,822 to \$242,450). For additional information, see the "Recent Legislation" section at the end of the Judicial Department.

S.B. 15-234 (Long Bill): General appropriations act for FY 2015-16. Includes provisions modifying appropriations to the Department of Human Services for FY 2014-15.

S.B. 15-239 (Transfer Vocational Rehab from DHS to CDLE): Transfers the Vocational Rehabilitation Programs, including the Business Enterprise Program through which persons who are blind operate vending facilities in state buildings, from the Department of Human Services (DHS) to the Department of Labor and Employment (CDLE) as of July 1, 2016. CDLE and DHS must develop a transition plan by December 1, 2015, detailing additional steps, including any additional statutory changes, necessary to effectuate the transition of vocational rehabilitation programs from DHS to CDLE. Further, starting in September 2015, CDLE must provide quarterly status updates to the Joint Budget Committee. For additional information, see the "Recent Legislation" section at the end of the Department of Labor and Employment.

S.B. 15-240 (Funding Formula Independent Living Centers): Requires the Department of Human Services to promulgate a rule on or before July 1, 2016, that establishes a funding formula of state moneys for Independent Living Centers. The rule must, at a minimum, include a base amount of not less than \$600,000 per Center and other factors as agreed upon by the Centers. Other factors may include a per capita adjustment, a per county adjustment, or other adjustments agreed to by the Centers. The Department of Human Services is required to report on the status of the rule to the appropriate committees of reference by March 1, 2016. Appropriates \$2,000,000 General Fund to the Department for Independent Living Centers for FY 2015-16.

S.B. 15-241 (Collaborative Management Program): Clarifies the responsibilities of the Department and participating counties and the requirements for a county's receipt of incentive funds. Requires the Department to contract for an annual external evaluation of the program. Appropriates \$1,856,635 General Fund and 1.5 FTE to the Department, adding to the existing \$3.0 million cash fund spending authority.

S.B. 15-242 (Child Welfare Staff Funding Allocation): Directs the Child Welfare Allocations Committee to develop a formula to allocate funding to counties in addition to the Child Welfare Block Grant, for the specific purpose of hiring new child welfare staff at the county level. Counties receiving an allocation must continue to fund any child welfare staff existing as of January 1, 2015 through the county's Child Welfare Block Grant. Counties receiving an allocation will provide a 10.0 percent match to state and federal moneys; except that a county that qualify under tier 1 or tier 2 of the County Tax Base Relief fund shall be funded at 100.0 percent of state and federal funds provided. Requires the Department of Human Services to contract for an external study concerning child welfare caseload by county. Appropriates \$6.4 million total funds, including \$5.7 million General Fund and 1.0 FTE to the Department for use as follows: \$6.0 million total funds for allocation to counties through the funding formula; \$90,468 total funds for training; and \$195,050 total funds for the contracted caseload study.

H.B. 15-1131 (Release Critical Incident Information Juvenile): The bill requires the Department of Human Services, the Division of Youth Corrections (DYC), and any other agency with relevant information to release, upon request, certain information about incidents occurring in DYC facilities. Requests may concern information about specific incidents or aggregate information about multiple events over a given period of time. Appropriates \$14,404 General Fund and 0.3 FTE for FY 2015-16 to the Department for responding to requests for information.

H.B. 15-1248 (Child Welfare Check Potential Foster Parents): Allows a designated person at each child placement agency, in accordance with certain conditions outlined in the bill, to access records and reports of child abuse or neglect for the purpose of screening current or prospective foster parents, any adult residing in the home of a current or prospective foster parent, and specialized group facilities. Appropriates \$37,138 General Fund and 0.4 FTE to the Department for Trails and for monitoring its usage.

H.B. 15-1269 (Transfer Persons To and From Correctional Facility): Repeals the authority of the Department of Human Services (DHS) to transfer a dangerous person receiving care at one of the mental health institutes to the Department of Corrections (DOC), unless that person is serving a sentence to the DOC. Clarifies that mentally ill inmates may only be transferred from the DOC to the DHS when the transfer is done in accordance with a policy that provides for due process and in situations where the inmate cannot be safely confined in a DOC facility. Authorizes the DHS to return an inmate to the DOC if that person cannot be safely confined in the DHS facility. The act does not include any appropriations. In June 2014, the DHS returned all five patients that had previously been transferred to the DOC back to the Colorado Mental Health Institute at Pueblo (CMHIP). The costs of implementing this change were covered by General Fund appropriations that were included in S.B. 15-149 (\$2,413,428 for FY 2014-15) and S.B. 15-234 (\$2,611,755 for FY 2015-16).

These appropriations were based on the assumption that the DHS would require an additional 30.6 FTE for FY 2014-15 and 36.7 FTE for FY 2015-16.

H.B. 15-1367 (Retail Marijuana Taxes): Refers a ballot issue to voters in November 2015, asking whether the State may retain and spend revenue collected from the Proposition AA excise and special sales taxes on retail marijuana in FY 2014-15. Creates a \$58.0 million Proposition AA Refund Account in the General Fund. Contingent on voter approval of the ballot issue, the act makes several appropriations to the Department of Human Services for FY 2015-16, as detailed in the following table.

Appropriations to Department of Human Services That Are Contingent on Voter Approval		
Division and Line Item	Fund Source	Dollar Amount
<u>Division of Child Welfare</u>		
Appropriation to Youth Mentoring Services Cash Fund	CF - Proposition AA Refund Account	\$1,000,000
Colorado Youth Mentoring Program	RF - Youth Mentoring Services Cash Fund	1,000,000
Colorado Youth Mentoring Program - grants to statewide membership organizations	CF - Proposition AA Refund Account	1,000,000
<u>Behavioral Health Services</u>		
Treatment and Detoxification Contracts	CF - Proposition AA Refund Account	<u>500,000</u>
Total Appropriations		\$3,500,000

Independent of whether the voters approve the ballot issue, the act broadens purposes for which funds in the Marijuana Tax Cash Fund (MTCF) may be expended and requires that appropriations from the MTCF for jail-based behavioral health services be made through the Correctional Treatment Cash Fund. The act includes a corresponding change to FY 2015-16 appropriations, replacing a \$1,550,000 cash funds appropriation from the MTCF for jail-based behavioral health services with an appropriation of \$1,550,000 reappropriated funds transferred from the Judicial Department. For additional information, see the "Recent Legislation" section at the end of the Department of Revenue and Appendix L.

Department Details

JUDICIAL DEPARTMENT

FY 2014-15 and FY 2015-16 Appropriations by Division and Bill

Judicial Department						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Total Appropriation:	\$617,042,608	\$446,285,574	\$135,533,939	\$30,798,095	\$4,425,000	4,522.3
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Supreme Court/Court of Appeals	23,871,408	12,459,286	11,349,001	63,121	0	211.5
Courts Administration	157,179,355	85,246,812	62,832,747	9,099,796	0	418.2
Trial Courts	162,155,479	125,935,505	33,044,974	1,550,000	1,625,000	1,861.0
Probation and Related Services	136,015,775	85,014,680	28,115,917	20,085,178	2,800,000	1,220.0
Office of the State Public Defender	83,255,824	83,105,824	150,000	0	0	773.1
Office of the Alternate Defense Counsel	29,721,082	29,681,082	40,000	0	0	9.1
Office of the Child's Representative	24,490,292	24,490,292	0	0	0	27.4
Office of the Respondent Parents' Counsel	0	0	0	0	0	0.0
Office of the Child Protection Ombudsman	0	0	0	0	0	0.0
Independent Ethics Commission	353,393	352,093	1,300	0	0	2.0
<u>Breakdown of Total Appropriation by Bill</u>						
HB 14-1336	606,373,925	436,154,841	135,845,989	29,948,095	4,425,000	4,500.0
SB 14-190	5,300,000	5,300,000	0	0	0	0.0
HB 14-1023	455,983	455,983	0	0	0	8.0
HB 14-1032	645,102	698,452	(53,350)	0	0	11.7
HB 14-1050	837,824	837,824	0	0	0	8.8
HB 14-1096	1,400,000	700,000	0	700,000	0	1.0
HB 14-1266	(69,408)	(69,408)	0	0	0	(1.2)
SB 15-150	2,097,882	2,207,882	(260,000)	150,000	0	(6.0)
SB 15-234	1,300	0	1,300	0	0	0.0
FY 2015-16 Total Appropriation:	\$674,482,707	\$478,774,984	\$157,342,072	\$33,940,651	\$4,425,000	4,592.3
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Supreme Court/Court of Appeals	24,811,848	13,305,395	11,443,332	63,121	0	215.3
Courts Administration	195,366,003	99,271,954	85,411,087	10,682,962	0	426.8
Trial Courts	167,219,221	133,871,195	30,173,026	1,550,000	1,625,000	1,874.2

Judicial Department						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Probation and Related Services	144,138,492	89,586,187	30,117,127	21,635,178	2,800,000	1,245.2
Office of the State Public Defender	86,828,235	86,678,235	150,000	0	0	785.3
Office of the Alternate Defense Counsel	30,062,991	30,022,991	40,000	0	0	10.9
Office of the Child's Representative	24,542,942	24,533,552	0	9,390	0	28.9
Office of the Respondent Parents' Counsel	957,993	950,493	7,500	0	0	2.7
Office of the Child Protection Ombudsman	207,274	207,274	0	0	0	2.0
Independent Ethics Commission	347,708	347,708	0	0	0	1.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 15-234	670,009,402	477,393,699	155,800,052	32,390,651	4,425,000	4,573.3
SB 15-204	351,086	351,086	0	0	0	2.2
HB 15-1034	340,651	333,631	7,020	0	0	3.2
HB 15-1043	1,272,133	1,272,133	0	0	0	14.2
HB 15-1149	(618,145)	(603,145)	(15,000)	0	0	(1.1)
HB 15-1153	27,580	27,580	0	0	0	0.5
HB 15-1367	3,100,000	0	1,550,000	1,550,000	0	0.0
Increase/(Decrease)	\$57,440,099	\$32,489,410	\$21,808,133	\$3,142,556	\$0	70.0
Percentage Change	9.3%	7.3%	16.1%	10.2%	0.0%	1.5%

Informational Funds: The FY 2015-16 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Judicial Department are annotated with the "(I)". For additional information, see Appendix J.

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2015-16 Appropriations containing an (I) notation	\$45,880,722	\$0	\$41,146,332	\$309,390	\$4,425,000

Detail of Appropriation by Administrative Section

Supreme Court/Court of Appeals

This Long Bill section provides funding for the Colorado Supreme Court and the Colorado Court of Appeals. The *Supreme Court* is the court of last resort, and its decisions are binding on the Court of Appeals and all county and district courts. While requests to review decisions of the Colorado Court of Appeals constitute the majority of the Supreme Court's filings, the Court also has direct appellate jurisdiction over other types of cases, such as those cases in which a statute has been held to be unconstitutional. The Supreme Court also oversees the regulation of attorneys and the practice of law. The Supreme Court is composed of seven Justices who

serve renewable 10-year terms. The Chief Justice, selected by the Justices of the Court, is the executive head of the Department.

Created by statute, the *Court of Appeals* is generally the first court to hear appeals of judgments and orders in criminal, juvenile, civil, domestic relations, and probate matters. The Court of Appeals also has initial jurisdiction to review actions and decisions of several state agencies, boards, and commissions. Its determination of an appeal is final unless the Colorado Supreme Court agrees to review the matter. The Court of Appeals is currently composed of 22 judges who serve renewable 8-year terms.

Cash fund sources primarily include annual attorney registration fees, law examination application fees, appellate court filing fees, and court docket fees that are credited to the Judicial Stabilization Cash Fund. Reappropriated funds are funds transferred from the Department of Law.

Supreme Court/Court of Appeals						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	<u>\$23,871,408</u>	<u>\$12,459,286</u>	<u>\$11,349,001</u>	<u>\$63,121</u>	<u>\$0</u>	<u>211.5</u>
TOTAL	\$23,871,408	\$12,459,286	\$11,349,001	\$63,121	\$0	211.5
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$23,871,408	\$12,459,286	\$11,349,001	\$63,121	\$0	211.5
Annualize prior year budget actions	659,799	659,799	0	0	0	0.0
Appellate court FTE	186,310	186,310	0	0	0	1.8
Informational funds adjustment	50,000	0	50,000	0	0	2.0
Indirect cost assessment	44,331	0	44,331	0	0	0.0
SB 15-234	<u>\$24,811,848</u>	<u>\$13,305,395</u>	<u>\$11,443,332</u>	<u>\$63,121</u>	<u>\$0</u>	<u>215.3</u>
TOTAL	\$24,811,848	\$13,305,395	\$11,443,332	\$63,121	\$0	215.3
Increase/(Decrease)	\$940,440	\$846,109	\$94,331	\$0	\$0	3.8
Percentage Change	3.9%	6.8%	0.8%	0.0%	n/a	1.8%

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes a number of changes to reflect the out year impact of funding decisions made through the FY 2014-15 Long Bill, including:

- \$655,007 General Fund to allocate FY 2014-15 salary increases to each line item that supports employee salary increases; and
- \$4,792 General Fund to provide a full 12 months of funding for the staff added in FY 2014-15.

Appellate court FTE: The appropriation includes \$186,310 General Fund to add two staff to improve the efficiency and effectiveness of the Colorado Supreme Court and the Court of Appeals.

Informational funds adjustment: The appropriation includes an increase of \$50,000 cash funds from attorney registration fees and 2.0 FTE reflected in the Long Bill for informational purposes only.

Indirect cost assessment: The appropriation includes an increase in the department's indirect cost assessments.

Courts Administration

The Justices of the Supreme Court appoint a State Court Administrator to oversee the daily administration of the Department and provide technical and administrative support to the courts and probation. This Long Bill section is comprised of four subsections: Administration and Technology; Central Appropriations; Centrally Administered Programs; and Ralph L. Carr Colorado Judicial Center.

Courts Administration						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$155,114,792	\$83,882,249	\$62,832,747	\$8,399,796	\$0	417.2
HB 14-1050	150,718	150,718	0	0	0	0.0
HB 14-1096	1,400,000	700,000	0	700,000	0	1.0
SB 15-150	<u>513,845</u>	<u>513,845</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$157,179,355	\$85,246,812	\$62,832,747	\$9,099,796	\$0	418.2
FY 2015-16 Appropriation:						
SB 15-234	\$194,805,104	\$98,718,075	\$85,404,067	\$10,682,962	\$0	425.3
SB 15-204	143,812	143,812	0	0	0	0.2
HB 15-1034	94,170	87,150	7,020	0	0	0.0
HB 15-1043	231,126	231,126	0	0	0	0.0
HB 15-1149	64,211	64,211	0	0	0	0.8
HB 15-1153	<u>27,580</u>	<u>27,580</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.5</u>
TOTAL	\$195,366,003	\$99,271,954	\$85,411,087	\$10,682,962	\$0	426.8
Increase/(Decrease)	\$38,186,648	\$14,025,142	\$22,578,340	\$1,583,166	\$0	8.6
Percentage Change	24.3%	16.5%	35.9%	17.4%	n/a	2.1%

Administration and Technology

This Long Bill subsection provides funding and staff associated with central administration of the State's judicial system, including information technology systems and support. Cash funds are primarily from fees and cost recoveries that are credited to the Judicial Department Information Technology Cash Fund, and drug offender surcharges that are credited to the Correctional Treatment Cash Fund. Reappropriated funds are primarily from departmental indirect cost recoveries.

<i>Administration and Technology</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	<u>\$28,565,836</u>	<u>\$15,019,439</u>	<u>\$11,469,899</u>	<u>\$2,076,498</u>	<u>\$0</u>	<u>231.0</u>
TOTAL	\$28,565,836	\$15,019,439	\$11,469,899	\$2,076,498	\$0	231.0
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$28,565,836	\$15,019,439	\$11,469,899	\$2,076,498	\$0	231.0
Network bandwidth and networking equipment	3,913,000	0	3,913,000	0	0	0.0
Annualize prior year budget actions	901,621	1,633,621	(732,000)	0	0	0.0
Regional trainers	265,478	265,478	0	0	0	2.8
Recruitment and retention	88,527	88,527	0	0	0	0.9
Indirect cost assessment	35,504	0	33,260	2,244	0	0.0
Fund source adjustment	0	(120,691)	0	120,691	0	0.0
Office of the Respondent Parents' Counsel	(64,211)	(64,211)	0	0	0	(0.8)
Restorative justice coordinator	(36,553)	0	(36,553)	0	0	(0.5)
Other	1,833	0	1,833	0	0	0.0
SB 15-234	\$33,671,035	\$16,822,163	\$14,649,439	\$2,199,433	\$0	233.4
SB 15-204	10,000	10,000	0	0	0	0.2
HB 15-1149	64,211	64,211	0	0	0	0.8
HB 15-1153	<u>27,580</u>	<u>27,580</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.5</u>
TOTAL	\$33,772,826	\$16,923,954	\$14,649,439	\$2,199,433	\$0	234.9
Increase/(Decrease)	\$5,206,990	\$1,904,515	\$3,179,540	\$122,935	\$0	3.9
Percentage Change	18.2%	12.7%	27.7%	5.9%	n/a	1.7%

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Network bandwidth and networking equipment: The appropriation includes \$3,913,000 cash funds from the Judicial Department Information Technology Cash Fund for network equipment upgrades, increased network bandwidth costs for court and probation locations across the state, and hardware and software needs throughout the Department.

Annualize prior year budget actions: The appropriation includes a number of changes to reflect the out year impact of funding decisions made through the FY 2014-15 Long Bill, including:

- An increase of \$1,502,159 General Fund to allocate FY 2014-15 salary increases to each line item that supports employee salary increases;
- A decrease of \$732,000 cash funds to eliminate one-time funding to upgrade and increase network bandwidth capacity; and
- An increase of \$131,462 General Fund to provide a full 12 months of funding for the staff added in FY 2014-15.

Regional trainers: The appropriation includes \$265,478 General Fund and 2.8 FTE to improve the quality and availability of training for trial court staff.

Recruitment and retention: The appropriation includes \$88,527 General Fund and 0.9 FTE to develop and implement a strategic approach to recruiting and retaining Department employees.

Indirect cost assessment: The appropriation includes an increase in the Department's indirect cost assessments.

Fund source adjustment: The appropriation includes an increase of \$120,691 in the amount of total Department indirect cost recoveries (reappropriated funds) that are applied to offset the need for General Fund in the Administration and Technology subsection.

Office of the Respondent Parents' Counsel: The appropriation includes a reduction of \$64,211 General Fund and 0.8 FTE to transfer responsibilities to a new independent office within the Judicial Branch to oversee the provision of legal representation for parents who are respondents in dependency and neglect cases as required by S.B. 14-203. [Please note that H.B. 15-1149 modifies the timing of the implementation of this new office and thus restores this General Fund reduction for FY 2015-16.]

Restorative justice coordinator: The appropriation includes an increase of \$37,696 cash funds from the Restorative Justice Cash Fund and 0.5 FTE to increase the Restorative Justice Coordinator position that was added through H.B. 13-1254 from a half-time to a full-time position. The appropriation also transfers funding for this position (\$74,249 cash funds and 1.0 FTE) from this subsection to the Centrally Administered Programs subsection to consolidate funding for restorative justice programs.

Other: The appropriation includes other minor adjustments.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Central Appropriations

This Long Bill subsection includes funding related to employee benefits, leased space, and services purchased from other agencies such as legal and technology services. The sources of cash funds include: payments and fees that are credited to the Offender Services Fund and the Alcohol and Drug Driving Safety Program Fund; fees and cost recoveries that are credited to the Judicial Department Information Technology Cash Fund; fines that are credited to the Fines Collection Cash Fund; court docket fees that are credited to the State Commission on Judicial Performance Cash Fund; and drug offender surcharges that are credited to the Correctional Treatment Cash Fund.

<i>Central Appropriations</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$63,478,552	\$59,531,514	\$3,947,038	\$0	\$0	0.0
SB 15-150	<u>1,113,845</u>	<u>1,113,845</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$64,592,397	\$60,645,359	\$3,947,038	\$0	\$0	0.0

<i>Central Appropriations</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$64,592,397	\$60,645,359	\$3,947,038	\$0	\$0	0.0
Centrally appropriated line items	18,147,324	16,467,086	1,680,238	0	0	0.0
Probation supervisors and staff	417,091	417,091	0	0	0	0.0
Annualize prior year budget actions	(14,366,439)	(13,627,756)	(738,683)	0	0	0.0
Reverse supplemental	(79,444)	(79,444)	0	0	0	0.0
Other	116,825	116,825	0	0	0	0.0
SB 15-234	<u>\$68,827,754</u>	<u>\$63,939,161</u>	<u>\$4,888,593</u>	<u>\$0</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$68,827,754	\$63,939,161	\$4,888,593	\$0	\$0	0.0
Increase/(Decrease)	\$4,235,357	\$3,293,802	\$941,555	\$0	\$0	0.0
Percentage Change	6.6%	5.4%	23.9%	n/a	n/a	n/a

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 15-150 modifies FY 2014-15 appropriations for payments to the Governor’s Office of Information Technology (OIT) and for CORE operations.

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; vehicle lease payments; workers' compensation; legal services; payment to risk management and property funds; payments to the Governor’s Office of Information Technology (OIT); and CORE operations.

Probation supervisors and staff: The appropriation includes \$417,091 General Fund for the employee benefits expenses associated with adding twenty-five probation supervisors and support staff.

Annualize prior year budget actions: The appropriation reflects the allocation of FY 2014-15 salary increases to each line item that supports employee salary increases.

Reverse supplemental: The appropriation reflects a decrease of \$79,444 General Fund to reverse the mid-year adjustment approved for FY 2014-15 to payments to OIT.

Other: The appropriation includes \$107,361 General Fund for leased space adjustments and \$9,464 to add 10 fleet vehicles for court and probation staff.

Centrally Administered Programs

This Long Bill subsection includes various programs and distributions that are administered by the Office of the State Court Administrator for the benefit of the courts, probation, and administrative functions.

Significant sources of cash funds include the following: the Victims and Witnesses Assistance and Law Enforcement (VALE) Fund; the Crime Victim Compensation Fund; time payment and late penalty fees credited to the Judicial Collection Enhancement Fund; fines credited to the Fines Collection Cash Fund; docket fees credited to the Judicial Stabilization Cash Fund and the State Commission on Judicial Performance Cash Fund; fees and cost recoveries that are credited to the Judicial Department Information Technology Cash Fund; various fees and cost recovery charges paid by court system users; surcharges credited to the Court Security Cash Fund and the Family-Friendly Court Program Cash Fund; and fees for divorce proceedings credited to the Family Violence Justice Fund. Reappropriated funds include local VALE funds transferred from the Trial Courts section and federal child support enforcement funds that are transferred from the Department of Human Services.

<i>Centrally Administered Programs</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$55,568,749	\$9,331,296	\$45,279,916	\$957,537	\$0	184.2
HB 14-1050	150,718	150,718	0	0	0	0.0
HB 14-1096	1,400,000	700,000	0	700,000	0	1.0
SB 15-150	<u>(600,000)</u>	<u>(600,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$56,519,467	\$9,582,014	\$45,279,916	\$1,657,537	\$0	185.2
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$56,519,467	\$9,582,014	\$45,279,916	\$1,657,537	\$0	185.2
Courthouse capital and infrastructure maintenance	4,307,550	2,316,000	1,991,550	0	0	0.0
Annualize prior year legislation	2,462,142	1,132,142	30,000	1,300,000	0	0.0
Informational funds adjustment	1,225,000	0	1,225,000	0	0	0.0
Reverse supplemental	600,000	600,000	0	0	0	0.0
Family violence justice grants	500,000	500,000	0	0	0	0.0
Senior Judge Program	204,384	204,384	0	0	0	0.0
Problem-solving courts FTE	183,040	179,658	3,382	0	0	2.8
Probation supervisors and staff	117,575	86,825	30,750	0	0	0.0
Language access administration	80,094	78,864	1,230	0	0	0.9
Restorative justice coordinator	76,601	0	76,601	0	0	1.0
Self-represented litigant coordinators and family court facilitators	28,218	20,838	7,380	0	0	0.0
Regional trainers	14,109	10,419	3,690	0	0	0.0
Appellate court FTE	9,406	6,946	2,460	0	0	0.0
Recruitment and retention	4,703	3,473	1,230	0	0	0.0
Annualize prior year budget actions	(2,184,570)	(2,267,792)	83,222	0	0	0.0
General Fund support of cash funds	(900,000)	500,000	(1,400,000)	0	0	0.0

<i>Centrally Administered Programs</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Other	2,980	2,980	0	0	0	0.0
SB 15-234	\$63,250,699	\$12,956,751	\$47,336,411	\$2,957,537	\$0	189.9
SB 15-204	133,812	133,812	0	0	0	0.0
HB 15-1034	94,170	87,150	7,020	0	0	0.0
HB 15-1043	<u>231,126</u>	<u>231,126</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$63,709,807	\$13,408,839	\$47,343,431	\$2,957,537	\$0	189.9
Increase/(Decrease)	\$7,190,340	\$3,826,825	\$2,063,515	\$1,300,000	\$0	4.7
Percentage Change	12.7%	39.9%	4.6%	78.4%	n/a	2.5%

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 15-150 modifies the FY 2014-15 appropriation to reduce funding for courthouse capital and infrastructure maintenance based on the delay of three local courthouse facility projects.

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Courthouse capital and infrastructure maintenance: The appropriation includes a total of \$4,307,550 (including \$2,316,000 General Fund) to fulfill the State's responsibility for court facility furnishings, information technology infrastructure and systems, and phone systems.

Annualize prior year legislation: The appropriation includes an increase of \$2,462,142 total funds for the second or subsequent year impact of legislation, as detailed in the following table:

Annualize prior year legislation						
	Total	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 14-1096 Underfunded courthouse facilities grants	\$2,600,000	\$1,300,000	\$0	\$1,300,000	\$0	0.0
SB 08-054 Judicial performance evaluations	30,000	0	30,000	0	0	0.0
HB 14-1050 Add two judges	(150,718)	(150,718)	0	0	0	0.0
SB 13-250 Drug crime sentencing	<u>(17,140)</u>	<u>(17,140)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
Total	\$2,462,142	\$1,132,142	\$30,000	\$1,300,000	\$0	0.0

Informational funds adjustment: The appropriation includes an increase of \$1,225,000 cash funds from the Crime Victim Compensation Fund reflected in the Long Bill for informational purposes only.

Reverse supplemental: The appropriation reflects an increase of \$600,000 General Fund to reverse the FY 2014-15 mid-year adjustment described above.

Family violence justice grants: The appropriation includes an increase of \$500,000 General Fund for grants to organizations that provide legal advice, representation, and advocacy for indigent clients who are victims of family violence.

Senior Judge Program: The appropriation includes \$204,384 General Fund to increase from 46 to 49 the number of retired judges available to cover sitting district and county court judges in case of disqualifications, vacations, sick leave, over-scheduled dockets, judicial training and education, and conflicts of interest.

Problem-solving courts FTE: The appropriation includes a total of \$183,040 (primarily General Fund) and 2.8 FTE to permanently fund problem-solving court positions that were previously funded by a federal grant.

Probation supervisors and staff: The appropriation includes \$117,575 total funds (including \$86,825 General Fund and \$30,750 cash funds from the Judicial Department Information Technology Cash Fund) for the capital outlay expenses associated with adding 22.9 FTE probation supervisors and support staff.

Language access administration: The appropriation includes \$80,094 total funds (primarily General Fund) and 0.9 FTE to improve the quality of language interpreter and translator services provided by Department employees and external agencies.

Restorative justice coordinator: The appropriation includes an increase of \$40,048 cash funds from the Restorative Justice Cash Fund to increase the Restorative Justice Coordinator position that was added through H.B. 13-1254 from a half-time to a full-time position. The appropriation also transfers existing funding for this position (\$36,553 cash funds) from the Administration and Technology subsection to this subsection to consolidate funding for restorative justice programs.

Self-represented litigant coordinators and family court facilitators: The appropriation includes \$28,218 total funds (primarily General Fund) for the capital outlay expenses associated with adding two self-represented litigant coordinators and four family court facilitators within various trial courts.

Regional trainers: The appropriation includes \$14,109 total funds (primarily General Fund) for the capital outlay expenses associated with adding three staff positions to improve the quality and amount of training for trial court staff.

Appellate court FTE: The appropriation includes \$9,406 total funds (primarily General Fund) for the capital outlay expenses associated with adding two staff positions to improve the efficiency and effectiveness of the Colorado Supreme Court and the Court of Appeals.

Recruitment and retention: The appropriation includes \$4,703 total funds (primarily General Fund) for the capital outlay expenses associated with adding one staff position to develop and implement a strategic approach to recruiting and retaining Department employees.

Annualize prior year budget actions: The appropriation includes a number of changes to reflect the out year impact of funding decisions made through the FY 2014-15 Long Bill, as detailed in the following table.

Annualize prior year budget actions						
	Total	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 salary survey and merit pay	\$505,313	\$323,328	\$181,985	\$0	\$0	0.0
Language Access	2,702	2,702	0	0	0	0.0
Courthouse Capital and Infrastructure Maintenance	(2,462,500)	(2,462,500)	0	0	0	0.0
Restitution Enforcement	(98,763)	0	(98,763)	0	0	0.0
Self-represented Litigant Coordinators	(91,817)	(91,817)	0	0	0	0.0
Regional Technicians for IT Support	(18,812)	(18,812)	0	0	0	0.0
IT Staff	(15,990)	(15,990)	0	0	0	0.0
Probation background checks	<u>(4,703)</u>	<u>(4,703)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
Total	(\$2,184,570)	(\$2,267,792)	\$83,222	\$0	\$0	0.0

General Fund support of cash funds: The appropriation includes the following adjustments for two programs that are affected by declining cash fund revenues: (a) an increase of \$500,000 General Fund and a decrease of \$1,250,000 cash funds for the Courthouse Security Grant Program; and (b) a decrease of \$150,000 cash funds for the Family-friendly Court Program.

Other: The appropriation includes other minor adjustments.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Ralph L. Carr Colorado Judicial Center

This Long Bill subsection includes appropriations related to the operations of the Ralph L. Carr Colorado Judicial Center. The source of funding is the Justice Center Cash Fund, which consists of docket fees, lease payments from Carr Center tenants, and parking fees paid by employees and members of the public who utilize the Carr Center parking garage. Reappropriated funds reflect transfers from the Department of Law and the State Court Administrator's Office [from an appropriation in the Central Appropriations subsection above] for leased space in the Carr Center. The remaining sources of revenue are reflected as cash fund appropriations, and they include: fee revenue that is used to pay for the Supreme Court and Court of Appeals areas of the Carr Center; leased space payments from continuously appropriated fund sources like Attorney Regulation; and parking fees paid by state employees and the public for use of the Carr Center parking garage.

Ralph L. Carr Colorado Judicial Center						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$7,501,655	\$0	\$2,135,894	\$5,365,761	\$0	2.0
TOTAL	\$7,501,655	\$0	\$2,135,894	\$5,365,761	\$0	2.0
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$7,501,655	\$0	\$2,135,894	\$5,365,761	\$0	2.0
Move lease purchase payments to operating budget	21,543,903	0	21,543,903	0	0	0.0

<i>Ralph L. Carr Colorado Judicial Center</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Annualize prior year budget actions	10,058	0	10,058	0	0	0.0
General Fund support of cash funds	0	5,000,000	(5,000,000)	0	0	0.0
Fund source adjustment	0	0	(160,231)	160,231	0	0.0
SB 15-234	<u>\$29,055,616</u>	<u>\$5,000,000</u>	<u>\$18,529,624</u>	<u>\$5,525,992</u>	<u>\$0</u>	<u>2.0</u>
TOTAL	\$29,055,616	\$5,000,000	\$18,529,624	\$5,525,992	\$0	2.0
Increase/(Decrease)	\$21,553,961	\$5,000,000	\$16,393,730	\$160,231	\$0	0.0
Percentage Change	287.3%	n/a	767.5%	3.0%	n/a	0.0%

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Move lease purchase payments to operating budget: The appropriation moves lease purchase payment (certificates of participation) amounts that were previously appropriated in the capital construction section of the Long Bill into the operating budget.

Annualize prior year budget actions: The appropriation includes \$10,058 cash funds to allocate FY 2014-15 salary increases to each line item that supports employee salary increases.

General Fund support of cash funds: The appropriation includes an increase of \$5.0 million General Fund and a decrease of \$5.0 million cash funds from the Justice Center Cash fund to reflect declining cash fund revenues.

Fund source adjustment: The appropriation includes a shift of \$160,231 from cash funds to reappropriated funds to properly reflect the amount of leased space payments that will support the operations of the Carr Center.

Trial Courts

This Long Bill section provides funding for operation of the State trial courts, which include district courts in 22 judicial districts, water courts, and county courts (excluding the Denver county court).

District courts preside over felony criminal matters, civil claims, juvenile matters, probate, mental health, and divorce proceedings. In addition, district courts handle appeals from municipal and county courts, and review decisions of administrative boards and agencies. The General Assembly establishes judicial districts and the number of judges for each district in statute; these judges serve renewable 6-year terms.¹

Within the district court system, the General Assembly established seven *water divisions* in the State based on the drainage patterns of major rivers in Colorado. Each water division is staffed by a division engineer, a district court judge who is designated as the water judge by the Colorado Supreme Court, a water referee appointed by the water judge, and a water clerk assigned by the district court. Water judges have exclusive jurisdiction over cases involving the determination of water rights and the use and administration of water.

¹ See Article VI, Sections 9 through 12 of the Colorado Constitution; and Section 13-5-101 et seq., C.R.S.

County courts have limited jurisdiction, handling civil actions involving no more than \$15,000, misdemeanor cases, civil and criminal traffic infractions, and felony complaints. County courts also issue search warrants and protection orders in cases involving domestic violence. In addition, county courts handle appeals from municipal courts. The General Assembly establishes the number of judges for each county in statute; these judges serve renewable 4-year terms.

Significant cash fund sources include court docket fees that are credited to the Judicial Stabilization Cash Fund, various fees and cost recovery charges paid by court system users, and grants. Reappropriated funds include funds transferred from the Department of Human Services and the Department of Public Safety.

Trial Courts						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$155,788,307	\$119,404,983	\$33,358,324	\$1,400,000	\$1,625,000	1,853.7
SB 14-190	5,300,000	5,300,000	0	0	0	0.0
HB 14-1032	(167,889)	(114,539)	(53,350)	0	0	0.0
HB 14-1050	600,756	600,756	0	0	0	7.3
SB 15-150	<u>634,305</u>	<u>744,305</u>	<u>(260,000)</u>	<u>150,000</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$162,155,479	\$125,935,505	\$33,044,974	\$1,550,000	\$1,625,000	1,861.0
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$162,155,479	\$125,935,505	\$33,044,974	\$1,550,000	\$1,625,000	1,861.0
Annualize prior year budget actions	9,055,985	8,921,532	134,453	0	0	0.0
Self-represented litigant coordinators and family court facilitators	449,230	449,230	0	0	0	5.5
Rate increase for mental health professionals	126,972	126,972	0	0	0	0.0
District attorney mandated costs	100,000	100,000	0	0	0	0.0
Rate increase for transcripts	39,431	39,431	0	0	0	0.0
General Fund support of cash funds	0	3,000,000	(3,000,000)	0	0	0.0
Annualize prior year legislation	(5,808,881)	(5,802,480)	(6,401)	0	0	(4.3)
Office of the Respondent Parents' Counsel	(5,096,221)	(5,096,221)	0	0	0	(2.3)
Other	10,211	10,211	0	0	0	0.0
SB 15-234	\$161,032,206	\$127,684,180	\$30,173,026	\$1,550,000	\$1,625,000	1,859.9
HB 15-1034	246,481	246,481	0	0	0	3.2
HB 15-1043	700,394	700,394	0	0	0	8.8
HB 15-1149	5,096,221	5,096,221	0	0	0	2.3
HB 15-1153	<u>143,919</u>	<u>143,919</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$167,219,221	\$133,871,195	\$30,173,026	\$1,550,000	\$1,625,000	1,874.2

	Trial Courts					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Increase/(Decrease)	\$5,063,742	\$7,935,690	(\$2,871,948)	\$0	\$0	13.2
Percentage Change	3.1%	6.3%	(8.7%)	0.0%	0.0%	0.7%

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 15-150 modifies the FY 2014-15 appropriation for four purposes:

- To add \$484,375 General Fund to cover the costs of newly assessed merchant exchange fees and courier fees associated with the collection of court fines and fees;
- To add \$259,930 General Fund to cover an increase in the number of court appointments for attorneys to represent individuals in mental health cases;
- To add \$150,000 reappropriated funds to allow the Department to spend the full amount of federal funds available for child support enforcement-related activities in several judicial districts; and
- To reduce appropriations by \$260,000 cash funds to better reflect cost recoveries that are received from parties who have been provided court-appointed counsel.

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes two changes to reflect the out year impact of funding decisions made through the FY 2014-15 Long Bill:

- An increase of \$9,030,349 total funds, including \$8,895,896 General Fund and \$134,453 cash funds, to allocate FY 2014-15 salary increases to each line item that supports employee salary increases; and
- An increase of \$25,636 General Fund to provide a full 12 months of funding for the self-represented litigant coordinators added in FY 2014-15.

Self-represented litigant coordinators and family court facilitators: The appropriation includes \$449,230 General Fund and 5.5 FTE to add two self-represented litigant coordinators and four family court facilitators within various trial courts.

Rate increase for mental health professionals: The appropriation includes \$126,972 General Fund to cover the costs of increasing the maximum hourly compensation rate paid to expert witnesses and professionals who conduct mental health evaluations related to competency or sanity from \$100 to \$150.

District attorney mandated costs: The appropriation includes an increase of \$100,000 General Fund to reimburse district attorneys for costs incurred for prosecution of state matters.

Rate increase for transcripts: The appropriation includes \$39,431 General Fund to cover the costs of increasing the per-page compensation rate paid to court employees who prepare transcripts from \$2.75 to \$3.00.

General Fund support of cash funds: The appropriation includes an increase of \$3.0 million General Fund and a decrease of \$3.0 million cash funds from the Judicial Stabilization Cash fund to reflect declining cash fund revenues.

Annualize prior year legislation: The appropriation includes a reduction of \$5,808,881 total funds and 4.3 FTE for the second or subsequent year impact of legislation, as detailed in the following table:

Annualize prior year legislation						
	Total	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 14-1050 Add two judges	\$53,057	\$53,057	\$0	\$0	\$0	0.7
SB 14-190 Statewide discovery sharing system	(5,300,000)	(5,300,000)	0	0	0	0.0
HB 11-1300 Conservation easements	(541,792)	(541,792)	0	0	0	(5.0)
HB 14-1032 Defense counsel for juvenile offenders	<u>(20,146)</u>	<u>(13,745)</u>	<u>(6,401)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
Total	(\$5,808,881)	(\$5,802,480)	(\$6,401)	\$0	\$0	(4.3)

Office of the Respondent Parents' Counsel: The appropriation includes a reduction of \$5,096,221 General Fund and an associated 2.3 FTE to transfer responsibilities to a new independent office within the Judicial Branch to oversee the provision of legal representation for parents who are respondents in dependency and neglect cases as required by S.B. 14-203. [Please note that H.B. 15-1149 modifies the timing of the implementation of this new office and thus restores this General Fund reduction for FY 2015-16.]

Other: The appropriation includes other minor adjustments.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Probation and Related Services

This Long Bill section provides funding for probation officers and staff, as well as services that are provided to offenders on probation or related to the probation function. Persons convicted of certain offenses are eligible to apply to the court for probation. An offender on probation serves a sentence in the community under the supervision of a probation officer, subject to conditions imposed by the court. A breach of any imposed condition may result in revocation or modification of probation, or incarceration. As of June 30, 2014, a total of 75,680 individuals who were sentenced to probation were under supervision, including 71,381 adults and 4,299 juveniles. Managed by the Chief Probation Officer in each judicial district, approximately 1,250 employees prepare assessments and provide pre-sentence investigation services to the courts, supervise adult and juvenile offenders sentenced to community programs, and provide notification and support services to victims. The Chief Probation Officer is supervised by the Chief Judge in each district. Investigation and supervision services are provided based on priorities established by the Chief Justice and each offender's risk of re-offending.

Cash fund sources include: payments and fees that are credited to the Offender Services Fund, the Correctional Treatment Cash Fund, the Alcohol and Drug Driving Safety Program Fund, the Sex Offender Surcharge Fund, the Interstate Compact Probation Transfer Cash Fund, and the Offender Identification Fund; the Marijuana Tax Cash Fund; and various fees, cost recoveries, and grants. Sources of reappropriated funds include: General Fund moneys that are appropriated to the Correctional Treatment Cash Fund; Victims and Witnesses Assistance and Law Enforcement (VALE) Board grants that are transferred from the Courts Administration section; and transfers from the Departments of Education, Human Services, and Public Safety.

Probation and Related Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	<u>\$136,015,775</u>	<u>\$85,014,680</u>	<u>\$28,115,917</u>	<u>\$20,085,178</u>	<u>\$2,800,000</u>	<u>1,220.0</u>
TOTAL	\$136,015,775	\$85,014,680	\$28,115,917	\$20,085,178	\$2,800,000	1,220.0
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$136,015,775	\$85,014,680	\$28,115,917	\$20,085,178	\$2,800,000	1,220.0
Annualize prior year budget actions	2,663,553	2,251,366	412,187	0	0	0.0
Probation supervisors and staff	2,177,944	2,177,944	0	0	0	22.9
Indirect cost assessment	40,856	0	40,856	0	0	0.0
Other	(11,897)	(10,064)	(1,833)	0	0	0.0
SB 15-234	\$140,886,231	\$89,433,926	\$28,567,127	\$20,085,178	\$2,800,000	1,242.9
HB 15-1043	152,261	152,261	0	0	0	2.3
HB 15-1367	<u>3,100,000</u>	<u>0</u>	<u>1,550,000</u>	<u>1,550,000</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$144,138,492	\$89,586,187	\$30,117,127	\$21,635,178	\$2,800,000	1,245.2
Increase/(Decrease)	\$8,122,717	\$4,571,507	\$2,001,210	\$1,550,000	\$0	25.2
Percentage Change	6.0%	5.4%	7.1%	7.7%	0.0%	2.1%

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes \$2,663,553 total funds (including \$2,251,366 General Fund and \$412,187 cash funds) to allocate FY 2014-15 salary increases to each line item that supports employee salary increases.

Probation supervisors and staff: The appropriation includes \$2,177,944 General Fund to add twenty probation supervisors and five support staff to better align the staffing level of probation supervisors and support staff to that of probation officers.

Indirect cost assessment: The appropriation includes an increase in the Department's indirect cost assessments.

Other: The appropriation includes other minor adjustments.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Office of the State Public Defender

The Office of the State Public Defender (OSPD) is an independent agency that provides legal representation for indigent defendants who are facing the possibility of incarceration. The OSPD provides representation through employees who are located around the state. The OSPD is comprised of a central administrative office, an appellate office, and 21 regional trial offices. Cash fund sources include grants and training fees.

Office of the State Public Defender						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$82,604,070	\$82,454,070	\$150,000	\$0	\$0	759.7
HB 14-1023	455,983	455,983	0	0	0	8.0
HB 14-1032	737,875	737,875	0	0	0	11.1
HB 14-1050	86,350	86,350	0	0	0	1.5
HB 14-1266	(69,408)	(69,408)	0	0	0	(1.2)
SB 15-150	<u>(559,046)</u>	<u>(559,046)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(6.0)</u>
TOTAL	\$83,255,824	\$83,105,824	\$150,000	\$0	\$0	773.1
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$83,255,824	\$83,105,824	\$150,000	\$0	\$0	773.1
Centrally appropriated line items	2,881,114	2,881,114	0	0	0	0.0
Annualize prior year legislation	312,113	312,113	0	0	0	7.8
Rate increase for transcripts	150,712	150,712	0	0	0	0.0
Rate increase for mental health professionals	114,438	114,438	0	0	0	0.0
Annualize prior year budget actions	(74,318)	(74,318)	0	0	0	1.3
SB 15-234	\$86,639,883	\$86,489,883	\$150,000	\$0	\$0	782.2
HB 15-1043	<u>188,352</u>	<u>188,352</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3.1</u>
TOTAL	\$86,828,235	\$86,678,235	\$150,000	\$0	\$0	785.3
Increase/(Decrease)	\$3,572,411	\$3,572,411	\$0	\$0	\$0	12.2
Percentage Change	4.3%	4.3%	0.0%	n/a	n/a	1.6%

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 15-150 reduces the FY 2014-15 appropriation by \$559,046 General Fund (and an associated 6.0 FTE) to reflect the actual impact of H.B. 13-1210 (Right to Legal Counsel in Plea Negotiations) on the Office's workload.

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; and vehicle lease payments.

Annualize prior year legislation: The appropriation includes an increase of \$312,113 General Fund for the second year impact of legislation, as detailed in the following table:

Annualize prior year legislation						
	Total	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 14-1032 Defense counsel for juvenile offenders	\$357,772	\$357,772	\$0	\$0	\$0	7.9
HB 14-1050 Add two judges	2,667	2,667	0	0	0	0.1
HB 14-1023 Social workers for juveniles	(37,624)	(37,624)	0	0	0	0.0
HB 14-1266 Penalties for value-based offenses	<u>(10,702)</u>	<u>(10,702)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(0.2)</u>
Total	\$312,113	\$312,113	\$0	\$0	\$0	7.8

Rate increase for transcripts: The appropriation includes \$150,712 General Fund to cover the costs of increasing the per-page compensation rate paid to court employees who prepare transcripts from \$2.75 to \$3.00.

Rate increase for mental health professionals: The appropriation includes \$114,438 General Fund to cover the costs of increasing the maximum hourly compensation rate paid to expert witnesses and professionals who conduct mental health evaluations related to competency or sanity from \$100 to \$150.

Annualize prior year budget actions: The appropriation includes a reduction of \$74,318 General Fund to reflect the out year impact of funding decisions made through the FY 2014-15 Long Bill, including: (a) a reduction of \$77,312 General Fund to eliminate non-base-building salary increases that were awarded in FY 2014-15; and (b) an increase of \$2,994 General Fund and 1.3 FTE to provide a full 12 months of funding for appellate unit staff added in FY 2014-15.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Office of the Alternate Defense Counsel

The Office of Alternate Defense Counsel (OADC) is an independent agency that provides legal representation for indigent defendants in criminal and juvenile delinquency cases in which the Office of the State Public Defender is precluded from doing so because of an ethical conflict of interest. The OADC provides legal representation by contracting with licensed attorneys and investigators. Cash funds are from training fees.

Office of the Alternate Defense Counsel						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$29,645,966	\$29,605,966	\$40,000	\$0	\$0	8.5
HB 14-1032	<u>75,116</u>	<u>75,116</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.6</u>
TOTAL	\$29,721,082	\$29,681,082	\$40,000	\$0	\$0	9.1
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$29,721,082	\$29,681,082	\$40,000	\$0	\$0	9.1
OADC staff support	115,461	115,461	0	0	0	1.4
Centrally appropriated line items	111,127	111,127	0	0	0	0.0
Annualize prior year legislation	41,079	41,079	0	0	0	0.4

Office of the Alternate Defense Counsel						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Rate increase for mental health professionals	37,743	37,743	0	0	0	0.0
Rate increase for transcripts	36,499	36,499	0	0	0	0.0
SB 15-234	<u>\$30,062,991</u>	<u>\$30,022,991</u>	<u>\$40,000</u>	<u>\$0</u>	<u>\$0</u>	<u>10.9</u>
TOTAL	\$30,062,991	\$30,022,991	\$40,000	\$0	\$0	10.9
Increase/(Decrease)	\$341,909	\$341,909	\$0	\$0	\$0	1.8
Percentage Change	1.2%	1.2%	0.0%	n/a	n/a	19.8%

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

OADC staff support: The appropriation includes \$115,461 General Fund and 1.4 FTE for the Office of the Alternate Defense Counsel to address workload increases.

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; and supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund.

Annualize prior year legislation: The appropriation includes an increase of \$41,079 General Fund and 0.4 FTE for the second year impact of H.B. 14-1032 (Defense Counsel for Juvenile Offenders).

Rate increase for mental health professionals: The appropriation includes \$37,743 General Fund to cover the costs of increasing the maximum hourly compensation rate paid to expert witnesses and professionals who conduct mental health evaluations related to competency or sanity to \$150.

Rate increase for transcripts: The appropriation includes \$36,499 General Fund to cover the costs of increasing the per-page compensation rate paid to court employees who prepare transcripts from \$2.75 to \$3.00.

Office of the Child's Representative

The Office of the Child's Representative (OCR) is an independent agency that is responsible for ensuring the provision of uniform, high-quality legal representation and non-legal advocacy to children involved in judicial proceedings. Generally, this includes representing children involved in the court system due to abuse or neglect, delinquency, truancy, high conflict divorce, alcohol or drug abuse, mental health issues, and probate matters. In most judicial districts, OCR provides legal representation by contracting with private attorneys or multi-disciplinary law offices. However, in El Paso county, the OCR employs attorneys and other staff to provide legal representation through a centralized office rather than through contracted services.

Office of the Child's Representative						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$22,981,514	\$22,981,514	\$0	\$0	\$0	27.4
SB 15-150	<u>1,508,778</u>	<u>1,508,778</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$24,490,292	\$24,490,292	\$0	\$0	\$0	27.4
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$24,490,292	\$24,490,292	\$0	\$0	\$0	27.4
Centrally appropriated line items	129,374	129,374	0	0	0	0.0
OCR FTE increase	38,928	38,928	0	0	0	1.5
OCR mandated costs	17,200	17,200	0	0	0	0.0
Rate increase for transcripts	158	158	0	0	0	0.0
Other	10,909	1,519	0	9,390	0	0.0
SB 15-234	\$24,686,861	\$24,677,471	\$0	\$9,390	\$0	28.9
HB 15-1153	<u>(143,919)</u>	<u>(143,919)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$24,542,942	\$24,533,552	\$0	\$9,390	\$0	28.9
Increase/(Decrease)	\$52,650	\$43,260	\$0	\$9,390	\$0	1.5
Percentage Change	0.2%	0.2%	n/a	n/a	n/a	5.5%

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 15-150 modifies the FY 2014-15 appropriation to add \$1,508,778 General Fund to cover the costs of: (a) increases in the amount of time required for *guardians ad litem* to provide effective representation in dependency and neglect cases; and (b) increases in the number of court appointments in juvenile delinquency and truancy cases.

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; and supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund.

OCR FTE increase: The appropriation includes \$38,928 General Fund to add 1.0 FTE administrative position in the Office of the Child's Representative's (OCR's) El Paso county *guardian ad litem* office and 0.5 FTE administrative position in the OCR's central office to address workload increases.

OCR mandated costs: The appropriation includes \$17,200 General Fund to cover OCR's costs of expert witnesses, discovery and reproduction services, transcripts, interpreter services outside the courtroom, and process servers.

Rate increase for transcripts: The appropriation includes \$158 General Fund to cover the costs of increasing the per-page compensation rate paid to court employees who prepare transcripts from \$2.75 to \$3.00.

Other: The appropriation includes other minor adjustments.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Office of the Respondent Parents' Counsel

The Office of the Respondent Parent's Counsel (ORPC) is a new independent agency charged with ensuring the provision and availability of high-quality legal representation for respondent parents involved in dependency and neglect proceedings. Pursuant to S.B. 14-203, as amended by H.B. 15-1149, all existing and new state paid court appointments for respondent parents' counsel will be transferred from the State Court Administrator's Office to the ORPC by July 1, 2016. The Office is supported by General Fund and cash funds from training fees.

Office of the Respondent Parents' Counsel						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$0	\$0	\$0	\$0	\$0	0.0
TOTAL	\$0	\$0	\$0	\$0	\$0	0.0
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$0	\$0	\$0	\$0	\$0	0.0
Office of the Respondent Parents' Counsel	6,738,570	6,716,070	22,500	0	0	6.9
Centrally appropriated line items	(2,000)	(2,000)	0	0	0	0.0
SB 15-234	\$6,736,570	\$6,714,070	\$22,500	\$0	\$0	6.9
HB 15-1149	(5,778,577)	(5,763,577)	(15,000)	0	0	(4.2)
TOTAL	\$957,993	\$950,493	\$7,500	\$0	\$0	2.7
Increase/(Decrease)	\$957,993	\$950,493	\$7,500	\$0	\$0	2.7
Percentage Change	n/a	n/a	n/a	n/a	n/a	n/a

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Office of the Respondent Parents' Counsel: The appropriation includes \$6,738,570 (including \$6,716,070 General Fund and \$22,500 cash funds from training fees) to establish the new office and oversee the provision of legal representation for parents who are respondents in dependency and neglect cases as required by S.B. 14-203. [Please note that H.B. 15-1149 modifies the timing of the implementation of this new office and thus reduces appropriations for the Office for FY 2015-16.]

Centrally appropriated line items: The appropriation includes adjustments to the centrally appropriated line item for legal services.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Office of the Child Protection Ombudsman

Pursuant to S.B. 15-204, the existing Child Protection Ombudsman Program within the Department of Human Services will become an independent agency within the Judicial Branch in FY 2015-16, and will be renamed the Office of the Child Protection Ombudsman.

Office of the Child Protection Ombudsman						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$0	\$0	\$0	\$0	\$0	0.0
TOTAL	\$0	\$0	\$0	\$0	\$0	0.0
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$0	\$0	\$0	\$0	\$0	0.0
No changes	0	0	0	0	0	0.0
SB 15-234	\$0	\$0	\$0	\$0	\$0	0.0
SB 15-204	<u>207,274</u>	<u>207,274</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2.0</u>
TOTAL	\$207,274	\$207,274	\$0	\$0	\$0	2.0
Increase/(Decrease)	\$207,274	\$207,274	\$0	\$0	\$0	2.0
Percentage Change	n/a	n/a	n/a	n/a	n/a	n/a

Additional legislation: For information on S.B. 15-204, see the "Recent Legislation" section at the end of this department.

Independent Ethics Commission

The Independent Ethics Commission is an independent agency that is responsible for providing advice and guidance on ethics-related matters concerning public officers, members of the General Assembly, local government officials, and government employees.

Independent Ethics Commission						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$352,093	\$352,093	\$0	\$0	\$0	2.0
SB 15-150	0	0	0	0	0	0.0
SB 15-234	<u>1,300</u>	<u>0</u>	<u>1,300</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$353,393	\$352,093	\$1,300	\$0	\$0	2.0
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$353,393	\$352,093	\$1,300	\$0	\$0	2.0
Reverse supplemental	73,786	75,086	(1,300)	0	0	0.0
IEC legal services and operating	4,444	4,444	0	0	0	0.0
Centrally appropriated line items	246	246	0	0	0	0.0
Eliminate second FTE for IEC	(84,161)	(84,161)	0	0	0	(1.0)
SB 15-234	<u>\$347,708</u>	<u>\$347,708</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>1.0</u>
TOTAL	\$347,708	\$347,708	\$0	\$0	\$0	1.0
Increase/(Decrease)	(\$5,685)	(\$4,385)	(\$1,300)	\$0	\$0	(1.0)
Percentage Change	(1.6%)	(1.2%)	(100.0%)	n/a	n/a	(50.0%)

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 15-150 modifies the FY 2014-15 appropriation to add \$75,086 General Fund for increased costs associated with purchased legal services and Commissioner travel. This increase is offset by a reduction of \$75,086 General Fund for personal services based on staff vacancies. Senate Bill 15-234 adds \$1,300 cash funds to authorize the Commission to receive and spend a grant for equipment and streaming services

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Reverse supplemental: The appropriation reflects the reversal of two mid-year changes for FY 2014-15: (a) the \$75,086 General Fund reduction in personal services funding; and (b) the \$1,300 cash funds spending authority described above.

IEC legal services and operating: The appropriation includes \$4,444 General Fund to allow the Independent Ethics Commission (IEC) to purchase a total of 1,800 hours of legal services and to cover one-time equipment costs.

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; and legal services.

Eliminate second FTE for IEC: The appropriation includes a reduction of \$84,161 General Fund and 1.0 FTE to eliminate funding for a second staff position for the Independent Ethics Commission that is currently vacant. In addition, the appropriation consolidates multiple line items that support personnel-related expenses and operating expenses into a single line item appropriation.

Recent Legislation

2014 Session Bills

S.B. 14-190 (Statewide Discovery Sharing System): Turns the Discovery Task Force (created in S.B. 13-246) into a Steering Committee to assist the Colorado District Attorneys' Council (CDAC) in developing a process to select a vendor to develop a statewide discovery sharing system. Requires the CDAC to develop and maintain a statewide discovery sharing system ("discovery system") integrated with its existing ACTION case management system. Establishes a new criminal surcharge for persons who are represented by private counsel or appear without legal representation, and credits the resulting revenues to the newly created Statewide Discovery Sharing System Surcharge Fund. Requires the General Assembly to appropriate necessary moneys from the General Fund and the new cash fund to the Judicial Department to fund the development, continuing enhancement, and maintenance of the new discovery system as well as the maintenance and continuing enhancement of the existing ACTION system.

Gives civil immunity to a district attorney who, after making a good-faith effort to redact all information legally required to be redacted from a discovery document provided to a defendant or defense counsel, provides a document that contains information that is legally required to be redacted.

Appropriates \$5.3 million General Fund to the Judicial Department for FY 2014-15, and allows any unspent funds to remain available for expenditure in FY 2015-16.

S.B. 14-203 (Respondent Parents' Counsel): Creates the Office of the Respondent Parents' Counsel (ORPC) in the Judicial Department, effective January 1, 2016. States that the ORPC will be responsible for providing legal representation to parents involved in dependency and neglect proceedings who lack the financial means to obtain representation. Declares that the operational structure of the ORPC will be based on the final report by the Respondent Parents' Counsel Work Group to the Office of the State Court Administrator. Requires the Judicial Department to include in its November 2014 budget request a request for funding to implement the Work Group recommendations.

H.B. 14-1023 (Social Workers for Juveniles): Requires the Office of the State Public Defender to hire social workers to assist in juvenile defense cases. Appropriates a total of \$455,983 General Fund and 8.0 FTE to the Office of the State Public Defender for FY 2014-15.

H.B. 14-1032 (Defense Counsel for Juvenile Offenders): Makes procedural changes concerning the appointment of counsel for juveniles, including:

- Requiring that certain information about the right to counsel and the process for obtaining counsel be provided on a promise to appear or summons;
- When a juvenile is placed in a detention facility, requiring the screening team to promptly notify the district attorney and the local Office of the State Public Defender (OSPD);

- Requiring the court to hold a detention hearing within 24 hours (rather than 48 hours) for a juvenile being held in detention on a warrant for violating a court order concerning a status offense;
- Requiring the court to appoint counsel from the OSPD (or the Office of Alternate Defense Counsel (OADC) in case of a conflict) to represent a juvenile at a detention hearing if a juvenile has not retained counsel;
- Limiting the circumstances under which the court may accept a juvenile's waiver of counsel; and
- Requiring the court to appoint counsel from the OSPD (or the OADC in the case of a conflict) if the juvenile is eligible for appointed counsel and has not waived or obtained other counsel, is in the custody of the state Department of Human Services or a county department of social services, or if the court determines it is necessary to protect the interests of the juvenile or other parties.

Appropriates a total of \$645,102 (including an increase of \$698,452 General Fund and a reduction of \$53,350 cash funds) and 11.7 FTE to the Judicial Department for FY 2014-15, including: an increase of \$737,875 General Fund and 11.1 FTE to the OSPD; an increase of \$75,116 General Fund and 0.6 FTE to the OADC, and a reduction of \$167,889 (including \$114,539 General Fund and \$53,350 cash funds) for the trial courts.

H.B. 14-1050 (Add Two Judges): Adds two district court judges to the 18th judicial district (Arapahoe, Douglas, Elbert, and Lincoln counties). Appropriates \$837,824 General Fund and 8.8 FTE to the Judicial Department for FY 2014-15, including \$751,474 and 7.3 FTE for the trial courts (including funding for capital outlay expenses) and \$86,350 and 1.5 FTE to the Office of the State Public Defender.

H.B. 14-1096 (Underfunded Courthouse Facilities Grants): Creates a new state-funded grant program to provide supplemental funding for courthouse facility projects in certain counties. Creates the Underfunded Courthouse Facility Cash Fund Commission to evaluate grant applications and make grant award recommendations to the State Court Administrator. Requires grant funds to be used for master planning services, matching funds, leveraging grant funding opportunities, or addressing emergency needs due to the imminent closure of a court facility. Specifies financial and demographic factors to be met by a county in order to be considered for a grant award. Appropriates a total of \$1,400,000 and 1.0 FTE to the Judicial Department for FY 2014-15, including an appropriation of \$700,000 General Fund to the newly created Underfunded Courthouse Facility Cash Fund and \$700,000 reappropriated funds from the new cash fund and 1.0 FTE for the administration of the new grant program.

H.B. 14-1266 (Penalties for Value-based Offenses): Adjusts penalties for certain value-based offenses (including the crimes of criminal mischief, fraud by check, defrauding a secured creditor or debtor, unauthorized use of a financial transaction device, computer crime, and aggravated motor vehicle theft), making some current felonies into misdemeanors and some current misdemeanors into lower level offenses, including petty offenses. Reduces appropriations to the Office of the State Public Defender for FY 2014-15 by a total of \$69,408 General Fund and 1.0 FTE. Does not include any adjustment to appropriations to the Department of Corrections (DOC) for FY 2014-15, but is anticipated to reduce DOC expenditures beginning in FY 2015-16.

H.B. 14-1336 (Long Bill): General appropriations act for FY 2014-15. Includes a provision modifying FY 2013-14 appropriations included in H.B. 13-1254.

2015 Session Bills

S.B. 15-150: (Supplemental Bill): Supplemental appropriation to the Judicial Department to modify FY 2014-15 appropriations included in the FY 2014-15 Long Bill (H.B. 14-1336).

S.B. 15-204 (Office of the Child Protection Ombudsman): Establishes the Office of the Child Protection Ombudsman (the Office) in the Judicial Department as an independent agency. Establishes the Child Protection Ombudsman Board to oversee the Office's personnel decisions, operating policies and procedures, and budget. By November 1, 2015, requires the Office to sign an administrative memorandum of understanding with the Judicial Department with an effective date of no later than January 1, 2016. Requires the Child Protection Ombudsman to make funding recommendations to the Joint Budget Committee for the operation of the Office. Modifies the powers and duties of the existing Child Protection Ombudsman Program in the Department of Human Services, and renames the Program the Office of the Child Protection Ombudsman. Repeals the provision requiring the Executive Director of the Department of Human Services to award a contract for the operation of the Ombudsman Program, and authorizes the Executive Director to extend the existing contract through December 31, 2015. Reduces the General Fund appropriation to the Department of Human Services for FY 2015-16 for the Child Protection Ombudsman by \$270,372 (from \$512,822 to \$242,450). Appropriates \$351,086 General Fund and 2.2 FTE to the Judicial Department for FY 2015-16 for the Office of the Child Protection Ombudsman and the Department's related capital outlay and administrative expenses.

S.B. 15-234 (Long Bill): General appropriations act for FY 2015-16. Includes a provision modifying FY 2014-15 appropriations included in S.B. 15-150.

S.B. 15-288 (Compensation Paid to Elected Officials): Effective January 2019, replaces the existing fixed dollar salaries listed in statute for certain state officials and state legislators with a new method for determining salaries that aligns them to certain judicial officers' salaries. For additional information, see the "Recent Legislation" section at the end of the Governor – Lieutenant Governor – State Planning and Budgeting.

H.B. 15-1034 (Add One Judge): Adds one district court judge to the 12th judicial district (Alamosa, Conejos, Costilla, Mineral, Rio Grande, and Saguache counties). Appropriates a total of \$340,651 and 3.2 FTE (including \$333,631 General Fund and \$7,020 cash funds from the Judicial Department Information Technology Cash Fund) to the Judicial Department for FY 2015-16 for the trial courts, including funding for capital outlay expenses.

H.B. 15-1043 (Felony Offense for Repeat DUI Offenders): Increases the penalty for driving under the influence of alcohol or drugs (DUI), DUI per se, and driving while ability impaired (DWAI) from a misdemeanor to a class 4 felony after three or more prior convictions of a DUI, DUI per se, DWAI, vehicular homicide, vehicular assault, or any combination thereof. If the court sentences the defendant to the Department of Corrections (DOC) for a felony offense, the act requires the court to determine that incarceration is the most suitable option and to consider whether all other reasonable and appropriate sanctions and responses to the violation that are available to the court have been exhausted, do not appear likely to be successful if tried, or present an unacceptable risk to public safety. Reduces the penalty for aggravated driving with a revoked license from a class 6 felony to a class 1 misdemeanor, but requires the court to sentence the offender to a minimum term of 60 days in county jail. If a driver has had his or her driving privileges revoked for certain DUI-related offenses, requires that he or she hold an interlock-restricted license for at least two years and up to a maximum of five years following reinstatement; under current law the requirement is one year.

Appropriates a total of \$27,874,480 General Fund to DOC to cover the costs of housing additional offenders for the first five fiscal years of implementing the act. Appropriates a total of \$1,272,133 General Fund and 14.2 FTE to the Judicial Department for FY 2015-16 to cover additional trial court costs, the costs of supervising additional offenders sentenced to probation, and the costs of providing legal representation to additional offenders. All of these appropriations are detailed in the following table.

H.B. 15-1043: General Fund Appropriations		
Purpose and Fiscal Year	Dollar Amount	FTE
<u>Appropriations to Judicial Department for FY 2015-16</u>		
Trial court programs	\$700,394	8.8
Probation programs	152,261	2.3
Capital outlay for courts and probation	231,126	
Office of the State Public Defender	<u>188,352</u>	<u>3.1</u>
Subtotal: Judicial	\$1,272,133	14.2
<u>Statutory Appropriations to the Department of Corrections</u>		
FY 2016-17	\$2,581,944	
FY 2017-18	6,497,158	
FY 2018-19	9,397,689	
FY 2019-20	<u>9,397,689</u>	
Subtotal: Corrections	\$27,874,480	
Total for all fiscal years and departments	\$29,146,613	14.2

H.B. 15-1149 (Office of the Respondent Parents' Counsel): Senate Bill 14-203 established the Office of Respondent Parents' Counsel (ORPC), a new independent agency within the Judicial Branch charged with ensuring the provision and availability of high-quality legal representation for respondent parents involved in dependency and neglect proceedings. The act required that all existing and new state paid court appointments for respondent parents' counsel be transferred from the State Court Administrator's Office (SCAO) to the ORPC by January 1, 2016. The act also directed a pre-existing work group to make recommendations concerning an operational structure for the new office. House Bill 15-1149 implements the work group's recommendations by: (a) establishing a nine-member governing commission to oversee the operations of the ORPC; (b) establishing minimum qualifications for the Director of the ORPC; and (c) delaying by six months the transfer of all existing appointments to the ORPC. House Bill 15-1149 adjusts FY 2015-16 appropriations to reflect the six month delay, reducing total appropriations by \$618,145 (including \$603,145 General Fund and \$15,000 cash funds from training fees) and decreasing by 1.1 the associated FTE.

H.B. 15-1153 (Child and Family Investigator Oversight): The court may appoint an individual to serve as a child and family investigator (CFI) to investigate, report, and make recommendations to the court on issues that affect the best interests of children involved in a domestic relations case. The oversight of court-appointed CFIs is currently shared by two judicial agencies:

- the Office of the Child's Representative (OCR) oversees state-paid CFIs who are attorneys; and
- the State Court Administrator's Office (SCAO) oversees state-paid CFIs who are not attorneys, as well as all privately-paid CFIs (both attorneys and non-attorneys).

House Bill 15-1153 consolidates oversight of all court-appointed CFIs under the SCAO, effective January 1, 2016. Adjusts FY 2015-16 appropriations, shifting \$143,919 General Fund from the Office of the Child's Representative to the SCAO, and appropriating an additional \$27,580 General Fund to the SCAO to cover transition costs.

H.B. 15-1367 (Retail Marijuana Taxes): Refers a ballot issue to voters in November 2015, asking whether the State may retain and spend revenue collected from the Proposition AA excise and special sales taxes on retail marijuana in FY 2014-15. Independent of whether the voters approve the ballot issue, the act broadens purposes for which funds in the Marijuana Tax Cash Fund (MTCF) may be expended and requires that

appropriations from the MTCF for jail-based behavioral health services be made through the Correctional Treatment Cash Fund. The act includes corresponding changes to FY 2015-16 Judicial Department appropriations, adding an appropriation of \$1,550,000 cash funds from the MTCF to the Correctional Treatment Cash Fund, as well as an appropriation of \$1,550,000 reappropriated funds from the Correctional Treatment Cash Fund to allow the Judicial Department to transfer these funds to the Department of Human Services for jail-based behavioral health services. For additional information, see the "Recent Legislation" section at the end of the Department of Revenue.

Department Details

DEPARTMENT OF LABOR AND EMPLOYMENT

FY 2014-15 and FY 2015-16 Appropriations by Division and Bill

Department of Labor and Employment						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Total Appropriation:	\$167,508,765	\$661,690	\$66,168,686	\$650,740	\$100,027,649	1,016.5
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	41,283,259	77,567	19,783,064	157,006	21,265,622	99.9
Division of Unemployment Insurance	38,213,467	0	10,109,784	0	28,103,683	479.1
Division of Employment and Training	60,747,428	56,665	10,267,424	474,416	49,948,923	239.7
Division of Labor	1,753,636	527,458	1,226,178	0	0	18.8
Division of Oil and Public Safety	5,634,101	0	4,905,362	19,318	709,421	68.0
Division of Workers' Compensation	19,876,874	0	19,876,874	0	0	111.0
<u>Breakdown of Total Appropriation by Bill</u>						
HB 14-1336	167,047,063	259,785	66,014,571	650,740	100,121,967	1,016.0
SB 14-005	333,403	320,903	12,500	0	0	0.0
SB 14-015	56,665	56,665	0	0	0	0.5
SB 15-151	71,634	24,337	141,615	0	(94,318)	0.0
FY 2015-16 Total Appropriation:	\$187,521,105	\$8,008,584	\$74,251,770	\$4,439,547	\$100,821,204	1,030.3
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	43,681,786	2,412,771	19,722,917	641,630	20,904,468	99.9
Division of Unemployment Insurance	45,884,681	0	16,907,219	0	28,977,462	479.1
Division of Employment and Training	69,453,270	5,024,512	10,420,306	3,778,599	50,229,853	246.5
Division of Labor	1,840,778	571,301	1,269,477	0	0	25.8
Division of Oil and Public Safety	5,781,515	0	5,052,776	19,318	709,421	68.0
Division of Workers' Compensation	20,879,075	0	20,879,075	0	0	111.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 15-234	178,911,115	2,698,594	74,251,770	1,139,547	100,821,204	1,023.5
SB 15-239	665,330	665,330	0	0	0	0.0
HB 15-1030	157,950	157,950	0	0	0	0.3
HB 15-1170	118,969	118,969	0	0	0	1.0
HB 15-1230	582,698	582,698	0	0	0	1.0
HB 15-1274	485,043	485,043	0	0	0	2.5

Department of Labor and Employment						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 15-1276	6,600,000	3,300,000	0	3,300,000	0	2.0
Increase/(Decrease)	\$20,012,340	\$7,346,894	\$8,083,084	\$3,788,807	\$793,555	13.8
Percentage Change	11.9%	1,110.3%	12.2%	582.2%	0.8%	1.4%

Informational Funds: The FY 2015-16 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Labor and Employment are annotated with the "(I)". For additional information, see Appendix J.

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2015-16 Appropriations containing an (I) notation	\$108,996,206	\$0	\$8,175,002	\$0	\$100,821,204

Detail of Appropriation by Administrative Section

Executive Director's Office

The Office provides funding for common services to all divisions including legal services from the Department of Law and information technology services from the Governor's Office of Information Technology. Additionally, this office provides support services to all divisions including budgeting, accounting and human resources services.

Funding for this division is 5.5 percent General Fund, 45.2 percent cash funds, 1.5 percent reappropriated funds, and 47.9 percent federal funds. The Employment Support Fund and Workers' Compensation Cash Fund are the largest sources of cash funds. Reappropriated funds are from indirect cost recoveries.

Executive Director's Office						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$41,294,610	\$53,230	\$19,724,434	\$157,006	\$21,359,940	99.9
SB 15-151	<u>(11,351)</u>	<u>24,337</u>	<u>58,630</u>	<u>0</u>	<u>(94,318)</u>	<u>0.0</u>
TOTAL	\$41,283,259	\$77,567	\$19,783,064	\$157,006	\$21,265,622	99.9
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$41,283,259	\$77,567	\$19,783,064	\$157,006	\$21,265,622	99.9
Centrally appropriated line items	1,631,903	1,657,577	(112,243)	484,624	(398,055)	0.0
Annualize prior year budget actions	200,038	(24,337)	140,179	0	84,196	0.0

Executive Director's Office						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Annualize prior year legislation	16,634	16,634	0	0	0	0.0
Indirect cost assessment	(135,378)	0	(88,083)	0	(47,295)	0.0
SB 15-234	\$42,996,456	\$1,727,441	\$19,722,917	\$641,630	\$20,904,468	99.9
SB 15-239	665,330	665,330	0	0	0	0.0
HB 15-1170	<u>20,000</u>	<u>20,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$43,681,786	\$2,412,771	\$19,722,917	\$641,630	\$20,904,468	99.9
Increase/(Decrease)	\$2,398,527	\$2,335,204	(\$60,147)	\$484,624	(\$361,154)	0.0
Percentage Change	5.8%	3,010.6%	(0.3%)	308.7%	(1.7%)	0.0%

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 15-151 modified the FY 2014-15 appropriation by making the following adjustments:

- An increase of \$24,337 General Fund for the Governor’s Office of Information Technology to address necessary technical modifications to the State’s human resources’ computer systems; and
- A net decrease of \$35,688 total funds for a true-up of COFRS modernization allocations and to fund Colorado Operational Resource Engine enhancements and ongoing configuration.

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; shift-differential; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; workers' compensation; legal services; payment to risk management and property funds; Capitol complex leased space; and statewide indirect cost assessments.

Annualize prior year budget actions: The appropriation includes a number of changes to the out year impact of funding decisions made through the FY 2014-15 appropriation, including annualization of the FY 2014-15 salary survey and merit pay.

Annualize prior year legislation: The appropriation includes an increase of \$16,634 total funds for the out year impact of three bills: S.B 14-005 (Wage Protection Act), S.B. 14-015 (Hospitality Grant Program), and H.B. 13-1110 (Special Fuel Tax & Electric Vehicles Fee).

Indirect cost assessment: The appropriation includes a decrease to the Office’s indirect cost assessment.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Division of Unemployment Insurance

Unemployment insurance (UI) programs provide weekly benefits to individuals who have lost their job through no fault of their own. Responsibilities of the UI Programs include tax collection from employers, benefit payments, employer tax audits, call center operation, and claimant appeal application processing. Additionally, the UI Fraud Program identifies, investigates, and prosecutes unqualified individuals who receive UI benefits and employers who fail to pay UI premiums and taxes. The Division's funding consists of 63.2 percent federal funds and 36.8 percent cash funds. The Employment Support Fund is the primary source of cash funds with funds from the Employment and Training Technology Fund supporting the technology initiatives underway in the Division to modernize and consolidate UI front-end (UI claimants and employers) and back-end (UI staff) systems.

Division of Unemployment Insurance						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$38,213,467	\$0	\$10,109,784	\$0	\$28,103,683	479.1
TOTAL	\$38,213,467	\$0	\$10,109,784	\$0	\$28,103,683	479.1
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$38,213,467	\$0	\$10,109,784	\$0	\$28,103,683	479.1
Unemployment insurance automation initiatives	6,565,464	0	6,565,464	0	0	0.0
Annualize prior year budget actions	1,105,750	0	231,971	0	873,779	0.0
SB 15-234	\$45,884,681	\$0	\$16,907,219	\$0	\$28,977,462	479.1
TOTAL	\$45,884,681	\$0	\$16,907,219	\$0	\$28,977,462	479.1
Increase/(Decrease)	\$7,671,214	\$0	\$6,797,435	\$0	\$873,779	0.0
Percentage Change	20.1%	n/a	67.2%	n/a	3.1%	0.0%

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Unemployment insurance automation initiatives: The appropriation includes an increase of \$6,565,464 cash funds from the Employment and Training Technology Cash Fund for the Department to continue its efforts leading a multi-state consortium that is developing a comprehensive system for unemployment insurance benefits and premiums. The appropriation includes a footnote that identifies this appropriation as being available until the end of FY 2016-17 to ensure the vendor can be paid only once all milestones are completed.

Annualize prior year budget actions: The appropriation includes a number of changes to the out year impact of funding decisions made through the FY 2014-15 appropriation including annualization of the FY 2014-15 salary survey and merit pay.

Division of Employment and Training

The Division of Employment and Training administers three subdivisions: Employment and Training Programs, Labor Market Information, and the Skilled Worker Outreach, Recruitment, and Key Training Grant Program.

Division of Employment and Training						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$60,690,763	\$0	\$10,267,424	\$474,416	\$49,948,923	239.2
SB 14-015	<u>56,665</u>	<u>56,665</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.5</u>
TOTAL	\$60,747,428	\$56,665	\$10,267,424	\$474,416	\$49,948,923	239.7
FY 2015-16 Appropriation:						
SB 15-234	\$61,528,610	\$399,852	\$10,420,306	\$478,599	\$50,229,853	239.7
HB 15-1030	157,950	157,950	0	0	0	0.3
HB 15-1170	98,969	98,969	0	0	0	1.0
HB 15-1230	582,698	582,698	0	0	0	1.0
HB 15-1274	485,043	485,043	0	0	0	2.5
HB 15-1276	<u>6,600,000</u>	<u>3,300,000</u>	<u>0</u>	<u>3,300,000</u>	<u>0</u>	<u>2.0</u>
TOTAL	\$69,453,270	\$5,024,512	\$10,420,306	\$3,778,599	\$50,229,853	246.5
Increase/(Decrease)	\$8,705,842	\$4,967,847	\$152,882	\$3,304,183	\$280,930	6.8
Percentage Change	14.3%	8,767.0%	1.5%	696.5%	0.6%	2.8%

Employment and Training Programs

Employment and Training Programs offer free assistance to job seekers, including: job search assistance, additional job training, and classes to improve interview and resume skills. These services are offered through state and county one-stop centers. Additionally, workforce centers match employers with qualified candidates to fill job vacancies. Funding for these programs consists of cash funds, primarily from the Employment Support Fund, and various federal funds including the Workforce Investment Act and Trade Adjustment Act.

Employment and Training Programs						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$58,609,222	\$0	\$10,256,101	\$474,416	\$47,878,705	208.9
SB 14-015	<u>56,665</u>	<u>56,665</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.5</u>
TOTAL	\$58,665,887	\$56,665	\$10,256,101	\$474,416	\$47,878,705	209.4

<i>Employment and Training Programs</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$58,665,887	\$56,665	\$10,256,101	\$474,416	\$47,878,705	209.4
Annualize prior year budget actions	370,227	0	152,882	4,183	213,162	0.0
Annualize prior year legislation	343,187	343,187	0	0	0	0.0
SB 15-234	\$59,379,301	\$399,852	\$10,408,983	\$478,599	\$48,091,867	209.4
HB 15-1030	157,950	157,950	0	0	0	0.3
HB 15-1170	98,969	98,969	0	0	0	1.0
HB 15-1230	582,698	582,698	0	0	0	1.0
HB 15-1274	<u>485,043</u>	<u>485,043</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2.5</u>
TOTAL	\$60,703,961	\$1,724,512	\$10,408,983	\$478,599	\$48,091,867	214.2
Increase/(Decrease)	\$2,038,074	\$1,667,847	\$152,882	\$4,183	\$213,162	4.8
Percentage Change	3.5%	2,943.3%	1.5%	0.9%	0.4%	2.3%

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes a number of changes to the out year impact of funding decisions made through the FY 2014-15 appropriation, including annualization of the FY 2014-15 salary survey and merit pay.

Annualize prior year legislation: The appropriation includes an increase of \$343,187 General Fund for the second year impact of S.B. 14-015 (Hospitality Grant Program).

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Labor Market Information

Labor Market Information (LMI) provides data on labor force trends across the state, including monthly unemployment numbers and job growth information. LMI collaborates with one-stop centers to provide relevant training classes in fields that have potential long-term growth in Colorado. Federal funds make up 99.5 percent of LMI's funding, and the remaining 0.5 percent is cash funds from the sale of publications.

<i>Labor Market Information</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	<u>\$2,081,541</u>	<u>\$0</u>	<u>\$11,323</u>	<u>\$0</u>	<u>\$2,070,218</u>	<u>30.3</u>
TOTAL	\$2,081,541	\$0	\$11,323	\$0	\$2,070,218	30.3

<i>Labor Market Information</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$2,081,541	\$0	\$11,323	\$0	\$2,070,218	30.3
Annualize prior year budget actions	67,768	0	0	0	67,768	0.0
SB 15-234	<u>\$2,149,309</u>	<u>\$0</u>	<u>\$11,323</u>	<u>\$0</u>	<u>\$2,137,986</u>	<u>30.3</u>
TOTAL	\$2,149,309	\$0	\$11,323	\$0	\$2,137,986	30.3
Increase/(Decrease)	\$67,768	\$0	\$0	\$0	\$67,768	0.0
Percentage Change	3.3%	n/a	0.0%	n/a	3.3%	0.0%

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes a number of changes to the out year impact of funding decisions made through the FY 2014-15 appropriation, including annualization of the FY 2014-15 salary survey and merit pay.

Skilled Worker Outreach, Recruitment, and Key Training Grant Program

Created by H.B. 15-1276 (Skilled Worker Outreach, Recruitment, and Key Training Grant Program), the Skilled Worker Outreach, Recruitment, and Key Training Grant Program will accept applications for matching grants from public and private providers of skilled worker training programs. Beginning January 1, 2016, providers may apply for grants when they offer training for skills that are needed in the workplace and provide a credential or other evidence of achievement to the worker after completion. The bill that created this program appropriated \$3.3 million General Fund to the Skilled Worker Outreach, Recruitment, and Key Training Program Cash Fund, and further reappropriates that funding to the program. For budget purposes, this appears to count the funding twice.

<i>Skilled Worker Outreach, Recruitment, and Key Grant Training Program</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$0	\$0	\$0	\$0	\$0	0.0
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$0	\$0	\$0	\$0	\$0	0.0
SB 15-234	\$0	\$0	\$0	\$0	\$0	0.0
HB 15-1276	<u>6,600,000</u>	<u>3,300,000</u>	<u>0</u>	<u>3,300,000</u>	<u>0</u>	<u>2.0</u>
TOTAL	\$6,600,000	\$3,300,000	\$0	\$3,300,000	\$0	2.0

<i>Skilled Worker Outreach, Recruitment, and Key Grant Training Program</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Increase/(Decrease)	\$6,600,000	\$3,300,000	\$0	\$3,300,000	\$0	2.0
Percentage Change	n/a	n/a	n/a	n/a	n/a	n/a

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Additional legislation: For information about H.B. 15-1276, see the "Recent Legislation" section at the end of this department.

Division of Labor

The Division of Labor ensures compliance with Colorado's wage, youth, and labor laws, and facilitates labor dispute resolution and mediation. The cash fund appropriations for the Division of Labor are primarily from the Employment Support Fund with some support provided by the Employment Verification Cash Fund.

Division of Labor						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$1,420,233	\$206,555	\$1,213,678	\$0	\$0	18.8
SB 14-005	<u>333,403</u>	<u>320,903</u>	<u>12,500</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$1,753,636	\$527,458	\$1,226,178	\$0	\$0	18.8
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$1,753,636	\$527,458	\$1,226,178	\$0	\$0	18.8
Annualize prior year legislation	53,553	41,053	12,500	0	0	7.0
Annualize prior year budget actions	33,589	2,790	30,799	0	0	0.0
<u>SB 15-234</u>	<u>\$1,840,778</u>	<u>\$571,301</u>	<u>\$1,269,477</u>	<u>\$0</u>	<u>\$0</u>	<u>25.8</u>
TOTAL	\$1,840,778	\$571,301	\$1,269,477	\$0	\$0	25.8
Increase/(Decrease)	\$87,142	\$43,843	\$43,299	\$0	\$0	7.0
Percentage Change	5.0%	8.3%	3.5%	n/a	n/a	37.2%

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Annualize prior year legislation: The appropriation includes an increase of \$53,553 total funds for the second year impact of S.B. 14-005 (Wage Protection Act).

Annualize prior year budget actions: The appropriation includes a number of changes to the out year impact of funding decisions made through the FY 2014-15 appropriation, including annualization of the FY 2014-15 salary survey and merit pay.

Division of Oil and Public Safety

This Division is comprised of the Public Safety Unit (PSU) and the Office of the State Oil Inspector (Inspector). The PSU conducts inspections of 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 carnival and amusement park rides; licenses conveyances, conveyance inspectors and mechanics; and regulates and monitors proper storage of explosives.

Cash funds used to support the operations of this Division include the Petroleum Storage Tank Fund and the Boiler Inspection Fund. Reappropriated funds are from the Department of Public Health and Environment.

Division of Oil and Public Safety						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	<u>\$5,634,101</u>	<u>\$0</u>	<u>\$4,905,362</u>	<u>\$19,318</u>	<u>\$709,421</u>	<u>68.0</u>
TOTAL	\$5,634,101	\$0	\$4,905,362	\$19,318	\$709,421	68.0
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$5,634,101	\$0	\$4,905,362	\$19,318	\$709,421	68.0
Annualize prior year budget actions	152,117	0	152,117	0	0	0.0
Annualize prior year legislation	(4,703)	0	(4,703)	0	0	0.0
SB 15-234	<u>\$5,781,515</u>	<u>\$0</u>	<u>\$5,052,776</u>	<u>\$19,318</u>	<u>\$709,421</u>	<u>68.0</u>
TOTAL	\$5,781,515	\$0	\$5,052,776	\$19,318	\$709,421	68.0
Increase/(Decrease)	\$147,414	\$0	\$147,414	\$0	\$0	0.0
Percentage Change	2.6%	n/a	3.0%	0.0%	0.0%	0.0%

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes a number of changes to the out year impact of funding decisions made through the FY 2014-15 appropriation including annualization of the FY 2014-15 salary survey and merit pay.

Annualize prior year legislation: The appropriation includes a decrease of \$4,703 total funds for the third year impact of H.B. 13-1110 (Special Fuel Tax & Electric Vehicle Fee).

Division of Workers' Compensation

The Division of Workers' Compensation is comprised of five major units: customer service, dispute resolution, medical cost containment, employer services, and special funds.

- The customer service unit provides administrative oversight of injury claims to ensure compliance with all benefit and reporting requirements. This unit provides information and technical assistance and audits insurers' claims handling practices.
- The dispute resolution unit provides mediation, arbitration, pre-hearing, and settlement services to quickly resolve contested issues without administrative hearings and/or litigation.
- The medical cost containment unit oversees the programs intended to ensure that medical services for workers' compensation claims are provided in a cost-effective manner.
- The employer services section administers the self-insurance and premium cost-containment programs and ensures employer compliance with workers' compensation coverage requirements.
- The special funds section administers two large insurance programs, the Major Medical Insurance Fund (MMIF) and Subsequent Injury Fund (SIF). The MMIF covers the medical expenses in excess of \$20,000 of an injured worker who sustained catastrophic injuries between July 1971 and June 1981. The Subsequent Injury Fund covers an injured worker's medical expenses from a second workplace injury, that occurred before 1994, resulting in permanent disability, or up to \$10,000 of a worker's medical expenses from a second or subsequent exposure to certain occupational materials.

The Division of Workers' Compensation is cash funded primarily from the Workers' Compensation Cash Fund, the Subsequent Injury Fund, and the Major Medical Insurance Fund.

Division of Workers' Compensation						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$19,793,889	\$0	\$19,793,889	\$0	\$0	111.0
SB 15-151	<u>82,985</u>	<u>0</u>	<u>82,985</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$19,876,874	\$0	\$19,876,874	\$0	\$0	111.0
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$19,876,874	\$0	\$19,876,874	\$0	\$0	111.0
Centrally appropriated line items	773,768	0	773,768	0	0	0.0
Annualize prior year budget actions	228,433	0	228,433	0	0	0.0
SB 15-234	<u>\$20,879,075</u>	<u>\$0</u>	<u>\$20,879,075</u>	<u>\$0</u>	<u>\$0</u>	<u>111.0</u>
TOTAL	\$20,879,075	\$0	\$20,879,075	\$0	\$0	111.0
Increase/(Decrease)	\$1,002,201	\$0	\$1,002,201	\$0	\$0	0.0
Percentage Change	5.0%	n/a	5.0%	n/a	n/a	0.0%

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 15-151 modifies the FY 2014-15 appropriation by increasing the appropriation by \$82,985 cash funds from the Workers' Compensation Cash Fund to account for an increased demand on administrative law judges.

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: legal services and administrative law judges.

Annualize prior year budget actions: The appropriation includes a number of changes to the out year impact of funding decisions made through the FY 2014-15 appropriation, including annualization of the FY 2014-15 salary survey and merit pay.

Recent Legislation

2014 Session Bills

S.B. 14-005 (Wage Protection Act): Authorizes the Division of Labor to establish an administrative process to handle wage claim cases received and requires the division to investigate and adjudicate all wage claim cases up to \$7,500 per employee—which represents the maximum sum in nearly all wage claim cases—after January 1, 2015. Outlines required notices the division must send in writing and response deadlines for those notices. Requires the Division to issue a citation and notice of assessment to employers when a violation is found. Increases the appropriation to the Division of Labor by \$333,403 total funds including \$320,903 General Fund to investigate wage issues, perform audits, analyze company records, impose fees, and promulgate rules.

S.B. 14-015 (Hospitality Education Grant Program): Creates a hospitality career secondary education grant program in the Department. Directs the Department to award grants to increase the number and quality of hospitality programs operating in schools. Requires the Department to adopt rules for the program and begin awarding grants for the 2015-16 academic year. Increases the appropriation to the Division of Employment and Training by \$56,665 General Fund and 0.5 FTE to administer the hospitality education grant program.

H.B. 14-1336 (Long Bill): General appropriations act for FY 2014-15.

2015 Session Bills

S.B. 15-151 (Supplemental Bill): Supplemental appropriations to the Department of Labor and Employment to modify FY 2014-15 appropriations included in the FY 2014-15 Long Bill (H.B. 14-1336).

S.B. 15-234 (Long Bill): General appropriations act for FY 2015-16.

S.B. 15-239 (Transfer Vocational Rehabilitation Programs from DHS to CDLE): Transfers the Vocational Rehabilitation Programs, including the Business Enterprise Program, through which persons who are blind operate vending facilities in State buildings, from the Department of Human Services (DHS) to the Department of Labor and Employment (CDLE) as of July 1, 2016. CDLE and DHS must develop a transition plan by

December 1, 2015 detailing additional steps, including any additional statutory changes necessary to effectuate the transition of vocational rehabilitation programs from DHS to CDLE. Further, starting in September 2015, CDLE must provide quarterly status updates to the Joint Budget Committee. For FY 2015-16, makes the following appropriations: (1) \$665,330 General Fund and 1.0 FTE to the Department of Labor and Employment, (2) \$18,902 reappropriated funds from CDLE and 0.1 FTE to the Department of Law, and (3) \$59,280 reappropriated funds from CDLE to the Governor's Office of Information and Technology.

H.B. 15-1030 (Employment Services for Veterans Pilot Program): Creates the Employment Services for Veterans Pilot Program in the Department of Labor and Employment. The pilot program will provide employment services for 20 veterans over the course of two fiscal years. The Department will submit a request for proposals to solicit a qualified nonprofit agency to operate the program as a contractor. Appropriates \$157,950 General Fund and 0.3 FTE to the Department of Labor and Employment in FY 2015-16.

H.B. 15-1170 (Increasing Postsecondary and Workforce Readiness): Creates the position of postsecondary and workforce readiness statewide coordinator within the Department of Labor and Employment to work with local education providers, businesses, industry, area vocational schools, community colleges, the Department of Education, the Department of Higher Education, and the career and technical education division within the community college system to raise the level of postsecondary and workforce readiness achieved by high school students. Beginning in FY 2016-17, modifies the statewide education accountability system by requiring the Department of Education to include the percentages of high school graduates who enroll in a career and technical education program, community college, or four-year institution of higher education as measures of postsecondary and workforce readiness. For FY 2015-16, makes the following appropriations: (1) \$92,934 General Fund and 0.7 FTE to the Department of Education; (2) \$118,969 General Fund to the Colorado Department of Labor and Employment (CDLE); and (3) \$20,000 reappropriated funds (from the appropriation to the CDLE) to the Office of the Governor for information technology services.

H.B. 15-1230 (Innovative Industry Workforce Development): Creates the Innovative Industries Workforce Development Program in the Department of Labor and Employment and cooperatively administered by the Workforce Development Council and the Division (WDC) of Employment and Training. The program reimburses employers with high-level internships and apprenticeships in an innovated industry for up to \$5,000 in expenses per intern. The WDC provides technical assistance, promotes the program, and prioritizes applications if there are more internships than available funding. For FY 2015-16, appropriates \$582,698 and 1.0 FTE to the Department of Labor and Employment.

H.B. 15-1274 (Creation of Career Pathways for Students): Requires the Colorado Workforce Development Council in the Department of Labor and Employment, in collaboration and consultation with partners including the Department of Higher Education and the community college system, the Department of Education, the Governor's Office of Economic Development and International Trade, partner industries, and local educational institutions, to design integrated career pathways within identified growth industries. A career pathway is a series of connected education and training strategies and support services that enable students to secure industry-relevant skills and certification, where applicable, to obtain employment within an occupational area, and to advance to higher levels of future education and employment. Following design and implementation of new career pathways, the Departments of Higher Education and Labor and Employment must collaborate to promote information concerning the program and provide online student support services. For FY 2015-16 provides appropriations of \$485,043 General Fund to the Department of Labor and Employment for the Workforce Development Council, based on the assumption that the Department will require an additional 2.5 FTE. Provides appropriations to the Department of Higher Education of: (1) \$86,960 General Fund, which is reappropriated to the community college system; and (2) \$200,000 reappropriated funds, from the amount

initially appropriated to the Department of Labor and Employment, for an on-line resource publicizing the new career pathways.

H.B. 15-1276 (Skilled Worker Outreach, Recruitment, and Key Training Grant Program): Creates the Skilled Worker Outreach, Recruitment, and Key Training Grant Program in the Colorado Department of Labor and Employment (CDLE). Starting January 1, 2016, the program will accept applications for matching grants from public and private providers of qualified skilled worker training programs. Qualified grant recipients offer training for skills that are needed in the workplace, with a credential or other evidence of achievement awarded at the completion of training. For FY 2015-16, appropriates \$3.3 million General Fund to the Skilled Worker Outreach, Recruitment, and Key Training Grant Program Cash Fund and reappropriates \$3.3 million from that cash fund to CDLE for both administration of the program and grant awards. To administer the program, it appropriates \$120,496 based on the assumption the Department will require an additional 2.0 FTE and \$3,179,504 for grant awards.

Department Details

DEPARTMENT OF LAW

FY 2014-15 and FY 2015-16 Appropriations by Division and Bill

Department of Law						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Total Appropriation:	\$74,767,926	\$13,575,405	\$15,578,104	\$43,867,145	\$1,747,272	469.0
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Administration	14,938,401	3,015,680	1,328,802	10,248,565	345,354	43.7
Legal Services to State Agencies	31,984,583	0	879,912	31,104,671	0	258.2
Criminal Justice and Appellate	16,434,187	5,828,675	7,669,409	1,534,185	1,401,918	109.1
Water and Natural Resources	2,118,999	576,724	862,289	679,986	0	12.0
Consumer Protection	4,401,700	1,106,670	2,995,292	299,738	0	46.0
Special Purpose	4,890,056	3,047,656	1,842,400	0	0	0.0
<u>Breakdown of Total Appropriation by Bill</u>						
HB 14-1336	69,567,702	12,917,348	12,369,385	42,532,558	1,748,411	454.9
SB 14-002	281,952	266,952	15,000	0	0	2.5
SB 14-005	23,225	0	0	23,225	0	0.0
SB 14-029	9,108	0	0	9,108	0	0.0
SB 14-099	18,216	0	0	18,216	0	0.1
SB 14-123	1,612,467	0	1,612,467	0	0	1.4
SB 14-125	9,108	0	0	9,108	0	0.1
SB 14-133	9,057	0	0	9,057	0	0.0
SB 14-172	182	0	0	182	0	0.0
SB 14-188	163,944	0	0	163,944	0	1.0
SB 14-215	1,624,760	0	1,624,760	0	0	3.0
HB 14-1144	350,000	350,000	0	0	0	0.0
HB 14-1199	3,643	0	0	3,643	0	0.0
HB 14-1202	20,000	0	0	20,000	0	0.0
HB 14-1227	56,925	0	0	56,925	0	0.3
HB 14-1319	18,216	0	0	18,216	0	0.0
HB 14-1328	55,741	0	27,324	28,417	0	0.4
HB 14-1329	18,216	0	0	18,216	0	0.1
HB 14-1331	105,653	0	0	105,653	0	0.6
HB 14-1380	3,643	0	3,643	0	0	0.0
HB 14-1398	14,573	0	0	14,573	0	0.0
SB 15-152	877,595	41,105	1,525	836,104	(1,139)	4.6

Department of Law						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 15-167	(76,000)	0	(76,000)	0	0	0.0
FY 2015-16 Total Appropriation:	\$77,512,023	\$15,058,065	\$15,796,431	\$44,863,650	\$1,793,877	477.6
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Administration	17,643,502	4,243,874	1,412,760	11,619,525	367,343	51.0
Legal Services to State Agencies	31,870,316	0	982,904	30,887,412	0	260.9
Criminal Justice and Appellate	16,407,802	5,777,690	7,849,731	1,353,847	1,426,534	104.8
Water and Natural Resources	2,120,141	578,087	861,685	680,369	0	12.0
Consumer Protection	4,864,378	1,302,530	3,239,351	322,497	0	48.0
Special Purpose	4,605,884	3,155,884	1,450,000	0	0	0.9
<u>Breakdown of Total Appropriation by Bill</u>						
SB 15-234	77,257,689	14,963,624	15,796,431	44,703,757	1,793,877	476.1
SB 15-014	56,706	0	0	56,706	0	0.3
SB 15-106	8,506	0	0	8,506	0	0.0
SB 15-110	4,726	0	0	4,726	0	0.0
SB 15-196	3,780	0	0	3,780	0	0.0
SB 15-239	18,902	0	0	18,902	0	0.1
HB 15-1063	94,441	94,441	0	0	0	0.8
HB 15-1309	7,426	0	0	7,426	0	0.0
HB 15-1367	26,593	0	0	26,593	0	0.1
HB 15-1379	33,254	0	0	33,254	0	0.2
Increase/(Decrease)	\$2,744,097	\$1,482,660	\$218,327	\$996,505	\$46,605	8.6
Percentage Change	3.7%	10.9%	1.4%	2.3%	2.7%	1.8%

Informational Funds: The FY 2015-16 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Law are annotated with the "(I)". For additional information, see Appendix J.

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2015-16 Appropriations containing an (I) notation	\$3,431,300	\$0	\$1,350,757	\$286,666	\$1,793,877

Detail of Appropriation by Administrative Section

Administration

This section includes funding for the Attorney General, the Solicitor General, and other management staff, as well as the Department's human resources, accounting/budgeting, information technology, and legal support services units. These units are supported by General Fund and indirect cost recoveries. This section also includes central appropriations for the entire Department, including funding for employee benefits, facilities, vehicles, and information technology. Cash funds appropriations include moneys received by the Attorney General as an award of attorney fees or costs, and various other sources. Reappropriated funds derive from indirect cost recoveries and moneys transferred from a variety of other appropriations. Federal funds are from the Medicaid Fraud Control Program.

Administration						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$14,871,401	\$2,974,575	\$1,327,277	\$10,223,056	\$346,493	43.7
SB 15-152	<u>67,000</u>	<u>41,105</u>	<u>1,525</u>	<u>25,509</u>	<u>(1,139)</u>	<u>0.0</u>
TOTAL	\$14,938,401	\$3,015,680	\$1,328,802	\$10,248,565	\$345,354	43.7
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$14,938,401	\$3,015,680	\$1,328,802	\$10,248,565	\$345,354	43.7
Centrally appropriated line items	2,883,715	936,580	198,423	1,690,439	58,273	0.0
Office of Community Engagement	619,941	604,941	15,000	0	0	5.8
Legislative liaison	101,205	0	0	101,205	0	1.0
Half-time contract administrator	48,956	0	0	48,956	0	0.0
Move POST FTE to Administration	46,935	0	0	46,935	0	0.5
Annualize prior year budget actions	(931,269)	(274,840)	(127,940)	(491,066)	(37,423)	0.0
Reverse supplemental	(67,000)	(41,105)	(1,525)	(25,509)	1,139	0.0
Other	2,618	2,618	0	0	0	0.0
SB 15-234	<u>\$17,643,502</u>	<u>\$4,243,874</u>	<u>\$1,412,760</u>	<u>\$11,619,525</u>	<u>\$367,343</u>	<u>51.0</u>
TOTAL	\$17,643,502	\$4,243,874	\$1,412,760	\$11,619,525	\$367,343	51.0
Increase/(Decrease)	\$2,705,101	\$1,228,194	\$83,958	\$1,370,960	\$21,989	7.3
Percentage Change	18.1%	40.7%	6.3%	13.4%	6.4%	16.7%

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 15-152 modifies the FY 2014-15 appropriation to support additional legal services purchased by the Safe2Tell Program (within the Department of Law) and to adjust centrally appropriated line items for vehicle lease payments, the CORE accounting system, payments to the Governor's Office of Information Technology, and administrative law judge services.

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; vehicle lease payments; workers' compensation; legal services; payment to risk management and property funds; Ralph L. Carr Colorado Judicial Center leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

Office of Community Engagement: The appropriation includes an increase of \$619,941 total funds (including \$604,941 General Fund) and 5.8 FTE in this division to establish an Office of Community Engagement. The increase in this division is partially offset by a reduction of \$398,536 total funds (including \$383,536 General Fund) and 4.0 FTE from the Criminal Justice and Appellate section to consolidate the Safe2Tell program into the newly created Office of Community Engagement.

Legislative liaison: The appropriation includes an increase of \$101,205 reappropriated funds and 1.0 FTE to allow the Department to hire a legislative liaison following a restructuring of the Attorney General's senior staff.

Half-time contract administrator: The appropriation includes an increase of \$48,956 reappropriated funds to hire a half-time contract administrator in response to increasing contract-related workload.

Move POST FTE to Administration: The appropriation reflects an increase of \$46,935 reappropriated funds and 0.5 FTE in this section to move 0.5 FTE currently appropriated to the P.O.S.T. Board into the Administration section and support that position with indirect cost recoveries rather than P.O.S.T. Board cash funds.

Annualize prior year budget actions: The appropriation includes adjustments related to prior year budget actions, primarily driven by a reduction of \$926,566 total funds for annualization of the FY 2014-15 salary survey and merit pay.

Reverse supplemental: The appropriation reflects a net reduction of \$67,000 total funds to eliminate funding provided through the FY 2014-15 supplemental bill.

Other: The appropriation includes other minor adjustments.

Legal Services to State Agencies

The Department provides legal services on a fee-for-service basis to state agencies and enterprises. This section includes appropriations for the attorneys, legal assistants, and support personnel who provide these services. In most cases, the appropriations in this section are reflected as reappropriated funds because a duplicate appropriation for the purchase of legal services appears in the client agency's budget. Cash funds reflect payments the Department receives from state agencies that are not duplicated in appropriations elsewhere in the budget. In FY 2015-16, the Department expects to provide 410,963 hours of legal service at an average billing rate of \$95.01 per hour, a 4.0 percent decrease compared to the FY 2014-15 average billing rate. This decrease primarily reflects a the elimination of a one-time increase required in FY 2014-15 to create a reserve for

compensated absences. That decrease is partially offset by increased costs for employee salaries and benefits, and increased lease costs at the Ralph L. Carr Colorado Judicial Center.

Legal Services to State Agencies						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$30,644,538	\$0	\$848,945	\$29,795,593	\$0	251.0
SB 14-005	23,225	0	0	23,225	0	0.0
SB 14-029	9,108	0	0	9,108	0	0.0
SB 14-099	18,216	0	0	18,216	0	0.1
SB 14-125	9,108	0	0	9,108	0	0.1
SB 14-133	9,057	0	0	9,057	0	0.0
SB 14-172	182	0	0	182	0	0.0
SB 14-188	163,944	0	0	163,944	0	1.0
HB 14-1199	3,643	0	0	3,643	0	0.0
HB 14-1202	20,000	0	0	20,000	0	0.0
HB 14-1227	56,925	0	0	56,925	0	0.3
HB 14-1319	18,216	0	0	18,216	0	0.0
HB 14-1328	55,741	0	27,324	28,417	0	0.4
HB 14-1329	18,216	0	0	18,216	0	0.1
HB 14-1331	105,653	0	0	105,653	0	0.6
HB 14-1380	3,643	0	3,643	0	0	0.0
HB 14-1398	14,573	0	0	14,573	0	0.0
SB 15-152	<u>810,595</u>	<u>0</u>	<u>0</u>	<u>810,595</u>	<u>0</u>	<u>4.6</u>
TOTAL	\$31,984,583	\$0	\$879,912	\$31,104,671	\$0	258.2
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$31,984,583	\$0	\$879,912	\$31,104,671	\$0	258.2
Annualize prior year budget actions	534,680	0	0	534,680	0	0.0
Provision of legal services	219,614	0	0	219,614	0	6.9
Fund source adjustments	0	0	(852,588)	852,588	0	0.0
Reverse supplemental	(810,595)	0	0	(810,595)	0	(4.6)
Annualize prior year legislation	(141,592)	0	(27,324)	(114,268)	0	(0.5)
Indirect cost assessment	(76,267)	0	982,904	(1,059,171)	0	0.0
Other	0	0	0	0	0	0.2
SB 15-234	\$31,710,423	\$0	\$982,904	\$30,727,519	\$0	260.2
SB 15-014	56,706	0	0	56,706	0	0.3
SB 15-106	8,506	0	0	8,506	0	0.0
SB 15-110	4,726	0	0	4,726	0	0.0
SB 15-196	3,780	0	0	3,780	0	0.0
SB 15-239	18,902	0	0	18,902	0	0.1

Legal Services to State Agencies						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 15-1309	7,426	0	0	7,426	0	0.0
HB 15-1367	26,593	0	0	26,593	0	0.1
HB 15-1379	<u>33,254</u>	<u>0</u>	<u>0</u>	<u>33,254</u>	<u>0</u>	<u>0.2</u>
TOTAL	\$31,870,316	\$0	\$982,904	\$30,887,412	\$0	260.9
Increase/(Decrease)	(\$114,267)	\$0	\$102,992	(\$217,259)	\$0	2.7
Percentage Change	(0.4%)	n/a	11.7%	(0.7%)	n/a	1.0%

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 15-152 adds \$810,595 reappropriated funds and 4.6 FTE for the provision of legal services to the Department of Corrections, the Department of Revenue, the Independent Ethics Commission, and the Safe2Tell Program (within the Department of Law).

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes \$534,680 reappropriated funds for the annualization of the FY 2014-15 salary survey and merit pay.

Provision of legal services: The appropriation reflects an increase to meet state agencies' anticipated demand for legal services in FY 2015-16.

Fund source adjustments: The appropriation includes an increase in reappropriated funds offset by a decrease in cash funds.

Reverse supplemental: The appropriation reflects a reduction of \$810,595 reappropriated funds and 4.6 FTE to eliminate funding provided through the FY 2014-15 supplemental bill for legal services provided to other agencies.

Annualize prior year legislation: The appropriation includes a reduction of \$141,592 total funds and 0.5 FTE for the second year impact of prior year legislation.

Indirect cost assessment: The appropriation includes a net decrease in the division's indirect cost assessment.

Other: The appropriation includes other minor adjustments.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Criminal Justice and Appellate

This section provides funding for department staff who:

- Investigate and prosecute certain complex and multi-jurisdictional cases, environmental crimes, and foreign prosecutions;
- Investigate and prosecute Medicaid provider fraud and patient abuse;
- Investigate and prosecute securities, insurance, and workers' compensation fraud;
- Provide investigative and prosecutorial support to district attorneys for certain homicide cases;
- Represent the State in criminal appeal cases in state and federal courts;
- Assure that the constitutional and statutory rights of victims are preserved in criminal cases being prosecuted or defended by the Department;
- Support and provide funding for the Peace Officers Standards and Training (P.O.S.T.) Board.

Cash fund sources include moneys paid by insurance companies for the investigation and prosecution of insurance fraud, fees paid by peace officers for P.O.S.T. Board certification, and a statewide vehicle registration fee to support training for peace officers. Reappropriated fund sources include departmental indirect cost recoveries, moneys transferred from the Department of Public Safety from the Colorado Auto Theft Prevention Cash Fund and from the Victims Assistance and Law Enforcement (VALE) Fund, and moneys transferred from the Department of Regulatory Agencies from fees paid by regulated entities for the investigation and prosecution of securities fraud. Federal moneys help support the Medicaid Fraud Control Unit.

Criminal Justice and Appellate						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$12,991,008	\$5,561,723	\$4,493,182	\$1,534,185	\$1,401,918	102.2
SB 14-002	281,952	266,952	15,000	0	0	2.5
SB 14-123	1,612,467	0	1,612,467	0	0	1.4
SB 14-215	1,624,760	0	1,624,760	0	0	3.0
SB 15-167	<u>(76,000)</u>	<u>0</u>	<u>(76,000)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$16,434,187	\$5,828,675	\$7,669,409	\$1,534,185	\$1,401,918	109.1
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$16,434,187	\$5,828,675	\$7,669,409	\$1,534,185	\$1,401,918	109.1
Annualize prior year budget actions	241,777	135,529	41,597	27,383	37,268	0.1
Annualize prior year legislation	178,478	9,195	169,283	0	0	0.6
Fund source adjustments	0	190,445	0	(190,445)	0	0.0
Move POST FTE to Administration	0	0	0	0	0	(0.5)
Office of Community Engagement	(398,536)	(383,536)	(15,000)	0	0	(4.0)
POST legal services	(20,047)	0	(20,047)	0	0	0.0
Indirect cost assessment	(14,339)	0	4,489	(6,176)	(12,652)	0.0
Change in anticipated grant funding	(11,100)	0	0	(11,100)	0	(0.5)
Other	(2,618)	(2,618)	0	0	0	0.0

Criminal Justice and Appellate						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 15-234	<u>\$16,407,802</u>	<u>\$5,777,690</u>	<u>\$7,849,731</u>	<u>\$1,353,847</u>	<u>\$1,426,534</u>	<u>104.8</u>
TOTAL	\$16,407,802	\$5,777,690	\$7,849,731	\$1,353,847	\$1,426,534	104.8
Increase/(Decrease)	(\$26,385)	(\$50,985)	\$180,322	(\$180,338)	\$24,616	(4.3)
Percentage Change	(0.2%)	(0.9%)	2.4%	(11.8%)	1.8%	(3.9%)

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 15-167 reduces the FY 2014-15 appropriation to the Peace Officer Standards and Training Board by \$76,000 cash funds from the Marijuana Tax Cash Fund. For additional information, see the “Recent Legislation” section at the end of this department.

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes an increase of \$241,777 total funds and 0.1 FTE for the annualization of prior year budget actions, primarily driven by the annualization of the FY 2014-15 salary survey and merit pay.

Annualize prior year legislation: The appropriation includes an increase of \$178,478 total funds and 0.6 FTE for the second year impact of prior year legislation.

Fund source adjustments: The appropriation includes an increase in General Fund offset by a decrease in reappropriated funds.

Move POST FTE to Administration: The appropriation reflects the movement of 0.5 FTE currently appropriated to the P.O.S.T. Board to the Administration section.

Office of Community Engagement: The appropriation includes a decrease of \$398,536 total funds (including \$383,536 General Fund) and 4.0 FTE in this section to consolidate the Safe2Tell program into the newly created Office of Community Engagement within the Administration section.

POST legal services: The appropriation reflects a decrease of \$20,047 cash funds in this section associated with legal services anticipated to be purchased by the P.O.S.T. Board in FY 2015-16, as these funds are now reflected in the legal services line item in the Administration section.

Indirect cost assessment: The appropriation includes a net decrease in the division's indirect cost assessment.

Change in anticipated grant funding: The appropriation reflects an anticipated net decrease of \$11,100 in grant funds reappropriated from the Department of Public Safety, including an increase of \$3,803 for victims’ assistance efforts supported by a grant from the Victims Assistance and Law Enforcement (VALE) Fund and a decrease of \$14,903 associated with efforts to investigate and prosecute multi-jurisdictional auto theft. The appropriation includes a reduction of 0.5 FTE associated with auto theft prevention efforts to reflect current staffing levels.

Other: The appropriation includes other minor adjustments.

Water and Natural Resources

This section provides funding for department staff who protect and defend the interests of the State and its citizens in all areas of natural resources law and environmental law, including: the use of surface and ground water, oil and gas development, mining and minerals, wildlife, the clean-up of contaminated sites (pursuant to the federal Comprehensive Environmental Response, Compensation and Liability Act or "CERCLA"), the proper storage or disposal of hazardous waste, and protection of the state's air and water. Cash fund sources include the Colorado Water Conservation Board's Litigation Fund and moneys received by the Attorney General as an award of attorney fees or costs. Reappropriated funds are transferred from the Department of Public Health and Environment from the Hazardous Substance Response Fund.

Water and Natural Resources						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	<u>\$2,118,999</u>	<u>\$576,724</u>	<u>\$862,289</u>	<u>\$679,986</u>	<u>\$0</u>	<u>12.0</u>
TOTAL	\$2,118,999	\$576,724	\$862,289	\$679,986	\$0	12.0
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$2,118,999	\$576,724	\$862,289	\$679,986	\$0	12.0
Annualize prior year budget actions	4,629	1,363	(604)	3,870	0	0.0
Indirect cost assessment	(3,487)	0	0	(3,487)	0	0.0
SB 15-234	<u>\$2,120,141</u>	<u>\$578,087</u>	<u>\$861,685</u>	<u>\$680,369</u>	<u>\$0</u>	<u>12.0</u>
TOTAL	\$2,120,141	\$578,087	\$861,685	\$680,369	\$0	12.0
Increase/(Decrease)	\$1,142	\$1,363	(\$604)	\$383	\$0	0.0
Percentage Change	0.1%	0.2%	(0.1%)	0.1%	n/a	0.0%

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation reflects the annualization of FY 2014-15 salary survey and merit pay.

Indirect cost assessment: The appropriation includes a decrease in the division's indirect cost assessment.

Consumer Protection

This section provides funding for department staff who protect Colorado consumers against fraud and maintain a competitive business environment by enforcing state and federal laws regarding consumer protection, antitrust, consumer lending, mortgage fraud, predatory lending, debt collection, rent-to-own, and credit repair. This section also provides funding to support one attorney who is responsible for enforcing the tobacco Master

Settlement Agreement. Cash fund sources include fees paid by regulated entities, custodial moneys awarded to the Attorney General in consumer protection lawsuits, and tobacco settlement moneys. Reappropriated funds are transferred from the Department of Regulatory Agencies for consumer protection activities related to mortgage brokers.

Consumer Protection						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	<u>\$4,401,700</u>	<u>\$1,106,670</u>	<u>\$2,995,292</u>	<u>\$299,738</u>	<u>\$0</u>	<u>46.0</u>
TOTAL	\$4,401,700	\$1,106,670	\$2,995,292	\$299,738	\$0	46.0
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$4,401,700	\$1,106,670	\$2,995,292	\$299,738	\$0	46.0
CP & AT operating and litigation	167,823	64,547	83,911	19,365	0	0.0
Annualize prior year budget actions	128,367	36,872	85,113	6,382	0	0.0
Tobacco litigation legal assistant	80,389	0	80,389	0	0	1.0
Indirect cost assessment	(8,342)	0	(5,354)	(2,988)	0	0.0
Other	0	0	0	0	0	0.2
SB 15-234	\$4,769,937	\$1,208,089	\$3,239,351	\$322,497	\$0	47.2
HB 15-1063	<u>94,441</u>	<u>94,441</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.8</u>
TOTAL	\$4,864,378	\$1,302,530	\$3,239,351	\$322,497	\$0	48.0
Increase/(Decrease)	\$462,678	\$195,860	\$244,059	\$22,759	\$0	2.0
Percentage Change	10.5%	17.7%	8.1%	7.6%	n/a	4.3%

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

CP & AT operating and litigation: The appropriation includes an increase of \$167,823 total funds to: (1) support the litigation expenses and annual operating expenses of the Consumer Protection and Antitrust (CP & AT) line item; and (2) to better align fund sources with anticipated costs.

Annualize prior year budget actions: The appropriation includes changes to reflect the out year impact of funding decisions made through the FY 2014-15 appropriation primarily driven by annualization of the FY 2014-15 salary survey and merit pay.

Tobacco litigation legal assistant: The appropriation includes an increase of \$80,389 cash funds from the Tobacco Settlement Defense Account and 1.0 FTE to support a legal assistant for the Tobacco Litigation Program.

Indirect cost assessment: The appropriation includes a decrease in the division's indirect cost assessment.

Other: The appropriation includes other minor adjustments.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Special Purpose

The section includes funding to cover 80.0 percent of the statutory minimum salary for Colorado's twenty-two district attorneys, for unanticipated legal and technology expenses, and for litigation expenses associated with significant lawsuits. Cash fund sources include tobacco settlement moneys, moneys received from State Board of Land Commissioners from its Investment and Development Fund, and moneys received by the Attorney General as an award of attorney fees or costs.

	Special Purpose					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$4,540,056	\$2,697,656	\$1,842,400	\$0	\$0	0.0
HB 14-1144	<u>350,000</u>	<u>350,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$4,890,056	\$3,047,656	\$1,842,400	\$0	\$0	0.0
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$4,890,056	\$3,047,656	\$1,842,400	\$0	\$0	0.0
CORA and open meetings attorney	87,635	87,635	0	0	0	0.9
Centrally appropriated line items	20,593	20,593	0	0	0	0.0
Annualize prior year budget actions	(392,400)	0	(392,400)	0	0	0.0
SB 15-234	<u>\$4,605,884</u>	<u>\$3,155,884</u>	<u>\$1,450,000</u>	<u>\$0</u>	<u>\$0</u>	<u>0.9</u>
TOTAL	\$4,605,884	\$3,155,884	\$1,450,000	\$0	\$0	0.9
Increase/(Decrease)	(\$284,172)	\$108,228	(\$392,400)	\$0	\$0	0.9
Percentage Change	(5.8%)	3.6%	(21.3%)	n/a	n/a	n/a

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

CORA and open meetings attorney: The appropriation includes an increase of \$87,635 General Fund and 0.9 FTE to allow the Department to add an attorney specifically focused on the Colorado Open Records Act (CORA) and Open Meetings Law (OML) in response to an increasing CORA-related workload and a need to improve consistency among state agencies.

Centrally appropriated line items: The appropriation includes an increase to cover scheduled increases in supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund related to district attorney salaries.

Annualize prior year budget actions: The appropriation includes adjustments related to prior year budget actions, primarily driven by the elimination of funding for Lowry Range litigation expenses, as that case has concluded and appropriations are not needed in FY 2015-16.

Recent Legislation

2014 Session Bills

S.B. 14-002 (Safe2Tell Program in Department of Law): Repeals the existing Safe2Tell program, managed by a nonprofit organization, and recreates the program within the Department of Law. Specifies the terms of the transfer to the Department of Law and adds additional duties concerning training and dissemination of educational materials for school districts and law enforcement. For FY 2014-15: (1) reduces the Long Bill appropriation to the Controlled Maintenance Trust Fund by \$266,952 General Fund; and (2) appropriates \$281,952 total funds (including \$266,952 General Fund and \$15,000 cash funds) and 2.5 FTE to the Department of Law.

S.B. 14-005 (Wage Protection Act): Authorizes the Department of Labor and Employment (CDLE) to establish an administrative process to handle wage claim cases received and requires the division to investigate and adjudicate all wage claim cases up to \$7,500 per employee after January 1, 2015. For FY 2014-15, provides \$23,225 reappropriated funds to the Department of Law for the provision of legal services to the DOLE. For additional information see the "Recent Legislation" section at the end of Part III for CDLE.

S.B. 14-029 (Architectural Paint Stewardship Program): Creates a statewide paint stewardship program within the Department of Public Health and Environment (DPHE) for the recycling, reuse, and disposal of post-consumer architectural paint. For FY 2014-15, provides \$9,108 reappropriated funds to the Department of Law for the provision of legal services to DPHE. For additional information see the "Recent Legislation" section at the end of Part III for DPHE.

S.B. 14-099 (Provisional Physical Therapy License): Provides for provisional physical therapy licensing, to be administered by the Department of Regulatory Agencies (DORA). For FY 2014-15, provides \$18,216 reappropriated funds and 0.1 FTE to the Department of Law for the provision of legal services to DORA. For additional information see the "Recent Legislation" section at the end of Part III for DORA.

S.B. 14-123 (P.O.S.T. Board Rule Authority Training Suspensions): Authorizes the Peace Officers Standards and Training (P.O.S.T.) Board to promulgate rules for: the certification of inspectors of vehicle identification numbers; annual in-service training requirements for certified peace officers; and any rules necessary for the functions of the P.O.S.T. Board. Allows the P.O.S.T. Board to increase certification fees from \$125 to \$150. Allows the P.O.S.T. Board to make grants to nonprofit organizations. Allows the P.O.S.T. Board to deny certification to any person convicted of a municipal violation that is the equivalent of a state law violation for which denial is allowed. Increases the registration fee (P.O.S.T. fee) paid by owners of Class A, B, or C vehicles from \$0.60 to \$1.00. For FY 2014-15, appropriates \$1,612,467 cash funds and 1.4 FTE to the Department of Law.

S.B. 14-125 (Transportation Network Companies Regulation): Authorizes the Public Utilities Commission (PUC), within the Department of Regulatory Agencies (DORA), to regulate transportation network companies, which are companies that match drivers and passengers through a digital network, such as a mobile phone

application, for transportation from an agreed-upon point of origin to an agreed-upon destination. For FY 2014-15, provides \$9,108 reappropriated funds and 0.1 FTE to the Department of Law for the provision of legal services to the PUC. For additional information see the "Recent Legislation" section at the end of Part III for DORA.

S.B. 14-133 (Mandatory Licensure Private Investigators): Repeals the existing voluntary licensure program for private investigators managed by the Department of Regulatory Agencies (DORA) and replaces it with a mandatory licensure program. For FY 2014-15, provides \$9,057 reappropriated funds to the Department of Law for the provision of legal services to DORA. For additional information see the "Recent Legislation" section at the end of Part III for DORA.

S.B. 14-172 (Firefighter Heart Circulatory Malfunction Benefits): Requires any municipality, special district, fire authority, or county improvement district (employer) employing one or more firefighters to provide benefits for heart and circulatory malfunctions for full-time firefighters, as long as the state provides sufficient funding to cover the cost. For FY 2014-15, provides \$182 reappropriated funds to the Department of Law for the provision of legal services to the Department of Local Affairs (DOLA). For additional information see the "Recent Legislation" section at the end of Part III for DOLA.

S.B. 14-188 (Species Conservation Trust Fund Project List): Transfers \$6.5 million from the Severance Tax Operational Fund to the Species Conservation Trust Fund in FY 2014-15. Appropriates the same amount from the Species Conservation Trust Fund to the Department of Natural Resources (DNR) for programs to conserve native species that have been listed as threatened or endangered under state or federal law, or are likely to become candidate species as determined by the United States Fish and Wildlife Services. Reappropriates \$163,944 of the authorized expenditures from the Species Conservation Trust Fund and 1.0 FTE to the Department of Law For Endangered Species Act Litigation legal expenses in FY 2014-15. For additional information see the "Recent Legislation" section at the end of Part III for DNR.

S.B. 14-215 (Disposition of Legal Marijuana Related Revenue): Creates the Marijuana Tax Cash Fund (MTCF) and directs that all sales tax moneys collected by the state starting in FY 2014-15 from retail and medical marijuana be deposited in the MTCF instead of the Marijuana Cash Fund. Specifies permissible uses of moneys in the MTCF, including the following purposes relevant to the Department of Law:

- To increase the expertise and knowledge among prosecutors and law enforcement officials regarding the legal and regulatory issues surrounding the legalization of marijuana; and
- To advance roadside impaired driving enforcement training and drug recognition expert training for peace officers.

Reduces the Long Bill appropriation to the Peace Officers Standards and Training (P.O.S.T.) Board by \$76,000 cash funds from the Marijuana Cash Fund and appropriates that amount from the MTCF. Appropriates an additional \$1,624,760 cash funds from the Marijuana Tax Cash Fund and 3.0 FTE to the Department of Law for the following purposes:

- \$1,168,000 and 1.0 FTE to the P.O.S.T. Board for expanded impaired driving enforcement training and drug recognition training for peace officers; and
- \$456,760 and 2.0 FTE to the Special Prosecutions Unit to increase the expertise and knowledge among prosecutors and law enforcement officials regarding the legal and regulatory issues surrounding the legalization of marijuana.

For additional information see the "Recent Legislation" section at the end of Part III for the Department of Revenue.

H.B. 14-1144 (Deputy District Attorney Training): Requires the General Assembly to appropriate \$350,000 per year to the Department of Law beginning in FY 2014-15, to be transferred to the statewide organization representing district attorneys to provide prosecution training, seminars, continuing education programs, and other prosecution-related services. For FY 2014-15: (1) reduces the Long Bill appropriation to the Controlled Maintenance Trust Fund by \$350,000 General Fund; and (2) appropriates \$350,000 General Fund to the Department of Law.

H.B. 14-1199 (Consumer Goods Service Contracts Regulatory Changes): Changes the regulation of consumer goods service contracts based on the model act of the National Association of Insurance Commissioners. For FY 2014-15, provides \$3,643 reappropriated funds to the Department of Law for the provision of legal services to the Department of Regulatory Agencies (DORA). For additional information see the "Recent Legislation" section at the end of Part III for DORA.

H.B. 14-1202 (Local Accountability Requirements for School Districts): Creates the Standards and Assessment Task Force to study how the statewide assessment system is administered, how data are used, and the impact of statewide student assessments on local testing systems, instructional time, and administrative workload for school districts and public schools. For FY 2014-15, provides \$20,000 reappropriated funds to the Department of Law for the provision of legal services to the Department of Education (DOE). For additional information see the "Recent Legislation" section at the end of Part III for DOE.

H.B. 14-1227 (Sunset Review: Continue Dental Examiners Board): Continues the State Board of Dental Examiners as the Colorado Dental Board until September 1, 2023. For FY 2014-15, provides \$56,925 reappropriated funds and 0.3 FTE to the Department of Law for the provision of legal services to the Department of Regulatory Agencies (DORA). For additional information see the "Recent Legislation" section at the end of Part III for DORA.

H.B. 14-1319 (Outcomes-based Funding for Higher Education): Creates a new mechanism for allocating state funds to institutions of higher education. For FY 2014-15, provides \$18,216 reappropriated funds to the Department of Law for the provision of legal services to the Department of Higher Education (DHE). For additional information see the "Recent Legislation" section at the end of Part III for DHE.

H.B. 14-1328 (Connect Colorado Broadband Act): Creates the 16-member Broadband Deployment Board (BDB) in the Department of Regulatory Agencies (DORA) and the Broadband Fund, administered by the BDB, from which grants are awarded for broadband development in unserved areas of the state. For FY 2014-15, provides \$55,471 total funds (including \$27,324 cash funds and \$28,147 reappropriated funds) and 0.4 FTE to the Department of Law for the provision of legal services to DORA. For additional information see the "Recent Legislation" section at the end of Part III for DORA.

H.B. 14-1329 (Deregulate Internet Protocol Emerging Technology Telecommunications): Deregulates certain telecommunication products, services, and providers and modifies the regulatory authority of the Colorado Public Utilities Commission (PUC) within the Department of Regulatory Agencies (DORA). For FY 2014-15, provides \$18,216 reappropriated funds and 0.1 FTE to the Department of Law for the provision of legal services to DORA. For additional information see the "Recent Legislation" section at the end of Part III for DORA.

H.B. 14-1331 (Regulate Basic Local Exchange Service): Modifies the statutory framework for the regulation of local telephone service. For FY 2014-15, provides a total of \$105,653 reappropriated funds and 0.6 FTE to the Department of Law for the provision of legal services to the Department of Regulatory Agencies (DORA). For additional information see the "Recent Legislation" section at the end of Part III for DORA.

H.B. 14-1336 (Long Bill): General appropriations act for FY 2014-15.

H.B. 14-1380 (Colorado Coroners Standards and Training Board): Makes changes to the Colorado Coroners Standards and Training Board within the Department of Public Health and Environment (DPHE). For FY 2014-15, provides \$3,643 cash funds from the Coroners Training Fund to the Department of Law for the provision of legal services to DPHE.

H.B. 14-1398 (Authorize Marijuana Financial Service): Allows for the creation and regulation of marijuana financial services cooperatives, to be regulated by the Division of Financial Services in the Department of Regulatory Agencies (DORA). For FY 2014-15, provides a total of \$14,573 reappropriated funds to the Department of Law for the provision of legal services to DORA. For additional information see the "Recent Legislation" section at the end of Part III for DORA.

2015 Session Bills

S.B. 15-014 (Medical Marijuana): Requires the Colorado Medical Board in consultation with the Department of Public Health and Environment (DPHE) and physicians who specialize in medical marijuana to establish guidelines for physicians who make medical marijuana recommendations. For FY 2015-16, provides \$56,706 reappropriated funds and 0.3 FTE to the Department of Law for the provision of legal services to the DPHE. For additional information see the "Recent Legislation" section at the end of Part III for DPHE.

S.B. 15-106 (Sunset Barber and Cosmetologist Act): Continues the Barber and Cosmetologist Act and the Cosmetology Advisory Committee until September 1, 2026. For FY 2015-16, provides \$8,506 reappropriated funds to the Department of Law for the provision of legal services to the Department of Regulatory Agencies (DORA). For additional information see the "Recent Legislation" section at the end of Part III for DORA.

S.B. 15-110 (Sunset Mortuary Science Regulation): Continues the registration of funeral homes and crematories by the Department of Regulatory Agencies (DORA) until July 1, 2024. For FY 2015-16, provides \$4,726 reappropriated funds to the Department of Law for the provision of legal services to the Department of Regulatory Agencies (DORA). For additional information see the "Recent Legislation" section at the end of Part III for DORA.

S.B. 15-152 (Supplemental Bill): Supplemental appropriations to the Department of Law to modify FY 2014-15 appropriations included in the FY 2014-15 Long Bill (H.B. 14-1336).

S.B. 15-167 (Modify FY 2014-15 Appropriation from Marijuana Revenue): Aligns FY 2014-15 appropriations from and transfers related to the Marijuana Tax Cash Fund with actual marijuana tax revenue collected in FY 2013-14. With respect to the Department of Law, the bill reduces the appropriation from the Marijuana Tax Cash Fund for the Peace Officer Standards Training Board (P.O.S.T. Board) by \$76,000. For additional information, see the "Recent Legislation" section at the end of Part III for the Department of Revenue.

S.B. 15-196 (Industrial Hemp Certified Seeds Concentration Test): Requires the Department of Agriculture to administer an industrial hemp certified seed program to identify seeds that produce industrial hemp. For FY 2015-16, provides \$3,780 reappropriated funds to the Department of Law for the provision of legal services to the Department of Agriculture. For additional information see the "Recent Legislation" section at the end of Part III for the Department of Agriculture.

S.B. 15-234 (Long Bill): General appropriations act for FY 2015-16.

S.B. 15-239 (Transfer Vocational Rehabilitation from DHS to CDLE): Transfers the state's Vocational Rehabilitation Programs from the Department of Human Services (DHS) to the Colorado Department of Labor and Employment (CDLE) beginning July 1, 2016. For FY 2015-16, provides \$18,902 reappropriated funds and 0.1 FTE to the Department of Law for the provision of legal services to the Department of Labor and Employment. For additional information see the "Recent Legislation" section at the end of Part III for CDLE.

S.B. 15-288 (Compensation Paid to Elected Officials): Effective January 2019, replaces the existing fixed dollar salaries listed in statute for certain state officials and state legislators with a new method for determining salaries that aligns them to certain judicial officers' salaries. The Attorney General's salary will be equal to 60.0 percent of the salary paid to the Chief Judge of the Colorado Court of Appeals. For additional information, see the "Recent Legislation" section at the end of the Governor – Lieutenant Governor – State Planning and Budgeting.

H.B. 15-1063 (Prohibited Communication Concerning Patents): Establishes a framework for communications between private parties concerning patent rights. Gives the Attorney General the sole authority to enforce the bill and to conduct civil investigations and bring civil actions for violations of the bill. Increases state revenues by up to \$100,000 per year (including up to \$50,000 General Fund) beginning in FY 2015-16 from civil penalties and the award of court-related costs to the Department of Law. For FY 2015-16, provides \$94,441 General Fund and 0.8 FTE to the Department of Law for consumer protection and antitrust activities related to the bill.

H.B. 15-1309 (Protective Restorations by Dental Hygienists): Allows dental hygienists to receive a permit from the Colorado Dental Board to perform interim therapeutic restorations. Establishes the Interim Therapeutic Restorations Advisory Committee within the Department of Regulatory Agencies (DORA). For FY 2015-16, provides \$7,426 reappropriated funds to the Department of Law for the provision of legal services to the DORA. For additional information see the "Recent Legislation" section at the end of Part III for DORA.

H.B. 15-1367 (Retail Marijuana Taxes): Refers a ballot issue to voters in November 2015, asking whether the State may retain and spend revenue collected from the Proposition AA excise and special sales taxes on retail marijuana in FY 2014-15. Creates a \$58.0 million Proposition AA Refund Account (Refund Account) in the General Fund. Contingent on voter approval of the ballot issue, appropriates \$202,835 cash funds to the Department of Law for FY 2015-16, as detailed in the following table.

Appropriations to Department of Law That Are Contingent on Voter Approval		
Division and Line Item	Fund Source	Dollar Amount
<u>Criminal Justice and Appellate</u>		
Peace Officers Standards and Training Board Support	CF - Proposition AA Refund Account	\$200,000
Personal Services and Operating and Litigation	CF – Marijuana Tax Cash Fund	<u>2,835</u>

Appropriations to Department of Law That Are Contingent on Voter Approval		
Division and Line Item	Fund Source	Dollar Amount
Total Appropriations		\$202,835

Independent of whether the voters approve the ballot issue, for FY 2015-16, makes the following appropriations to the Department of Law: (1) \$24,703 reappropriated funds and 0.1 FTE for legal services provided to the Department of Agriculture; and (2) \$1,890 reappropriated funds for legal services provided to the Department of Local Affairs. For additional information, see the "Recent Legislation" section at the end of the Department of Revenue and Appendix L.

H.B. 15-1379 (Marijuana Permitted Economic Interest): Allows people who are not residents of Colorado to apply to the Marijuana Enforcement Division within the Department of Revenue (DOR) for the authorization to hold a permitted economic interest (PEI) in a regulated medical or retail marijuana business. For FY 2015-16, provides \$33,254 reappropriated funds and 0.2 FTE to the Department of Law for the provision of legal services to the DOR. For additional information see the "Recent Legislation" section at the end of Part III for DOR.

Department Details

LEGISLATIVE BRANCH

FY 2014-15 and FY 2015-16 Appropriations by Division and Bill

Legislative Department						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Total Appropriation:	\$42,045,491	\$40,962,675	\$179,000	\$903,816	\$0	278.6
<u>Breakdown of Total Appropriation by Administrative Section</u>						
General Assembly	15,459,698	15,365,882	90,000	3,816	0	66.0
State Auditor	9,331,896	8,342,896	89,000	900,000	0	72.0
Joint Budget Committee	1,774,744	1,774,744	0	0	0	16.0
Legislative Council	9,226,527	9,226,527	0	0	0	71.3
Committee on Legal Services	6,252,626	6,252,626	0	0	0	53.3
<u>Breakdown of Total Appropriation by Bill</u>						
HB 14-1293 (Legislative Appropriation)	38,205,116	37,122,300	179,000	903,816	0	276.6
HB 14-1336 (Long Bill)	3,029,251	3,029,251	0	0	0	0.0
SB 14-021	3,366	3,366	0	0	0	0.0
SB 14-115	15,792	15,792	0	0	0	0.0
SB 14-153	87,098	87,098	0	0	0	0.0
SB 14-214	375,000	375,000	0	0	0	0.0
HB 14-1303	135,354	135,354	0	0	0	1.0
HB 14-1395	178,301	178,301	0	0	0	1.0
SB 15-153	16,213	16,213	0	0	0	0.0
FY 2015-16 Total Appropriation:	\$44,641,162	\$43,297,162	\$179,000	\$1,165,000	\$0	281.3
<u>Breakdown of Total Appropriation by Administrative Section</u>						
General Assembly	16,670,229	16,580,229	90,000	0	0	66.0
State Auditor	9,432,183	8,428,183	89,000	915,000	0	72.0
Joint Budget Committee	1,832,890	1,832,890	0	0	0	16.0
Legislative Council	10,228,601	9,978,601	0	250,000	0	74.0
Committee on Legal Services	6,477,259	6,477,259	0	0	0	53.3
<u>Breakdown of Total Appropriation by Bill</u>						
SB 15-191 (Legislative Appropriation)	40,475,144	39,381,144	179,000	915,000	0	280.6
SB 15-234 (Long Bill)	4,012,160	3,762,160	0	250,000	0	0.0
SB 15-029	100,000	100,000	0	0	0	0.0

Legislative Department						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 15-214	25,857	25,857	0	0	0	0.3
SB 15-256	9,587	9,587	0	0	0	0.1
HB 15-1057	18,414	18,414	0	0	0	0.3
Increase/(Decrease)	\$2,595,671	\$2,334,487	\$0	\$261,184	\$0	2.7
Percentage Change	6.2%	5.7%	0.0%	28.9%	n/a	1.0%

Informational Funds: The FY 2015-16 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. No amounts in the Legislative Department are annotated with an "(I)" notation.

Detail of Appropriation by Administrative Section

General Assembly

Comprised of 35 members in the Senate and 65 members in the House of Representatives, the General Assembly meets annually beginning in early January and, per the Colorado Constitution, must adjourn within 120 days. The Colorado Constitution vests all legislative power in the General Assembly, except those powers specifically reserved by the people.

General Assembly						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1293 (Legislative Appropriation)	\$13,448,590	\$13,354,774	\$90,000	\$3,816	\$0	66.0
HB 14-1336 (Long Bill)	1,890,751	1,890,751	0	0	0	0.0
SB 14-021	3,366	3,366	0	0	0	0.0
SB 14-115	13,680	13,680	0	0	0	0.0
SB 14-153	87,098	87,098	0	0	0	0.0
SB 15-153	<u>16,213</u>	<u>16,213</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$15,459,698	\$15,365,882	\$90,000	\$3,816	\$0	66.0
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$15,459,698	\$15,365,882	\$90,000	\$3,816	\$0	66.0
Centrally appropriated line items	777,447	777,447	0	0	0	0.0
Salary/benefits/operating adjustments	420,148	423,964	0	(3,816)	0	0.0
SB 15-191 (Legislative Appropriation)¹	\$14,058,633	\$13,968,633	\$90,000	\$0	\$0	66.0
SB 15-234 (Long Bill)¹	\$2,598,660	\$2,598,660	\$0	\$0	\$0	\$0.0
SB 15-214	8,976	8,976	0	0	0	0.0

General Assembly						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 15-256	<u>3,960</u>	<u>3,960</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$16,670,229	\$16,580,229	\$90,000	\$0	\$0	66.0
Increase/(Decrease)	\$1,210,531	\$1,214,347	\$0	(\$3,816)	\$0	0.0
Percentage Change	7.8%	7.9%	0.0%	(100.0%)	n/a	0.0%

¹The FY 2014-15 Appropriation plus the sum of the appropriation highlights equals the combination of S.B. 15-191 (Legislative Appropriation) and S.B. 15-234 (Long Bill).

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 15-153 modified the FY 2014-15 appropriation by adding \$16,213 General Fund to address necessary technical modifications to the State’s human resources’ computer systems, to true-up COFR’s Modernization allocations, and to fund CORE enhancements and ongoing configuration.

FY 2015-16 Appropriation – S.B 15-191 (Legislative Appropriation) and S.B. 15-234 (Long Bill) Issue Descriptions

Centrally appropriated line items: The appropriation includes a net increase that is the result of increases for amortization equalization disbursement, supplemental amortization equalization disbursement, and Capitol Complex maintenance costs that are offset by decreases in workers compensation, payments to risk management and property funds, legal services, and information technology common policy issues.

Salary/benefits/operating adjustments: The appropriation includes an increase that is primarily the result of changes in health, life, and dental insurance benefits; increases for base salary adjustments; a net increase to operating and travel budgets; an increase for non-metro session per diem pursuant to statute; increases for the legislative aides program; and an increase for dues and joint governmental agencies.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

State Auditor

The duties of the State Auditor are to conduct post audits of all financial transactions and accounts of all state departments, institutions, and agencies of the executive, legislative, and judicial branches; conduct performance post audits; and prepare summary audit reports and recommendations concerning each agency. Legislative oversight is provided by the Legislative Audit Committee, which is comprised of four senators, two from each major political party, and four representatives, two from each major political party.

	State Auditor					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1293	\$8,956,896	\$7,967,896	\$89,000	\$900,000	\$0	72.0
SB 14-214	<u>375,000</u>	<u>375,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$9,331,896	\$8,342,896	\$89,000	\$900,000	\$0	72.0
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$9,331,896	\$8,342,896	\$89,000	\$900,000	\$0	72.0
Salary/benefits/operating adjustments	311,423	296,423	0	15,000	0	0.0
Centrally appropriated line items	63,864	63,864	0	0	0	0.0
Annualize prior year legislation	(375,000)	(375,000)	0	0	0	0.0
SB 15-191 (Legislative Appropriation)	\$9,332,183	\$8,328,183	\$89,000	\$915,000	\$0	72.0
SB 15-029	<u>100,000</u>	<u>100,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$9,432,183	\$8,428,183	\$89,000	\$915,000	\$0	72.0
Increase/(Decrease)	\$100,287	\$85,287	\$0	\$15,000	\$0	0.0
Percentage Change	1.1%	1.0%	0.0%	1.7%	n/a	0.0%

FY 2015-16 Appropriation – S.B 15-191 (Legislative Appropriation) Issue Descriptions

Salary/benefits/operating adjustments: The appropriation includes an increase that is primarily the result of changes in health, life, and dental insurance benefits and increases for base salary adjustments.

Centrally appropriated line items: The appropriation includes an increase that is the result of increases for amortization equalization disbursement and supplemental amortization equalization disbursement.

Annualize prior year legislation: The appropriation includes a decrease for the elimination of funding for prior year legislation.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Joint Budget Committee

The Joint Budget Committee is the permanent fiscal and budget review agency of the General Assembly. The six-member committee is comprised of three members from the House, including two from the majority political party, and three members from the Senate, including two from the majority political party. The Committee, through its staff, is responsible for analyzing the programs, management, operations, and fiscal needs of state agencies. After holding budget hearings with all state departments and agencies, the Committee and its staff prepare the annual appropriations bill. The staff is also responsible for providing support for both the House and Senate Appropriations Committees.

Joint Budget Committee						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1293	<u>\$1,774,744</u>	<u>\$1,774,744</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>16.0</u>
TOTAL	\$1,774,744	\$1,774,744	\$0	\$0	\$0	16.0
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$1,774,744	\$1,774,744	\$0	\$0	\$0	16.0
Salary/benefits/operating adjustments	43,307	43,307	0	0	0	0.0
Centrally appropriated line items	14,839	14,839	0	0	0	0.0
SB 15-191 (Legislative Appropriation)	<u>\$1,832,890</u>	<u>\$1,832,890</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>16.0</u>
TOTAL	\$1,832,890	\$1,832,890	\$0	\$0	\$0	16.0
Increase/(Decrease)	\$58,146	\$58,146	\$0	\$0	\$0	0.0
Percentage Change	3.3%	3.3%	n/a	n/a	n/a	0.0%

FY 2015-16 Appropriation – S.B 15-191 (Legislative Appropriation) Issue Descriptions

Salary/benefits/operating adjustments: The appropriation includes an increase that is primarily the result of changes in health, life, and dental insurance benefits and increases for base salary adjustments.

Centrally appropriated line items: The appropriation includes an increase that is the result of increases for amortization equalization disbursement and supplemental amortization equalization disbursement.

Legislative Council

The Legislative Council is comprised of 18 legislators, nine from the House and nine from the Senate. The staff of the Council provides fact-finding and information-collecting services for all members of the General Assembly. In addition, the staff provides support for all standing committees except Appropriations, and for most interim committees. The staff maintains a reference library for all legislators and staff, and the Council contracts for special studies as needed. The State Capitol Building tour guide coordinator is an employee of the Council. The Council staff is also responsible for preparing fiscal notes on new legislation and for providing revenue estimates.

Legislative Council						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1293 (Legislative Appropriation)	\$7,772,788	\$7,772,788	\$0	\$0	\$0	69.3
HB 14-1336 (Long Bill)	1,138,500	1,138,500	0	0	0	0.0
SB 14-115	1,584	1,584	0	0	0	0.0

Legislative Council							
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE	
HB 14-1303	135,354	135,354	0	0	0	1.0	
HB 14-1395	<u>178,301</u>	<u>178,301</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1.0</u>	
TOTAL	\$9,226,527	\$9,226,527	\$0	\$0	\$0	71.3	
FY 2015-16 Appropriation:							
FY 2014-15 Appropriation	\$9,226,527	\$9,226,527	\$0	\$0	\$0	71.3	
Salary/benefits/operating adjustments	578,145	578,145	0	0	0	2.0	
Cost of living study	250,000	0	0	250,000	0	0.0	
Centrally appropriated line items	108,007	108,007	0	0	0	0.0	
Ballot Analysis	25,000	25,000	0	0	0	0.0	
SB 15-191 (Legislative Appropriation)¹	\$8,774,179	\$8,774,179	\$0	\$0	\$0	73.3	
SB 15-234 (Long Bill)¹	\$1,413,500	\$1,163,500	\$0	\$250,000	\$0	0.0	
SB 15-214	16,881	16,881	0	0	0	0.3	
SB 15-256	5,627	5,627	0	0	0	0.1	
HB 15-1057	<u>18,414</u>	<u>18,414</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.3</u>	
TOTAL	\$10,228,601	\$9,978,601	\$0	\$250,000	\$0	74.0	
Increase/(Decrease)	\$1,002,074	\$752,074	\$0	\$250,000	\$0	2.7	
Percentage Change	10.9%	8.2%	n/a	n/a	n/a	3.8%	

¹The FY 2014-15 Appropriation plus the sum of the appropriation highlights equals the combination of S.B. 15-191 (Legislative Appropriation) and S.B. 15-234 (Long Bill).

FY 2015-16 Appropriation – S.B 15-191 (Legislative Appropriation) and S.B. 15-234 (Long Bill) Issue Descriptions

Salary/benefits/operating adjustments: The appropriation includes an increase that is primarily the result of changes in health, life, and dental insurance benefits; increases for base salary adjustments (including an additional 2.0 FTE); and increases for operating budgets.

Cost of living study: The appropriation includes an increase of \$250,000 reappropriated funds for a cost of living study. 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. The appropriation is reinstated for FY 2015-16 as the Legislative Council staff is required to perform the analysis in FY 2015-16.

Centrally appropriated line items: The appropriation includes an increase that is the result of increases for amortization equalization disbursement and supplemental amortization equalization disbursement.

Ballot Analysis: The appropriation includes an increase of \$25,000 General Fund for the costs associated with an analysis of measures on the ballot. Section 1 (7.5) of Article V of the State Constitution requires the nonpartisan research staff of the General Assembly to perform this function.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Committee on Legal Services

The Committee on Legal Services consists of ten members, five from the House of Representatives and five from the Senate. It provides legislative oversight to the Office of Legislative Legal Services and coordinates litigation involving the General Assembly.

The Office of Legislative Legal Services drafts and prepares bills, resolutions, amendments, conference committee reports, and digests of enacted bills. The Office also reviews rules promulgated by executive agencies to determine whether they are within the powers delegated to the agency; performs legal research; aids in legal representation of the General Assembly; participates in the review of and comments on the titles given to initiated measures; and assists in staffing interim committees.

The Office is also responsible for compiling, editing, arranging, and preparing for publication all of the laws of the State of Colorado, and for assisting in publication and distribution of portions of the statutes in accordance with Section 2-5-118, C.R.S. Annually, the Office prepares the session laws and supplements to the statutes as necessary and also prepares the index and case law annotations for the Colorado Revised Statutes.

The Colorado Commission of Uniform State Laws, comprised of seven members who are attorneys-at-law in Colorado (three of whom are state legislators), represents Colorado at the National Conference of Commissioners on Uniform State Laws. The purpose of the conference is to promote the uniformity of state laws on all subjects where uniformity is deemed desirable and practical.

Committee on Legal Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1293 (Legislative Appropriation)	\$6,252,098	\$6,252,098	\$0	\$0	\$0	53.3
SB 14-115	<u>528</u>	<u>528</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$6,252,626	\$6,252,626	\$0	\$0	\$0	53.3
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$6,252,626	\$6,252,626	\$0	\$0	\$0	53.3
Salary/benefits/operating adjustments	177,129	177,129	0	0	0	0.0
Centrally appropriated line items	47,504	47,504	0	0	0	0.0
SB 15-191 (Legislative Appropriation)	<u>\$6,477,259</u>	<u>\$6,477,259</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>53.3</u>
TOTAL	\$6,477,259	\$6,477,259	\$0	\$0	\$0	53.3
Increase/(Decrease)	\$224,633	\$224,633	\$0	\$0	\$0	0.0
Percentage Change	3.6%	3.6%	n/a	n/a	n/a	0.0%

FY 2015-16 Appropriation – S.B 15-191 (Legislative Appropriation) Issue Descriptions

Salary/benefits/operating adjustments: The appropriation includes an increase that is primarily the result of changes in health, life, and dental insurance benefits and increases for base salary adjustments.

Centrally appropriated line items: The appropriation includes an increase that is the result of increases for amortization equalization disbursement and supplemental amortization equalization disbursement.

Recent Legislation

2014 Session Bills

S.B. 14-021 (Persons with Mental Illness Criminal Justice): Extends the repeal date of the legislative oversight committee, task force, and cash fund from July 1, 2015, to July 1, 2020. The Legislative Oversight Committee, task force, and cash fund are renamed. Expands task force membership by adding two new members, increasing membership from 30 members to 32 members. One new member is from the Office of the Child's Representative and the other is from the Office of the Alternate Defense Counsel. Allows members of the committee to receive compensation and reimbursement for expenses directly related to fulfilling their duties. Includes an appropriation of \$3,366 General Fund per year beginning in FY 2014-15 for reimbursement of legislators for travel.

S.B. 14-115 (State Water Plan Public Review & General Assembly Approval): Requires the Colorado Water Conservation Board (CWCB) to adopt and update, as warranted, a state water plan. The Water Resources Review Committee (WRRC) is required to review statewide planning for water resources. Includes an appropriation of \$15,792 General Fund in FY 2014-15 and anticipates a need for at least \$13,160 General Fund in FY 2015-16 for legislator travel, legislator per diem, and advertising costs for public notices.

S.B. 14-153 (Legislative Members Compensation Boards & Commissions): Includes a net appropriation of \$82,522 General Fund beginning in FY 2014-15. This increase will be an annual cost. Costs will increase by a total of \$87,098 for Legislative Council Staff to provide per diem and travel reimbursement to legislative members. However, appropriations were reduced by \$4,576 per year for departments that provide reimbursement to legislative members. It should be noted that most departments are not appropriated moneys for this purpose or are limited to providing reimbursement subject to available cash funds. As a result, legislative members typically have not requested or been provided with reimbursement. The Department of Public Safety (\$1,408 General Fund for the Colorado Commission on Criminal and Juvenile Justice), Department of Local Affairs (\$352 cash funds for the Local Government Limited Gaming Impact Advisory Committee), and Secretary of State (\$2,816 cash funds for the Colorado Voter Access and Modernized Elections Commission) have appropriations that were reduced under the bill.

S.B. 14-214 (PERA Studies Conducted by Actuarial Firm): Requires the state personnel director within the Department of Personnel and the state auditor within the State Auditor's Office to conduct a total compensation study. Includes an appropriation of \$125,000 General Fund in FY 2014-15 to the Department of Personnel and an appropriation of \$375,000 General Fund in FY 2014-15 to the Office of the State Auditor.

H.B. 14-1293 (Legislative Appropriation): Separate legislative appropriations act for FY 2014-15.

H.B. 14-1303 (Legislature Take Public Testimony Remote Locations): Allows the Executive Committee of the Legislative Council to consider, recommend, and establish policies allowing legislative committees to take remote testimony from one or more locations in Colorado. Includes an appropriation of \$135,354 General Fund and an allocation of 1.0 FTE for Legislative Council Staff for FY 2014-15.

H.B. 14-1336 (Long Bill): General appropriations act for FY 2014-15.

H.B. 14-1395 (Information Technology Requests): Requires the Joint Technology Committee (JTC) to produce written reports setting forth recommendations, prioritization, findings, and other comments with respect to each information technology (IT) budget request. The reports must be submitted to the Joint Budget Committee by February 15 of each year. The JTC is also required to forecast future IT budget needs for the state. Legislative Council Staff is directed to assist and advise the JTC in its work. Provides a General Fund appropriation to the Legislative Department of \$178,301 and 1.0 FTE for FY 2014-15.

2015 Session Bills

S.B. 15-029 (Volunteer Firefighter Pension Plan Study): Requires the Office of the State Auditor (OSA) to coordinate a study concerning the structure and tax consequences of current volunteer firefighter pension plans (VFPPs) in Colorado. Includes an appropriation of \$100,000 General Fund for the State Auditor's Office, \$4,271 General Fund for the Department of Local Affairs, and \$848 reappropriated funds for the Office of the Governor for FY 2015-16.

S.B. 15-098 (Codify Stock Phrases Used in Appropriation Clauses): In order to improve the readability of appropriation clauses, codifies the following stock phrases that were formerly included in appropriation clauses and generally applies the phrases to all future appropriation clauses:

- "In addition to any other appropriation";
- "not otherwise appropriated"; and
- "or so much thereof as may be necessary".

S.B. 15-153 (Suppl Approp Dept Legislature): FY 2014-15 supplemental appropriations for the Legislative Department.

S.B. 15-191 (Legislative Appropriation): Separate legislative appropriations act for FY 2015-16.

S.B. 15-214 (Interim Committee State Schools Youth Mental Health): Creates the School Safety and Youth Mental Health Committee to study issues related to school safety and the prevention of threats to the safety of students, teachers, administrators, employees, and volunteers present on the grounds of public and private schools. Includes \$16,881 General Fund for Legislative Council and \$8,976 for the General Assembly for FY 2015-16. Assumes Legislative Council staff will require an additional 0.3 FTE.

S.B. 15-234 (Long Bill): General appropriations act for FY 2015-16.

S.B. 15-256 (Co Health Insurance Exchange Oversight Committee): Makes changes to the health exchange review committee name and the number of times it may meet both when the General Assembly is meeting and when it is not meeting. Includes \$5,627 General Fund for Legislative Council and \$3,960 for the General Assembly for FY 2015-16. Assumes Legislative Council staff will require an additional 0.1 FTE.

S.B. 15-288 (Compensation Paid to Elected Officials): Effective January 2019, replaces the existing fixed dollar salaries listed in statute for certain state officials and state legislators with a new method for determining salaries that aligns them to certain judicial officers' salaries. The salary for state legislators will be equal to 25.0 percent of the salary paid to most county court judges. For additional information, see the "Recent Legislation" section at the end of the Governor – Lieutenant Governor – State Planning and Budgeting.

H.B. 15-1057 (The Statewide Initiative Process): Requires that the Legislative Council Staff prepare initial fiscal impact statements for all measures submitted to the title board. Includes \$18,414 General Fund for Legislative Council for FY 2015-16. Assumes Legislative Council staff will require an additional 0.3 FTE.

Department Details

DEPARTMENT OF LOCAL AFFAIRS

FY 2014-15 and FY 2015-16 Appropriations by Division and Bill

Department of Local Affairs						
	Total Funds	General Fund ¹	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Total Appropriation:	\$310,844,001	\$22,039,101	\$209,046,453	\$9,412,579	\$70,345,868	168.4
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	6,680,056	1,593,624	640,575	3,429,087	1,016,770	14.2
Property Taxation	3,653,774	1,409,210	1,151,418	1,093,146	0	49.9
Division of Housing	67,828,180	13,432,850	1,066,720	393,083	52,935,527	52.3
Division of Local Government	232,681,991	5,603,417	206,187,740	4,497,263	16,393,571	52.0
<u>Breakdown of Total Appropriation by Bill</u>						
HB 14-1336	308,503,775	20,751,294	209,046,471	8,410,418	70,295,592	167.8
SB 14-153	(352)	0	(352)	0	0	0.0
SB 14-172	1,754,495	904,145	0	850,350	0	0.6
SB 15-154	491,083	288,662	334	151,811	50,276	0.0
SB 15-234	95,000	95,000	0	0	0	0.0
FY 2015-16 Total Appropriation:	\$320,219,550	\$23,626,224	\$209,230,174	\$10,487,107	\$76,876,045	171.5
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	7,116,292	1,636,392	661,320	3,749,620	1,068,960	14.2
Property Taxation	3,773,920	1,380,281	1,264,404	1,129,235	0	49.9
Division of Housing	75,635,729	13,456,241	1,144,256	452,504	60,582,728	52.8
Division of Local Government	233,693,609	7,153,310	206,160,194	5,155,748	15,224,357	54.6
<u>Breakdown of Total Appropriation by Bill</u>						
SB 15-234	319,746,653	23,257,038	209,158,832	10,454,738	76,876,045	169.7
SB 15-029	4,271	4,271	0	0	0	0.0
HB 15-1033	364,915	364,915	0	0	0	0.3
HB 15-1225	32,369	0	0	32,369	0	0.5
HB 15-1367	71,342	0	71,342	0	0	1.0
Increase/(Decrease)	\$9,375,549	\$1,587,123	\$183,721	\$1,074,528	\$6,530,177	3.1
Percentage Change	3.0%	7.2%	0.1%	11.4%	9.3%	1.8%

¹ Includes \$4,294,753 in FY 2014-15 and \$4,700,000 in FY 2015-16 that is exempt from the statutory limit on state General Fund appropriations pursuant to Section 24-75-201.1, C.R.S.

General Fund Exempt: Amounts in the General Fund column include appropriations from both the General Fund and General Fund Exempt Account. The General Fund Exempt Account was created by Referendum C, passed by Colorado voters in November 2005. Referendum C allowed the State to retain for FY 2005-06 through FY 2009-10 all revenue collected in excess of the TABOR limit and for FY 2010-11 and subsequent fiscal years all revenues in excess of the TABOR limit but less than the excess state revenues cap. The retained revenue must be placed in the General Fund Exempt Account. The table below shows the amount appropriated from the General Fund Exempt Account for FY 2014-15 and FY 2015-16 for volunteer firefighter retirement plans and death and disability insurance, pursuant to Section 24-77-103.6 (2) (c), C.R.S. For additional information on General Fund Exempt appropriations, see Appendix H.

General Fund Summary	Total General Fund	General Fund	General Fund Exempt
FY 2014-15	\$22,039,101	\$17,744,348	\$4,294,753
FY 2015-16	\$23,626,224	\$19,375,159	\$4,251,065

Informational Funds: The FY 2015-16 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Local Affairs are annotated with the "(I)". For additional information, see Appendix J.

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2015-16 Appropriations containing an (I) notation	\$286,476,045	\$4,700,000	\$204,900,000	\$0	\$76,876,045

Detail of Appropriation by Administrative Section

Executive Director's Office

This division is responsible for the management and administration of the Department, including accounting, budgeting, and human resources. The appropriation includes centrally appropriated amounts which are further distributed to the various divisions. The Division also conducts miscellaneous functions statutorily assigned to the Department, including administration of the Moffat Tunnel Improvement District. Cash funds include lease revenues generated from the operation of the Moffat Tunnel and various other sources. Reappropriated funds include indirect cost recoveries and severance tax revenues and federal mineral lease revenues transferred from the Local Government Mineral and Energy Impact Grants and Disbursements line item.

Executive Director's Office						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$6,188,973	\$1,304,962	\$640,241	\$3,277,276	\$966,494	14.2
SB 15-154	<u>491,083</u>	<u>288,662</u>	<u>334</u>	<u>151,811</u>	<u>50,276</u>	<u>0.0</u>
TOTAL	\$6,680,056	\$1,593,624	\$640,575	\$3,429,087	\$1,016,770	14.2
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$6,680,056	\$1,593,624	\$640,575	\$3,429,087	\$1,016,770	14.2
Centrally appropriated line items	1,307,390	410,106	87,014	601,020	209,250	0.0
Indirect cost assessment	0	0	0	0	0	0.0
Annualize prior year legislation and budget actions	(837,806)	(368,186)	(68,159)	(280,487)	(120,974)	0.0
Federal funds adjustments	(36,086)	0	0	0	(36,086)	0.0
SB 15-234	\$7,113,554	\$1,635,544	\$659,430	\$3,749,620	\$1,068,960	14.2
SB 15-029	848	848	0	0	0	0.0
HB 15-1367	<u>1,890</u>	<u>0</u>	<u>1,890</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$7,116,292	\$1,636,392	\$661,320	\$3,749,620	\$1,068,960	14.2
Increase/(Decrease)	\$436,236	\$42,768	\$20,745	\$320,533	\$52,190	0.0
Percentage Change	6.5%	2.7%	3.2%	9.3%	5.1%	0.0%

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 15-154 added funds for the Department's share of cost adjustments allocated among state agencies, including costs for the new CORE accounting system.

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; workers' compensation; legal services; payment to risk management and property funds; Capitol complex leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

Indirect cost assessment: The appropriation includes adjustments to anticipated indirect cost collections that offset General Fund otherwise required. The adjustments are consistent with the Department's agreement with the federal Department of Housing and Urban Development on such recoveries. Department-wide, the indirect cost plan reflects the use of \$2,216,351 in indirect cost recoveries in FY 2015-16, including \$175,592 anticipated to be from the Indirect Cost Excess Recoveries Fund.

Annualize prior year legislation and budget actions: The appropriation includes a number of changes to the out-year impact of funding decisions made through the FY 2014-15 Long Bill and other legislation including in this division:

- Reduce \$491,083, including \$288,662 General Fund, to eliminate one-time supplemental funding provided for the CORE accounting system and the Office of Information Technology in FY 2014-15; and
- Annualize FY 2014-15 salary survey and merit pay by moving amounts appropriated in the Executive Director’s Office in FY 2014-15 to personal services and program line items throughout the Department.

Federal funds adjustments: The appropriation adjusts federal funds reflected for informational purposes based on amounts estimated to be received.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Property Taxation

The Division of Property Taxation 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. Cash fund appropriations are from the Property Tax Exemption Fund and the Board of Assessment Appeals Cash Fund. Reappropriated funds are from severance tax revenues and federal mineral lease revenues transferred from the Local Government Mineral and Energy Impact Grants and Disbursements line item within the Division of Local Government.

Property Taxation						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	<u>\$3,653,774</u>	<u>\$1,409,210</u>	<u>\$1,151,418</u>	<u>\$1,093,146</u>	<u>\$0</u>	<u>49.9</u>
TOTAL	<u>\$3,653,774</u>	<u>\$1,409,210</u>	<u>\$1,151,418</u>	<u>\$1,093,146</u>	<u>\$0</u>	<u>49.9</u>
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$3,653,774	\$1,409,210	\$1,151,418	\$1,093,146	\$0	49.9
Annualize prior year legislation and budget actions	96,349	(28,929)	101,528	23,750	0	0.0
Indirect cost assessment	23,797	0	11,458	12,339	0	0.0
SB 15-234	<u>\$3,773,920</u>	<u>\$1,380,281</u>	<u>\$1,264,404</u>	<u>\$1,129,235</u>	<u>\$0</u>	<u>49.9</u>
TOTAL	<u>\$3,773,920</u>	<u>\$1,380,281</u>	<u>\$1,264,404</u>	<u>\$1,129,235</u>	<u>\$0</u>	<u>49.9</u>
Increase/(Decrease)	\$120,146	(\$28,929)	\$112,986	\$36,089	\$0	0.0
Percentage Change	3.3%	(2.1%)	9.8%	3.3%	n/a	0.0%

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Annualize prior year legislation and budget actions: The appropriation includes a number of changes to the out year impact of funding decisions made through the FY 2014-15 Long Bill and other legislation including:

- Annualize FY 2014-15 salary survey and merit pay by moving amounts appropriated in the Executive Director’s Office in FY 2014-15 to personal services and program line items throughout the Department; and
- Reduce \$69,748 General Fund and increase \$69,748 cash funds pursuant to S.B. 13-146 (Board of Assessment Appeals Cash Fund).

Indirect cost assessment: The appropriation includes adjustments to anticipated indirect cost collections that offset General Fund otherwise required. The adjustments are consistent with the Department’s agreement with the federal Department of Housing and Urban Development on such recoveries.

Division of Housing

This 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. Cash fund appropriations are from the Building Regulation Fund, the Private Activity Bond Allocations Fund, and the Homeless Prevention Activities Cash Fund. Reappropriated funds are from severance tax revenues and federal mineral lease revenues transferred from the Local Government Mineral and Energy Impact Grants and Disbursements line item within the Division of Local Governments. The Division also administers the Home Modification Benefit, which was transferred from the Department of Health Care Policy and Financing in FY 2014-15 and is funded with reappropriated funds from that Department.

Division of Housing						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	<u>\$67,828,180</u>	<u>\$13,432,850</u>	<u>\$1,066,720</u>	<u>\$393,083</u>	<u>\$52,935,527</u>	<u>52.3</u>
TOTAL	<u>\$67,828,180</u>	<u>\$13,432,850</u>	<u>\$1,066,720</u>	<u>\$393,083</u>	<u>\$52,935,527</u>	<u>52.3</u>
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$67,828,180	\$13,432,850	\$1,066,720	\$393,083	\$52,935,527	52.3
Federal funds adjustments	7,711,842	0	0	0	7,711,842	0.0
Annualize prior year legislation and budget actions	111,604	23,391	16,473	24,608	47,132	0.5
Manufactured Building Program break-out	0	0	0	0	0	0.0
Indirect cost assessment	(15,897)	0	61,063	34,813	(111,773)	0.0
SB 15-234	<u>\$75,635,729</u>	<u>\$13,456,241</u>	<u>\$1,144,256</u>	<u>\$452,504</u>	<u>\$60,582,728</u>	<u>52.8</u>
TOTAL	<u>\$75,635,729</u>	<u>\$13,456,241</u>	<u>\$1,144,256</u>	<u>\$452,504</u>	<u>\$60,582,728</u>	<u>52.8</u>

Division of Housing						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Increase/(Decrease)	\$7,807,549	\$23,391	\$77,536	\$59,421	\$7,647,201	0.5
Percentage Change	11.5%	0.2%	7.3%	15.1%	14.4%	1.0%

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Federal funds adjustments: The appropriation adjusts federal funds reflected for informational purposes based on amounts estimated to be received. This primarily reflects increases in the Division of Housing for increases for the Shelter Plus Care program and in amounts per Housing Choice Voucher (Section 8) rental vouchers due to rental cost increases. Increases are offset by declines related to phase out or reduction of programs that were temporarily created or expanded under the American Recovery and Reinvestment Act, including the Neighborhood Stabilization Program.

Annualize prior year legislation and budget actions: The appropriation includes a number of changes to the out year impact of funding decisions made through the FY 2014-15 Long Bill and other legislation including:

- Annualize FY 2014-15 salary survey and merit pay by moving amounts appropriated in the Executive Director’s Office in FY 2014-15 to personal services and program line items throughout the Department; and
- Annualize FY 2014-15 requests for housing development grants (reduce \$1,275 General Fund and increase 0.3 FTE) and the Home Modification Program (increase \$8,257 Medicaid cash funds and 0.2 FTE).

Manufactured Building Program break-out: The appropriation breaks out this program into a separate line item in the Division of Housing (consistent with the structure prior to FY 2014-15).

Indirect cost assessment: The appropriation includes adjustments to anticipated indirect cost collections that offset General Fund otherwise required. The adjustments are consistent with the Department’s agreement with the federal Department of Housing and Urban Development on such recoveries.

Division of Local Government

This division provides information and training for local governments in budget development, purchasing, demographics, land use planning, and regulatory issues. It also 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. Some of the funds distributed to local governments are allocated based on statutory formulas, while some are allocated through grant awards. Significant cash fund sources include: (1) severance tax revenues; (2) federal mineral lease revenues; (3) net lottery proceeds; and (4) gaming revenues. Reappropriated funds are primarily from severance tax revenues and federal mineral lease revenues transferred within this Division from the Local Government Mineral and Energy Impact Grants and Disbursements line item. Federal funds in this section include the Community Development Block Grant and the Community Services Block Grant.

Division of Local Government						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$230,832,848	\$4,604,272	\$206,188,092	\$3,646,913	\$16,393,571	51.4
SB 14-153	(352)	0	(352)	0	0	0.0
SB 14-172	1,754,495	904,145	0	850,350	0	0.6
SB 15-234	<u>95,000</u>	<u>95,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$232,681,991	\$5,603,417	\$206,187,740	\$4,497,263	\$16,393,571	52.0
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$232,681,991	\$5,603,417	\$206,187,740	\$4,497,263	\$16,393,571	52.0
REDI Grants	750,000	750,000	0	0	0	0.0
Colorado Main Street Program	462,500	0	0	462,500	0	0.0
Adjust continuously appropriated cash funds and General Fund estimates	300,245	405,247	(105,002)	0	0	0.0
Annualize prior year legislation and budget actions	177,801	(23,413)	12,753	177,406	11,055	(0.1)
Improve statutory compliance	49,721	49,721	0	0	0	0.9
Federal funds adjustments	(1,197,000)	0	0	0	(1,197,000)	0.0
Indirect cost assessment	(1,808)	0	(4,749)	(13,790)	16,731	0.0
SB 15-234	\$233,223,450	\$6,784,972	\$206,090,742	\$5,123,379	\$15,224,357	52.8
SB 15-029	3,423	3,423	0	0	0	0.0
HB 15-1033	364,915	364,915	0	0	0	0.3
HB 15-1225	32,369	0	0	32,369	0	0.5
HB 15-1367	<u>69,452</u>	<u>0</u>	<u>69,452</u>	<u>0</u>	<u>0</u>	<u>1.0</u>
TOTAL	\$233,693,609	\$7,153,310	\$206,160,194	\$5,155,748	\$15,224,357	54.6
Increase/(Decrease)	\$1,011,618	\$1,549,893	(\$27,546)	\$658,485	(\$1,169,214)	2.6
Percentage Change	0.4%	27.7%	(0.0%)	14.6%	(7.1%)	5.0%

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 15-234 added funds for an economic development study in El Paso county.

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

REDI Grants: The appropriation adds \$750,000 General Fund for Rural Economic Development Initiative (REDI) Grants, which assist rural areas that are excessively dependent upon a single large employer in diversifying their economies. The program supports planning and analysis of potential economic development opportunities and provides grant funding for community infrastructure and business facilities.

Colorado Main Street Program: The appropriation includes \$462,500 reappropriated funds that are initially reflected in this department in the Local Government Limited Gaming Impact Grants line item. The appropriation expands the Main Street Program to meet growing statewide demand for downtown revitalization assistance. The funds are for additional consulting resources and are expected to enable the program to serve four new communities each year, instead of the one or two that can currently be added annually.

Adjust continuously appropriated cash funds and General Fund estimates: The appropriation includes adjustments to General Fund and cash fund amounts that are shown in the Long Bill for informational purposes. These include estimates for: (1) volunteer firefighter retirement benefits (increase \$405,247 General Fund based on the Legislative Council Staff March 2015 economic forecast); (2) limited gaming fund moneys (reduce \$100,000 cash funds); and (3) Conservation Trust Fund lottery proceeds (reduce \$5,002).

Annualize prior year legislation and budget actions: The appropriation includes a number of changes to the out year impact of funding decisions made through the FY 2014-15 Long Bill and other legislation including:

- Add \$148,778 total funds, including \$60,075 General Fund, and reduce 0.1 FTE to annualize the appropriation for S.B. 14-172 (Firefighter Heart and Circulatory Malfunction Benefit);
- Annualize FY 2014-15 salary survey and merit pay by moving amounts appropriated in the Executive Director's Office in FY 2014-15 to personal services and program line items throughout the Department; and
- Reduce \$95,000 General Fund to eliminate one-time FY 2014-15 supplemental funding for an economic development study.

Improve statutory compliance: The appropriation adds \$49,721 General Fund and 0.9 FTE in FY 2015-16 for Local Government Services staff to handle increased workload caused by the growth in the number of local governments, including special districts. This amount will annualize to \$61,164 General Fund and 1.0 FTE for FY 2016-17.

Federal funds adjustments: The appropriation adjusts federal funds reflected for informational purposes based on amounts estimated to be received. This includes declines related to phase out or reduction of programs that were temporarily created or expanded under the American Recovery and Reinvestment Act, including the Community Development Block Grant (CDBG) program. Amounts shown do *not* include over \$320 million in CDBG disaster recovery funds awarded in response to the September 2013 floods. These funds will be spent over multiple years and are not reflected in the Long Bill.

Indirect cost assessment: The appropriation includes adjustments to anticipated indirect cost collections that offset General Fund otherwise required. The adjustments are consistent with the Department's agreement with the federal Department of Housing and Urban Development on such recoveries.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Recent Legislation

2014 Session Bills

S.B. 14-106 (Appropriations from the Local Government Permanent Fund): Changes current statute to allow the Department of Local Affairs to request a backfill when anticipated revenues from federal mineral leasing activities are projected to be at least ten percent less than the amount deposited in the previous fiscal year based on the December revenue forecast instead of the March forecast. Appropriates \$4.3 million from the Local Government Permanent Fund to be distributed to local divisions of government consistent with regular distributions.

S.B. 14-153 (Legislative Members Compensation for Boards and Committees): Establishes uniform payments of per diem and the reimbursement of expenses to current members of the General Assembly who are appointed to serve on state entities created or authorized by statute on which members of the General Assembly are statutorily required to be appointed to serve. When the General Assembly is in session and legislative members attend meetings of a state entity to which they are appointed, legislative members will only receive the per diem lodging and expense allowances and travel expenses that they receive as legislative members. When the General Assembly is not in session or is in recess for more than 3 days and legislative members attend meetings of a state entity to which they are appointed, legislative members will receive the same per diem and travel and subsistence expenses received by legislative members for necessary attendance at meetings or functions matters during the legislative recess or interim. Decreases the FY 2014-15 cash funds appropriation to the Department of Local Affairs from the Local Government Limited Gaming Impact Fund by \$352. Also adjusts FY 2014-15 appropriations to the Department of State and the Department of Public Safety. For additional information, see the "Recent Legislation" sections for these departments.

S.B. 14-172 (Firefighter Heart Circulatory Malfunction Benefits): Requires any municipality, special district, fire authority, or county improvement district (employer) employing one or more firefighters to provide benefits for heart and circulatory malfunctions for full-time firefighters, as long as the state provides sufficient funding to cover the cost. The employer may purchase accident insurance, self-insure, or participate in a self-insurance pool, or multi-employer health trust. Employers may also provide similar insurance for volunteer firefighters. The bill establishes the amounts of minimum benefit payments, which must increase proportionally and concurrently with any benefit increases provided by the Fire and Police Pension Association (FPPA). Appropriates \$53,795 General Fund and 0.6 FTE to the Department of Local Affairs for FY 2014-15. Also appropriates \$850,000 General Fund to the Firefighters Benefits Cash Fund and reappropriates this amount to the Department of Local Affairs for FY 2014-15.

H.B. 14-1336 (Long Bill): General appropriations act for FY 2014-15.

2015 Session Bills

S.B. 15-029 (Volunteer Firefighter Pension Plan Study): Requires the Office of the State Auditor (OSA), with the concurrence of the Fire and Police Pension Association (FPPA) and the Department of Local Affairs (Department), to retain a nationally recognized law firm and, if necessary, an actuary to conduct a study of various issues related to the state's volunteer firefighter pension plan system. Requires the OSA, the FPPA, and the Department to work collectively to develop recommendations for the legislature regarding changes to the system of volunteer firefighter pension plans, based on the results of the report. Requires the Police Officers' and Firefighters' Pension Reform Commission to review the results on the report and to determine whether to

propose legislation relating to the funding and structure of volunteer firefighter pension plans in the state. Provides the following FY 2015-16 appropriations: \$100,000 General Fund to the Legislative Department for allocation to the OSA; \$4,271 General Fund to the Department of Local Affairs; and \$848 reappropriated funds to the Governor’s Office for information technology services for the Department of Local Affairs.

S.B. 15-112 (Building Regulation Fund): The Building Regulation Fund (Fund) supports programs to inspect and regulate manufactured buildings. In 2009, the General Assembly transferred \$1,101,349 from the Fund to the General Fund to address statewide revenue shortfalls. Repays \$500,000 of this amount through two transfers from the General Fund to the Fund:

- On April 1, 2015, transfers \$300,000 from the General Fund to the Fund.
- On July 1, 2016, transfers \$200,000 from the General Fund to the Fund.
- Waives the limit on uncommitted reserves in the Fund for FY 2014-15.

S.B. 15-154 (Supplemental Bill): Supplemental appropriations to the Department of Local Affairs to modify 2014-15 appropriations included in the FY 2014-15 Long Bill (H.B. 14-1336).

S.B. 15-234 (Long Bill): General appropriations act for FY 2015-16.

S.B. 15-244 (Transfers related to Federal Mineral Lease Recoupment): Enacts statutory transfers from the General Fund for three consecutive fiscal years, from FY 2015-16 to FY 2017-18, to backfill state cash funds for local public entities that will be reduced by the recoupment of federal mineral lease (FML) revenue previously received from oil and gas leases on the Roan Plateau. Due to a recently-settled lawsuit, businesses with drilling rights on the Plateau are vacating some mineral leases in return for reimbursement of their initial up-front FML “bonus” payments. To adjust for a total FML reduction of \$23,366,598 over three years, the State Treasurer will annually transfer \$7,788,866 from the General Fund to the Public School Fund. This will trigger further transfers from the Public School Fund to the Local Government Mineral Impact Fund and Colorado Water Conservation Board Construction Fund (CWCB Fund). These further transfers are made from FML funds rather than General Fund, but are based on ensuring allocation of the initial \$7.8 million General Fund transfer consistent with each fund’s usual statutory share of FML revenue.

Transfers under SB 15-244, for each fiscal year between FY 2015-16 and FY 2017-18. (Following statutory nonbonus FML distributions in Section 34-63-102, C.R.S.)				
Original source	First transfer	Final Transfer / Residual	%	Recipient Purpose
General Fund	\$7,788,866 to the Public School Fund	\$3,115,546 to the Local Government Mineral Impact Fund.	40.0	For the Local Impact Program in DOLA.
		778,887 to the CWCB Fund	10.0	For use in water projects.
		132,411 to the Local Government Mineral Impact Fund	1.7	For use by DOLA in school district direct distributions.
		3,762,022 residual in the Public School Fund	48.3	Payments to support public schools.
		Total Transfer \$7,788,866		

S.B. 15-255 (Deposit Severance Tax Revenues In General Fund): Diverts up to the first \$20.0 million in gross severance tax revenues collected after the effective date to the General Fund in FY 2014-15. Pursuant to Section 39-28-108 (2) (2) (I), C.R.S., the Department of Natural Resources and the Department of Local Affairs

each receive 50.0 percent of total severance tax revenues. The diversion reduces revenue to the Local Government Severance Tax Fund by up to \$10.0 million in FY 2014-15. However, the June 2015 Legislative Council Staff forecast indicates that the diversion is likely to be lower, based on a revised projection of gross severance tax revenues. For additional information, see the "Recent Legislation" section at the end of Part III of the Department of Natural Resources.

S.B. 15-288 (Compensation Paid to Elected Officials): Increases statutory salaries for county commissioners, sheriffs, treasurers, assessors, clerks, coroners, and surveyors by 30.0 percent, effective January 2016. Requires the Director of Research of the Legislative Council to periodically adjust the salaries of these elected county officials for inflation, and post the adjusted salary amounts on the General Assembly's web site. For additional information, see the "Recent Legislation" section at the end of the Governor – Lieutenant Governor – State Planning and Budgeting.

H.B. 15-1033 (Strategic Planning Group on Aging): Creates a Strategic Action Planning Group on Aging (Group) to study and produce a comprehensive strategic action plan on aging in Colorado. The 23-member Group, appointed by the Governor, will examine the impacts of the aging demographic shift through the year 2030 on the economy, state and local budgets, and health care and transportation needs, among other issues. The bill outlines various requirements for representation on the Group and its activities. Requires the Group to provide oral updates to the Joint Budget Committee during the 2016 and 2017 legislative sessions, to submit its written strategic plan with final recommendations by November 30, 2016, and to submit two updates to the strategic plan, one by November 1, 2018 and one by November 1, 2020. The Group is repealed September 1, 2022, pending sunset review. Creates the Strategic Action Plan on Aging Cash Fund, which is continuously appropriated to the Group and consists of moneys appropriated by the General Assembly and gifts, grants or donations. Provides an appropriation of \$365,915 General Fund and 0.3 FTE to the Department of Local Affairs for FY 2015-16 for allocation to the Division of Local Government to support the Group. For additional information, see the "Recent Legislation" section at the end of the Department of Revenue.

H.B. 15-1225 (Federal Land Coordination): Requires the executive branch to provide technical and financial support to local governments that are affected by federal land management. Specifically, requires the Governor to provide technical support in cooperation with the executive directors of the Department of Local Affairs, the Department of Natural Resources, and the Commissioner of the Department of Agriculture. Support includes sharing information with federal land managers, developing local land use plans, hiring consultants, and entering into memoranda of understanding or other cooperation with federal agencies. The Governor is also authorized, but not required, to establish an advisory committee that provides technical assistance related to specific federal land management decision-making processes. Authorizes the use of the Local Government Mineral Impact Fund and the Local Government Severance Tax Fund for planning, analysis, public engagement, collaboration with federal land managers, and other local government activity related to federal land management. For three years, grant funding of \$1.0 million per year will be available to counties for these activities or for similar or related activities by local governments. For FY 2015-16, appropriates \$32,369 reappropriated funds and 0.5 FTE to the Department of Local Affairs from amounts initially appropriated to the Department for local government mineral and energy impact grants and disbursements.

H.B. 15-1367 (Retail Marijuana Taxes): Refers a ballot issue to voters on November 3, 2015, asking whether the state may retain and spend revenue collected from the Proposition AA excise and special sales taxes on retail marijuana in FY 2014-15. Creates a \$58.0 million Proposition AA Refund Account (Refund Account) in the General Fund. Independent of whether the voters approve the ballot issue, the bill creates a Local Government Retail Marijuana Impact Grant Program in the Department of Local Affairs and makes various other changes to law regarding marijuana taxes and expenditure of related revenue. Among other

appropriations, appropriates \$71,342 cash funds from the Marijuana Tax Cash Fund and 1.0 FTE to the Department of Local Affairs for FY 2015-16, regardless of whether the ballot initiative is adopted. If the ballot initiative is adopted, appropriates an additional \$1,000,000 for FY 2015-16 to the Department of Local Affairs from the Refund Account. For additional information, see the "Recent Legislation" section at the end of the Department of Revenue.

Department Details

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

FY 2014-15 and FY 2015-16 Appropriations by Division and Bill

Department of Military and Veterans Affairs						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Total Appropriation:	\$225,377,743	\$8,244,667	\$1,282,783	\$1,100,000	\$214,750,293	1,391.2
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director and Army National Guard	12,967,626	5,729,903	128,045	1,100,000	6,009,678	85.8
Division of Veterans Affairs	3,410,317	2,138,679	1,154,738	0	116,900	17.8
Air National Guard	3,353,431	376,085	0	0	2,977,346	48.6
Federal Funded Programs	205,646,369	0	0	0	205,646,369	1,239.0
<u>Breakdown of Total Appropriation by Bill</u>						
HB 14-1336	224,704,185	7,885,530	1,282,783	800,000	214,735,872	1,390.8
SB 14-157	600,000	300,000	0	300,000	0	0.0
HB 14-1205	0	0	0	0	0	0.4
SB 15-155	73,558	59,137	0	0	14,421	0.0
FY 2015-16 Total Appropriation:	\$225,391,179	\$8,285,043	\$1,281,079	\$800,000	\$215,025,057	1,392.3
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director and Army National Guard	12,393,937	5,264,487	125,874	800,000	6,203,576	86.7
Division of Veterans Affairs	3,904,395	2,632,290	1,155,205	0	116,900	18.0
Air National Guard	3,446,478	388,266	0	0	3,058,212	48.6
Federal Funded Programs	205,646,369	0	0	0	205,646,369	1,239.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 15-234	225,391,179	8,285,043	1,281,079	800,000	215,025,057	1,392.3
Increase/(Decrease)	\$13,436	\$40,376	(\$1,704)	(\$300,000)	\$274,764	1.1
Percentage Change	0.0%	0.5%	(0.1%)	(27.3%)	0.1%	0.1%

Informational Funds: The FY 2015-16 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Military and Veterans Affairs are annotated with the "(I)". For additional information, see Appendix J.

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2015-16 Appropriations containing an (I) notation	\$215,025,057	\$0	\$0	\$0	\$215,025,057

Detail of Appropriation by Administrative Section

Executive Director and Army National Guard

This division is responsible for the overall management and administration of the Department. The appropriation includes the operating budget for the Executive Director as well as all centrally appropriated line items for the Department. It also includes appropriations for tuition assistance for National Guard members attending college and the State's share of maintenance for Army National Guard facilities.

The federal government fully funds National Guard training and provides most of the funding for construction of armories and other military facilities. Under the cooperative agreements with the federal government, the Department provides varying levels of maintenance and utilities costs for the military facilities in the State. Most of the Department's General Fund expenditures for personal services costs 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. The Division also provides support for the Colorado Wing of the Civil Air Patrol and administers the Colorado National Guard tuition program.

The cash funds sources are armory rental fees, the Western Slope Military Veterans' Cemetery Fund, real estate proceeds, and the Distance Learning Cash Fund. The reappropriated funds source is the Colorado Commission on Higher Education financial assistance program. Federal funds are provided through cooperative agreements with the federal government for operations of the Colorado National Guard.

Executive Director and Army National Guard						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$12,294,068	\$5,370,766	\$128,045	\$800,000	\$5,995,257	85.8
SB 14-157	600,000	300,000	0	300,000	0	0.0
SB 15-155	<u>73,558</u>	<u>59,137</u>	<u>0</u>	<u>0</u>	<u>14,421</u>	<u>0.0</u>
TOTAL	\$12,967,626	\$5,729,903	\$128,045	\$1,100,000	\$6,009,678	85.8
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$12,967,626	\$5,729,903	\$128,045	\$1,100,000	\$6,009,678	85.8
Centrally appropriated line items	157,342	(133,368)	1,526	0	289,184	0.0

Executive Director and Army National Guard						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Process improvement and safety champion	64,132	64,132	0	0	0	0.9
State protocol vehicle	3,146	3,146	0	0	0	0.0
Annualize prior year legislation	(600,000)	(300,000)	0	(300,000)	0	0.0
Annualize prior year budget actions	(198,309)	(99,326)	(3,697)	0	(95,286)	0.0
SB 15-234	<u>\$12,393,937</u>	<u>\$5,264,487</u>	<u>\$125,874</u>	<u>\$800,000</u>	<u>\$6,203,576</u>	<u>86.7</u>
TOTAL	<u>\$12,393,937</u>	<u>\$5,264,487</u>	<u>\$125,874</u>	<u>\$800,000</u>	<u>\$6,203,576</u>	<u>86.7</u>
Increase/(Decrease)	(\$573,689)	(\$465,416)	(\$2,171)	(\$300,000)	\$193,898	0.9
Percentage Change	(4.4%)	(8.1%)	(1.7%)	(27.3%)	3.2%	1.0%

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 15-155 adds a total of \$73,558 to the Department's FY 2014-15 appropriations, including \$59,137 General Fund, for adjustments to centrally appropriated line items for the CORE accounting system and payments to the Governor's Office of Information Technology.

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; workers' compensation; legal services; payment to risk management and property funds; vehicle lease payments; leased space; Capitol complex leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

Process improvement and safety champion: The appropriation includes an increase of \$64,132 General Fund and 0.9 FTE for the creation of a position in the Executive Director's Office dedicated to strategic planning, process improvement, and safety review.

State protocol vehicle: The appropriation includes an increase of \$3,146 General Fund to the Executive Director's Office for the lease of a permanent vehicle for the Department's Protocol Office.

Annualize prior year legislation: The appropriation includes a reduction of \$600,000 total funds and an increase of 0.1 FTE for the second year impact of legislation. The primary change is the elimination of \$600,000, including \$300,000 cash funds and \$300,000 reappropriated funds, provided as one-time funding in S.B. 14-157 (DMVA Commission Report on Value of U.S. Military Activities in the State).

Annualize prior year budget actions: The appropriation includes the annualization of FY 2014-15 salary survey and merit pay.

Division of Veterans Affairs

The Division of Veterans Affairs represents veterans in federal benefits claims, and provides information, training, and direct funding to county veterans service officers. The State Board of Veterans Affairs makes grants to veterans service organizations from the Veterans Trust Fund, which receives tobacco settlement revenue. The Division has received an appropriation of \$1.0 million General Fund since FY 2012-13 to provide additional grants to organizations serving veterans, with priority given to homeless veterans services. The Division also maintains the Western Slope Veterans' Cemetery in Grand Junction.

The cash funds sources are the Colorado State Veterans Trust Fund and the Western Slope Military Veterans' Cemetery Fund. The federal funds source is interment fees from the U.S. Department of Veterans Affairs, which the Department obtains from the U.S. Department of Veterans Affairs to defray the interment costs at the Western Slope Military Veterans' Cemetery.

Division of Veterans Affairs						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$3,410,317	\$2,138,679	\$1,154,738	\$0	\$116,900	17.4
HB 14-1205	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.4</u>
TOTAL	\$3,410,317	\$2,138,679	\$1,154,738	\$0	\$116,900	17.8
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$3,410,317	\$2,138,679	\$1,154,738	\$0	\$116,900	17.8
County veteran service officer payments increase	466,626	466,626	0	0	0	0.0
Annualize prior year budget actions	30,682	26,985	3,697	0	0	0.1
Annualize prior year legislation	0	0	0	0	0	0.1
Tobacco master settlement revenue adjustment	(3,230)	0	(3,230)	0	0	0.0
SB 15-234	<u>\$3,904,395</u>	<u>\$2,632,290</u>	<u>\$1,155,205</u>	<u>\$0</u>	<u>\$116,900</u>	<u>18.0</u>
TOTAL	\$3,904,395	\$2,632,290	\$1,155,205	\$0	\$116,900	18.0
Increase/(Decrease)	\$494,078	\$493,611	\$467	\$0	\$0	0.2
Percentage Change	14.5%	23.1%	0.0%	n/a	0.0%	1.1%

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

County veteran services officer payments increase: The appropriation includes an increase of \$466,626 General Fund in FY 2015-16 and ongoing for payments to counties in support of their County Veterans Service Officers.

Annualize prior year budget actions: The appropriation includes a number of changes to reflect the out year impact of funding decisions made through the FY 2014-15 Long Bill including:

- Annualization of the FY 2014-15 salary survey and merit pay; and
- Annualization of funding for the Veterans Memorial Cemetery.

Annualize prior year legislation: The appropriation includes an increase of 0.1 FTE associated with the second year impact of H.B. 14-1205 (Veterans Assistance Grant Program).

Tobacco Master Settlement revenue adjustment: The appropriation includes a reduction based on the Legislative Council FY 2015-16 Tobacco Master Settlement revenue projections.

Air National Guard

This division provides funding for the operations of 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 and is based on the type and use of the building and whether it is on state or federal land. The federal government also funds five full-time security guards at the space command facility at Greeley. Federal funds are provided through cooperative agreements with the federal government for the operations of the Colorado National Guard.

Air National Guard						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	<u>\$3,353,431</u>	<u>\$376,085</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,977,346</u>	<u>48.6</u>
TOTAL	\$3,353,431	\$376,085	\$0	\$0	\$2,977,346	48.6
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$3,353,431	\$376,085	\$0	\$0	\$2,977,346	48.6
Annualize prior year budget actions	93,047	12,181	0	0	80,866	0.0
SB 15-234	<u>\$3,446,478</u>	<u>\$388,266</u>	<u>\$0</u>	<u>\$0</u>	<u>\$3,058,212</u>	<u>48.6</u>
TOTAL	\$3,446,478	\$388,266	\$0	\$0	\$3,058,212	48.6
Increase/(Decrease)	\$93,047	\$12,181	\$0	\$0	\$80,866	0.0
Percentage Change	2.8%	3.2%	n/a	n/a	2.7%	0.0%

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes the annualization of FY 2014-15 salary survey and merit pay.

Federal Funded Programs

This section is included in the Long Bill for informational purposes only. It describes funding that is managed by the Department but is not subject to appropriation by the General Assembly and does not flow through the State accounting system. This funding supports training for members of the Colorado National Guard, and the operations, maintenance, and construction of armories and other military facilities. Funding is based on the federal fiscal year, which begins October 1, 2015. Federal funds are pursuant to cooperative agreements with the federal government for the operations of the Colorado National Guard.

Federal Funded Programs						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	<u>\$205,646,369</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$205,646,369</u>	<u>1,239.0</u>
TOTAL	\$205,646,369	\$0	\$0	\$0	\$205,646,369	1,239.0
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$205,646,369	\$0	\$0	\$0	\$205,646,369	1,239.0
No changes	0	0	0	0	0	0.0
SB 15-234	<u>\$205,646,369</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$205,646,369</u>	<u>1,239.0</u>
TOTAL	\$205,646,369	\$0	\$0	\$0	\$205,646,369	1,239.0
Increase/(Decrease)	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	n/a	n/a	n/a	0.0%	0.0%

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

No changes: The appropriation does not contain changes from the FY 2015-16 appropriation.

Recent Legislation

2014 Session Bills

S.B. 14-157 (DMVA Commission Report Value of US Military Activities): Requires the Department of Military and Veterans Affairs to contract with an outside contractor to prepare a report demonstrating to policymakers in the federal Department of Defense (DOD) the strategic and economic advantages of maintaining and expanding military missions, defense spending, and defense-related investment in Colorado. The Department of Military and Veterans Affairs must solicit proposals by August 1, 2014 and award the contract no later than October 1, 2014. The contractor must complete the report by April 15, 2015. For FY 2014-15, appropriates \$300,000 General Fund to the Comprehensive Report on the Value of United States Military Activities Fund created in the bill and reappropriates that amount to the Department of Military and Veterans Affairs.

H.B. 14-1205 (Veterans Assistance Grant Program): Creates the Veterans Assistance Grant Program within the Department of Military and Veterans Affairs to provide financial assistance to nonprofit organizations and governmental agencies providing services to improve the health and well-being of veterans in Colorado. The bill creates the Veterans Grant Program Cash Fund, which may receive gifts, grants, and donations, in addition to annual appropriations from the General Assembly. The FY 2014-15 Long Bill (H.B. 14-1336) includes \$1.0 million General Fund for the grant program. For FY 2014-15, this bill appropriates 0.4 FTE to the Department of Military and Veterans Affairs to provide staffing to support the grant program.

H.B. 14-1336 (Long Bill): General appropriations act for FY 2014-15.

2015 Session Bills

S.B. 15-155 (Supplemental Bill): Supplemental appropriation to the Department to modify FY 2014-15 appropriations included in the FY 2014-15 Long Bill (H.B. 14-1336).

S.B. 15-234 (Long Bill): General appropriations act for FY 2015-16.

H.B. 15-1052 (Eligibility For Military Family Relief Fund): Under current law, to be eligible to receive a grant from the Military Family Relief Fund, a member of the Colorado National Guard or a reservist must be on active duty for a minimum of 30 days on involuntary mobilization orders or called to state active duty by executive order of the governor. This bill removes the requirement that a member's or reservist's mobilization orders must be involuntary. This bill has no direct fiscal impact.

H.B. 15-1315 (Support For Veterans Service Officers): Eliminates the requirement that counties contribute a matching amount for county veterans service officer (CVSO) operations. The bill also specifies that the payment rate will be determined by the Division of Veterans Affairs in the Department based on available appropriations to support CVSOs, and clarifies that payments to counties are from the Department's budgeted line item for CVSOs. This bill has no direct fiscal impact.

Department Details

DEPARTMENT OF NATURAL RESOURCES

FY 2014-15 and FY 2015-16 Appropriations by Division and Bill

Department of Natural Resources						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Total Appropriation:	\$255,752,816	\$26,309,329	\$192,487,142	\$8,103,450	\$28,852,895	1,444.7
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	59,818,292	6,714,484	42,193,889	7,556,863	3,353,056	51.5
Div. of Reclamation, Mining, and Safety	7,926,136	0	4,462,496	30,000	3,433,640	68.9
Geological Survey	0	0	0	0	0	0.0
Oil and Gas Conservation Commission	11,002,960	0	10,901,375	0	101,585	96.3
State Board of Land Commissioners	4,664,478	0	4,439,478	225,000	0	40.0
Division of Parks and Wildlife	136,808,958	0	115,209,801	0	21,599,157	886.5
Colorado Water Conservation Board	13,726,262	0	13,268,275	291,587	166,400	45.7
Water Resources Division	21,805,730	19,594,845	2,011,828	0	199,057	255.8
<u>Breakdown of Total Appropriation by Bill</u>						
HB 14-1336	244,161,842	26,226,310	181,018,196	8,026,022	28,891,314	1,443.1
SB 14-188	6,500,000	0	6,500,000	0	0	0.0
HB 14-1333	5,380,000	0	5,380,000	0	0	0.0
HB 14-1356	80,425	0	80,425	0	0	0.9
SB 15-156	(369,451)	83,019	(491,479)	77,428	(38,419)	0.7
FY 2015-16 Total Appropriation:	\$263,919,227	\$27,671,518	\$198,404,864	\$8,701,045	\$29,141,800	1,462.6
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	59,440,248	7,131,917	40,866,815	8,154,458	3,287,058	52.2
Div. of Reclamation, Mining, and Safety	8,019,842	0	4,492,845	30,000	3,496,997	68.9
Geological Survey	0	0	0	0	0	0.0
Oil and Gas Conservation Commission	12,827,024	0	12,719,508	0	107,516	110.3
State Board of Land Commissioners	4,801,909	0	4,576,909	225,000	0	40.0
Division of Parks and Wildlife	139,803,033	150,000	117,785,467	0	21,867,566	886.5
Colorado Water Conservation Board	16,655,542	0	16,183,735	291,587	180,220	45.7
Water Resources Division	22,371,629	20,389,601	1,779,585	0	202,443	259.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 15-234	\$250,860,028	\$27,479,559	\$185,537,624	\$8,701,045	\$29,141,800	1,462.1

Department of Natural Resources						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 15-008	50,000	0	50,000	0	0	0.0
SB 15-253	5,580,000	0	5,580,000	0	0	0.0
HB 15-1006	2,000,000	0	2,000,000	0	0	0.0
HB 15-1013	41,959	41,959	0	0	0	0.5
HB 15-1016	12,240	0	12,240	0	0	0.0
HB 15-1045	150,000	150,000	0	0	0	0.0
HB 15-1166	60,000	0	60,000	0	0	0.0
HB 15-1178	165,000	0	165,000	0	0	0.0
HB 15-1277	5,000,000	0	5,000,000	0	0	0.0
Increase/(Decrease)	\$8,166,411	\$1,362,189	\$5,917,722	\$597,595	\$288,905	17.9
Percentage Change	3.2%	5.2%	3.1%	7.4%	1.0%	1.2%

Informational Funds: The FY 2015-16 Long Bill and other legislation indicate when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Natural Resources are annotated with the "(I)". For additional information, see Appendix J.

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2015-16 Appropriations containing an (I) notation	\$53,908,128	\$0	\$24,766,328	\$0	\$29,141,800

Detail of Appropriation by Administrative Section

Executive Director's Office

This office is responsible for the management and administration of the Department, including: departmental administration and policy development, human resources, accounting and purchasing, budgeting, and information technology services. Cash funding for this division consists of \$33.9 million from various cash funds and \$1.9 million from the Severance Tax Operational Fund to pay for employee benefits and other central services provided by the Department of Personnel and the Governor's Office, as well as \$5.0 million from the Species Conservation Trust Fund pursuant to H.B. 15-1277 (Species Conservation Trust Fund Projects). Reappropriated funds are from indirect cost recoveries.

Executive Director's Office						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$53,687,743	\$6,631,465	\$36,185,368	\$7,479,435	\$3,391,475	50.8

Executive Director's Office						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 14-188	6,500,000	0	6,500,000	0	0	0.0
SB 15-156	<u>(369,451)</u>	<u>83,019</u>	<u>(491,479)</u>	<u>77,428</u>	<u>(38,419)</u>	<u>0.7</u>
TOTAL	\$59,818,292	\$6,714,484	\$42,193,889	\$7,556,863	\$3,353,056	51.5
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$59,818,292	\$6,714,484	\$42,193,889	\$7,556,863	\$3,353,056	51.5
Centrally appropriated line items	4,034,614	2,925,002	2,051,280	(1,319,213)	377,545	0.0
Additional staffing for OGCC field operations and hearings	249,573	0	249,573	0	0	0.0
CAIC administrative changes	230,024	(28,210)	20,611	237,623	0	1.4
Indirect cost assessment	13,780	(1,765,987)	14,286	1,765,987	(506)	0.0
Reauthorize funding to reclaim forfeited mine sites	5,838	0	5,838	0	0	0.0
Annualize prior year legislation	(6,500,000)	0	(6,500,000)	0	0	0.0
Annualize prior year budget actions	(3,411,873)	(713,372)	(2,168,662)	(86,802)	(443,037)	(0.7)
SB 15-234	\$54,440,248	\$7,131,917	\$35,866,815	\$8,154,458	\$3,287,058	52.2
HB 15-1277	<u>5,000,000</u>	<u>0</u>	<u>5,000,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$59,440,248	\$7,131,917	\$40,866,815	\$8,154,458	\$3,287,058	52.2
Increase/(Decrease)	(\$378,044)	\$417,433	(\$1,327,074)	\$597,595	(\$65,998)	0.7
Percentage Change	(0.6%)	6.2%	(3.1%)	7.9%	(2.0%)	1.4%

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 15-156 reduces the division's FY 2014-15 appropriation by \$369,451 total funds, comprised of: (1) a net increase of \$120,246 total funds and 0.7 FTE for the Colorado Avalanche Information Center to provide funding for an additional seasonal avalanche forecaster, as well as administrative support, equipment, vehicles, and office space for the program; and (2) a net decrease of \$489,697 cash funds for adjustments to centrally appropriated line items for payments to the Governor's Office of Information Technology (OIT) and CORE operations.

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; vehicle lease payments; workers' compensation; legal services; payment to risk management and property funds; Capitol complex leased space; payments to OIT; and CORE operations.

Additional staffing for OGCC field operations and hearings: The appropriation includes an increase of \$249,573 cash funds related to new FTE added to the Oil and Gas Conservation Commission (OGCC) to implement the recommendations from the Oil and Gas Task Force and provide additional support to expedite the processing of hearings applications and applications for permits to drill.

CAIC administrative changes: The appropriation includes a net increase of \$230,024 total funds, including a decrease of \$28,210 General Fund, and an increase of 1.4 FTE for the Colorado Avalanche Information Center (CAIC) to add a full-time forecaster in FY 2015-16, and to continue the appropriation for a highway forecaster, equipment, vehicles, leased space, and administrative support approved during the FY 2014-15 supplemental process.

Indirect cost assessment: The appropriation includes a net increase in the division's indirect cost assessment.

Reauthorize funding to reclaim forfeited mine sites: The appropriation includes an increase of \$5,838 cash funds from the Reclamation Warranty and Forfeiture Fund to provide spending authority for Tier II Severance Tax Operational Fund revenue transferred pursuant to H.B. 15-1150 (Severance Tax Operational Fund Transfers for Mine Reclamation). This funding supports reclamation projects at certain forfeited mine sites.

Annualize prior year legislation: The appropriation includes a decrease of \$6,500,000 cash funds to eliminate the one-time appropriation in S.B. 14-188 (Species Conservation Trust Fund Project List).

Annualize prior year budget actions: The appropriation includes a number of changes to reflect the out year impact of funding decisions made through the FY 2014-15 Long Bill, including the annualization of FY 2014-15 salary survey and merit pay and adjustments to account for the impact of prior year supplemental appropriations.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Division of Reclamation, Mining, and Safety

This division includes the following programs:

- **Coal Regulatory Program** -- This program issues and enforces mining and reclamation permits for coal mines in Colorado on state, federal, and private lands, including ensuring compliance with the requirements of the federal Surface Mining Control and Reclamation Act. The program is currently responsible for 37 permitted mines and 57 exploration units (permitted areas covering 174,500 acres).
- **Minerals Regulatory Program** -- This program issues and enforces mining and reclamation permits for all non-coal mines in Colorado on state, federal, and private lands. The program permits and inspects the 1,710 non-coal mines in Colorado (190,019 permitted acres) and regulates 168 active prospecting operations.
- **Inactive Mines** -- This program safeguards mine openings, inspects and monitors mine sites, and reclaims abandoned mines. A total of 9,472 hazardous mine openings have been reclaimed since the program started and approximately 13,528 hazardous mine openings remain in Colorado.
- **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 and safety, and regulates underground diesel equipment and mining explosives.

The primary sources of funding are the Severance Tax Operational Fund and federal grants. The reappropriated funds are from the Department of Public Health and Environment for reclamation of inactive mines.

Division of Reclamation, Mining, and Safety						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	<u>\$7,926,136</u>	<u>\$0</u>	<u>\$4,462,496</u>	<u>\$30,000</u>	<u>\$3,433,640</u>	<u>68.9</u>
TOTAL	\$7,926,136	\$0	\$4,462,496	\$30,000	\$3,433,640	68.9
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$7,926,136	\$0	\$4,462,496	\$30,000	\$3,433,640	68.9
Reauthorize funding to reclaim forfeited mine sites	121,162	0	121,162	0	0	0.0
Line item consolidation	0	0	0	0	0	0.0
Annualize prior year budget actions	(26,295)	0	(107,040)	0	80,745	0.0
Indirect cost assessment	(1,161)	0	16,227	0	(17,388)	0.0
SB 15-234	<u>\$8,019,842</u>	<u>\$0</u>	<u>\$4,492,845</u>	<u>\$30,000</u>	<u>\$3,496,997</u>	<u>68.9</u>
TOTAL	\$8,019,842	\$0	\$4,492,845	\$30,000	\$3,496,997	68.9
Increase/(Decrease)	\$93,706	\$0	\$30,349	\$0	\$63,357	0.0
Percentage Change	1.2%	n/a	0.7%	0.0%	1.8%	0.0%

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Reauthorize funding to reclaim forfeited mine sites: The appropriation includes an increase of \$121,162 cash funds from the Reclamation Warranty and Forfeiture Fund for the Division of Reclamation, Mining, and Safety to provide spending authority for Tier II Severance Tax Operational Fund revenue transferred pursuant to H.B. 15-1150 (Severance Tax Operational Fund Transfers for Mine Reclamation). This includes a net-zero transfer of 0.3 FTE within the Inactive Mines Program. This funding supports reclamation projects at certain forfeited mine sites.

Line item consolidation: The appropriation includes the elimination of the Inactive Mines–Abandoned Mine Safety line item in the Division of Reclamation Mining and Safety, and the net zero transfer of \$99,850 cash funds and 0.2 FTE to the Inactive Mines–Program Costs line item.

Annualize prior year budget actions: The appropriation includes a number of changes to the out year impact of funding decisions made through the FY 2014-15 appropriation including the annualization of salary survey and merit pay and the expiration of Tier I Severance Tax Operational Fund revenue for reclamation projects at forfeited mine sites.

Indirect cost assessment: The appropriation includes a net decrease in the division's indirect cost assessment.

Geological Survey

The Colorado Geological Survey (Survey) was a division within the Department of Natural Resources until January 31, 2013. Pursuant to H.B. 12-1355, the Survey was transferred to the Colorado School of Mines and

no longer exists as a division within the Department of Natural Resources. However, H.B. 13-1057 allowed the Department to retain the Colorado Avalanche Information Center (CAIC), formerly a unit within the Survey, but moved the CAIC to the Special Program subdivision in the Executive Director's Office.

Oil and Gas Conservation Commission

The Oil and Gas Conservation Commission (OGCC) is responsible for promoting the exploration, development, and conservation of Colorado's oil and natural gas resources. The OGCC also has the authority to regulate oil and gas operations 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 reclamation work at abandoned well sites; and performing baseline water quality studies.

Funding for the OGCC is from the Oil and Gas Conservation and Environmental Response Fund, supported by a mil levy on oil and gas production, and from the Severance Tax Operational Fund.

Oil and Gas Conservation Commission						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$10,922,535	\$0	\$10,820,950	\$0	\$101,585	95.4
HB 14-1356	<u>80,425</u>	<u>0</u>	<u>80,425</u>	<u>0</u>	<u>0</u>	<u>0.9</u>
TOTAL	\$11,002,960	\$0	\$10,901,375	\$0	\$101,585	96.3
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$11,002,960	\$0	\$10,901,375	\$0	\$101,585	96.3
Additional staffing for OGCC field operations and hearings	1,518,590	0	1,518,590	0	0	14.0
Annualize prior year budget actions	200,584	0	200,584	0	0	0.0
Indirect cost assessment	109,593	0	103,662	0	5,931	0.0
Annualize prior year legislation	(4,703)	0	(4,703)	0	0	0.0
SB 15-234	<u>\$12,827,024</u>	<u>\$0</u>	<u>\$12,719,508</u>	<u>\$0</u>	<u>\$107,516</u>	<u>110.3</u>
TOTAL	\$12,827,024	\$0	\$12,719,508	\$0	\$107,516	110.3
Increase/(Decrease)	\$1,824,064	\$0	\$1,818,133	\$0	\$5,931	14.0
Percentage Change	16.6%	n/a	16.7%	n/a	5.8%	14.5%

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Additional staffing for OGCC field operations and hearings: The appropriation includes an increase of \$1,518,590 cash funds and 14.0 FTE for the Oil and Gas Conservation Commission (OGCC) to implement staffing recommendations from the Oil and Gas Task Force and provide additional support to expedite the processing of hearings applications and applications for permits to drill.

Annualize prior year budget actions: The appropriation includes the annualization of prior year salary survey and merit pay to reflect the out year impact of funding decisions made through the FY 2014-15 Long Bill.

Indirect cost assessment: The appropriation includes an increase in the division's indirect cost assessment.

Annualize prior year legislation: The appropriation includes a decrease of \$4,703 cash funds for the second year impact of H.B. 14-1356 (Strengthen Penalty Authority of Oil & Gas Commission).

State Board of Land Commissioners

The State Board of Land Commissioners (State Land Board) manages eight public trusts of land including the Public School Trust, to raise money for the benefit of K-12 education and other trust beneficiaries as specified in the Colorado Constitution or in statute. Over 98.0 percent of State Land Board revenue is attributable to the Public School Trust. Funding for this division reflects the State Land Board's operating costs. Cash funds are from a portion of School Trust revenues, and the reappropriated funds are transferred from the Division of Parks and Wildlife.

State Board of Land Commissioners						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	<u>\$4,664,478</u>	<u>\$0</u>	<u>\$4,439,478</u>	<u>\$225,000</u>	<u>\$0</u>	<u>40.0</u>
TOTAL	<u>\$4,664,478</u>	<u>\$0</u>	<u>\$4,439,478</u>	<u>\$225,000</u>	<u>\$0</u>	<u>40.0</u>
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$4,664,478	\$0	\$4,439,478	\$225,000	\$0	40.0
Annualize prior year budget actions	106,050	0	106,050	0	0	0.0
Indirect cost assessment	31,381	0	31,381	0	0	0.0
SB 15-234	<u>\$4,801,909</u>	<u>\$0</u>	<u>\$4,576,909</u>	<u>\$225,000</u>	<u>\$0</u>	<u>40.0</u>
TOTAL	<u>\$4,801,909</u>	<u>\$0</u>	<u>\$4,576,909</u>	<u>\$225,000</u>	<u>\$0</u>	<u>40.0</u>
Increase/(Decrease)	\$137,431	\$0	\$137,431	\$0	\$0	0.0
Percentage Change	2.9%	n/a	3.1%	0.0%	n/a	0.0%

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes the annualization of prior year salary survey and merit pay to reflect the second year impact of funding decisions made through the FY 2014-15 Long Bill.

Indirect cost assessment: The appropriation includes an increase in the division's indirect cost assessment.

Division of Parks and Wildlife

The Division of Parks and Wildlife (DPW) manages 42 parks and several special purpose programs including the snowmobile program, the off-highway vehicle program, river outfitters regulation, federal grants, aquatic nuisance species control and prevention, and the distribution of trails grants. Funding for the State Parks programs is a mixture of cash funds from license fees, lottery funds, off-highway vehicle recreation funds, severance tax dollars, and other state and federal funds.

The DPW also manages the state's 960 game and non-game wildlife species by issuing fishing and hunting licenses, enforcing wildlife regulations, protecting habitat and native wildlife populations, and managing approximately 1.5 million acres including 345 state wildlife areas. Funding for Wildlife operations and programs is a mixture of cash funds from license fees (primarily hunting and fishing licenses), federal funds, Great Outdoors Colorado funds, and various other sources.

Division of Parks and Wildlife						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$136,808,958	\$0	\$115,209,801	\$0	\$21,599,157	886.5
TOTAL	\$136,808,958	\$0	\$115,209,801	\$0	\$21,599,157	886.5
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$136,808,958	\$0	\$115,209,801	\$0	\$21,599,157	886.5
Annualize prior year budget actions	2,322,180	0	1,981,747	0	340,433	0.0
Move lease purchase payments to operating budget	333,333	0	333,333	0	0	0.0
Indirect cost assessment	188,562	0	260,586	0	(72,024)	0.0
SB 15-234	\$139,653,033	\$0	\$117,785,467	\$0	\$21,867,566	886.5
HB 15-1045	<u>150,000</u>	<u>150,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$139,803,033	\$150,000	\$117,785,467	\$0	\$21,867,566	886.5
Increase/(Decrease)	\$2,994,075	\$150,000	\$2,575,666	\$0	\$268,409	0.0
Percentage Change	2.2%	n/a	2.2%	n/a	1.2%	0.0%

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes the annualization of prior year salary survey and merit pay to reflect the second year impact of funding decisions made through the FY 2014-15 Long Bill.

Move lease purchase payments to operating budget: The appropriation reflects the movement of lease purchase payment (Beaver Park Dam loan repayment) amounts that were previously appropriated in the capital construction section of the Long Bill into the operating budget.

Indirect cost assessment: The appropriation includes a net increase in the division's indirect cost assessment.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

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. This division is primarily supported by cash funds from the Colorado Water Conservation Board Construction Fund. Special purpose programs are generally supported by specific cash funds or federal funds.

Colorado Water Conservation Board						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$8,676,262	\$0	\$8,218,275	\$291,587	\$166,400	45.7
HB 14-1333	<u>5,050,000</u>	<u>0</u>	<u>5,050,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$13,726,262	\$0	\$13,268,275	\$291,587	\$166,400	45.7
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$13,726,262	\$0	\$13,268,275	\$291,587	\$166,400	45.7
Annualize prior year budget actions	122,671	0	118,317	0	4,354	0.0
Indirect cost assessment	49,369	0	39,903	0	9,466	0.0
Annualize prior year legislation	(5,050,000)	0	(5,050,000)	0	0	0.0
SB 15-234	\$8,848,302	\$0	\$8,376,495	\$291,587	\$180,220	45.7
SB 15-008	50,000	0	50,000	0	0	0.0
SB 15-253	5,580,000	0	5,580,000	0	0	0.0
HB 15-1006	2,000,000	0	2,000,000	0	0	0.0
HB 15-1016	12,240	0	12,240	0	0	0.0
HB 15-1178	<u>165,000</u>	<u>0</u>	<u>165,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$16,655,542	\$0	\$16,183,735	\$291,587	\$180,220	45.7
Increase/(Decrease)	\$2,929,280	\$0	\$2,915,460	\$0	\$13,820	0.0
Percentage Change	21.3%	n/a	22.0%	0.0%	8.3%	0.0%

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes the annualization of prior year salary survey and merit pay to reflect the second year impact of funding decisions made through the FY 2014-15 Long Bill.

Indirect cost assessment: The appropriation includes an increase in the division's indirect cost assessment.

Annualize prior year legislation: The appropriation includes a decrease of \$5,050,000 cash funds to eliminate the one-time appropriation in H.B. 14-1333 (CWCB Construction Fund Projects).

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

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 and operates over 170,000 surface and ground water rights and is responsible for dam safety inspections and groundwater well construction regulation. The Water Resources Cash Fund, the Colorado Water Conservation Board Construction Fund, the Well Inspection Cash Fund, and the Satellite Monitoring System Cash Fund provide the bulk of cash fund revenue.

Water Resources Division						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$21,475,730	\$19,594,845	\$1,681,828	\$0	\$199,057	255.8
HB 14-1333	<u>330,000</u>	<u>0</u>	<u>330,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$21,805,730	\$19,594,845	\$2,011,828	\$0	\$199,057	255.8
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$21,805,730	\$19,594,845	\$2,011,828	\$0	\$199,057	255.8
Annualize prior year budget actions	599,157	581,928	17,229	0	0	0.3
Enhanced water administration	170,869	170,869	0	0	0	2.4
Indirect cost assessment	23,914	0	20,528	0	3,386	0.0
Annualize prior year legislation	(330,000)	0	(330,000)	0	0	0.0
SB 15-234	\$22,269,670	\$20,347,642	\$1,719,585	\$0	\$202,443	258.5
HB 15-1013	41,959	41,959	0	0	0	0.5
HB 15-1166	<u>60,000</u>	<u>0</u>	<u>60,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$22,371,629	\$20,389,601	\$1,779,585	\$0	\$202,443	259.0
Increase/(Decrease)	\$565,899	\$794,756	(\$232,243)	\$0	\$3,386	3.2
Percentage Change	2.6%	4.1%	(11.5%)	n/a	1.7%	1.3%

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes a number of changes to reflect the out year impact of funding decisions made through the FY 2014-15 Long Bill, including the annualization of FY 2014-15 salary survey and merit pay.

Enhanced water administration: The appropriation includes an increase of \$170,869 General Fund and 2.4 FTE to add a statewide coordinator for the Water Rights Tabulation and Diversion Records teams and to provide funding for additional deputy well and water commissioners in response to increasing water administration responsibilities in the Arkansas and Yampa River basins.

Indirect cost assessment: The appropriation includes an increase in the division's indirect cost assessment.

Annualize prior year legislation: The appropriation includes a decrease of \$330,000 cash funds to eliminate the one-time appropriation in H.B. 14-1333 (CWCB Construction Fund Projects).

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Division of Forestry

The Division of Forestry was created pursuant to H.B. 00-1460 (Hoppe/Hillman), which established a collaborative relationship between the Department of Natural Resources and the Colorado State Forest Service, a program of Colorado State University. The Division monitors the health of all forests in the state, including national and private forests. By statute, the Division of Forestry is headed by the State Forester and is staffed by the Colorado State Forest Service. There are no appropriations to the Division of Forestry for FY 2014-15 or FY 2015-16.

Recent Legislation

2014 Session Bills

S.B. 14-188 (Species Conservation Trust Fund Projects): Transfers \$6.5 million from the Severance Tax Operational Fund to the Species Conservation Trust Fund in FY 2014-15. Authorizes the Department of Natural Resources to obligate and expend funds for programs to conserve native species that have been listed as threatened or endangered under state or federal law, or are likely to become candidate species as determined by the United States Fish and Wildlife Services. Reappropriates \$163,944 of the authorized expenditures from the Species Conservation Trust Fund and 1.0 FTE to the Department of Law for legal expenses for Endangered Species Act litigation in FY 2014-15. Establishes annual transfers of \$5.0 million from the Severance Tax Operational Fund to the Species Conservation Trust Fund beginning July 1, 2015 and ending July 1, 2018.

H.B. 14-1333 (CWCB Construction Fund Projects): Appropriates \$5,380,000 cash funds from the CWCB Construction Fund to the Department of Natural Resources in FY 2014-15 for various water-related projects. Authorizes \$131,199,000 in loans to special water districts from moneys available in the CWCB Construction fund or the Severance Tax Perpetual Base fund. Transfers \$1,575,000 from the Severance Tax Perpetual Base Fund to the CWCB Construction Fund in FY 2014-15 for the Long Hollow Reservoir Construction project. Transfers \$1,200,000 from the CWCB Construction Fund to the Litigation Fund. Transfers \$500,000 in FY 2014-15 from the CWCB Construction Fund to the Flood and Drought Response Fund. Extends CWCB spending authority for the Windy Gap Reservoir Bypass Channel Project through July 1, 2016.

H.B. 14-1336 (Long Bill): General appropriations act for FY 2014-15.

H.B. 14-1356 (Increase OGCC Penalty Authority): Increases the maximum daily penalty to \$15,000 and repeals the maximum total penalty for violations of the Oil and Gas Conservation Act. Requires the Oil and Gas Conservation Commission to promulgate rules to determine the duration of a violation, publish a quarterly report on penalties assessed, and make an annual presentation on penalties to General Assembly committees of reference. Appropriates \$80,425 cash funds from the Oil and Gas Conservation and Environmental Response Fund and 0.9 FTE to the Department of Natural Resources for expected increases in enforcement expenditures in FY 2014-15.

2015 Session Bills

S.B. 15-008 (Promote Water Conservation in Land Use Planning): Directs the CWCB to develop training programs for local government water and land use planners on best management practices for water demand management and conservation. Appropriates \$50,000 cash funds from the CWCB Construction Fund to the Department of Natural Resources in FY 2015-16.

S.B. 15-156 (Supplemental Bill): Supplemental appropriation to the Department of Natural Resources to modify FY 2014-15 appropriations included in the 2014 Long Bill (H.B. 14-1336).

S.B. 15-234 (Long Bill): General appropriations act for FY 2015-16.

S.B. 15-245 (Provide State Funding to Map Natural Hazard Areas): Creates a three-year program, administered by the Colorado Water Conservation Board, to fund natural hazard mapping projects in the state, including: floodplain mapping, erosion zone mapping, debris flow mapping, and associated data collection. Establishes the Natural Hazard Mapping Fund, which is continuously appropriated to the CWCB to fund the program, and transfers \$6.8 million General Fund to the Natural Hazard Mapping Fund in three annual installments: \$3.8 million in FY 2015-16, \$2.4 million in FY 2016-17, and \$670,000 in FY 2017-18.

S.B. 15-253 (CWCB Construction Fund Projects): Appropriates \$5,580,000 cash funds from the CWCB Construction Fund to the Department of Natural Resources in FY 2015-16 for various water-related projects and authorizes \$3.4 million in transfers including:

- \$2,200,000 from the Severance Tax Operational Fund to the CWCB Construction Fund;
- \$500,000 from Severance Tax Perpetual Base Fund to the CWCB Construction Fund;
- \$500,000 from the CWCB Construction Fund to the Flood and Drought Response Fund; and
- \$200,000 from the CWCB Construction Fund to the Litigation Fund.

S.B. 15-255 (Deposit Severance Tax Revenues In General Fund): Diverts up to the first \$20.0 million in gross severance tax revenues collected after the effective date to the General Fund in FY 2014-15. Pursuant to Section 39-28-108 (2) (2) (I), C.R.S., the Department of Natural Resources and the Department of Local Affairs each receive 50.0 percent of total severance tax revenues. The diversion of up to \$20.0 million will reduce available severance tax revenue to each department by up to \$10.0 million in FY 2014-15. In the Department of Natural Resources, severance tax revenue is divided equally between the Severance Tax Operational Fund and the Severance Tax Perpetual Base Fund (i.e. each fund receives 25.0 percent of total severance tax revenues). As such, revenues distributed to these funds will be reduced by up to \$5.0 million each in FY 2014-15. However, based on the June 2015 Legislative Council Staff revenue forecast, approximately \$15.6 million in severance tax revenue will be available for diversion to the General Fund by the end of FY 2014-15, reducing

the total impact of the bill. For additional information, see the "Recent Legislation" section at the end of Part III of the Department of Local Affairs.

H.B. 15-1006 (Invasive Phreatophyte Grant Program): Creates the two-year Invasive Phreatophyte Grant Program, administered by the CWCB, for projects that manage invasive phreatophytes (e.g. Tamarisk and Russian Olive) within riparian areas of the state. Transfers \$2.0 million cash funds from the Severance Tax Operational Fund to the CWCB Construction Fund in FY 2015-16 and appropriates the same amount in cash funds from the CWCB Construction Fund to the Department of Natural Resources.

H.B. 15-1013 (South Platte Aquifer Study Recommendations): Implements two recommendations from the study required by H.B. 12-1278, including: (1) the selection of two pilot projects to test alternative methods of lowering the water table in areas along the South Platte with damaging high groundwater; and (2) requiring the State Engineer to evaluate the impact of proposed recharge structures on groundwater levels and approve augmentation plans that include the construction of a recharge structure. Appropriates \$41,959 General Fund to the Water Resources Division in Department of Natural Resources for FY 2015-16.

H.B. 15-1016 (Promote Precipitation Harvesting Pilot Projects): Directs the CWCB to update the criteria and guidelines for selecting pilot projects under the Precipitation Harvesting Pilot Program and specifies requirements for augmentation of precipitation captured out of priority by pilot projects. Appropriates \$12,240 cash funds from the CWCB Construction Fund to CWCB in the Department of Natural Resources for FY 2015-16.

H.B. 15-1045 (Veterans Entrance Fee State Parks): Provides free admission to any state park or recreation area to military veterans and active duty personnel for the month of August each year. Appropriates \$150,000 General Fund to the Division of Parks and Wildlife in the Department of Natural Resources for FY 2015-16.

H.B. 15-1166 (South Platte Alluvial Aquifer Monitoring Network): Requires the Water Resources Division to design and operate a tributary groundwater monitoring network in the South Platte alluvial aquifer with the objective of providing accurate groundwater level data to aid in public education and water planning. Appropriates \$60,000 cash funds from the CWCB Construction Fund to the Water Resources Division in the Department of Natural Resources for FY 2015-16.

H.B. 15-1178 (Emergency Well Pumping Damaging High Groundwater): Establishes a grant program to facilitate the emergency pumping of dewatering wells in the areas of Gilcrest and Sterling, Colorado, and the collection of real-time data during the operation of dewatering wells. Transfers \$165,000 from the General Fund to the Emergency Dewatering Grant Account in the CWCB Construction Fund, and appropriates the same amount from the CWCB Construction Fund to the Colorado Water Conservation Board in the Department of Natural Resources for FY 2015-16.

H.B. 15-1277 (Species Conservation Trust Fund Projects): Transfers \$5.0 million from the Severance Tax Operational Fund to the Species Conservation Trust Fund in FY 2015-16. Authorizes the Department of Natural Resources to obligate and expend funds for programs to conserve native species that have been listed as threatened or endangered under state or federal law, or are likely to become candidate species as determined by the United States Fish and Wildlife Services.

Department Details

DEPARTMENT OF PERSONNEL

FY 2014-15 and FY 2015-16 Appropriations by Division and Bill

Department of Personnel						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Total Appropriation:	\$174,822,433	\$7,130,338	\$14,873,826	\$152,818,269	\$0	393.1
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	14,663,754	4,882,177	1,062,578	8,718,999	0	45.8
Division of Human Resources	65,623,371	425,000	2,426,786	62,771,585	0	46.7
Constitutionally Independent Entities	526,781	525,603	1,178	0	0	4.8
Central Services	80,141,010	192,310	2,913,062	77,035,638	0	179.7
Division of Accounts and Control	10,119,406	1,105,248	8,355,719	658,439	0	76.1
Administrative Courts	3,748,111	0	114,503	3,633,608	0	40.0
<u>Breakdown of Total Appropriation by Bill</u>						
HB 14-1336	173,191,421	6,642,176	13,231,074	153,318,171	0	393.6
SB 14-002	2,618	0	0	2,618	0	0.0
SB 14-014	31,400	0	0	31,400	0	0.0
SB 14-214	125,000	125,000	0	0	0	0.0
HB 14-1170	4,500	0	0	4,500	0	0.0
SB 15-157	1,466,294	363,162	1,642,752	(539,620)	0	(0.5)
HB 15-1301	1,200	0	0	1,200	0	0.0
FY 2015-16 Total Appropriation:	\$181,201,321	\$11,711,626	\$13,830,708	\$155,658,987	\$0	407.4
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	20,363,964	6,866,451	3,072,362	10,425,151	0	47.7
Division of Human Resources	63,666,550	2,014,411	2,289,823	59,362,316	0	46.7
Constitutionally Independent Entities	537,037	535,859	1,178	0	0	4.8
Central Services	77,712,017	97,032	1,583,150	76,031,835	0	179.7
Division of Accounts and Control	15,168,227	2,197,873	6,778,279	6,192,075	0	88.5
Administrative Courts	3,753,526	0	105,916	3,647,610	0	40.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 15-234	181,200,121	11,711,626	13,830,708	155,657,787	0	406.4
SB 15-270	0	0	0	0	0	1.0
HB 15-1219	1,200	0	0	1,200	0	0.0

Department of Personnel						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Increase/(Decrease)	\$6,378,888	\$4,581,288	(\$1,043,118)	\$2,840,718	\$0	14.3
Percentage Change	3.6%	64.3%	(7.0%)	1.9%	n/a	3.6%

Informational Funds: The FY 2015-16 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Personnel are annotated with the "(I)". For additional information, see Appendix J.

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2015-16 Appropriations containing an (I) notation	\$53,918,394	\$0	\$1,148,021	\$52,770,373	\$0

Detail of Appropriation by Administrative Section

Executive Director's Office

This division provides centralized accounting, personnel, and budgeting services for the Department. It also includes the Colorado State Employees Assistance Program, the Office of the State Architect, and the Colorado State Archives. The primary fund source is reappropriated funds, which originate as indirect cost recoveries from other divisions within the Department, as well as user fees from other state agencies.

Executive Director's Office						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$14,373,606	\$4,546,841	\$1,068,405	\$8,758,360	\$0	45.8
SB 15-157	<u>290,148</u>	<u>335,336</u>	<u>(5,827)</u>	<u>(39,361)</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$14,663,754	\$4,882,177	\$1,062,578	\$8,718,999	\$0	45.8
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$14,663,754	\$4,882,177	\$1,062,578	\$8,718,999	\$0	45.8
Centrally appropriated line items	4,062,800	1,396,690	717,488	1,948,622	0	0.0
Restructure Office of the State Controller to support CORE	1,530,533	37,081	1,337,976	155,476	0	0.0
Statewide planning services funding	1,000,000	1,000,000	0	0	0	0.0
Capitol Complex master planner	105,523	105,523	0	0	0	0.9
Indirect cost assessment	93,949	0	0	93,949	0	0.0
Fund source adjustment	0	33,631	26,242	(59,873)	0	0.0

Executive Director's Office						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Annualize prior year budget actions	(1,092,595)	(588,651)	(71,922)	(432,022)	0	0.0
SB 15-234	\$20,363,964	\$6,866,451	\$3,072,362	\$10,425,151	\$0	46.7
SB 15-270	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1.0</u>
TOTAL	\$20,363,964	\$6,866,451	\$3,072,362	\$10,425,151	\$0	47.7
Increase/(Decrease)	\$5,700,210	\$1,984,274	\$2,009,784	\$1,706,152	\$0	1.9
Percentage Change	38.9%	40.6%	189.1%	19.6%	n/a	4.1%

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 15-157 modified the FY 2014-15 appropriation for the Executive Director's Office by \$290,148 total funds including: an increase of \$351,378 General Fund for a statewide indirect cost assessment payment for prior over-collections related to American Recovery and Reinvestment Act (ARRA) grants; an increase of \$6,928 total funds, including \$1,802 General Fund, for the Governor's Office of Information Technology to address necessary technical modifications to the State's human resources' computer systems; an increase of \$459 total funds for an additional common policy allocation adjustment for administrative law judge services (ALJ services); and a net decrease of \$68,617 total fund, including a decrease of \$17,844 General Fund, for a true-up of COFRS Modernization allocations and to fund CORE enhancements and ongoing configuration.

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; vehicle lease payments; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; Capitol complex leased space; payments to the Governor's Office of Information Technology (OIT); and CORE Operations.

Restructure Office of the State Controller to support CORE: The appropriation includes an increase of \$1,530,533 total funds, including \$37,081 General Fund for compensation common policy costs associated with restructuring the Office of the State Controller to support the Colorado Operations Resource Engine (CORE) and CORE Operations.

Statewide planning services funding: The appropriation includes an increase of \$1,000,000 General Fund for technical consulting services in the Office of the State Architect.

Capitol Complex master planner: The appropriation includes an increase of \$105,523 General Fund and 0.9 FTE for a master planner to manage the Capitol Complex master plan and to establish policy for statewide real property planning in the Office of the State Architect.

Indirect cost assessment: The appropriation includes an increase in the Colorado State Employees Assistance Program's indirect cost assessment.

Fund source adjustment: The appropriation includes an increase in General Fund and cash funds offset by a decrease in reappropriated funds due to a decrease in Department and statewide indirect cost recoveries.

Annualize prior year budget actions: The appropriation includes a number of changes to the out-year impact of funding decisions made through the FY 2014-15 Long Bill including the annualization of FY 2014-15 salary survey and merit pay and legislative audio digitization.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Division of Human Resources

This division is responsible for the administration of the state's personnel system, the state's employee benefit programs, and the risk management program for all state agencies, including all components of property, liability, and workers' compensation claims. The majority of the reappropriated funds are user fees that are transferred from other state agencies.

Division of Human Resources						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$64,593,871	\$300,000	\$2,426,786	\$61,867,085	\$0	46.7
SB 14-214	125,000	125,000	0	0	0	0.0
HB 14-1170	4,500	0	0	4,500	0	0.0
SB 15-157	<u>900,000</u>	<u>0</u>	<u>0</u>	<u>900,000</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$65,623,371	\$425,000	\$2,426,786	\$62,771,585	\$0	46.7
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$65,623,371	\$425,000	\$2,426,786	\$62,771,585	\$0	46.7
Fund source adjustment	0	1,765,259	0	(1,765,259)	0	0.0
Annualize prior year budget actions	(896,633)	(50,848)	21,794	(867,579)	0	0.0
Common policy base adjustments	(851,420)	0	0	(851,420)	0	0.0
Annualize prior year legislation	(129,500)	(125,000)	0	(4,500)	0	0.0
Tobacco Master Settlement revenue adjustment	(77,800)	0	(77,800)	0	0	0.0
Indirect cost assessment	(1,468)	0	(80,957)	79,489	0	0.0
SB 15-234	<u>\$63,666,550</u>	<u>\$2,014,411</u>	<u>\$2,289,823</u>	<u>\$59,362,316</u>	<u>\$0</u>	<u>46.7</u>
TOTAL	\$63,666,550	\$2,014,411	\$2,289,823	\$59,362,316	\$0	46.7
Increase/(Decrease)	(\$1,956,821)	\$1,589,411	(\$136,963)	(\$3,409,269)	\$0	0.0
Percentage Change	(3.0%)	374.0%	(5.6%)	(5.4%)	n/a	0.0%

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 15-157 modified the FY 2014-15 appropriation for the Division of Human Resources by \$900,000 reappropriated funds for workers' compensation legal services.

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Fund source adjustment: The appropriation includes an increase in General Fund offset by a decrease in reappropriated funds due to a decrease in Department and statewide indirect cost recoveries.

Annualize prior year budget actions: The appropriation includes a number of changes to the out-year impact of funding decisions made through the FY 2014-15 Long Bill including the annualization of FY 2014-15 salary survey and merit pay and employee engagement survey and total compensation vendor costs.

Common policy base adjustments: The appropriation includes a net decrease of \$851,420 reappropriated funds for common policy base adjustments for risk management programs.

Annualize prior year legislation: The appropriation includes a reduction of \$47,262 total funds for the second or third year impact of legislation. The largest change eliminates a one-time \$125,000 General Fund appropriation added in S.B. 14-214 (PERA Studies).

Tobacco Master Settlement revenue adjustment: The appropriation includes a reduction based on the Legislative Council FY 2015-16 Tobacco Master Settlement revenue projection.

Indirect cost assessment: The appropriation includes a net decrease in the Division's indirect cost assessments.

Constitutionally Independent Entities

This division includes the State Personnel Board. The five-member 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.

Constitutionally Independent Entities						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$526,781	\$525,603	\$1,178	\$0	\$0	4.8
TOTAL	\$526,781	\$525,603	\$1,178	\$0	\$0	4.8
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$526,781	\$525,603	\$1,178	\$0	\$0	4.8
Annualize prior year budget actions	11,576	11,576	0	0	0	0.0
Centrally appropriated line items	(1,320)	(1,320)	0	0	0	0.0

Constitutionally Independent Entities						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 15-234	<u>\$537,037</u>	<u>\$535,859</u>	<u>\$1,178</u>	<u>\$0</u>	<u>\$0</u>	<u>4.8</u>
TOTAL	\$537,037	\$535,859	\$1,178	\$0	\$0	4.8
Increase/(Decrease)	\$10,256	\$10,256	\$0	\$0	\$0	0.0
Percentage Change	1.9%	2.0%	0.0%	n/a	n/a	0.0%

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes a change to the out-year impact of funding decisions made through the FY 2014-15 Long Bill, including the annualization of FY 2014-15 salary survey and merit pay.

Centrally appropriated line items: The appropriation includes adjustments to legal services.

Central Services

This division is responsible for providing the following services to state agencies: management of the statewide travel program; mail and messenger services; copying, printing and graphics design; 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	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$80,063,442	\$106,438	\$1,556,325	\$78,400,679	\$0	179.7
SB 14-002	2,618	0	0	2,618	0	0.0
SB 14-014	31,400	0	0	31,400	0	0.0
SB 15-157	42,350	85,872	1,356,737	(1,400,259)	0	0.0
HB 15-1301	<u>1,200</u>	<u>0</u>	<u>0</u>	<u>1,200</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$80,141,010	\$192,310	\$2,913,062	\$77,035,638	\$0	179.7
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$80,141,010	\$192,310	\$2,913,062	\$77,035,638	\$0	179.7
Annualize prior year budget actions	284,768	(146,180)	(1,352,775)	1,783,723	0	(1.4)
Address Confidentiality Program resources	50,902	50,902	0	0	0	1.4
Common policy base adjustments	18,255	0	22,863	(4,608)	0	0.0
Annual fleet adjustments	(1,709,790)	0	0	(1,709,790)	0	0.0
Indirect cost assessment	(1,073,366)	0	0	(1,073,366)	0	0.0

Central Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Annualize prior year legislation	(962)	0	0	(962)	0	0.0
SB 15-234	\$77,710,817	\$97,032	\$1,583,150	\$76,030,635	\$0	179.7
HB 15-1219	<u>1,200</u>	<u>0</u>	<u>0</u>	<u>1,200</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$77,712,017	\$97,032	\$1,583,150	\$76,031,835	\$0	179.7
Increase/(Decrease)	(\$2,428,993)	(\$95,278)	(\$1,329,912)	(\$1,003,803)	\$0	0.0
Percentage Change	(3.0%)	(49.5%)	(45.7%)	(1.3%)	n/a	0.0%

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 15-157 modified the FY 2014-15 appropriation for Central Services by \$42,350 total funds including an increase of \$42,350 reappropriated funds for fleet vehicle lease/purchase payments and a fund source adjustment for Capitol Complex in which increases in General Fund and cash funds are offset by a reduction in reappropriated funds. House Bill 15-1301 modified the FY 2014-15 appropriation for Central Services by \$1,200 reappropriated funds for document management services in Integrated Document Solutions purchased by the Department of Revenue.

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes a number of changes to the out-year impact of funding decisions made through the FY 2014-15 Long Bill, including the annualization of FY 2014-15 salary survey and merit pay and Address Confidentiality Program temporary resources.

Address Confidentiality Program resources: The appropriation includes an increase of \$50,902 General Fund and 1.4 FTE to make permanent a portion of the temporary staff and funding that was approved in 2014 for the Address Confidentiality Program.

Common policy base adjustments: The appropriation includes a net increase of \$18,255 total funds for common policy base adjustments for Capitol Complex.

Annual fleet adjustments: The appropriation includes a decrease of \$1,709,790 reappropriated funds for vehicle replacement lease/purchase payments.

Indirect cost assessment: The appropriation includes a net decrease in the Division's indirect cost assessments.

Annualize prior year legislation: The appropriation includes a reduction of \$962 reappropriated funds for the second or third year impact of legislation.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Division of Accounts and Control

This division includes the Office of the State Controller, which manages the financial affairs of all of the departments. The Division also administers a statewide procurement program through the State Purchasing Office; meets the product and service needs of state agencies by negotiating contracts for goods and services; conducts statewide financial reporting, policy and procedural guidance; manages contracts; develops the statewide indirect cost allocation plan; and is responsible for the collection of debts due to the state.

Division of Accounts and Control						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$9,827,564	\$1,105,248	\$8,063,877	\$658,439	\$0	76.1
SB 15-157	<u>291,842</u>	<u>0</u>	<u>291,842</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$10,119,406	\$1,105,248	\$8,355,719	\$658,439	\$0	76.1
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$10,119,406	\$1,105,248	\$8,355,719	\$658,439	\$0	76.1
Restructure Office of the State Controller to support CORE	5,320,282	471,836	(1,343,629)	6,192,075	0	16.5
Private collection agency fees	100,000	0	100,000	0	0	0.0
Annualize prior year legislation	82,000	0	82,000	0	0	0.0
Indirect cost assessment	5,482	0	5,482	0	0	0.0
Fund source adjustment	0	647,577	10,862	(658,439)	0	0.0
Annualize prior year budget actions	(458,943)	(26,788)	(432,155)	0	0	(4.1)
SB 15-234	<u>\$15,168,227</u>	<u>\$2,197,873</u>	<u>\$6,778,279</u>	<u>\$6,192,075</u>	<u>\$0</u>	<u>88.5</u>
TOTAL	\$15,168,227	\$2,197,873	\$6,778,279	\$6,192,075	\$0	88.5
Increase/(Decrease)	\$5,048,821	\$1,092,625	(\$1,577,440)	\$5,533,636	\$0	12.4
Percentage Change	49.9%	98.9%	(18.9%)	840.4%	n/a	16.3%

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 15-157 modified the FY 2014-15 appropriation for the Division of Accounts and Control by adding \$291,842 cash funds, including an increase of \$191,842 cash funds for temporary staff to support CORE implementation in the Office of the State Controller and an increase of \$100,000 cash funds for private collection agency commissions.

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Restructure Office of the State Controller to support CORE: The appropriation includes an increase of \$5,320,282 total funds, including \$471,836 General Fund, and 16.5 FTE to restructure the Office of the State Controller to support the Colorado Operations Resource Engine (CORE) and CORE Operations. CORE Operations was formerly known as COFRS Modernization and was formerly located in the Governor's Office of Information Technology.

Private collection agency fees: The appropriation includes an increase of \$100,000 cash funds spending authority to pay for private collection agency commissions.

Annualize prior year legislation: The appropriation includes an increase of \$82,000 cash funds for the second or third year impact of legislation. The change recognizes an additional \$82,000 in interest earnings available for spending from the Disability Investigational and Pilot Support Fund from S.B. 13-276 (Disability Investigational and Pilot Support Program).

Indirect cost assessment: The appropriation includes a net increase in the Collections Services indirect cost assessment.

Fund source adjustment: The appropriation includes an increase in General Fund and cash funds offset by a decrease in reappropriated funds due to a decrease in Department and statewide indirect cost recoveries.

Annualize prior year budget actions: The appropriation includes a number of changes to the out-year impact of funding decisions made through the FY 2014-15 Long Bill including the annualization of:

- FY 2014-15 salary survey and merit pay;
- Transparency online project modernization; and
- Central collections customer service.

Administrative Courts

This division provides an independent administrative law adjudication system for state agencies in order to resolve cases related to workers' compensation, human resources, and regulatory law. It 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. The division is primarily funded with reappropriated funds transferred from user agencies, and it receives a small amount of cash funds that originate as user fees from non-state agencies.

Administrative Courts						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$3,806,157	\$58,046	\$114,503	\$3,633,608	\$0	40.5
SB 15-157	(58,046)	(58,046)	0	0	0	(0.5)
TOTAL	\$3,748,111	\$0	\$114,503	\$3,633,608	\$0	40.0
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$3,748,111	\$0	\$114,503	\$3,633,608	\$0	40.0
Annualize prior year budget actions	155,110	58,046	0	97,064	0	0.5
Indirect cost assessment	(91,649)	0	(8,587)	(83,062)	0	0.0
Administrative law judge adjustment	(58,046)	(58,046)	0	0	0	(0.5)
SB 15-234	<u>\$3,753,526</u>	<u>\$0</u>	<u>\$105,916</u>	<u>\$3,647,610</u>	<u>\$0</u>	<u>40.0</u>
TOTAL	\$3,753,526	\$0	\$105,916	\$3,647,610	\$0	40.0

Administrative Courts						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Increase/(Decrease)	\$5,415	\$0	(\$8,587)	\$14,002	\$0	0.0
Percentage Change	0.1%	0.0%	(7.5%)	0.4%	n/a	0.0%

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 15-157 modified the FY 2014-15 appropriation for Administrative Courts by a decrease of \$58,046 General Fund and 0.5 FTE related to H.B. 13-1292 (Keep Jobs in Colorado Act).

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes a change to the out year impact of funding decisions made through the FY 2014-15 Long Bill including the annualization of FY 2014-15 salary survey and merit pay.

Indirect cost assessment: The appropriation includes a net decrease in the Division's indirect cost assessment.

Administrative law judge adjustment: The appropriation includes a decrease of \$58,046 General Fund and 0.5 FTE for the Office of Administrative Courts related to H.B. 13-1292 (Keep Jobs in Colorado Act).

Recent Legislation

2014 Session Bills

S.B. 14-002 (Safe2Tell Program in Department of Law): Repeals the existing Safe2Tell Program and recreates it in the Department of Law. Appropriates \$2,618 reappropriated funds to the Department for vehicle replacement lease/purchase costs for FY 2014-15.

S.B. 14-014 (Property Tax Rent Heat Fuel Grants for Low-income): Modifies the Property Tax, Rent, and Heat Rebate Program administered by the Colorado Department of Revenue. Appropriates \$31,400 reappropriated funds to the Department for allocation to Integrated Document Solutions for the provision of postage, data entry, imaging, and printing for FY 2014-15.

S.B. 14-108 (Capital Outlay Reserve for Department of Personnel Revolving Fund): Sets an alternate target reserve for the Department of Personnel Revolving Fund in the Department, established as 16.5 percent of the amount expended in a given fiscal year, plus any balance identified in the *capital outlay reserve* funded by accumulated depreciation. Specifies that any uncommitted capital outlay reserves available at the end of a fiscal year may be appropriated for capital outlay through the annual budget process.

S.B. 14-120 (Workers' Compensation Account Continuous Appropriation): Provides continuous spending authority for the benefits portion of the workers' compensation program; all direct and indirect administrative

costs for the program remain subject to annual appropriation. Administrative costs include operational expenses for the risk management system, legal services, litigation expenses, and third-party administrator expenses.

S.B. 14-214 (PERA Actuarial Studies): Requires a study of PERA within the total compensation survey and requires an actuarial study of PERA to be contracted by the State Auditor. Appropriates \$125,000 General Fund to the Department and \$375,000 General Fund to the Legislative Department for allocation to the Office of the State Auditor for FY 2014-15.

S.B. 14-223 (Lower North Fork Fire Claims Payments): Directs the State Claims Board to compromise or settle claims brought by certain claimants who have suffered damages or other losses in connection with the Lower North Fork Fire in March 2012 to reimburse them for their economic and noneconomic losses as well as interest on such amounts. Appropriates \$7,101,298 General Fund to the Department for FY 2013-14 for allocation to Risk Management for payment of claims and makes reductions to partially offset the appropriation as follows:

- Reduces the appropriation to the Department of Human Services for Behavioral Health Services by \$4,281,893 General Fund for FY 2013-14.
- Reduces the appropriation to the Governor's Office for general economic incentives and marketing by \$1,000,000 General Fund and increases the cash funds appropriation by \$1,000,000 conditioned upon the transfer of General Fund surplus to the Colorado Economic Development Fund for FY 2014-15.
- Reduces the appropriation to the Controlled Maintenance Trust Fund by \$589,099 General Fund for FY 2014-15.

H.B. 14-1170 (CBI Pueblo Lab Lease-purchase): Authorizes the State Treasurer to enter into lease-purchase agreements on behalf of the Colorado Bureau of Investigation within the Department of Public Safety for a period of up to 20 years to purchase and renovate a new building to house the CBI Pueblo forensic laboratory and regional office. Appropriates \$4,500 reappropriated funds to the Department of Personnel for allocation to Risk Management for property insurance for FY 2014-15.

H.B. 14-1194 (Re-create Legislative Digital Policy Advisory Committee): Recreates the Legislative Digital Policy Advisory Committee (LDPAC) and adds the Revisor of Statutes, the Secretary of State, and the President of the State Historical Society. The LDPAC is required to:

- monitor the digitization of archived recordings;
- make recommendations for implementation of the "Uniform Electronic Legal Material Act" for legislative electronic records; and
- make recommendations for an optimal method of records creation, storage, and access for other state electronic records.

The LDPAC is required to report its findings and recommendations to the Committee on Legal Services and Joint Budget Committee on or before October 1, 2014, and October 1, 2015. The LDPAC is repealed on July 1, 2016.

H.B. 14-1336 (Long Bill): General appropriations act for FY 2014-15. Includes supplemental appropriations to the Department of Personnel for FY 2013-14.

2015 Session Bills

S.B. 15-157 (Supplemental Bill): Supplemental appropriations bill for the Department of Personnel for FY 2014-15. Includes supplemental appropriations to the Department of Personnel for FY 2013-14.

S.B. 15-234 (Long Bill): General appropriations act for FY 2015-16.

S.B. 15-270 (Create the Office of the State Architect): Codifies the existing Office of the State Architect in statute and adds authority over and responsibility for statewide planning for capital construction. Appropriates \$105,531 General Fund and 1.0 FTE for the Office of the State Architect program line item for FY 2015-16 and reduces the FY 2015-16 General Fund appropriation to the Statewide Planning Services line item in the Office of the State Architect by an equal amount.

H.B. 15-1219 (EZ Investment Tax Credit for Renewable Energy): Modifies renewable energy tax credits in enterprise zones. Appropriates \$1,200 reappropriated funds to Integrated Document Solutions for document management services purchased by the Department of Revenue for FY 2015-16.

H.B. 15-1301 (Tobacco Credit Shipped to Out-of-state Consumers): Creates a credit against tobacco excise tax equal to Colorado excise taxes paid on tobacco products other than cigarettes sold by a distributor to an out-of-state consumer. Appropriates \$1,200 reappropriated funds to Integrated Document Solutions for document management services purchased by the Department of Revenue for FY 2014-15.

H.B. 15-1392 (Payroll System to Pay State Employees Twice a Month): Effective July 1, 2017, implements a twice-monthly pay system for all state employees paid through the state's payroll system, replacing the current monthly or biweekly pay system. The bill delays payment to state employees by half a month beginning on July 31, 2017, compared to the current pay system. For work performed from the first day of the month through the 15th day of the month, employees will be paid on the last day of the same month, and for work performed from the 16th day of the month through the last day of the month, employees will be paid on the 15th day of the next month, except that, for work performed from the first day of June through the 15th day of June, employees will be paid on July 1 – maintaining the existing *paydate shift* for monthly-paid employees and moving biweekly-paid employees into the *paydate shift* accounting mechanism.

To assist employees with the half-month delay in pay, the bill provides for a one-time loan in July 2017 equal to no more than an employee's net pay for a half-month pay period. The bill specifies two repayment options to be paid over three years. The Legislative Council Staff Revised Fiscal Note identifies a cost of \$30.0 million General Fund to fund employee loans based on an estimated access rate of the loan program by state employees of 40 to 50 percent. The loan program to state employees will necessitate a General Fund appropriation to cover all payroll fund sources, including cash-funded, reappropriated-funded, and federal-funded payroll expenditures. As identified in the Revised Fiscal Note, up to \$65 million in state employee payroll could be loaned out in July 2017. It is estimated that the appropriation necessary for the loan program will require between \$30 million and \$65 million General Fund in FY 2017-18.

Department Details

DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT

FY 2014-15 and FY 2015-16 Appropriations by Division and Bill

Department of Public Health and Environment						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Total Appropriation:	\$552,219,752	\$64,322,851	\$161,438,088	\$35,141,182	\$291,317,631	1,265.0
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Administration and Support	51,106,939	8,675,213	14,266,100	27,590,010	575,616	78.5
Center for Health and Environmental Information	8,387,030	0	6,243,027	5,887	2,138,116	76.0
Laboratory Services	12,856,594	1,088,163	8,266,196	418,549	3,083,686	75.0
Air Pollution Control Division	24,067,001	796,076	18,809,446	0	4,461,479	174.4
Water Quality Control Division	44,985,736	22,974,851	7,510,207	39,673	14,461,005	175.5
Hazardous Materials and Waste Management Division	32,073,705	500,000	21,287,094	282,060	10,004,551	116.6
Division of Environmental Health and Sustainability	10,851,954	2,732,648	6,446,510	107,433	1,565,363	42.6
Disease Control and Environmental Epidemiology Division	101,166,324	9,770,567	6,954,171	0	84,441,586	151.4
Prevention Services Division	221,249,786	14,472,162	56,138,712	1,438,093	149,200,819	192.4
Health Facilities and Emergency Medical Services Division	28,187,470	1,709,782	15,516,625	5,259,477	5,701,586	147.0
Office of Emergency Preparedness and Response	17,287,213	1,603,389	0	0	15,683,824	35.6
<u>Breakdown of Total Appropriation by Bill</u>						
HB 14-1336	525,821,265	45,995,844	153,043,361	35,464,429	291,317,631	1,251.8
SB 14-029	84,045	0	84,045	0	0	0.9
SB 14-050	49,161	49,161	0	0	0	0.8
SB 14-051	34,120	0	34,120	0	0	0.6
SB 14-073	20,000	0	20,000	0	0	0.0
SB 14-088	73,972	73,972	0	0	0	0.9
SB 14-180	(55,000)	(55,000)	0	0	0	0.0
SB 14-187	400,000	400,000	0	0	0	0.0
SB 14-192	30,986	0	30,986	0	0	0.4
SB 14-215	6,587,169	0	6,587,169	0	0	5.2
HB 14-1002	17,000,000	17,000,000	0	0	0	1.0

Department of Public Health and Environment						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 14-1042	14,423	0	14,423	0	0	0.3
HB 14-1045	0	0	0	0	0	0.0
HB 14-1207	55,000	5,000	50,000	0	0	0.0
HB 14-1352	882,343	500,000	382,343	0	0	1.0
HB 14-1360	307,983	0	197,983	110,000	0	2.1
SB 15-158	869,627	353,874	949,000	(433,247)	0	0.0
SB 15-234	44,658	0	44,658	0	0	0.0
FY 2015-16 Total Appropriation:	\$534,348,222	\$44,515,287	\$158,144,049	\$37,535,004	\$294,153,882	1,289.3
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Administration and Support	59,014,189	11,080,714	15,621,678	29,971,607	2,340,190	89.9
Center for Health and Environmental Information	14,189,321	2,953,573	6,059,313	5,887	5,170,548	99.5
Laboratory Services	13,655,177	1,105,216	8,562,741	647,020	3,340,200	77.0
Air Pollution Control Division	24,533,595	94,298	19,948,088	0	4,491,209	181.8
Water Quality Control Division	24,844,271	4,284,373	5,416,770	39,673	15,103,455	173.4
Hazardous Materials and Waste Management Division	31,921,452	0	21,573,770	285,319	10,062,363	115.2
Division of Environmental Health and Sustainability	8,497,296	1,647,746	5,298,896	109,345	1,441,309	45.5
Disease Control and Environmental Epidemiology Division	98,769,571	7,115,714	8,389,361	0	83,264,496	144.2
Prevention Services Division	214,337,672	12,803,517	51,695,898	1,300,746	148,537,511	178.5
Health Facilities and Emergency Medical Services Division	28,328,178	1,840,578	15,577,534	5,175,407	5,734,659	149.2
Office of Emergency Preparedness and Response	16,257,500	1,589,558	0	0	14,667,942	35.1
<u>Breakdown of Total Appropriation by Bill</u>						
SB 15-234	532,213,807	44,363,169	156,136,752	37,560,004	294,153,882	1,287.1
SB 15-014	1,068,560	0	1,068,560	0	0	0.0
SB 15-189	(25,000)	0	0	(25,000)	0	0.0
SB 15-247	863,033	0	863,033	0	0	0.0
HB 15-1083	25,000	25,000	0	0	0	0.0
HB 15-1102	120,982	120,982	0	0	0	1.4
HB 15-1232	23,736	23,736	0	0	0	0.4
HB 15-1249	1,868	(17,600)	19,468	0	0	0.0
HB 15-1281	32,386	0	32,386	0	0	0.2
HB 15-1283	23,850	0	23,850	0	0	0.2
Increase/(Decrease)	(\$17,871,530)	(\$19,807,564)	(\$3,294,039)	\$2,393,822	\$2,836,251	24.3
Percentage Change	(3.2%)	(30.8%)	(2.0%)	6.8%	1.0%	1.9%

General Fund Exempt: Amounts in the General Fund column include appropriations from both the General Fund and General Fund Exempt Account. The General Fund Exempt Account was created by Referendum C, passed by Colorado voters in November 2005. Referendum C allowed the State to retain for FY 2005-06 through FY 2009-10 all revenue collected in excess of the TABOR limit and for FY 2010-11 and subsequent fiscal years all revenues in excess of the TABOR limit but less than the excess state revenues cap. The retained revenue must be placed in the General Fund Exempt Account.

The General Fund Exempt amount for the Department of Public Health and Environment includes money from Amendment 35 to the Colorado Constitution, passed by Colorado voters in November 2004. Amendment 35 requires that 3.0 percent of the new tobacco tax be appropriated to the General Fund and be distributed back to the Department for immunization services provided by local public health agencies. Because Amendment 35 moneys are exempt from the TABOR limit, the General Fund appropriations of these moneys are General Fund Exempt pursuant to Section 24-22-117 (3), C.R.S. The table below shows the amount appropriated from the General Fund Exempt Account for FY 2014-15 and FY 2015-16 for the purposes of funding immunization services provided by local public health agencies pursuant to Sections 24-77-103.6 (2) (a) and 24-77-104.5 (2) (a) (I), C.R.S. For additional information on General Fund Exempt appropriations, see Appendix H.

General Fund Summary	Total General Fund	General Fund	General Fund Exempt
FY 2014-15	\$64,322,851	\$63,899,251	\$423,600
FY 2015-16	\$44,515,287	\$44,087,694	\$427,593

Informational Funds: The FY 2015-16 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Public Health and Environment are annotated with the "(I)". For additional information, see Appendix J.

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2015-16 Appropriations containing an (I) notation	\$273,687,267	\$0	\$600,000	\$0	\$273,087,267

Detail of Appropriation by Administrative Section

Administration and Support

This division is comprised of three subdivisions: Administration, Office of Health Disparities, and Local Public Health Planning and Support.

(A) Administration

This subdivision performs operations that are common to all divisions including accounting, budgeting, data processing, human resources, purchasing, and information technology services provided to the Department by the Governor's Office of Information Technology Services. Funding for this subdivision is primarily from indirect cost recoveries.

(B) Office of Health Disparities

This subdivision is responsible for administration of the Health Disparities Grant Program which works to overcome the differences in the quality of health care and associated health outcomes for different racial and ethnic groups across Colorado. The Office is primarily funded by 2.4 percent of the Amendment 35 tobacco tax revenue and a small amount of General Fund. Funding for this subdivision is cash funds from the Health Disparities Grant Fund.

(C) Local Public Health Planning and Support

This subdivision provides local public health agencies with planning, technical, and financial support to ensure that local public health agencies are able to effectively deliver health and environmental services. Funding for this subdivision is a combination of General Fund, federal funds, and tobacco settlement moneys.

Administration and Support						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$51,483,752	\$8,672,339	\$14,212,540	\$28,023,257	\$575,616	78.5
HB 14-1360	53,560	0	53,560	0	0	0.0
SB 15-158	<u>(430,373)</u>	<u>2,874</u>	<u>0</u>	<u>(433,247)</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$51,106,939	\$8,675,213	\$14,266,100	\$27,590,010	\$575,616	78.5
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$51,106,939	\$8,675,213	\$14,266,100	\$27,590,010	\$575,616	78.5
Centrally appropriated line items	4,946,806	2,092,592	1,585,718	986,308	282,188	0.0
Indirect cost adjustments	2,574,854	74,286	(100,408)	1,118,590	1,482,386	11.4
Local Public Health Agencies	495,750	495,750	0	0	0	0.0
Cash fund balance adjustments	205,078	0	205,078	0	0	0.0
Title V permitting staff	8,496	0	8,496	0	0	0.0
Oil and gas health activities	5,064	0	5,064	0	0	0.0
Assisted living surveyors	3,576	0	3,576	0	0	0.0
Food safety programs	3,260	0	3,260	0	0	0.0
Annualize prior year budget actions	(1,073,010)	(257,127)	(1,196,522)	380,639	0	0.0
Amendment 35 revenue adjustment	(120,504)	0	(120,504)	0	0	0.0
Annualize prior year legislation	(100,364)	0	(21,424)	(78,940)	0	0.0
TMS revenue adjustment	(85,316)	0	(85,316)	0	0	0.0
SB 15-234	\$57,970,629	\$11,080,714	\$14,553,118	\$29,996,607	\$2,340,190	89.9
SB 15-014	1,068,560	0	1,068,560	0	0	0.0
SB 15-189	<u>(25,000)</u>	<u>0</u>	<u>0</u>	<u>(25,000)</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$59,014,189	\$11,080,714	\$15,621,678	\$29,971,607	\$2,340,190	89.9
Increase/(Decrease)	\$7,907,250	\$2,405,501	\$1,355,578	\$2,381,597	\$1,764,574	11.4
Percentage Change	15.5%	27.7%	9.5%	8.6%	306.6%	14.5%

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 15-158 modifies the FY 2014-15 appropriation by adding \$25,037 total funds for technical modifications to the State's human resources' computer systems and for midyear adjustment to funding for administrative law judge services. Senate Bill 15-158 also reduces the appropriation for the Department's share of the costs of new accounting system (CORE) by \$455,410 reappropriated funds.

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Centrally appropriated line items: The appropriation includes an increase of \$4,946,806 total funds for adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; vehicle lease payments; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; Capitol complex leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

Indirect cost adjustments: The appropriation includes an increase of \$2,574,854 total funds related to adjustments to the Department's methodology for calculating and managing indirect cost recoveries as well as changes to how both divisional and departmental indirect cost recoveries are reflected in the Long Bill. The increase in federal funds is primarily related to reflecting the informational appropriation of federal funds for centrally appropriated line items.

Local Public Health Agencies: The appropriation includes an increase of \$495,750 General Fund for Local Public Health Agencies (LPHAs) to account for LPHAs which are expanding the core services they provide, offset a reduction of Tobacco master Settlement revenue, as well as to account for population increases.

Cash fund balance adjustments: The appropriation includes an increase of \$205,078 cash funds to appropriate available excess funds in the Health Disparities Grant Fund.

Title V permitting staff: The appropriation includes an increase of \$8,496 cash funds for the centrally appropriated costs associated with the 9.0 FTE added to the Air Pollution Control Division to enable the Title V Permitting Program in the Air Pollution Control Division to comply with the federally required eighteen month time limit for issuing Title V air permits.

Oil and gas health activities: The appropriation includes an increase of \$5,065 cash funds for the centrally appropriated costs associated with the 4.0 FTE added to the Air Pollution Control Division to implement two consensus recommendation made by the Oil and Gas Task Force for a health concern information line and website as well as a mobile air quality monitoring unit.

Assisted living surveyors: The appropriation includes an increase of \$3,576 cash funds for the centrally appropriated costs associated with the 3.0 FTE added to the Health Facilities and Emergency Medical Services Division to provide the Assisted Living Survey Unit with a sufficient number of surveyors to complete surveys of assisted living facilities within the statutory timeframe.

Food safety programs: The appropriation includes an increase of \$3,260 cash funds for the centrally appropriated costs associated with the 2.0 FTE added to the Division of Environmental Health and Sustainability to create and administer a state-directed food safety inspection program.

Annualize prior year budget actions: The appropriation includes a number of changes to annualize funding decisions made through the prior year Long Bill.

Amendment 35 revenue adjustment: The appropriation includes adjustments to the amount of Amendment 35 revenues projected to be received in FY 2015-16.

Annualize prior year legislation: The appropriation includes adjustments related to prior year legislation.

TMS revenue adjustment: The appropriation includes adjustments related to the projected amount of Tobacco Master Settlement (TMS) revenue for FY 2015-16.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Center for Health and Environmental Information

This division is comprised of three subdivisions: Health Statistics and Vital Records, Medical Marijuana Registry, and Indirect Cost Assessment.

(A) *Administration* - provides divisional administrative support services and is funded with General Fund and reappropriated funds from the Department of Health Care Policy and Financing.

(B) *Health Statistics and Vital Records* - is responsible for the maintenance of Colorado birth, death, marriage, divorce, and other vital records-related certificates. The subdivision administers the Voluntary Adoption Registry, which facilitates voluntary contact between Colorado-born adoptees 18 years of age and older and their birth parents. Division staff provide trainings on vital records rules, regulations, and statutes to individuals and local public health agencies. Data users include the Center for Disease Control, local public health agencies, and epidemiologists. This subdivision is primarily funded with cash funds from the Vital Statistics Records Cash Fund and federal funds.

(C) *Medical Marijuana Registry* - serves as the state database for all individuals who have satisfied the medical requirements to use medical marijuana and have paid the Medical Marijuana Registry fee. The Medical Marijuana Registry is entirely cash funded by the Medical Marijuana Program Cash Fund.

(D) *Health Data Programs and Information* - houses a number of the Department's health data programs which gather health data and survey information including the Cancer Registry, Birth Defects Monitoring Program, the funding to connect a number of the health data systems with the statewide Health Information Exchange, and funding for Local Public Health Agencies to build electronic health records which can communicate with the Health Information Exchange. This subdivision is funded primarily with General Fund and federal funds.

Center for Health and Environmental Information						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$8,338,487	\$0	\$6,194,484	\$5,887	\$2,138,116	75.1
SB 14-051	34,120	0	34,120	0	0	0.6

Center for Health and Environmental Information						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 14-1042	<u>14,423</u>	<u>0</u>	<u>14,423</u>	<u>0</u>	<u>0</u>	<u>0.3</u>
TOTAL	\$8,387,030	\$0	\$6,243,027	\$5,887	\$2,138,116	76.0
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$8,387,030	\$0	\$6,243,027	\$5,887	\$2,138,116	76.0
CHEIS adjustments	5,384,492	2,653,573	383,972	0	2,346,947	24.3
Indirect cost adjustments	610,663	0	(74,822)	0	685,485	(1.0)
Document assistance program	300,000	300,000	0	0	0	0.0
Annualize prior year budget actions	80,524	0	80,524	0	0	0.0
Annualize prior year legislation	(605,774)	0	(605,774)	0	0	0.0
SB 15-234	\$14,156,935	\$2,953,573	\$6,026,927	\$5,887	\$5,170,548	99.3
HB 15-1281	<u>32,386</u>	<u>0</u>	<u>32,386</u>	<u>0</u>	<u>0</u>	<u>0.2</u>
TOTAL	\$14,189,321	\$2,953,573	\$6,059,313	\$5,887	\$5,170,548	99.5
Increase/(Decrease)	\$5,802,291	\$2,953,573	(\$183,714)	\$0	\$3,032,432	23.5
Percentage Change	69.2%	n/a	(2.9%)	0.0%	141.8%	30.9%

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

CHEIS adjustments: The appropriation includes an increase to this division of \$5,384,492 total funds and 24.3 FTE to consolidate the funding for work done by this division related to health data programs. This increase is offset by a reduction in the Prevention Services Division and the Disease Control and Environmental Epidemiology Division.

Indirect cost adjustments: The appropriation includes an increase of \$610,663 total funds related to adjustments to the Department's methodology for calculating and managing indirect cost recoveries as well as changes to how both divisional and departmental indirect cost recoveries are reflected in the Long Bill.

Document assistance program: The appropriation adds \$300,000 General Fund for the creation of a document assistance grant program.

Annualize prior year budget actions: The appropriation includes a number of changes to annualize funding decisions made through the prior year Long Bill.

Annualize prior year legislation: The appropriation includes adjustments related to prior year legislation.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Laboratory Services

This division is primarily funded with cash funds from the Newborn Screening and Genetic Counseling Cash Fund, the Laboratory Cash Fund, the Law Enforcement Assistance Fund, and federal funds. This division is comprised of the following three sections:

The Director's Office - provides managerial and administrative support for the Division.

The Chemistry and Microbiology Section - performs the following activities: analyzing blood and tissue specimens, testing for newborn genetic disorders, diagnostic testing for bacterial diseases, analysis for disease outbreaks, and water and environmental testing.

The Certification Section - certifies private medical laboratories, environmental laboratories, including water testing laboratories, on-site dairy laboratories, and the state and local law enforcement breath-alcohol testing devices (intoxilyzers) throughout the state. This section is also responsible for surveying private marijuana testing laboratories and making certification recommendations to the Department of Revenue.

Laboratory Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	<u>\$12,856,594</u>	<u>\$1,088,163</u>	<u>\$8,266,196</u>	<u>\$418,549</u>	<u>\$3,083,686</u>	<u>75.0</u>
TOTAL	\$12,856,594	\$1,088,163	\$8,266,196	\$418,549	\$3,083,686	75.0
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$12,856,594	\$1,088,163	\$8,266,196	\$418,549	\$3,083,686	75.0
Pompe disorder screening	483,149	0	483,149	0	0	1.0
Marijuana lab certification	90,125	0	0	90,125	0	1.5
Newborn screening six days	81,029	0	81,029	0	0	0.0
Annualize prior year budget actions	78,532	17,053	61,479	0	0	0.0
Indirect cost adjustments	41,898	0	(352,962)	138,346	256,514	(0.7)
SB 15-234	\$13,631,327	\$1,105,216	\$8,538,891	\$647,020	\$3,340,200	76.8
HB 15-1283	<u>23,850</u>	<u>0</u>	<u>23,850</u>	<u>0</u>	<u>0</u>	<u>0.2</u>
TOTAL	\$13,655,177	\$1,105,216	\$8,562,741	\$647,020	\$3,340,200	77.0
Increase/(Decrease)	\$798,583	\$17,053	\$296,545	\$228,471	\$256,514	2.0
Percentage Change	6.2%	1.6%	3.6%	54.6%	8.3%	2.7%

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Pompe disorder screening: The appropriation includes an increase of \$483,149 cash funds and 1.0 FTE to fund the addition of the Pompe disorder to the newborn screening test.

Marijuana lab certification: The appropriation includes an increase of \$90,125 reappropriated funds from the Department of Revenue and 1.5 FTE for the inspection and survey of marijuana testing laboratories required for a laboratory certification from the Department of Revenue.

Newborn screening six days: The appropriation includes an increase of \$81,029 cash funds to enable the State Laboratory to operate the newborn screening section six days per week.

Annualize prior year budget actions: The appropriation includes a number of changes to annualize funding decisions made through the prior year Long Bill.

Indirect cost adjustments: The appropriation includes an increase of \$41,898 total funds related to adjustments to the Department's methodology for calculating and managing indirect cost recoveries as well as changes to how both divisional and departmental indirect cost recoveries are reflected in the Long Bill.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Air Pollution Control Division

This division is comprised of four subdivisions: Administration, Technical Services, Mobile Sources, and Stationary Sources. The Division's major sources of cash funds are fees charged for air pollution permits and inspections.

(A) *Administration* - provides administrative support to the Air Quality Control Commission and manages the implementation of air programs by the other subdivisions.

(B) *Technical Services* - houses the Air Quality Monitoring, Modeling and Analysis, and Visibility and Risk Assessment Programs.

(C) *Mobile Sources* - is comprised of the Research and Support Program which contains four subprograms: (1) the High Altitude Testing Program, (2) the Oxygenated Fuel Program, (3) the Clean Fuel Fleet Program, and (4) the Inspection and Maintenance Program. The Inspection and Maintenance Program works to reduce motor vehicle-related pollution through the inspection and emissions-related repair of motor vehicles. Emissions testing of gas and diesel powered vehicles are required when registering, renewing, or selling vehicles within the program areas along Colorado's Front Range.

(D) *Stationary Sources* - is responsible for controlling and reducing air pollutants from stationary sources (i.e., factories, power plants, wood stoves, etc.) through permits, monitoring, and inspections of stationary sources that emit air pollutants. The subdivision houses the following three programs: the Inventory and Support Services Program, the Permits and Compliance Assurance Program, and the Hazardous and Toxic Control Program.

Air Pollution Control Division						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$22,767,001	\$445,076	\$17,860,446	\$0	\$4,461,479	174.4
SB 15-158	<u>1,300,000</u>	<u>351,000</u>	<u>949,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$24,067,001	\$796,076	\$18,809,446	\$0	\$4,461,479	174.4
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$24,067,001	\$796,076	\$18,809,446	\$0	\$4,461,479	174.4
Title V permitting staff	817,126	0	817,126	0	0	9.0
Oil and gas health activities	402,859	0	402,859	0	0	1.0
Infrared camera program	285,391	0	285,391	0	0	4.0
Indirect cost adjustments	204,560	0	174,830	0	29,730	(1.6)
FRAPPE data analysis	94,298	94,298	0	0	0	0.0
Annualize prior year budget actions	(1,337,640)	(796,076)	(541,564)	0	0	(5.0)
SB 15-234	<u>\$24,533,595</u>	<u>\$94,298</u>	<u>\$19,948,088</u>	<u>\$0</u>	<u>\$4,491,209</u>	<u>181.8</u>
TOTAL	\$24,533,595	\$94,298	\$19,948,088	\$0	\$4,491,209	181.8
Increase/(Decrease)	\$466,594	(\$701,778)	\$1,138,642	\$0	\$29,730	7.4
Percentage Change	1.9%	(88.2%)	6.1%	n/a	0.7%	4.2%

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Title V permitting staff: The appropriation includes an increase of \$817,126 cash funds and 9.0 FTE to enable the Title V Permitting Program in the Air Pollution Control Division to comply with the federally required eighteen month time limit for issuing Title V air permits.

Oil and gas health activities: The appropriation includes an increase of \$402,859 cash funds and 1.0 FTE to implement the consensus recommendation made by the Oil and Gas Task Force for a mobile air quality monitoring unit.

Infrared camera program: The appropriation includes an increase of \$285,391 cash funds and 4.0 FTE to convert the two-year General Funded Infrared Camera program to a permanently cash funded program in the Air Pollution Control Division.

Indirect cost adjustments: The appropriation includes an increase of \$204,560 total funds related to adjustments to the Department's methodology for calculating and managing indirect cost recoveries as well as changes to how both divisional and departmental indirect cost recoveries are reflected in the Long Bill.

FRAPPE data analysis: The appropriation includes an increase of \$94,298 General Fund increase for the first year of the two-year data analysis of information gathered through the Front Range Air Pollution and Photochemistry Experiment (FRAPPE).

Annualize prior year budget actions: The appropriation includes a number of changes to annualize funding decisions made through the prior year Long Bill.

Water Quality Control Division

This division is comprised of three subdivisions: Administration, Clean Water Program, and Drinking Water Program. The Division's major sources of cash funds are fees charged for water quality permits. Reappropriated funds are from the Department of Agriculture for groundwater protection. There is a General Fund appropriation for FY 2015-16 due to insufficient cash fund revenues.

(A) *Administration* - This subdivision provides management and support staff for the Water Quality Control Commission, clerical support for other subdivisions, and maintains a centralized records system for the Division. This subdivision is responsible for training and certifying the operators of all water and wastewater treatment facilities in the state.

(B) *Clean Water Sectors* - is responsible for issuing discharge permits, monitoring compliance with permits, conducting inspections, providing technical assistance, and as necessary, pursuing enforcement actions for the six industry sectors. The six industry sectors are construction, commerce and industry, municipal separate storm sewer systems, pesticides, public and private utilities, and water quality certification.

(C) *Clean Water Program* - funds grants and contracts primarily to local governments for the Non-Point Source Program and the Water Quality Improvement Program.

(D) *Drinking Water Program* - is established under the federal Safe Drinking Water Act and is used to implement measures to ensure that public water systems throughout Colorado provide safe drinking water for Colorado citizens.

Water Quality Control Division						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$27,985,736	\$5,974,851	\$7,510,207	\$39,673	\$14,461,005	174.5
HB 14-1002	<u>17,000,000</u>	<u>17,000,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1.0</u>
TOTAL	\$44,985,736	\$22,974,851	\$7,510,207	\$39,673	\$14,461,005	175.5
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$44,985,736	\$22,974,851	\$7,510,207	\$39,673	\$14,461,005	175.5
Indirect cost adjustments	605,325	(25,903)	(11,222)	0	642,450	(1.1)
Sustain clean water programs	0	245,457	(245,457)	0	0	0.0
Clean water sectors transparency	0	0	0	0	0	0.0
Annualize prior year budget actions	(20,748,658)	(18,892,432)	(1,856,226)	0	0	(1.0)
SB 15-234	\$24,842,403	\$4,301,973	\$5,397,302	\$39,673	\$15,103,455	173.4
HB 15-1249	<u>1,868</u>	<u>(17,600)</u>	<u>19,468</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$24,844,271	\$4,284,373	\$5,416,770	\$39,673	\$15,103,455	173.4

Water Quality Control Division						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Increase/(Decrease)	(\$20,141,465)	(\$18,690,478)	(\$2,093,437)	\$0	\$642,450	(2.1)
Percentage Change	(44.8%)	(81.4%)	(27.9%)	0.0%	4.4%	(1.2%)

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Indirect cost adjustments: The appropriation includes an increase of \$605,325 total funds related to adjustments to the Department's methodology for calculating and managing indirect cost recoveries as well as changes to how both divisional and departmental indirect cost recoveries are reflected in the Long Bill.

Sustain clean water programs: The appropriation includes an increase of \$245,457 General Fund to offset a reduction of \$245,457 cash funds due to insufficient fee revenue for the Clean Water Sectors.

Clean water sectors transparency: The appropriation includes a reorganization of the Long Bill structure for the Clean Water Sectors to better identify the appropriation by sector and associated FTE by sector.

Annualize prior year budget actions: The appropriation includes a number of changes to annualize funding decisions made through the prior year Long Bill.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Hazardous Materials and Waste Management Division

This division is comprised of six subdivisions: Administration, Hazardous Waste Control Program, Solid Waste Control Program, Contaminated Site Cleanups and Remediation Programs, Radiation Management, and the Waste Tire Program.

(A) Administration - provides division-wide administrative and management support services.

(B) Hazardous Waste Control Program - has four primary responsibilities: permitting, compliance assurance, corrective action, and compliance assistance. This program monitors compliance and enforces hazardous waste regulations over 500 large-quantity hazardous waste generators, 3,000 small generators, hazardous waste transporters, and 50 hazardous waste treatment, storage and disposal facilities. Funding for this program is from the Hazardous Waste Service Cash Fund and federal funds.

(C) Solid Waste Control Program - is responsible for the regulation of all solid waste management facilities in Colorado, including landfills, composting facilities, recycling facilities, transfer facilities, certain types of waste surface impoundments, asbestos waste facilities, solid waste incinerators, and medical waste facilities. Funding for this subdivision is from cash funds, including the Solid Waste Management Fund and the Radiation Control Fund.

(D) *Contaminated Site Cleanups and Remediation Programs* - are summarized below and funded primarily from the Hazardous Substance Response Fund and federal funds.

- The Superfund Program works with the Environmental Protection Agency as either the lead agency or support agency in the review and implementation of cleanup plans and oversight of the cleanup work at superfund sites. Funding for cleanup of the Rocky Mountain Arsenal superfund site is included in this program.
- The Contaminated Site Cleanups Program works to facilitate the cleanup of contaminated sites that have not been designated as superfund sites.
- The subdivision provides the Department of Law with technical support relating to the federal Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA).
- The Uranium Mill Tailings Remedial Action Program assists local governments in managing mill tailings that were not removed during the cleanup and are disturbed during road work or other renewal or building activities.

(E) *Radiation Management* - provides regulatory services for radioactive materials through the review of license applications and inspections of facilities; administration of contract services with local public health agencies for indoor radon testing, prevention, and education; and the monitoring of low-level radioactive waste producers to ensure proper and economically sound disposal. Funding for this subdivision is primarily from the Radiation Control Fund and federal funds.

(F) *Waste Tire Program* - is responsible for regulating the reuse and disposal of waste tires including: regulation of waste tire haulers and facilities that generate, collect, store, process and/or use waste tires; awarding grants to local agencies for equipment, training and other activities related to prevention and response to waste tire fires; developing initiatives designed to encourage the disposal, recycling or reuse of illegally dumped tires and the recycling or reuse of waste tires; and payment of rebates to waste tire end users.

Hazardous Materials and Waste Management Division						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$31,056,331	\$0	\$20,769,720	\$282,060	\$10,004,551	114.3
SB 14-029	84,045	0	84,045	0	0	0.9
SB 14-073	20,000	0	20,000	0	0	0.0
SB 14-192	30,986	0	30,986	0	0	0.4
HB 14-1352	<u>882,343</u>	<u>500,000</u>	<u>382,343</u>	<u>0</u>	<u>0</u>	<u>1.0</u>
TOTAL	\$32,073,705	\$500,000	\$21,287,094	\$282,060	\$10,004,551	116.6

Hazardous Materials and Waste Management Division						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$32,073,705	\$500,000	\$21,287,094	\$282,060	\$10,004,551	116.6
Solid waste landfill study	231,000	0	231,000	0	0	0.0
Indirect cost adjustments	152,333	0	81,054	(1,907)	73,186	(1.1)
Transfers to other departments	14,713	0	14,713	0	0	0.0
Annualize prior year legislation	(289,170)	(500,000)	210,830	0	0	(0.3)
Annualize prior year budget actions	(121,613)	0	(126,779)	5,166	0	0.0
Waste tire revenue adjustment	(108,380)	0	(108,380)	0	0	0.0
Centrally appropriated line items	(31,136)	0	(15,762)	0	(15,374)	0.0
SB 15-234	<u>\$31,921,452</u>	<u>\$0</u>	<u>\$21,573,770</u>	<u>\$285,319</u>	<u>\$10,062,363</u>	<u>115.2</u>
TOTAL	\$31,921,452	\$0	\$21,573,770	\$285,319	\$10,062,363	115.2
Increase/(Decrease)	(\$152,253)	(\$500,000)	\$286,676	\$3,259	\$57,812	(1.4)
Percentage Change	(0.5%)	(100.0%)	1.3%	1.2%	0.6%	(1.2%)

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Solid waste landfill study: The appropriation includes an increase of \$231,000 cash funds to contract for a study of the State's waste and materials management system.

Indirect cost adjustments: The appropriation includes an increase of \$152,333 total funds related to adjustments to the Department's methodology for calculating and managing indirect cost recoveries as well as changes to how both divisional and departmental indirect cost recoveries are reflected in the Long Bill.

Transfer to other departments: The appropriation includes increases for funds which are transferred to other departments.

Annualize prior year legislation: The appropriation includes adjustments related to prior year legislation.

Annualize prior year budget actions: The appropriation includes a number of changes to annualize funding decisions made through the prior year Long Bill.

Waste tire revenue adjustment: The appropriation includes adjustments related to the projected amount of waste tire revenue for FY 2015-16.

Centrally appropriated line items: The appropriation includes a reduction of \$31,136 cash funds for legal services.

Division of Environmental Health and Sustainability

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. The division's major sources of cash funds are from license fees for businesses, such as retail and wholesale food licenses. The division's reappropriated funds are from the Departments of Corrections and Human Services for the inspection of institutions and child care facilities.

The Consumer Protection Division is responsible for programs designed to protect the public from disease and injury through identification and control of environmental factors in food, drugs, medical devices, institutions, consumer products, and insect and rodent vectors affecting public health. The Division has responsibility for the following programs:

- The Dairy Inspection Program inspects dairy farms; milk haulers, tankers and receivers; milk cooperatives; milk processing plants; and manufactured dairy product plants.
- The Retail Food Service Inspection Program inspects restaurants, grocery stores, school cafeterias, and food programs for the elderly.
- The Wholesale Food Manufacturing and Storage Program inspects food storage and warehouse facilities, food manufacturers, and shellfish dealers.
- The Insect/Vector Control Program monitors diseases that are spread by insects and rodents, such as encephalitis, the plague, and West Nile Virus.
- The Environmental Institutions Program inspects child care centers, summer camps, public and private schools, and private correctional facilities.
- The Health Fraud Program prepares and disseminates information related to potentially harmful and/or recalled products.
- The Drug/Medical Device Program inspects body art facilities, drug manufacturers, and medical device manufacturers.
- Other regulatory responsibilities, such as inspecting tanning facilities and responding to complaints about hotels, motels, mobile home park operators, and camp ground operators.

Division of Environmental Health and Sustainability						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$10,796,954	\$2,727,648	\$6,396,510	\$107,433	\$1,565,363	42.6
HB 14-1207	<u>55,000</u>	<u>5,000</u>	<u>50,000</u>	<u>0</u>	<u>0</u>	0.0
TOTAL	\$10,851,954	\$2,732,648	\$6,446,510	\$107,433	\$1,565,363	42.6

Division of Environmental Health and Sustainability						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$10,851,954	\$2,732,648	\$6,446,510	\$107,433	\$1,565,363	42.6
Food safety programs	466,875	0	466,875	0	0	2.0
Household Take-back Medication Program	300,000	300,000	0	0	0	0.0
Annualize prior year budget actions	(2,920,856)	(1,474,976)	(1,447,792)	1,912	0	0.0
Indirect cost adjustments	(316,659)	(25,908)	(166,697)	0	(124,054)	(0.5)
Annualize prior year legislation	(5,000)	(5,000)	0	0	0	0.0
SB 15-234	\$8,376,314	\$1,526,764	\$5,298,896	\$109,345	\$1,441,309	44.1
HB 15-1102	<u>120,982</u>	<u>120,982</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1.4</u>
TOTAL	\$8,497,296	\$1,647,746	\$5,298,896	\$109,345	\$1,441,309	45.5
Increase/(Decrease)	(\$2,354,658)	(\$1,084,902)	(\$1,147,614)	\$1,912	(\$124,054)	2.9
Percentage Change	(21.7%)	(39.7%)	(17.8%)	1.8%	(7.9%)	6.8%

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Food safety programs: The appropriation includes an increase of \$466,875 cash funds and 2.0 FTE to purchase new milk testing equipment, develop a statewide information exchange network for retail food safety information, and to add two wholesale food inspectors to create and administer a state-directed manufactured food safety inspections.

Household Take-back Medication Program: The appropriation includes an increase of \$300,000 General Fund for the Household Take-back Medication Program.

Annualize prior year budget actions: The appropriation includes a number of changes to annualize funding decisions made through the prior year Long Bill.

Indirect cost adjustments: The appropriation includes a decrease of \$316,659 total funds related to adjustments to the Department's methodology for calculating and managing indirect cost recoveries as well as changes to how both divisional and departmental indirect cost recoveries are reflected in the Long Bill.

Annualize prior year legislation: The appropriation includes adjustments related to prior year legislation.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Disease Control and Environmental Epidemiology Division

This division is comprised of three subdivisions: Administration, General Disease Control, and Surveillance; Special Purpose Disease Control Programs; and Environmental Epidemiology. The primary sources of funding for this division include General Fund, cash funds from the tobacco master settlement agreement, and federal funds.

(A) *Administration, General Disease Control and Surveillance* - has three areas of responsibility: (1) provision of division-wide administration and support, (2) maintaining and monitoring the disease-monitoring network, and (3) operation of the Immunization Program. The Immunization Program consists of the following:

- The Immunization Outreach Program provides free immunization clinics around the state.
- The Colorado Immunization Information System which houses immunization records, allowing health care providers to easily check a child's immunization status during a health care visit. This helps to ensure that a child is up-to-date on their immunizations and is not over-immunized. The system can also send reminders to parents of children who are not up-to-date on their immunizations.
- The Immunization Program also provides of grants to local public health agencies for the operation of immunization clinics.

(B) *Special Purpose Disease Control Programs* - is responsible for disease control programs which are designed to control and prevent certain communicable diseases including: sexually transmitted infections; HIV and AIDS; and tuberculosis.

(C) *Environmental Epidemiology* - houses the Cannabis Health Environmental and Epidemiology Training, Outreach, and Surveillance Program which is responsible for researching the health impacts of marijuana use.

Disease Control and Environmental Epidemiology Division						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$101,121,666	\$9,770,567	\$6,909,513	\$0	\$84,441,586	151.4
SB 14-215	0	0	0	0	0	0.0
SB 15-234	<u>44,658</u>	<u>0</u>	<u>44,658</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$101,166,324	\$9,770,567	\$6,954,171	\$0	\$84,441,586	151.4
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$101,166,324	\$9,770,567	\$6,954,171	\$0	\$84,441,586	151.4
CIIS optimization and sustainability	1,212,312	1,212,312	0	0	0	3.6
Cash fund balance adjustments	623,141	0	623,141	0	0	0.0
Oil and gas health activities	355,846	0	355,846	0	0	3.0
Indirect cost adjustments	65,754	(2,450)	22,647	0	45,557	(1.5)
Amendment 35 revenue adjustment	7,986	3,993	3,993	0	0	0.0
CHEIS adjustments	(3,762,657)	(2,406,038)	(133,972)	0	(1,222,647)	(12.7)

Disease Control and Environmental Epidemiology Division						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Annualize prior year budget actions	(1,531,064)	(1,486,406)	(44,658)	0	0	0.0
TMS revenue adjustment	(254,840)	0	(254,840)	0	0	0.0
SB 15-234	\$97,882,802	\$7,091,978	\$7,526,328	\$0	\$83,264,496	143.8
SB 15-247	863,033	0	863,033	0	0	0.0
HB 15-1232	<u>23,736</u>	<u>23,736</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.4</u>
TOTAL	\$98,769,571	\$7,115,714	\$8,389,361	\$0	\$83,264,496	144.2
Increase/(Decrease)	(\$2,396,753)	(\$2,654,853)	\$1,435,190	\$0	(\$1,177,090)	(7.2)
Percentage Change	(2.4%)	(27.2%)	20.6%	n/a	(1.4%)	(4.8%)

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 15-234 modifies the FY 2014-15 appropriation to add \$44,658 cash funds from the Colorado Immunization Fund to use the year-end fund balance for a portion of the costs associated with the Colorado Immunization Information System performance enhancements.

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

CIIS optimization and sustainability: The appropriation includes an increase of \$1,212,312 General Fund and 3.6 FTE for the Colorado Immunization Information System to: (1) hire three FTE to support the operating and infrastructure needs of the Colorado Immunization Information System (CIIS); (2) hire one FTE to develop a state program for the Children's Health Plan Plus that is similar to the federal Vaccines for Children program; and (3) make CIIS improvements that will improve system performance.

Cash fund balance adjustments: The appropriation includes a number of adjustments to appropriations to account for available balances of various cash funds.

Oil and gas health activities: The appropriation includes an increase of \$355,846 cash funds and 3.0 FTE to implement the consensus recommendation made by the Oil and Gas Task Force for a health concern information line and website.

Indirect cost adjustments: The appropriation includes an increase of \$65,754 total funds related to adjustments to the Department's methodology for calculating and managing indirect cost recoveries as well as changes to how both divisional and departmental indirect cost recoveries are reflected in the Long Bill.

Amendment 35 revenue adjustment: The appropriation includes adjustments to the amount of Amendment 35 revenues projected to be received in FY 2015-16.

CHEIS adjustments: The appropriation includes a reduction of \$3,762,657 total funds to consolidate the funding for work done by the Center for Health and Environment Information Services (CHEIS) Division. Note this reduction is offset by a like increase in the CHEIS Division.

Annualize prior year budget actions: The appropriation includes a number of changes to annualize funding decisions made through the prior year Long Bill.

TMS revenue adjustment: The appropriation includes adjustments related to the projected amount of Tobacco Master Settlement (TMS) revenue for FY 2015-16.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Prevention Services Division

This division is comprised of the following five subdivisions: Administration, Chronic Disease Prevention Programs, Primary Care Office, Family and Community Health, and Nutrition Services.

(A) *Administration* - provides administrative services to the other division programs. Fund sources include General Fund, various division cash funds, and federal funds.

(B) *Chronic Disease Prevention Programs* - provides targeted prevention services for specific chronic diseases including: breast and cervical cancer, lung cancer, and cardiovascular and chronic pulmonary disease. This subdivision also includes oral health programs and tobacco cessation, education, and prevention programs. Fund sources include cash funds from the tobacco settlement and tobacco tax revenue and federal funds.

(C) *Primary Care Office* - assesses the need for primary health care professionals in various parts of the state and directs incentives to qualified professionals and clinics willing to serve in areas that are short of providers. Funding for the Office includes cash funds from the tobacco settlement revenue and federal funds.

(D) *Family and Community Health* - includes the following three program areas:

- (1) Women's Health Programs include health and family planning services for low-income women, prenatal and postpartum services, and counseling and education to low-income pregnant women and their newborns. Fund sources include General Fund and federal funds;
- (2) Children and Youth Programs include the children with special needs health care program, genetics counseling for children with possible genetic disorders, and school-based health centers. Fund sources includes General Fund, the Newborn Screening and Genetic Counseling Cash Funds, and federal funds; and
- (3) Injury, Suicide, and Violence Prevention Programs include suicide and injury prevention programs. Fund sources include General Fund, federal funds, and cash funds from the tobacco settlement revenue.

(E) *Nutrition Services* - includes the Women, Infants and Children (WIC) Nutrition Program and the Child and Adult Food Care Program. WIC provides a monthly check to low-income (185.0 percent of federal poverty guidelines) women and children who are at-risk of poor nutritional outcomes. The Child and Adult Food Care Program provides reimbursement for nutritious foods to participating child care centers, Head Start programs, family day care homes, and adult day care centers. These programs are entirely federally funded.

Prevention Services Division						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$214,243,645	\$14,053,190	\$49,551,543	\$1,438,093	\$149,200,819	186.3
SB 14-088	73,972	73,972	0	0	0	0.9
SB 14-180	(55,000)	(55,000)	0	0	0	0.0
SB 14-187	400,000	400,000	0	0	0	0.0
SB 14-215	6,587,169	0	6,587,169	0	0	5.2
HB 14-1045	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$221,249,786	\$14,472,162	\$56,138,712	\$1,438,093	\$149,200,819	192.4
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$221,249,786	\$14,472,162	\$56,138,712	\$1,438,093	\$149,200,819	192.4
Primary care workforce and data	1,602,762	1,602,762	0	0	0	0.9
Indirect cost adjustments	645,103	0	321,458	(137,347)	460,992	(2.3)
Amendment 35 revenue adjustment	428,920	0	428,920	0	0	0.0
Loan repayment for faculty positions	270,000	270,000	0	0	0	0.0
Annualize prior year budget actions	77,990	47,250	30,740	0	0	0.0
Annualize prior year legislation	(4,521,502)	(3,366,122)	(1,155,380)	0	0	(0.9)
Marijuana tax revenue adjustment	(2,500,000)	0	(2,500,000)	0	0	0.0
CHEIS adjustments	(1,621,835)	(247,535)	(250,000)	0	(1,124,300)	(11.6)
Cash fund balance adjustments	(1,178,552)	0	(1,178,552)	0	0	0.0
Adult stem cell fund checkoff	(140,000)	0	(140,000)	0	0	0.0
SB 15-234	\$214,312,672	\$12,778,517	\$51,695,898	\$1,300,746	\$148,537,511	178.5
HB 15-1083	<u>25,000</u>	<u>25,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$214,337,672	\$12,803,517	\$51,695,898	\$1,300,746	\$148,537,511	178.5
Increase/(Decrease)	(\$6,912,114)	(\$1,668,645)	(\$4,442,814)	(\$137,347)	(\$663,308)	(13.9)
Percentage Change	(3.1%)	(11.5%)	(7.9%)	(9.6%)	(0.4%)	(7.2%)

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Primary care workforce and data: The appropriation includes an increase of \$1,602,762 General Fund and 0.9 FTE for the Colorado Health Service Corps to improve the collection of health care provider data to better inform future decisions regarding resource allocation, and to provide an additional \$1.5 million worth of provider loan repayment awards.

Indirect cost adjustments: The appropriation includes an increase of \$645,103 total funds related to adjustments to the Department's methodology for calculating and managing indirect cost recoveries as well as changes to how both divisional and departmental indirect cost recoveries are reflected in the Long Bill.

Amendment 35 revenue adjustment: The appropriation includes adjustments to the amount of Amendment 35 revenues projected to be received in FY 2015-16.

Loan repayment for faculty positions: The appropriation adds \$270,000 General Fund to the Colorado Health Services Corps to repay student loans for three family medicine resident faculty.

Annualize prior year budget actions: The appropriation includes a number of changes to annualize funding decisions made through the prior year Long Bill.

Annualize prior year legislation: The appropriation includes adjustments related to prior year legislation.

Marijuana tax revenue adjustment: The appropriation includes a reduction of Marijuana Tax Cash Fund dollars appropriated for the Marijuana Public Awareness Campaign based on the Legislative Council revenue forecast for the marijuana industry available for appropriation in FY 2015-16.

CHEIS adjustments: The appropriation includes a reduction of \$1,621,835 total funds to consolidate the funding for work done by the Center for Health and Environment Information Services (CHEIS) Division. Note this reduction is offset by a like increase in the CHEIS Division.

Cash fund balance adjustments: The appropriation includes a number of adjustments to appropriations to account for available balances of various cash funds.

Adult stem cell fund checkoff: The appropriation eliminates the appropriation from the Adult Stem Cell Fund because the fund did not receive any tax checkoff revenue and was not included on the 2014 Colorado tax form.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Health Facilities and Emergency Medical Services Division

This division establishes and enforces standards for the operation of health care facilities and the provision of emergency medical and trauma services. The division licenses hospitals, nursing homes, and other health care facilities; licenses home health care providers; certifies health care facilities for Medicaid and Medicare; trains individuals to administer medications in residential and non-residential care facilities; trains and regulates emergency medical personnel; provides technical assistance and grants to local emergency medical service providers; and oversees the state's trauma care system. The division's cash funds derive from fees paid by licensees and from the Highway Users Tax Fund. Reappropriated funds are transferred from the Department of Health Care Policy and Financing.

(A) Operations Management - provides administrative services to the various division programs.

(B) Health Facilities Programs - licenses and regulates eleven types of medical facilities. Licensing activities conducted by the division include performing fitness reviews, conducting fire safety inspections, investigating complaints and conducting enforcement activities. General Fund is required pursuant to Section 25-3-103, C.R.S., so that fees paid by non-government owned facilities do not subsidize the regulation of government-owned facilities.

(C) *Emergency Medical Services* - certifies and regulates emergency medical services providers, licenses air ambulance agencies, administers grants, and coordinates the designation of trauma centers.

Health Facilities and Emergency Medical Services Division						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$27,883,886	\$1,660,621	\$15,372,202	\$5,149,477	\$5,701,586	144.1
SB 14-050	49,161	49,161	0	0	0	0.8
HB 14-1360	<u>254,423</u>	<u>0</u>	<u>144,423</u>	<u>110,000</u>	<u>0</u>	<u>2.1</u>
TOTAL	\$28,187,470	\$1,709,782	\$15,516,625	\$5,259,477	\$5,701,586	147.0
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$28,187,470	\$1,709,782	\$15,516,625	\$5,259,477	\$5,701,586	147.0
Annualize prior year budget actions	220,395	29,018	134,069	57,308	0	0.0
Assisted living surveyors	203,743	0	203,743	0	0	3.0
Poison Control Center funding	120,264	120,264	0	0	0	0.0
Transfers to other departments	932	0	0	(17,184)	18,116	0.0
Indirect cost adjustments	(255,218)	(6,194)	(249,787)	(14,194)	14,957	(1.1)
Annualize prior year legislation	(149,408)	(12,292)	(27,116)	(110,000)	0	0.3
SB 15-234	<u>\$28,328,178</u>	<u>\$1,840,578</u>	<u>\$15,577,534</u>	<u>\$5,175,407</u>	<u>\$5,734,659</u>	<u>149.2</u>
TOTAL	\$28,328,178	\$1,840,578	\$15,577,534	\$5,175,407	\$5,734,659	149.2
Increase/(Decrease)	\$140,708	\$130,796	\$60,909	(\$84,070)	\$33,073	2.2
Percentage Change	0.5%	7.6%	0.4%	(1.6%)	0.6%	1.5%

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes a number of changes to annualize funding decisions made through the prior year Long Bill.

Assisted living surveyors: The appropriation includes an increase of \$203,743 cash funds and 3.0 FTE to provide the Assisted Living Survey Unit with a sufficient number of surveyors to complete surveys of assisted living facilities within the statutory timeframe.

Poison Control Center funding: The appropriation includes an increase of \$120,264 General Fund for the Rocky Mountain Poison Control Center due to increased operational and staff costs.

Transfers to other departments: The appropriation includes increases for funds which are transferred to other departments.

Indirect cost adjustments: The appropriation includes a decrease of \$255,218 total funds related to adjustments to the Department's methodology for calculating and managing indirect cost recoveries as well as changes to how both divisional and departmental indirect cost recoveries are reflected in the Long Bill.

Annualize prior year legislation: The appropriation includes adjustments related to prior year legislation.

Office of Emergency Preparedness and Response

The Office develops and implements emergency response plans to enable the Department to ensure the availability of health and the medical services for victims when an emergency occurs in Colorado. The Office works to ensure the Department, Local Public Health Agencies, and medical agencies have emergency response plans in place. Additional responsibilities of the Office include:

- Training of health and medical professionals on the latest and improved response protocols, including the National Incident Management System;
- Ensuring that public health and medical programs are integrated with law enforcement, the Division of Emergency Management, and other state departments critical to the state’s response;
- Providing emergency preparedness education and training to Department employees, medical and public health partners;
- Ensuring the rapid receipt, storage and distribution of the Strategic National Stockpile (SNS) supplies and medication during an emergency;
- Activation of the Department Emergency Operations Center (DOC) during emergency situations;
- Coordination and enhancement of the capacity of the Emergency System for Advance Registration of Volunteer Health Professionals. This enables the Colorado Hospital Preparedness Program to expand and integrate the Colorado Medical Reserve Corps to enable the preparation of volunteers for an all-hazards response; and
- Assisting individuals and communities during and recovering from natural and human-caused disasters.

The amount of federal dollars this Division receives is driven by formulas that are based in part on state population. If the state accepts the federal funds, the state must provide the required match amount. The Office is funded by General Fund and federal funds.

Office of Emergency Preparedness and Response						
	Total Funds	General Fund	Cash Fund	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	<u>\$17,287,213</u>	<u>\$1,603,389</u>	<u>\$0</u>	<u>\$0</u>	<u>\$15,683,824</u>	<u>35.6</u>
TOTAL	\$17,287,213	\$1,603,389	\$0	\$0	\$15,683,824	35.6

Office of Emergency Preparedness and Response

	Total Funds	General Fund	Cash Fund	Reappropriated Funds	Federal Funds	FTE
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$17,287,213	\$1,603,389	\$0	\$0	\$15,683,824	35.6
Emergency preparedness adjustment	(835,760)	0	0	0	(835,760)	0.0
Indirect cost adjustments	(193,953)	(13,831)	0	0	(180,122)	(0.5)
SB 15-234	<u>\$16,257,500</u>	<u>\$1,589,558</u>	<u>\$0</u>	<u>\$0</u>	<u>\$14,667,942</u>	<u>35.1</u>
TOTAL	\$16,257,500	\$1,589,558	\$0	\$0	\$14,667,942	35.1
Increase/(Decrease)	(\$1,029,713)	(\$13,831)	\$0	\$0	(\$1,015,882)	(0.5)
Percentage Change	(6.0%)	(0.9%)	n/a	n/a	(6.5%)	(1.4%)

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Emergency preparedness adjustment: The appropriation includes a reduction of anticipated federal funds for emergency preparedness activities and the creation of a new line item for state-directed emergency preparedness activities.

Indirect cost adjustments: The appropriation includes a decrease of \$193,953 total funds related to adjustments to the Department's methodology for calculating and managing indirect cost recoveries as well as changes to how both divisional and departmental indirect cost recoveries are reflected in the Long Bill.

Recent Legislation

2014 Session Bills

S.B. 14-029 (Architectural Paint Stewardship Program): Creates a statewide paint stewardship program for the recycling, reuse, and disposal of post-consumer architectural paint. Requires each producer to implement or participate in a Paint Stewardship Program that has been approved by the Department's Executive Director. Establishes minimum requirements for a Paint Stewardship Program (Program), and requires each program to be self-funded through a paint stewardship fee that a producer charges to retailers and distributors for each container of paint sold. Creates the Paint Stewardship Program Cash Fund. Each producer is responsible for education and outreach to communicate to retailers and consumers about the program. Prohibits the Program from charging the fee directly to customers for the collection of paint. Appropriates \$84,045 cash funds from the Paint Stewardship Program Cash Fund and 0.9 FTE to the Department for FY 2014-15.

S.B. 14-050 (Financial Assistance in Colorado Hospitals): Requires hospitals to alert patients on each billing statement that financial assistance may be available and provide contact information, and if a hospital discovers an omission of required information, the hospital must correct the error and inform the patient and the Department of the omission and take corrective action. Requires the Department to promulgate rules, investigate complaints, and monitor each licensed hospital for noncompliance and conduct periodic reviews of hospital compliance. Requires corrective action within 90 days. Allows the Department to fine the hospital up to \$5,000 based on the severity of the offense and for failure to implement the corrective action in 90 days, and makes information concerning investigations and complaints available to the public. Creates the Hospital Financial Assistance Standards Committee which must meet within 60 days of the effective date of the bill and develop recommendations for uniform standards within 120 days. Appropriates \$49,161 General Fund and 0.8 FTE to the Department for FY 2014-15.

S.B. 14-051 (Access to Adoption Records and Birth Certificates): Eliminates different standards of access to adoption records for adoptees, birth parents, and adoptive parents, as well as their descendants, based on the law in existence on the date the adoption was finalized. Requires the Department to update the contact preference form by birth parents. Clarifies that a birth certificate is not to be released if the birth parent had previously provided a contact preference form stating that release of the birth certificate is prohibited. Appropriates \$34,120 cash funds from the Vital Statistics Records Cash Fund and 0.6 FTE to the Department for FY 2014-15.

S.B. 14-073 (Brownfield Contaminated Land Income Tax Credit): Allows the Department to authorize \$3.0 million in tax credits each year the credit is available, and no credit shall be allowed for any costs exceeding \$1.5 million dollars on any individual project. Requires a certificate from the Department verifying the project to claim the income tax credit. For additional information, see the "Recent Legislation" section at the end of the Department of Revenue. Appropriates \$20,000 cash funds from the Hazardous Substance Response Fund to the Department of Public Health and Environment for FY 2014-15.

S.B. 14-088 (Suicide Prevention Commission): Creates the Suicide Prevention Commission (Commission) to provide leadership and make recommendations. Requires the Executive Director to appoint no more than twenty-five members to the Commission, and requires the Department to provide administrative support. Allows the Department to accept gifts, grants, and donations from public and private entities which are credited to the Suicide Prevention Coordination Cash Fund. Repeals the Commission on September 1, 2024. Appropriates \$73,972 General Fund and 0.9 FTE to the Department for FY 2014-15.

S.B. 14-180 (Transfer Senior Dental Program to HCPF): Transfers the Dental Assistance Program for Seniors, also known as the Old Age Pension (OAP) Dental Program, from the Department of Public Health and Environment (DPHE) to the Department of Health Care Policy and Financing (HCPF) as of July 1, 2015. Renames the program as the Colorado Dental Health Care Program for Low-Income Seniors. Modifies the eligibility criteria to align with other dental benefits for seniors and to target services to economically disadvantaged seniors as defined in rule. Provides funds to qualified grantees, including Area Agencies on Aging, community organizations, Local Public Health Agencies, federally qualified health centers, and private dental practices. Requires HCPF to award grants to qualified grantees on or after July 1, 2015, and to establish rates for dental services under the program. Grantees are required to provide outreach, identify eligible seniors and dental care providers, and pay claims for services. Creates the Senior Dental Advisory Committee. Reduces the appropriation in the DPHE by \$55,000 General Fund and increases the appropriation in HCPF by \$55,000 General Fund and 0.8 FTE for FY 2014-15.

S.B. 14-187 (Colorado Commission Affordable Health Care): Establishes the Colorado Commission on Affordable Health Care which must study the drivers of health care costs and evidence-based cost containment strategies, and make recommendations for action. The Commission will have 12 voting members, representing various public and private sector health care experts and 5 nonvoting members from state government. Allows the Commission to create small advisory committees to study specific areas and coordinate with other Colorado entities studying health care costs as appropriate. Requires the Commission to provide two annual reports to the General Assembly in FY 2014-15 and FY 2015-16 and a final report by June 30, 2016, and repeals the Commission on July 1, 2017. Creates the Colorado Commission on Affordable Health Care Cash Fund (Fund) within the Department and appropriates \$400,000 General Fund to the Fund in FY 2014-15.

S.B. 14-192 (Uranium Processing Groundwater Protection): Requires uranium and thorium mines that are not using conventional open or underground mining techniques to obtain a radioactive materials license from the Department. Requires a radioactive materials license for mines using underground aqueous extraction of ore. Eliminates the statutory deadline for the Department to make an initial draft decision on a license application for a facility, site, or shipment for disposal of radioactive waste. Increases the amount an applicant must pay to the board of county commissioners of the county in which the radioactive waste is proposed to be received for storage, processing or disposal from \$50,000 to \$50,000 adjusted for inflation since 2003. Requires, when remediating radioactive contamination to groundwater wells, all groundwater wells be restored to at least the numeric groundwater standards as established by the Water Quality Control Commission. Requires the licensee: to remediate any release affecting groundwater wells in the most expedited manner reasonably possible using the best available active restoration and groundwater monitoring technologies; to provide notice to the Department as soon as practicable upon discovery of any spill or release involving toxic or radioactive materials; and provide an initial written report within seven days after the discovery. Requires the Department to post these reports on its website no later than seven days after receipt of the information. Appropriates \$30,986 cash funds from the Radiation Control Fund and 0.4 FTE to the Department for FY 2014-15.

S.B. 14-215 (Disposition of Legal Marijuana Related Revenue): Creates the Marijuana Tax Cash Fund and identifies within the Department of Public Health and Environment the following allowable uses of the Fund:

- Obtaining health data through surveys or other means regarding marijuana and other drug use and monitoring the health effects of marijuana, including changes in drug use patterns and the emerging science and medical information relevant to the health effects associated with marijuana use; and
- Developing and implementing marijuana education and prevention campaigns.

Appropriates \$6,587,169 cash funds from the Marijuana Tax Cash Fund and 5.2 FTE to the Department for FY 2014-15. For additional information, see the "Recent Legislation" section at the end of the Department of Revenue.

H.B. 14-1002 (Water Infrastructure Natural Disaster Grant Fund): Creates the continuously-appropriated Natural Disaster Grant Fund in the Department for grants to local governments, including local governments accepting grants on behalf of and in coordination with not-for-profit public water systems, to recover from the September 2013 floods. Priority is given to applicants that have the lowest financial ability to pay for the necessary construction, improvements, renovation, or reconstruction of water infrastructure. Grant funds are available for two fiscal years; on September 1, 2015, any remaining funds are to be transferred to the Nutrients Grant Fund. Appropriates \$17.0 million General Fund to the Natural Disaster Grant Fund for FY 2014-15.

H.B. 14-1042 (Birth Parent Access to Relinquishment Records): Requires that a custodian of records relating to the relinquishment of a child provide to the child's relinquishing birth parent to whom the document pertains a copy of the relinquishment records in the possession of the custodian that are signed by the relinquishing birth parent or by a parent, guardian, custodian, or legal guardian on behalf of the birth parent and any of the records in which the relinquishing birth parent is named. Appropriates \$14,423 cash funds to the Department for FY 2014-15.

H.B. 14-1045 (Breast and Cervical Cancer Treatment): Extends the Breast and Cervical Cancer Prevention and Treatment Program in the Department of Health Care Policy and Financing (HCPF) through July 1, 2019. Eliminates the transfer of Amendment 35 revenues from the Department of Public Health and Environment (DPHE) to HCPF. Makes net zero appropriation changes in DPHE to eliminate the transfer and increase the appropriation by a like amount to the DPHE breast and cervical cancer screening program.

H.B. 14-1207 (Household Medication Take-Back Program): Creates the Household Medication Take-Back Program (Program) in the Department to collect and dispose of unused household medications. Requires the Program to allow individuals to dispose of unused household medications at approved collection sites, and for carriers to transport the unused medications from approved collection sites to disposal locations. Creates the Household Medication Take-Back Cash Fund. Exempts collection sites, carriers, and disposal locations acting in good faith from liability for incidents arising from the collection, transport, or disposal of household medications. Allows the Solid and Hazardous Waste Commission to adopt rules for the implementation of the Program. Clarifies that nothing in the bill prohibits the operation of existing medication take-back and disposal programs regulated by the Department. Appropriates \$55,000 total funds, of which \$5,000 is General Fund and \$50,000 is cash funds from the Household Medication Take-Back Cash Fund, to the Department for FY 2014-15.

H.B. 14-1336 (Long Bill): General appropriations act for FY 2014-15.

H.B. 14-1352 (Update Waste Tire Management System): Repeals and reenacts the state's waste tire laws into a new part of the solid waste statutes and makes changes to the Waste Tire Program. Modifies the distribution of the \$1.50 per tire waste tire fee, consolidates several cash funds, creates three new cash funds, and specifies how the moneys in each cash fund are to be used. Reduces the waste tire fee to \$0.55 per tire beginning January 1, 2018, and repeals the End Users and Processors Rebate Program at that time. Requires the Department to administer and collect the waste tire fee, among other duties, in lieu of the Department of Revenue (DOR). Establishes new regulations for waste tire haulers, generators, processors, end users, collection facilities, mobile processors, used tire sellers, and waste tire monofills. Repeals the Waste Tire Advisory Committee.

Between July 1, 2014, and December 31, 2017, the \$1.50 per tire waste tire fee is distributed to the newly-created funds as follows:

- 65.0 percent to the End Users Fund;
- 30.0 percent to the Waste Tire Administration, Enforcement, and Cleanup Fund; and
- 5.0 percent to the Waste Tire Market Development Fund.

Beginning January 1, 2018, the fee is distributed entirely to the Waste Tire Administration, Enforcement, and Cleanup Fund, and the other two funds are repealed. Allows the rebate to be paid to end users, retailers who sell tire-derived products, and Colorado processors of waste tires who sell tire-derived products to out-of-state end users. Requires the Commission to set the monthly rebate amount, which is payable from the End Users

Fund, not to exceed \$80 per ton, and in an amount that is the same each month for each successive 12-month period. Additionally, the rules governing administration of the rebate must specify that, if the weight of the waste tires submitted for a rebate in any one month multiplied by the amount of the rebate exceeds the balance of the End Users Fund, the fee will be reduced; and requires the Department to notify end users of the date on which the balance of the End Users Fund is anticipated to be insufficient to pay all of the rebates that were applied for. Until rules are promulgated by the Commission, the rebate amount is set at \$40 per ton. Appropriates \$882,343 total funds, of which \$500,000 is General Fund and \$382,343 is cash funds, and 1.0 FTE to the Department for FY 2014-15.

H.B. 14-1360 (Sunset Review Licensure of Home Care Agencies): Continues the regulation of home care agencies and home care placement agencies until September 1, 2019, and implements the recommendations of the sunset report. Allows HCPF-certified community-centered boards or services agencies (CCB) that provide in-home personal care services to obtain a home care agency license, prohibits the Department from conducting inspections related to a home care agency license renewal, or from assessing fees for a new or renewal home care agency license, for certified CCBs until July 1, 2016. Until that date, requires the Department and HCPF to establish a work group with CCBs and recipients of Medicaid Home- and Community-Based Services (HCBS) waivers to identify gaps or conflicts between home care agency license requirements and HCBS provider requirements. Requires the work group to submit recommendations for resolving gaps or conflicts to the State Board of Health and the Medical Services Board, and requires the boards to adopt rules regarding the gaps and conflicts by July 1, 2016. Requires the Departments to report on the progress of these requirements during the 2014 and 2015 annual SMART Act presentations to the joint committees of reference. Appropriates \$307,983 total funds, of which \$197,983 is cash funds from the Home Care Agency Cash Fund and \$110,000 is reappropriated funds from HCPF, and 2.1 FTE to the Department for FY 2014-15.

2015 Session Bills

S.B. 15-014 (Medical Marijuana): Requires the Colorado Medical Board, in consultation with the Department of Public Health and Environment (DPHE) and physicians who specialize in medical marijuana, to establish guidelines for physicians who make medical marijuana recommendations. Creates four different types of primary caregiver relationships: a parent child primary caregiver, an advising primary caregiver, a transporting primary caregiver, and a cultivating primary caregiver. Defines "significant responsibility for managing the well-being of a patient."

Requires DPHE to adopt rules regarding guidelines for primary caregivers to give informed consent to patients that the products they cultivate or produce may contain contaminants and that the THC levels are not verified. Requires DPHE to convene a group of interested parties including representatives from the state licensing authority, primary caregivers, patients, marijuana testing laboratory licensees, and any other interested persons to explore laboratory testing options for unlicensed medical marijuana.

Requires all transporting and cultivating primary caregivers to register with the state medical marijuana licensing authority (Department of Revenue). Places registration requirements on a cultivating primary caregiver and transporting primary caregivers. DOR may verify patient registration numbers and extended plant count numbers with the state health agency to confirm that a patient does not have more than one primary caregiver, or does not have both a designated caregiver and medical marijuana center, cultivating medical marijuana on his or her behalf at any given time. Prohibits registering as a primary caregiver if the person is licensed as medical or retail marijuana business. A cultivating or transporting primary caregiver shall maintain a

list of his or her patients including the registry identification card number of each patient and a recommended total plant count at all times.

Requires DOR and DPHE to share the minimum amount of information necessary to ensure that a medical marijuana patient has only one caregiver and is not using a primary caregiver and a medical marijuana center. Encourages patients cultivating more than 6 medical marijuana plants for their own medical use to register with the state licensing authority. Prohibits a patient and primary caregiver from cultivating more than 99 plants. A cultivating primary caregiver who grows more than 36 plants must register with the state licensing authority including the location of his or her cultivation operation, the patient registration identification number for each of the primary caregiver's patients, and any extended plant count numbers and their corresponding patient registry numbers. DOR must verify the location of extended plant counts for primary caregiver cultivation operations and homebound patient registration for transporting caregivers to a local government or law enforcement agency upon receiving a request for verification. The location of the cultivation operation shall comply with all applicable local laws, rules, or regulations. Sunsets the medical marijuana program on September 1, 2019. Adds an exception to the student possession policy for medical marijuana. Permits moneys in the Marijuana Tax Cash Fund to be used to fund the implementation of any costs for law enforcement audits. The appropriations in S.B. 15-014 are summarized in the following table.

Summary of Appropriations in S.B. 15-014				
Department	Medical Marijuana Cash Fund	Marijuana Tax Cash Fund	Reappropriated Funds	Total Funds
Public Safety	\$0	\$60,000	\$0	\$60,000
Public Health and Environment	1,068,560	0	0	1,068,560
Revenue	0	113,704	0	113,704
FTE	0.0	1.0	0.0	1.0
Office of Information Technology	0	0	1,068,560	1,068,560
Department of Law	0	0	56,706	56,706
FTE	0.0	0.0	0.3	0.3
Total Funds	\$1,068,560	\$173,704	\$1,125,266	\$2,367,530

S.B. 15-158 (Supplemental Bill): Supplemental appropriations to the Department of Public Health and Environment to modify FY 2014-15 appropriations included in the FY 2014-15 Long Bill (H.B. 14-1336).

S.B. 15-189 (Repeal Consolidated Tobacco Program Reporting Requirements): Repeals requirements that the State Board of Health and the Department of Public Health and Environment annually report on the operation and effectiveness of tobacco settlement programs. Reduces the Department's FY 2015-16 appropriation by \$25,000 reappropriated funds from various tobacco-settlement supported programs.

S.B. 15-234 (Long Bill): General appropriations act for FY 2015-16. Includes provisions modifying appropriations to the Department of Public Health and Environment for FY 2014-15.

S.B. 15-247 (Tobacco Settlement Funded Drug Assistance Program): Augments the scope of services of the AIDS Drug Assistance Program to include funding for preventative and non-drug-related health services by renaming it the Drug Assistance Program (Program) and allowing money in the Drug Assistance Program Fund (Fund) to be used for assistance with indicated screening, general medical, preventative, and pharmaceutical

costs for qualifying individuals of lower income who have medical or preventative needs concerning AIDS or HIV, viral hepatitis, or a sexually transmitted infection. The act also:

- Specifies that any moneys received in excess of a federal price agreement are a donation;
- Expands the duties of the existing subcommittee of the governor's advisory group on HIV and AIDS policy that currently only provides advice and recommendations to DPHE concerning which pharmaceutical products should be listed on the drug formulary for the program to include the provision of advice regarding income and other eligibility requirements and uses for funding for the program;
- Provides prioritization criteria for enrollment in the program among eligible applicants if the program is reaching its fiscal limitations; and
- Eliminates end of fiscal year transfers of unexpended and unencumbered money in the Fund to the Tobacco Litigation Settlement Cash Fund, and requires all such money to remain in the program fund.

Appropriates a total of \$863,033 cash funds to the Department of Public Health and Environment for FY 2015-16, including \$263,033 cash funds from the AIDS Drug Assistance Program Fund and \$600,000 from the moneys received in excess of a federal price agreement.

H.B. 15-1083 (Patient Contribution Rehabilitation Services): Requires the Colorado Commission on Affordable Health Care to conduct a study concerning the costs for physical rehabilitation services, and report its findings to the committees of reference. Appropriates \$25,000 General Fund to the Department of Public Health and Environment for FY 2015-16.

H.B. 15-1102 (Colorado Cottage Foods Act Expansion): Expands the exemption from state inspection standards to include flour, fruit empanadas, tortillas, and pickled vegetables that have an equilibrium pH value of 4.6 or lower. Separates the foods into two tiers and requires the State Board of Health to promulgate rules for the production and sale of tier two foods. Requires a producer to display a placard, sign, or card at the point of sale indicating that the product was produced in a home kitchen that is not subject to state licensure or inspection. Appropriates \$120,982 General Fund and 1.4 FTE to the Department of Public Health and Environment for FY 2015-16.

H.B. 15-1232 (Emergency Use of Epinephrine Auto-injectors): Permits entities and organizations other than schools to acquire and stock epinephrine auto-injectors. Health care practitioners may prescribe, and a health care practitioner or pharmacist may dispense, epinephrine auto-injectors in the name of an authorized entity where allergens capable of causing anaphylaxis may be present. Requires training for individuals who will use an epinephrine auto-injector and clarifies when they may use an injector. Outlines where injectors may be stored, requires reporting on incidents where auto-injectors are used. Creates exemptions from civil and criminal liability for certain individuals. Appropriates \$23,736 General Fund and 0.4 FTE to the Department of Public Health and Environment for FY 2015-16.

H.B. 15-1249 (Recodify Water Pollution Control Fees): Repeals and reenacts statutory fees for clean water and drinking water programs in the Water Quality Control Division (WQCD) of the Colorado Department of Public Health and Environment (CDPHE). Reorganizes water quality permit fees into five sectors: commerce and industry, construction, pesticide application, public and private utilities, and animal agriculture. Authorizes new fees of \$275 annually for pesticide application activities and permits the Water Quality Control Commission to establish fees for certifications related to projects affecting regulated water quality standards in jurisdictional waters of the United States, known as 401 certifications, by rule.

Restructures construction permit fees and fees applicable to recreational hot springs, with associated fee changes, and creates a new category for recreation and amusement services distinguishes hot springs pool operations from general manufacturing and industrial discharges. On July 1, 2016, certain construction permit activities are re-categorized, with adjusted fees for stormwater-only permits based on affected acreage, and fees for dewatering and other groundwater-related permits based on complexity. Increased revenue from construction permits is dedicated to compliance assurance activities related to Colorado's delegated authority under federal water quality statutes.

Extends animal agriculture sector fees through the end of FY 2017-18. Repeals and reenacts basic procedures for the Colorado Discharge Permit System (CDPS). Requires the Department to provide an annual report on CDPS activities to the legislative agriculture committees, and an annual report on CDPS fees to the Joint Budget Committee. Appropriates \$18,868 cash funds and reduces \$17,600 General Fund appropriated to the Department of Public Health and Environment for FY 2015-16.

H.B. 15-1281 (Newborn Heart Defect Screening Pulse Oximetry): Requires that all newborns born in a Colorado facility below an elevation of 7,000 feet on or after January 1, 2016, be screened for congenital health defects using pulse oximetry prior to being released from the birthing center. Requires the Newborn Screening Committee within the Department of Public Health and Environment (DPHE) to evaluate whether or not the pulse oximetry testing in birthing facilities at or above elevations of 7,000 feet meet the DPHE newborn screening criteria. Each facility must report pulse oximetry screening results to the Newborn Screening Committee. Appropriates \$32,386 cash funds to the Department of Public Health and Environment for FY 2015-16.

H.B. 15-1283 (Marijuana Reference Library and Lab Testing Access): Requires the Department of Public Health and Environment to develop and maintain a marijuana laboratory testing reference library (reference library), or contract with an organization that represents marijuana testing laboratories for the development and maintenance of the reference library. Laboratories licensed by the Department of Revenue are required to provide materials for the reference library; except that no licensee is required to provide testing protocols. Requires the library to contain a catalog of methodologies for marijuana testing in the areas of potency, homogeneity, contaminants, and solvents, and be completed by December 31, 2015. Requires DPHE or the contractor to be responsible for proficiency testing and remediating problems with licensed laboratories.

Creates a new license in the medical marijuana code for medical marijuana testing facilities. Permits a retail marijuana laboratory licensee to test industrial hemp from a registered entity or person. Creates process validation for edible marijuana products and other marijuana products in multi-serving packages for a ten milligram serving in a one hundred milligram package, including homogeneity, potency, solvents, and pesticides. The bill permits the use of moneys from the Marijuana Tax Cash Fund for the reference library. Appropriates \$23,850 cash funds to the Department of Public Health and Environment for FY 2015-16.

H.B. 15-1367 (Retail Marijuana Taxes): Refers a ballot issue to voters in November 2015, asking whether the State may retain and spend revenue collected from the Proposition AA excise and special sales taxes on retail marijuana in FY 2014-15. Creates a \$58.0 million Proposition AA Refund Account (Refund Account) in the General Fund. Contingent on voter approval of the ballot issue, the act makes several appropriations to the Department of Human Services for FY 2015-16, as detailed in the following table. For additional information, see the "Recent Legislation" section at the end of the Department of Revenue.

Appropriations to Department of Public Health and Environment That Are Contingent on Voter Approval		
Program	Fund Source	Dollar Amount
Marijuana Education Campaign	CF - Proposition AA Refund Account	\$2,500,000
Poison Control Centers	CF - Proposition AA Refund Account	<u>1,000,000</u>
	Total	\$3,500,000

Department Details

DEPARTMENT OF PUBLIC SAFETY

FY 2014-15 and FY 2015-16 Appropriations by Division and Bill

Department of Public Safety						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Total Appropriation:	\$401,936,770	\$134,566,411	\$175,622,518	\$33,311,956	\$58,435,885	1,688.6
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	52,807,077	14,474,322	28,301,518	8,902,153	1,129,084	48.2
Colorado State Patrol	137,964,624	5,483,282	118,165,559	9,222,593	5,093,190	1,135.3
Division of Fire Prevention and Control	35,625,250	20,839,905	9,557,995	4,890,741	336,609	109.1
Division of Criminal Justice	100,349,011	66,686,681	2,932,048	5,754,202	24,976,080	74.0
Colorado Bureau of Investigation	41,656,416	24,795,705	12,154,410	3,836,030	870,271	270.3
Division of Homeland Security and Emergency Management	33,534,392	2,286,516	4,510,988	706,237	26,030,651	51.7
<u>Breakdown of Total Appropriation by Bill</u>						
HB 14-1336	396,860,817	130,120,718	175,068,422	33,235,792	58,435,885	1,657.2
SB 14-002	48,676	0	0	48,676	0	0.5
SB 14-008	27,175	27,175	0	0	0	0.5
SB 14-027	68,636	0	68,636	0	0	0.3
SB 14-127	589,618	589,618	0	0	0	0.9
SB 14-133	10,544	0	10,544	0	0	0.0
SB 14-153	(1,408)	(1,408)	0	0	0	0.0
SB 14-164	0	0	0	0	0	19.3
SB 14-215	0	0	0	0	0	0.0
HB 14-1037	339,602	339,602	0	0	0	0.6
HB 14-1095	174,357	174,357	0	0	0	1.8
HB 14-1170	984,542	984,542	0	0	0	0.0
HB 14-1273	263,796	263,796	0	0	0	1.8
HB 14-1340	1,796,592	1,100,000	696,592	0	0	5.2
HB 14-1360	40,966	0	40,966	0	0	0.2
SB 15-159	2,229,991	2,465,145	(262,642)	27,488	0	0.3
SB 15-234	(1,497,134)	(1,497,134)	0	0	0	0.0

Department of Public Safety

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2015-16 Total Appropriation:	\$403,332,487	\$125,170,650	\$184,486,485	\$34,175,433	\$59,499,919	1,727.1
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	52,463,289	13,770,246	27,931,581	9,501,502	1,259,960	49.1
Colorado State Patrol	144,214,863	6,138,147	123,394,087	9,427,153	5,255,476	1,136.3
Division of Fire Prevention and Control	29,672,975	11,537,430	12,896,372	4,897,439	341,734	118.9
Division of Criminal Justice	103,989,749	69,580,648	2,955,654	5,757,251	25,696,196	77.3
Colorado Bureau of Investigation	39,254,823	21,730,356	12,740,805	3,889,652	894,010	290.9
Division of Homeland Security and Emergency Management	33,736,788	2,413,823	4,567,986	702,436	26,052,543	54.6
<u>Breakdown of Total Appropriation by Bill</u>						
SB 15-234	401,570,957	123,485,119	184,426,485	34,159,434	59,499,919	1,722.8
SB 15-014	60,000	0	60,000	0	0	0.0
SB 15-020	72,512	72,512	0	0	0	0.9
SB 15-124	780,019	780,019	0	0	0	0.0
SB 15-185	38,799	38,799	0	0	0	0.4
SB 15-217	30,851	30,851	0	0	0	0.5
HB 15-1129	600,000	600,000	0	0	0	0.5
HB 15-1273	73,457	73,457	0	0	0	1.0
HB 15-1285	89,893	89,893	0	0	0	1.0
HB 15-1379	15,999	0	0	15,999	0	0.0
Increase/(Decrease)	\$1,395,717	(\$9,395,761)	\$8,863,967	\$863,477	\$1,064,034	38.5
Percentage Change	0.3%	(7.0%)	5.0%	2.6%	1.8%	2.3%

Informational Funds: The FY 2015-16 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Public Safety are annotated with the "(I)". For additional information, see Appendix J.

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2015-16 Appropriations containing an (I) notation	\$73,611,405	\$0	\$10,016,631	\$4,094,855	\$59,499,919

Detail of Appropriation by Administrative Section

Executive Director's Office

This Office manages the administrative and fiscal affairs of the Department, administers the Witness Protection Program, and houses the Colorado Integrated Criminal Justice Information System. The primary cash funds

and reappropriated funds sources include the Highway Users Tax Fund, indirect cost recoveries, and other various funds.

Executive Director's Office						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$51,801,721	\$13,510,404	\$28,267,568	\$8,894,665	\$1,129,084	48.2
HB 14-1170	872,042	872,042	0	0	0	0.0
SB 15-159	<u>133,314</u>	<u>91,876</u>	<u>33,950</u>	<u>7,488</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$52,807,077	\$14,474,322	\$28,301,518	\$8,902,153	\$1,129,084	48.2
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$52,807,077	\$14,474,322	\$28,301,518	\$8,902,153	\$1,129,084	48.2
Centrally appropriated line items	6,478,403	490,331	4,875,290	821,127	291,655	0.0
Grants Management Application Support	42,339	42,339	0	0	0	0.0
Annualize prior year budget actions	(6,076,000)	(448,216)	(5,245,227)	(221,778)	(160,779)	0.0
Move lease purchase payment to capital budget	(867,542)	(867,542)	0	0	0	0.0
SB 15-234	\$52,384,277	\$13,691,234	\$27,931,581	\$9,501,502	\$1,259,960	48.2
SB 15-020	72,512	72,512	0	0	0	0.9
SB 15-185	<u>6,500</u>	<u>6,500</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$52,463,289	\$13,770,246	\$27,931,581	\$9,501,502	\$1,259,960	49.1
Increase/(Decrease)	(\$343,788)	(\$704,076)	(\$369,937)	\$599,349	\$130,876	0.9
Percentage Change	(0.7%)	(4.9%)	(1.3%)	6.7%	11.6%	1.9%

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 15-159 modifies the FY 2014-15 appropriation to include \$133,314 total funds for technical modifications to the State's human resources computer systems and payments to the Governor's Office of Information Technology.

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; salary survey; merit pay; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; workers' compensation; shift differential; legal services; payment to risk management and property funds; Capitol complex leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

Grants management application support: The appropriation includes a \$42,339 General Fund increase for the payment to the Office of Information Technology for the Colorado Grants Management System.

Annualize prior year budget actions: The appropriation includes a number of changes to reflect the out year impact of funding decisions made through the FY 2014-15 Long Bill.

Move lease purchase payment to capital budget: The appropriation includes a reduction of \$867,542 General Fund due to the transfer of the lease purchase payment for the Colorado Bureau of Investigation Pueblo laboratory into the capital construction section of the Long Bill.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Colorado State Patrol

This division is responsible for the safe and efficient movement of motor vehicle traffic on federal, state, and county roads in Colorado. The State Patrol enforces motor vehicle laws, assists motorists in need, conducts automotive and motor carrier safety checks, investigates traffic accidents, and oversees the transportation of hazardous materials. The primary cash funds and reappropriated funds sources include: the Highway Users Tax Fund, limited gaming funds transferred from the Department of Revenue, funds transferred from the Department of Transportation, the Vehicle Identification Number Inspection Fund, the Auto Theft Prevention Fund, and user fees from state and non-state agencies.

Colorado State Patrol						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$137,915,948	\$5,483,282	\$118,165,559	\$9,173,917	\$5,093,190	1,134.8
SB 14-002	<u>48,676</u>	<u>0</u>	<u>0</u>	<u>48,676</u>	<u>0</u>	<u>0.5</u>
TOTAL	\$137,964,624	\$5,483,282	\$118,165,559	\$9,222,593	\$5,093,190	1,135.3
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$137,964,624	\$5,483,282	\$118,165,559	\$9,222,593	\$5,093,190	1,135.3
Annualize prior year budget actions	4,198,817	442,815	3,492,214	180,948	82,840	0.0
Centrally appropriated line items	1,839,372	0	1,542,471	215,193	81,708	0.0
Legislative Services Building security	212,050	212,050	0	0	0	1.0
Annualize prior year legislation	0	0	193,843	(191,581)	(2,262)	0.0
SB 15-234	<u>\$144,214,863</u>	<u>\$6,138,147</u>	<u>\$123,394,087</u>	<u>\$9,427,153</u>	<u>\$5,255,476</u>	<u>1,136.3</u>
TOTAL	\$144,214,863	\$6,138,147	\$123,394,087	\$9,427,153	\$5,255,476	1,136.3
Increase/(Decrease)	\$6,250,239	\$654,865	\$5,228,528	\$204,560	\$162,286	1.0
Percentage Change	4.5%	11.9%	4.4%	2.2%	3.2%	0.1%

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes a number of changes to reflect the out year impact of funding decisions made through the FY 2014-15 Long Bill.

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; salary survey; merit pay; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; workers' compensation; shift differential; legal services; payment to risk management and property funds; Capitol complex leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

Legislative Services Building security: The appropriation provides \$212,050 General Fund and 1.0 FTE for increased security in the Legislative Services Building.

Annualize prior year legislation: The appropriation includes a net zero adjustment for the second year impact of legislation.

Division of Fire Prevention and Control

The Division of Fire Prevention and Control is tasked with fire code enforcement, training, certification, and wildfire preparedness, response, suppression, coordination, and management. The primary sources of cash funds for this division include: proceeds of insurance premium taxes into the Wildfire Preparedness Fund; the Public School Construction and Inspection Cash Fund; the Emergency Fire Fund; the Wildland Fire Equipment Repair Cash Fund; the Firefighter, First Responder, and Hazardous Materials Responder Certification Fund; the Fire Suppression Cash Fund; and the Wildfire Emergency Response Fund.

Division of Fire Prevention and Control						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$35,598,075	\$20,812,730	\$9,557,995	\$4,890,741	\$336,609	89.3
SB 14-008	27,175	27,175	0	0	0	0.5
SB 14-164	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>19.3</u>
TOTAL	\$35,625,250	\$20,839,905	\$9,557,995	\$4,890,741	\$336,609	109.1
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$35,625,250	\$20,839,905	\$9,557,995	\$4,890,741	\$336,609	109.1
Annualize prior year legislation	3,250,000	0	3,250,000	0	0	1.5
Centrally appropriated line items	8,318	0	9,833	(2,531)	1,016	0.0
Annualize prior year budget actions	(9,810,593)	(9,902,475)	78,544	9,229	4,109	7.8
SB 15-234	\$29,072,975	\$10,937,430	\$12,896,372	\$4,897,439	\$341,734	118.4
HB 15-1129	<u>600,000</u>	<u>600,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.5</u>
TOTAL	\$29,672,975	\$11,537,430	\$12,896,372	\$4,897,439	\$341,734	118.9
Increase/(Decrease)	(\$5,952,275)	(\$9,302,475)	\$3,338,377	\$6,698	\$5,125	9.8
Percentage Change	(16.7%)	(44.6%)	34.9%	0.1%	1.5%	9.0%

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Annualize prior year legislation: The appropriation includes an increase of \$3,250,000 cash fund for the second year impact of legislation.

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; salary survey; merit pay; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; workers' compensation; shift differential; legal services; payment to risk management and property funds; Capitol complex leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

Annualize prior year budget actions: The appropriation includes a number of changes to reflect the out year impact of funding decisions made through the FY 2014-15 Long Bill, including a \$9,830,654 General Fund reduction from annualization of the Colorado Aerial Firefighting Fleet.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Division of Criminal Justice

This division:

- Provides funding for the state's community corrections programs and for local oversight boards;
- Administers state and federally funded grant programs targeting juvenile delinquency and federally funded grant programs that help local and state law enforcement agencies improve the services they deliver;
- Administers state and federally funded grant programs that help state and local agencies assist crime victims, operates the state's Victim's Rights Act Compliance Program, and responds to requests for assistance in implementing Colorado's Victim's Rights Amendment;
- Assists the Domestic Violence Offender Management Board and the Sex Offender Management Board in developing and implementing standards and policies for the evaluation, treatment, monitoring, and management of adults convicted of domestic violence and sex offenses;
- Analyzes and distributes criminal justice data and information, evaluates criminal justice programs, provides research support to the Colorado Commission on Criminal and Juvenile Justice; and
- Helps strengthen the performance and professionalism of Colorado law enforcement agencies through training, education, and technical assistance programs.

The primary sources of cash funds are the Victims Assistance and Law Enforcement Fund (the State VALE Fund), the Child Abuse Investigation Surcharge Fund, and the Sex Offender Surcharge Fund. The primary source of reappropriated funds is transfers of moneys appropriated to the Correctional Treatment Cash Fund in the Judicial Department, followed by appropriations of departmental indirect cost recoveries. Sources of federal

funds include Federal Victims Assistance and Compensation Grants and State and Local Crime Control and System Improvement Grants.

Division of Criminal Justice						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$102,506,965	\$68,944,635	\$2,832,048	\$5,754,202	\$24,976,080	72.2
SB 14-153	(1,408)	(1,408)	0	0	0	0.0
SB 14-215	0	0	0	0	0	0.0
HB 14-1273	263,796	263,796	0	0	0	1.8
SB 15-159	(923,208)	(1,023,208)	100,000	0	0	0.0
SB 15-234	<u>(1,497,134)</u>	<u>(1,497,134)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$100,349,011	\$66,686,681	\$2,932,048	\$5,754,202	\$24,976,080	74.0
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$100,349,011	\$66,686,681	\$2,932,048	\$5,754,202	\$24,976,080	74.0
Annualize prior year legislation	1,504,108	1,504,108	0	0	0	0.2
Community provider rate	1,259,906	1,259,906	0	0	0	0.0
Informational funds adjustment	700,000	0	0	0	700,000	0.0
Community corrections facility payments	190,128	190,128	0	0	0	0.0
Annualize prior year budget actions	152,212	110,577	20,063	3,049	18,523	0.2
Juvenile justice specialist funding	67,363	67,363	0	0	0	0.0
Centrally appropriated line items	5,136	0	3,543	0	1,593	0.0
Community Corrections Caseload Payments to community corrections boards	(1,209,576)	(1,209,576)	0	0	0	0.0
	(35,058)	(35,058)	0	0	0	0.0
SB 15-234	\$102,983,230	\$68,574,129	\$2,955,654	\$5,757,251	\$25,696,196	74.4
SB 15-124	780,019	780,019	0	0	0	0.0
SB 15-185	32,299	32,299	0	0	0	0.4
SB 15-217	30,851	30,851	0	0	0	0.5
HB 15-1273	73,457	73,457	0	0	0	1.0
HB 15-1285	<u>89,893</u>	<u>89,893</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1.0</u>
TOTAL	\$103,989,749	\$69,580,648	\$2,955,654	\$5,757,251	\$25,696,196	77.3
Increase/(Decrease)	\$3,640,738	\$2,893,967	\$23,606	\$3,049	\$720,116	3.3
Percentage Change	3.6%	4.3%	0.8%	0.1%	2.9%	4.5%

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 15-159 modifies the FY 2014-15 appropriation by adding \$100,000 cash funds for child abuse investigations and reducing the community corrections placements appropriation by \$1,023,208 General Fund to reflect the closure of a community corrections therapeutic community. Senate Bill 15-234 reduces the FY

2014-15 community corrections placements appropriation by \$1,497,134 General Fund, which reflects the declining caseload in community corrections. Of this amount, \$95,000 is transferred to the Department of Local Affairs where it will be used to fund a community redevelopment study that involves one of the state's largest community corrections programs.

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Annualize prior year legislation: The appropriation includes an increase of \$1,504,108 General Fund for the second year costs of H.B. 14-1273 (\$6,974) and the elimination of a one-time FY 2014-15 community corrections reduction contained in S.B. 15-234 (\$1,497,134 General Fund).

Community provider rate: The appropriation includes an increase of \$1,259,906 General Fund for a 1.7 percent community provider rate increase.

Informational funds adjustment: The appropriation includes an increase of \$700,000 federal funds to align the informational appropriation of federal grants to the Division of Criminal Justice with the amount of federal funding that the Division is likely to receive.

Community corrections facility payments: The appropriation increases the base payments that community corrections facilities receive by \$190,128 General Fund.

Annualize prior year budget actions: The appropriation includes a \$152,212 General Fund increase for annualization of Salary Survey, Merit Pay and Community Corrections FTE support.

Juvenile justice specialist: The appropriation provides \$67,363 General Fund to support the state work that is performed by the Department's juvenile justice specialist. The specialist performs both state and federal work but is currently supported exclusively with federal grants.

Centrally appropriated line items: The appropriation includes an increase of \$5,136 total funds for indirect costs.

Community corrections caseload: The appropriation reduces payments for community corrections placements by \$1,209,576 General Fund due to the projected decline in caseload.

Payments to community corrections boards: The appropriation reduces payments to community corrections boards by \$35,058 General Fund due to the projected decline in caseload.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Colorado Bureau of Investigation

The Colorado Bureau of Investigation (CBI) 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 warrants, case status, stolen property, vehicle registration, known offenders, and drivers' licenses. CBI also operates the State's instacheck criminal background check program for firearms. The laboratory analyzes DNA, fingerprint,

firearms and tool marks, physiological fluids, toxicology, chemical, document, and digital evidence, as well as trace evidence and shoe and tire track evidence. Major cash fund sources include the CBI Identification Unit Fund, the Instant Criminal Background Check Cash Fund, the Offender Identification Fund, the State Toxicology Laboratory Fund, and the Colorado Identity Theft and Financial Fraud Cash Fund.

Colorado Bureau of Investigation						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$36,093,334	\$19,672,769	\$11,734,264	\$3,816,030	\$870,271	261.9
SB 14-027	68,636	0	68,636	0	0	0.3
SB 14-133	10,544	0	10,544	0	0	0.0
HB 14-1037	339,602	339,602	0	0	0	0.6
HB 14-1095	174,357	174,357	0	0	0	1.8
HB 14-1170	112,500	112,500	0	0	0	0.0
HB 14-1340	1,796,592	1,100,000	696,592	0	0	5.2
HB 14-1360	40,966	0	40,966	0	0	0.2
SB 15-159	<u>3,019,885</u>	<u>3,396,477</u>	<u>(396,592)</u>	<u>20,000</u>	<u>0</u>	<u>0.3</u>
TOTAL	\$41,656,416	\$24,795,705	\$12,154,410	\$3,836,030	\$870,271	270.3
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$41,656,416	\$24,795,705	\$12,154,410	\$3,836,030	\$870,271	270.3
Operating and maintenance for new CBI facilities	264,754	264,754	0	0	0	0.0
Peace Officer Standards and Training Board grant	20,000	0	0	20,000	0	0.0
State toxicology laboratory funding	461	1,387,263	(1,386,802)	0	0	10.0
Annualize prior year budget actions	(2,563,775)	(3,109,660)	519,240	4,361	22,284	(0.3)
Centrally appropriated line items	(153,151)	(181,294)	13,426	13,262	1,455	0.0
Annualize prior year legislation	(45,881)	(1,426,412)	1,380,531	0	0	10.9
SB 15-234	\$39,178,824	\$21,730,356	\$12,680,805	\$3,873,653	\$894,010	290.9
SB 15-014	60,000	0	60,000	0	0	0.0
HB 15-1379	<u>15,999</u>	<u>0</u>	<u>0</u>	<u>15,999</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$39,254,823	\$21,730,356	\$12,740,805	\$3,889,652	\$894,010	290.9
Increase/(Decrease)	(\$2,401,593)	(\$3,065,349)	\$586,395	\$53,622	\$23,739	20.6
Percentage Change	(5.8%)	(12.4%)	4.8%	1.4%	2.7%	7.6%

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 15-159 modifies the FY 2014-15 to include appropriations to allow the Department to spend H.B. 13-1020 (Testing Evidence of Sexual Assault) appropriations through June 30, 2016, a net decrease of \$396,592

cash funds for the State Toxicology Laboratory, and an increase of \$20,000 reappropriated funds to expend the Peace Officer Standards and Training (POST) Board cash grant received from the Department of Law.

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Operating and maintenance for new CBI facilities: The appropriation provides \$264,754 General Fund in for the operation and maintenance costs for the two new Colorado Bureau of Investigation buildings in Pueblo and Arvada.

Peace Officer Standards and Training Board grant: The appropriation includes an increase of \$20,000 cash funds to expend the Peace Officer Standards and Training (POST) Board grant received from the Department of Law.

State toxicology laboratory funding: The appropriation includes an increase of \$1,387,263 General Fund and a decrease of \$1,386,802 cash funds for fund the ongoing operations of the statewide toxicology laboratory, pursuant to H.B. 14-1340 (State Toxicology Laboratory).

Annualize prior year budget actions: The appropriation includes a number of changes to reflect the out year impact of funding decisions made through the FY 2014-15 Long Bill.

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; salary survey; merit pay; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; workers' compensation; shift differential; legal services; payment to risk management and property funds; Capitol complex leased space; payments to the Governor’s Office of Information Technology (OIT); and CORE operations.

Annualize prior year legislation: The appropriation includes a decrease of \$45,881 total funds, including \$1,426,412 General Fund, for the second year impact of legislation.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Division of Homeland Security and Emergency Management

The Division of Homeland Security and Emergency Management consists of three offices: Office of Emergency Management, Office of Prevention and Security, Office of Preparedness. The Division is tasked with consolidating and restructuring the state's homeland security and disaster preparedness and response functions by better coordination of emergency management, homeland security, and public health entities in the state. This division is primarily federally funded. The primary cash fund source is the Disaster Emergency Fund.

Division of Homeland Security and Emergency Management						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$32,944,774	\$1,696,898	\$4,510,988	\$706,237	\$26,030,651	50.8

Division of Homeland Security and Emergency Management						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 14-127	<u>589,618</u>	<u>589,618</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.9</u>
TOTAL	\$33,534,392	\$2,286,516	\$4,510,988	\$706,237	\$26,030,651	51.7
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$33,534,392	\$2,286,516	\$4,510,988	\$706,237	\$26,030,651	51.7
Statewide alert notification system	468,215	468,215	0	0	0	0.9
Annualize prior year budget actions	171,320	157,144	0	0	14,176	0.9
Public Safety intelligence support	56,998	0	56,998	0	0	1.0
Centrally appropriated line items	3,915	0	0	(3,801)	7,716	0.0
Annualize prior year legislation	(498,052)	(498,052)	0	0	0	0.1
SB 15-234	<u>\$33,736,788</u>	<u>\$2,413,823</u>	<u>\$4,567,986</u>	<u>\$702,436</u>	<u>\$26,052,543</u>	<u>54.6</u>
TOTAL	\$33,736,788	\$2,413,823	\$4,567,986	\$702,436	\$26,052,543	54.6
Increase/(Decrease)	\$202,396	\$127,307	\$56,998	(\$3,801)	\$21,892	2.9
Percentage Change	0.6%	5.6%	1.3%	(0.5%)	0.1%	5.6%

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Statewide alert notification: The appropriation includes an increase of \$468,215 General Fund and 0.9 FTE in FY 2015-16 to develop an alert notification system for executive branch agencies.

Annualize prior year budget actions: The appropriation includes a number of changes to reflect the out year impact of funding decisions made through the FY 2014-15 Long Bill.

Public Safety intelligence support: The appropriation provides \$56,998 cash funds spending authority from the Marijuana Tax Cash Fund and 1.0 FTE in FY 2015-16 to fund a criminal intelligence analyst within the Colorado Information Analysis Center (CIAC).

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; salary survey; merit pay; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; workers' compensation; shift differential; legal services; payment to risk management and property funds; Capitol complex leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

Annualize prior year legislation: The appropriation includes a decrease of \$498,052 General Fund for the second year impact of legislation.

Recent Legislation

2014 Session Bills

S.B. 14-002 (Safe2Tell Program in Department of Law): Repeals the existing Safe2Tell program, managed by a nonprofit organization, and recreates the program within the Department of Law. For FY 2014-15 appropriates \$48,676 reappropriated funds (from an appropriation to the Department of Law) and 0.5 FTE to the Department of Public Safety for dispatch services and text message tip reporting. For additional information on S.B. 14-002, see the "Recent Legislation" section for the Department of Law.

S.B. 14-008 (Wildfire Information Resources Center): Creates the Wildfire Information Resources Center and charges the Division of Fire Prevention and Control with collecting wildfire-related information and provide on-line resources for homeowners, fire professionals, the media, and educators. For FY 2014-15 appropriates \$27,175 General Fund and 0.5 FTE to the Division of Fire Prevention and Control.

S.B. 14-027 (Judicial Department Background Checks): Authorizes the Colorado Supreme Court to request a criminal history background check from the Colorado Bureau of Investigation as part of the licensing process for attorneys. Requires a person who wishes to be appointed as a child family investigator to undergo a background check. Appropriates \$68,636 cash funds and 0.3 FTE to the Department of Public Safety for criminal history record checks for FY 2014-15.

S.B. 14-127 (Statewide Radio Communications): Reorganizes the Consolidated Communications System Authority as a subcommittee under the Homeland Security and All-Hazards Senior Advisory Committee in the Division of Homeland Security and Emergency Management. Appropriates \$589,618 General Fund and 0.9 FTE to the Division of Homeland Security and Emergency Management for FY 2014-15 to hire staff and to conduct a statewide radio communications needs assessment and business plan.

S.B. 14-133 (Mandatory Licensure Private Investigators): Repeals the existing voluntary licensure program for private investigators (PIs) and replaces it with a mandatory licensure program. For FY 2014-15 appropriates \$10,544 cash funds to the Colorado Bureau of Investigation for fingerprint-based criminal history checks. For additional information, see the "Recent Legislation" section for the Department of Regulatory Agencies.

S.B. 14-153 (Legislative Member Compensation for Boards and Commissions): Establishes uniform payments of per diem and travel expenses for members of the General Assembly who are statutorily appointed to serve on state entities. Reduces appropriations to the Department by \$1,408 General Fund for FY 2014-15.

S.B. 14-164 (Maximize Aerial Firefighting and Analytical Capacity): Amends statutes concerning the Colorado Firefighting Air Corps as follows:

- Adds potential revenue sources to the Colorado Firefighting Air Corps Fund;
- Requires the Division of Fire Prevention and Control to make an annual report to the Wildfire Matters Review Committee with information and recommendations regarding wildfire threats, state firefighting resources, and the status of state aerial firefighting resources;
- Establishes standards for the acquisition of certain aircraft;
- Requires the operation of a center of excellence;
- Requires the Wildfire Matters Review Committee to consider the creation of a Colorado Wildland and Prescribed Fire Advisory Committee in 2014; and

- Provides the Director of the Division of Fire Prevention and Control with rulemaking authority to implement any aspect of the Colorado Firefighting Air Corps.

For FY 2014-15 appropriates 19.3 FTE to the Division of Fire Prevention and Control.

S.B. 14-215 (Disposition of Legal Marijuana Related Revenue): Creates the Marijuana Tax Cash Fund (MTCF) and directs that all sales tax moneys collected by the state starting in FY 2014-15 from retail and medical marijuana be deposited in the MTCF instead of the Marijuana Cash Fund. Specifies permissible uses of moneys in the MTCF, including for the study of law enforcement's activity and costs related to the implementation of the laws legalizing retail marijuana in the Department of Public Safety. Reduces the appropriation to the Division of Criminal Justice by \$159,983 cash funds from the Marijuana Cash Fund and appropriates that amount from the MTCF. For additional information on S.B. 14-215, see the "Recent Legislation" section for the Department of Revenue.

H.B. 14-1037 (Enforcing Laws Against Designer Drugs): Prohibits the distribution, dispensing, manufacturing, display, offer, or sales of any product labeled as incense or any other trademark if the product contains synthetic cannabinoids. Establishes civil penalties for violations of the law. Requires the Colorado Bureau of Investigation to purchase and maintain field test kits and make them available to local law enforcement agencies and the Liquor Enforcement Division of the Department of Revenue. For FY 2014-15 appropriates \$339,602 General Fund and 0.6 FTE to the Department of Public Safety.

H.B. 14-1095 (CBI Authority to Investigate Computer Crime): Authorizes the Colorado Bureau of Investigation to conduct criminal investigations related to computer crime upon the request of law enforcement officials or the Governor, or upon its own discovery of such crime. For FY 2014-15 appropriates \$174,357 General Fund and 1.8 FTE to the Department of Public Safety.

H.B. 14-1170 (Lease-purchase Agreement for Pueblo CBI Office): Authorizes the State Treasurer to enter into lease-purchase agreements on behalf of the Colorado Bureau of Investigation for a period of up to 20 years to purchase and renovate a new building to house the CBI Pueblo forensic laboratory and regional office. For FY 2013-14 appropriates \$37,500 General Fund to the Department of Public Safety. For FY 2014-15 appropriates \$984,542 General Fund to the Department of Public Safety.

H.B. 14-1273 (Human Trafficking): Repeals, reenacts, and makes changes to existing laws concerning human trafficking. Creates the Colorado Human Trafficking Council within the Division of Criminal Justice and specifies a number of duties for the Council. Appropriates \$263,796 General Fund and 1.8 FTE to the Department FY 2014-15.

H.B. 14-1336 (Long Bill): General appropriations act for FY 2014-15.

H.B. 14-1340 (State Toxicology Laboratory): Requires the Colorado Bureau of Investigation to operate a state toxicology laboratory on or before July 1, 2015, to assist local law enforcement agencies in the enforcement of laws for driving under the influence (DUI) of alcohol or drugs. For FY 2014-15 appropriates \$1,796,592 total funds, including \$1,100,000 General Fund and 5.2 FTE to the Department of Public Safety.

H.B. 14-1360 (Sunset Review Licensure of Home Care Agencies): Continues the regulation of home care agencies and home care placement agencies until September 1, 2019, and implements the recommendations of the sunset report. For FY 2014-15 appropriates \$40,966 cash funds and 0.2 FTE to the Department of Public

Safety for fingerprint-based criminal history record checks. For additional information on H.B. 14-1360, see the "Recent Legislation" section for the Department of Public Health and Environment.

2015 Session Bills

S.B. 15-014 (Medical Marijuana): Requires primary caregivers of medical marijuana patients to register with Department of Revenue (DOR), among other provisions. Requires DOR to share registration information with state and local law enforcement via the Colorado Crime Information System (CCIC). Appropriates \$60,000 cash funds to the Department of Public Safety for the collection of medical marijuana information.

S.B. 15-020 (Education to Prevent Child Sexual Abuse and Assault): Expands the duties of the School Safety Resource Center to include providing materials and training to personnel in school districts and charter schools, to parents, and to students, regarding the awareness and prevention of child sexual abuse and assault. Appropriates \$72,512 General Fund and 0.9 FTE to the Department for FY 2015-16.

S.B. 15-124 (Reduce Parole Revocations for Technical Violations): Narrows the scope of behavior that warrants arresting a parolee for a technical violation and requires the use of intermediate sanctions short of parole revocation to address noncompliance. Appropriates \$780,019 General Fund for FY 2015-16 to the Department for the provision of intensive residential treatment beds for parolees. For more information, see the corresponding bill description in the "Recent Legislation" section of the Department of Corrections.

S.B. 15-159 (Supplemental Bill): Supplemental appropriation for FY 2014-15 for the Department of Public Safety.

S.B. 15-185 (Police Data Collection and Community Policing): Requires the Department of Public Safety to compile and report parole hearing data, arrest data, and other related information to the General Assembly and the Colorado Commission on Criminal and Juvenile Justice. Appropriates \$38,799 General Fund and 0.4 FTE for FY 2015-16 to the Department. For more information, see the corresponding bill description in the "Recent Legislation" section of the Department of Corrections.

S.B. 15-217 (Police Shooting Data Collection): Creates a process for public reporting of specified data concerning officer-involved shootings involving certain law enforcement agencies, including the Colorado Bureau of Investigation, Colorado State Patrol, county sheriff's offices, municipal police departments, the Division of Parks and Wildlife within the Department of Natural Resources, and town marshal's offices. Appropriates \$30,851 General Fund and 0.5 FTE to the Department for FY 2015-16.

S.B. 15-234 (Long Bill): General appropriations act for FY 2015-16.

H.B. 15-1129 (Disaster Prediction and Decision Support Systems): Requires the Department to contract for the development of the Colorado Wildland Fire Prediction and Decision Support System. The capabilities of this system must include assessing wildland fire conditions and aviation weather hazards that affect the state aerial firefighting operations. Appropriates \$600,000 General Fund and 0.5 FTE to the Department for FY 2015-16.

H.B. 15-1273 (Comprehensive School Discipline Reporting): Adds to the list of items that must be included in the existing safe school report. Requires law enforcement agencies to report to the Division of Criminal Justice (DCJ) within the Department of Public Safety about student tickets, summons, and arrests on school

property. Requires district attorneys to report to the DCJ information about students who are granted pre-file juvenile or adult diversion for arrests that occurred on school property. Requires the DCJ to compile, analyze, and report on the received data. Appropriates \$73,457 General Fund and 1.0 FTE to the Department for FY 2015-16.

H.B. 15-1285 (Law Enforcement Use of Body-worn Cameras): Creates a grant program within the Division of Criminal Justice for the purchase of body-worn cameras as well as related data retention, management, and training costs. Establishes a body-worn camera study group that will report to the General Assembly. Appropriates \$89,893 General Fund and 1.0 FTE to the Department for FY 2015-16.

H.B. 15-1379 (Marijuana Permitted Economic Interest): Allows people who are not residents of Colorado to apply to the Marijuana Enforcement Division (MED) in the Department of Revenue for the authorization to hold a Permitted Economic Interest (PEI) in a regulated medical or retail marijuana business. Only a natural person who is a lawful United States resident may obtain a PEI, and the interest is limited to an unsecured debt instrument, option agreement, warrant, or any other right to obtain an ownership interest. The MED is required to promulgate rules regarding the PEI by January 1, 2016, including a process for and a requirement to submit to and pass a criminal history record check, divestiture, and other agreements that would qualify as PEIs. In FY 2015-16, appropriates \$15,999 to the Colorado Bureau of Investigation for expenses related to identification. For more information on this bill, please see the "Recent Legislation" section in the Department of Revenue section of this document.

Department Details

DEPARTMENT OF REGULATORY AGENCIES

FY 2014-15 and FY 2015-16 Appropriations by Division and Bill

Department of Regulatory Agencies						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Total Appropriation:	\$86,743,142	\$1,884,591	\$78,741,802	\$4,725,487	\$1,391,262	587.6
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office and Administrative Services	30,388,166	707,756	25,577,026	3,772,467	330,917	29.5
Division of Banking	4,499,138	0	4,499,138	0	0	40.0
Civil Rights Division	2,026,112	1,176,835	0	357,238	492,039	27.2
Office of Consumer Counsel	926,687	0	926,687	0	0	7.0
Division of Financial Services	1,437,793	0	1,437,793	0	0	13.0
Division of Insurance	7,603,614	0	7,052,869	0	550,745	85.1
Public Utilities Commission	13,945,065	0	13,927,504	0	17,561	100.5
Division of Real Estate	4,927,610	0	4,927,610	0	0	55.9
Division of Professions and Occupations	17,549,253	0	16,953,471	595,782	0	205.4
Division of Securities	3,439,704	0	3,439,704	0	0	24.0
<u>Breakdown of Total Appropriation by Bill</u>						
HB 14-1336	85,864,050	1,882,646	77,871,913	4,722,507	1,386,984	580.6
SB 14-099	18,336	0	18,336	0	0	0.0
SB 14-125	179,777	0	179,777	0	0	2.5
SB 14-133	28,300	0	28,300	0	0	0.3
HB 14-1199	13,560	0	13,560	0	0	0.2
HB 14-1227	109,008	0	109,008	0	0	1.0
HB 14-1283	7,500	0	7,500	0	0	0.0
HB 14-1328	86,518	0	86,518	0	0	0.7
HB 14-1329	39,436	0	39,436	0	0	0.3
HB 14-1331	270,335	0	270,335	0	0	2.0
HB 14-1398	50,000	0	50,000	0	0	0.0
SB 15-160	76,322	1,945	67,119	2,980	4,278	0.0
FY 2015-16 Total Appropriation:	\$88,577,567	\$1,923,405	\$80,292,863	\$4,875,289	\$1,486,010	583.6
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office and Administrative Services	31,123,878	763,358	26,136,964	3,864,916	358,640	29.5

Department of Regulatory Agencies						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Division of Banking	4,605,159	0	4,605,159	0	0	40.0
Civil Rights Division	2,068,445	1,160,047	0	416,922	491,476	27.2
Office of Consumer Counsel	949,219	0	949,219	0	0	7.0
Division of Financial Services	1,651,289	0	1,651,289	0	0	15.6
Division of Insurance	7,946,832	0	7,310,938	0	635,894	85.2
Public Utilities Commission	13,959,952	0	13,959,952	0	0	97.3
Division of Real Estate	5,102,737	0	5,102,737	0	0	55.9
Division of Professions and Occupations	17,698,955	0	17,105,504	593,451	0	201.9
Division of Securities	3,471,101	0	3,471,101	0	0	24.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 15-234	88,429,145	1,923,405	80,144,441	4,875,289	1,486,010	583.6
SB 15-106	8,506	0	8,506	0	0	0.0
SB 15-110	4,726	0	4,726	0	0	0.0
SB 15-210	50,000	0	50,000	0	0	0.0
HB 15-1309	37,940	0	37,940	0	0	0.0
HB 15-1343	47,250	0	47,250	0	0	0.0
Increase/(Decrease)	\$1,834,425	\$38,814	\$1,551,061	\$149,802	\$94,748	(4.0)
Percentage Change	2.1%	2.1%	2.0%	3.2%	6.8%	(0.7%)

Informational Funds: The FY 2015-16 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Treasury are annotated with the "(I)". For additional information, see Appendix J.

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2015-16 Appropriations containing an (I) notation	\$3,486,552	\$0	\$2,000,542	\$0	\$1,486,010

Detail of Appropriation by Administrative Section

Executive Director's Office and Administrative Services

The Executive Director's Office performs department-wide administrative functions including: accounting, budgeting, data processing, purchasing, facilities planning, and management reporting. The Office of Policy, Research and Regulatory Reform is located within the Executive Director's Office and is responsible for conducting sunrise and sunset reviews of state divisions and programs. The majority of cash funds in this division are from various department cash funds for centrally appropriated line items. The reappropriated funds are primarily from indirect cost recoveries paid by the divisions for central services.

Executive Director's Office and Administrative Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$30,040,536	\$705,811	\$25,238,599	\$3,769,487	\$326,639	29.5
SB 14-099	18,216	0	18,216	0	0	0.0
SB 14-125	9,108	0	9,108	0	0	0.0
SB 14-133	9,057	0	9,057	0	0	0.0
HB 14-1199	3,643	0	3,643	0	0	0.0
HB 14-1227	56,925	0	56,925	0	0	0.0
HB 14-1283	7,500	0	7,500	0	0	0.0
HB 14-1328	28,417	0	28,417	0	0	0.0
HB 14-1329	18,216	0	18,216	0	0	0.0
HB 14-1331	105,653	0	105,653	0	0	0.0
HB 14-1398	14,573	0	14,573	0	0	0.0
SB 15-160	<u>76,322</u>	<u>1,945</u>	<u>67,119</u>	<u>2,980</u>	<u>4,278</u>	<u>0.0</u>
TOTAL	\$30,388,166	\$707,756	\$25,577,026	\$3,772,467	\$330,917	29.5
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$30,388,166	\$707,756	\$25,577,026	\$3,772,467	\$330,917	29.5
Centrally appropriated line items	2,104,875	91,356	1,869,115	106,164	38,240	0.0
Fund source adjustment	0	5,800	(3,660)	(2,140)	0	0.0
Annualize prior year budget actions	(1,254,626)	(41,554)	(1,190,980)	(11,575)	(10,517)	0.0
Annualize prior year legislation	(135,195)	0	(135,195)	0	0	0.0
SB 15-234	\$31,103,220	\$763,358	\$26,116,306	\$3,864,916	\$358,640	29.5
SB 15-106	8,506	0	8,506	0	0	0.0
SB 15-110	4,726	0	4,726	0	0	0.0
HB 15-1309	<u>7,426</u>	<u>0</u>	<u>7,426</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$31,123,878	\$763,358	\$26,136,964	\$3,864,916	\$358,640	29.5
Increase/(Decrease)	\$735,712	\$55,602	\$559,938	\$92,449	\$27,723	0.0
Percentage Change	2.4%	7.9%	2.2%	2.5%	8.4%	0.0%

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 15-160 adds a total of \$76,322 to the Department's FY 2014-15 appropriations, including \$1,945 General Fund, for adjustments to centrally appropriated line items for the CORE accounting system, payments to the Governor's Office of Information Technology, and administrative law judge services.

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-

term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; vehicle lease payments; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; Capitol complex leased space; leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

Fund source adjustment: The appropriation includes an increase in General Fund offset by a decrease in cash funds and reappropriated funds. These budget neutral adjustments are to the Executive Director's Office and Administrative Services Division and the Division of Professions and Occupations in order to accurately reflect fund sources.

Annualize prior year budget actions: The appropriation includes a number of changes to the out year impact of funding decisions made through the FY 2014-15 appropriation including the annualization of FY 2014-15 salary survey and merit pay.

Annualize prior year legislation: The appropriation includes a reduction of \$135,195 total funds for the second year impact of legislation, including: S.B. 14-099, S.B. 14-125, H.B. 14-1227, H.B. 14-1328, H.B. 14-1329, H.B. 14-1331, and H.B. 14-1398.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Division of Banking

The Division of Banking regulates state-chartered commercial and industrial banks, trust companies, debt adjusters, and money order companies. Division staff conduct examinations of banking institutions and ensure compliance with the Public Deposit Protection Act. This Division is entirely cash funded from the Division of Banking Cash Fund pursuant to Section 11-102-403, C.R.S.

Division of Banking						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	<u>\$4,499,138</u>	<u>\$0</u>	<u>\$4,499,138</u>	<u>\$0</u>	<u>\$0</u>	<u>40.0</u>
TOTAL	\$4,499,138	\$0	\$4,499,138	\$0	\$0	40.0
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$4,499,138	\$0	\$4,499,138	\$0	\$0	40.0
Annualize prior year budget actions	100,259	0	100,259	0	0	0.0
Indirect cost assessment	5,762	0	5,762	0	0	0.0
SB 15-234	<u>\$4,605,159</u>	<u>\$0</u>	<u>\$4,605,159</u>	<u>\$0</u>	<u>\$0</u>	<u>40.0</u>
TOTAL	\$4,605,159	\$0	\$4,605,159	\$0	\$0	40.0
Increase/(Decrease)	\$106,021	\$0	\$106,021	\$0	\$0	0.0
Percentage Change	2.4%	n/a	2.4%	n/a	n/a	0.0%

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes a number of changes to the out year impact of funding decisions made through the FY 2014-15 appropriation including the annualization of FY 2014-15 salary survey and merit pay.

Indirect cost assessment: The appropriation includes a net increase in the Department’s indirect cost assessment.

Civil Rights Division

The Civil Rights Division is the enforcement arm of the Colorado Civil Rights Commission, and is responsible for the enforcement of state laws that prohibit discrimination in employment, housing, and public accommodations on the basis of race, gender, national origin, ancestry, a physical or mental disability, religion, color, marital status, or sexual orientation. The Division is primarily funded with General Fund and federal funds from the Equal Employment Opportunity Commission and the U.S. Department of Housing and Urban Development.

Civil Rights Division						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	<u>\$2,026,112</u>	<u>\$1,176,835</u>	<u>\$0</u>	<u>\$357,238</u>	<u>\$492,039</u>	<u>27.2</u>
TOTAL	\$2,026,112	\$1,176,835	\$0	\$357,238	\$492,039	27.2
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$2,026,112	\$1,176,835	\$0	\$357,238	\$492,039	27.2
Annualize prior year budget actions	49,769	39,028	0	0	10,741	0.0
Indirect cost assessment	(7,436)	(55,816)	0	59,684	(11,304)	0.0
SB 15-234	<u>\$2,068,445</u>	<u>\$1,160,047</u>	<u>\$0</u>	<u>\$416,922</u>	<u>\$491,476</u>	<u>27.2</u>
TOTAL	\$2,068,445	\$1,160,047	\$0	\$416,922	\$491,476	27.2
Increase/(Decrease)	\$42,333	(\$16,788)	\$0	\$59,684	(\$563)	0.0
Percentage Change	2.1%	(1.4%)	n/a	16.7%	(0.1%)	0.0%

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes a number of changes to the out year impact of funding decisions made through the FY 2014-15 appropriation including the annualization of FY 2014-15 salary survey and merit pay.

Indirect cost assessment: The appropriation includes a net increase in the Department’s indirect cost assessment.

Office of Consumer Counsel

The Office of Consumer Counsel represents the interests of residential, agricultural and small business consumers at electric, gas, and telephone rate and service proceedings before the Public Utilities Commission, federal agencies and the courts. This Division is entirely cash funded from the Public Utilities Commission Fixed Utility Fund pursuant to Section 40-2-114, C.R.S.

Office of Consumer Counsel						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$926,687	\$0	\$926,687	\$0	\$0	7.0
TOTAL	\$926,687	\$0	\$926,687	\$0	\$0	7.0
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$926,687	\$0	\$926,687	\$0	\$0	7.0
Annualize prior year budget actions	21,524	0	21,524	0	0	0.0
Indirect cost assessment	1,008	0	1,008	0	0	0.0
SB 15-234	\$949,219	\$0	\$949,219	\$0	\$0	7.0
TOTAL	\$949,219	\$0	\$949,219	\$0	\$0	7.0
Increase/(Decrease)	\$22,532	\$0	\$22,532	\$0	\$0	0.0
Percentage Change	2.4%	n/a	2.4%	n/a	n/a	0.0%

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes adjustments related to FY 2014-15 salary survey and merit pay.

Indirect cost assessment: The appropriation includes a net increase in the Department's indirect cost assessment.

Division of Financial Services

This Division regulates state-chartered credit unions, life care institutions, and savings and loan associations. Division staff conduct examinations of financial service institutions to ensure compliance with regulatory standards. This Division is entirely cash funded from the Division of Financial Services Cash Fund pursuant to Section 11-40-106 (2), C.R.S.

Division of Financial Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$1,402,366	\$0	\$1,402,366	\$0	\$0	13.0
HB 14-1398	<u>35,427</u>	<u>0</u>	<u>35,427</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$1,437,793	\$0	\$1,437,793	\$0	\$0	13.0
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$1,437,793	\$0	\$1,437,793	\$0	\$0	13.0
Annualize prior year legislation	159,217	0	159,217	0	0	2.6
Annualize prior year budget actions	31,905	0	31,905	0	0	0.0
Indirect cost assessment	22,374	0	22,374	0	0	0.0
SB 15-234	<u>\$1,651,289</u>	<u>\$0</u>	<u>\$1,651,289</u>	<u>\$0</u>	<u>\$0</u>	<u>15.6</u>
TOTAL	\$1,651,289	\$0	\$1,651,289	\$0	\$0	15.6
Increase/(Decrease)	\$213,496	\$0	\$213,496	\$0	\$0	2.6
Percentage Change	14.8%	n/a	14.8%	n/a	n/a	20.0%

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Annualize prior year legislation: The appropriation includes an increase of \$159,217 total funds for the second year impact of legislation. The primary change is an increase of \$145,084 cash funds associated with an additional 2.6 FTE to implement H.B. 14-1398 (Authorize Marijuana Financial Service Cooperatives).

Annualize prior year budget actions: The appropriation includes adjustments related to FY 2014-15 salary survey and merit pay.

Indirect cost assessment: The appropriation includes a net increase in the Department's indirect cost assessment.

Division of Insurance

This Division is responsible for the licensing of insurance agents and adjusters, and regulation of insurance companies, non-profit hospitals, prepaid dental plans, health maintenance organizations, workers' compensation self-insurance pools, bail bondsmen, and pre-need funeral contracts. The Division of Insurance Cash Fund, created in Section 10-1-103 (3), C.R.S., is the primary source of cash funds.

Division of Insurance						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$7,593,697	\$0	\$7,042,952	\$0	\$550,745	84.9
HB 14-1199	<u>9,917</u>	<u>0</u>	<u>9,917</u>	<u>0</u>	<u>0</u>	<u>0.2</u>
TOTAL	\$7,603,614	\$0	\$7,052,869	\$0	\$550,745	85.1
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$7,603,614	\$0	\$7,052,869	\$0	\$550,745	85.1
Annualize prior year budget actions	183,846	0	183,846	0	0	0.0
Indirect cost assessment	99,456	0	14,307	0	85,149	0.0
Annualize prior year legislation	9,916	0	9,916	0	0	0.1
SB 15-234	\$7,896,832	\$0	\$7,260,938	\$0	\$635,894	85.2
SB 15-210	<u>50,000</u>	<u>0</u>	<u>50,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$7,946,832	\$0	\$7,310,938	\$0	\$635,894	85.2
Increase/(Decrease)	\$343,218	\$0	\$258,069	\$0	\$85,149	0.1
Percentage Change	4.5%	n/a	3.7%	n/a	15.5%	0.1%

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes adjustments related to FY 2014-15 salary survey and merit pay.

Indirect cost assessment: The appropriation includes a net increase in the Department's indirect cost assessment.

Annualize prior year legislation: The appropriation includes an increase of \$9,916 total funds and 0.1 FTE for the second year impact of H.B. 14-1199 (Consumer Goods Service Contracts Regulation Changes).

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Public Utilities Commission

The Public Utilities Commission 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, the Highway Crossing Protection Program, and the Disabled Telephone Users Program. This Division is entirely cash funded, primarily from the Public Utilities Commission Fixed Utility Fund, the Disabled Telephone Users Fund, the Low-Income Telephone Assistance Fund, and the Public Utilities Commission Motor Carrier Fund.

Public Utilities Commission						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$13,530,393	\$0	\$13,512,832	\$0	\$17,561	95.0
SB 14-125	170,669	0	170,669	0	0	2.5
HB 14-1328	58,101	0	58,101	0	0	0.7
HB 14-1329	21,220	0	21,220	0	0	0.3
HB 14-1331	<u>164,682</u>	<u>0</u>	<u>164,682</u>	<u>0</u>	<u>0</u>	<u>2.0</u>
TOTAL	\$13,945,065	\$0	\$13,927,504	\$0	\$17,561	100.5
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$13,945,065	\$0	\$13,927,504	\$0	\$17,561	100.5
Annualize prior year budget actions	269,116	0	269,116	0	0	0.0
Indirect cost assessment	14,259	0	31,820	0	(17,561)	0.0
Annualize prior year legislation	(268,488)	0	(268,488)	0	0	(3.2)
SB 15-234	<u>\$13,959,952</u>	<u>\$0</u>	<u>\$13,959,952</u>	<u>\$0</u>	<u>\$0</u>	<u>97.3</u>
TOTAL	\$13,959,952	\$0	\$13,959,952	\$0	\$0	97.3
Increase/(Decrease)	\$14,887	\$0	\$32,448	\$0	(\$17,561)	(3.2)
Percentage Change	0.1%	n/a	0.2%	n/a	(100.0%)	(3.2%)

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes adjustments related to FY 2014-15 salary survey and merit pay.

Indirect cost assessment: The appropriation includes a net increase in the Department’s indirect cost assessment.

Annualize prior year legislation: The appropriation includes a reduction of \$268,488 cash funds and 3.2 FTE for the second year impact of legislation. The primary changes are a decrease of \$239,902 cash funds and 3.2 FTE in personal services expenditures for the following bills:

- S.B. 14-125 (Transportation Network Companies Regulation);
- H.B. 14-1328 (Connect Colorado Broadband Act);
- H.B. 14-1329 (Deregulate Internet Protocol Emerging Tech Telecom); and
- H.B. 14-1331 (Regulate Basic Local Exchange Service).

Division of Real Estate

The Division of Real Estate licenses real estate brokers and appraisal professionals, analyzes subdivision offerings on undeveloped land, and administers an enforcement program that responds to the needs of the industry and the consumer. Additional protection is offered to the public through the Real Estate Recovery

Fund and errors and omissions insurance for all real estate licensees. The Division is entirely cash funded primarily from the Division of Real Estate Cash Fund and the Mortgage Broker Licensing Cash Fund.

Division of Real Estate						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	<u>\$4,927,610</u>	<u>\$0</u>	<u>\$4,927,610</u>	<u>\$0</u>	<u>\$0</u>	<u>55.9</u>
TOTAL	\$4,927,610	\$0	\$4,927,610	\$0	\$0	55.9
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$4,927,610	\$0	\$4,927,610	\$0	\$0	55.9
Annualize prior year budget actions	93,709	0	93,709	0	0	0.0
Centrally appropriated line items	26,116	0	26,116	0	0	0.0
Indirect cost assessment	8,052	0	8,052	0	0	0.0
SB 15-234	\$5,055,487	\$0	\$5,055,487	\$0	\$0	55.9
HB 15-1343	<u>47,250</u>	<u>0</u>	<u>47,250</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$5,102,737	\$0	\$5,102,737	\$0	\$0	55.9
Increase/(Decrease)	\$175,127	\$0	\$175,127	\$0	\$0	0.0
Percentage Change	3.6%	n/a	3.6%	n/a	n/a	0.0%

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes adjustments related to FY 2014-15 salary survey and merit pay.

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for legal services.

Indirect cost assessment: The appropriation includes a net increase in the Department's indirect cost assessment.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Division of Professions and Occupations

This Division regulates over 386,000 licensees in over fifty professions and occupations. Boards and Commissions establish regulatory standards to ensure a minimum level of licensee competency and rules to ensure a safe environment for professionals and customers. The Division is primarily funded with cash funds from the Division of Professions and Occupations Cash Fund. Reappropriated funds are primarily from Departmental indirect cost recoveries.

Division of Professions and Occupations						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$17,477,807	\$0	\$16,882,025	\$595,782	\$0	204.1
SB 14-099	120	0	120	0	0	0.0
SB 14-133	19,243	0	19,243	0	0	0.3
HB 14-1227	52,083	0	52,083	0	0	1.0
HB 14-1283	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$17,549,253	\$0	\$16,953,471	\$595,782	\$0	205.4
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$17,549,253	\$0	\$16,953,471	\$595,782	\$0	205.4
Annualize prior year budget actions	381,606	0	381,606	0	0	0.0
Indirect cost assessment	12,050	0	12,050	0	0	0.0
Fund source adjustment	0	0	2,331	(2,331)	0	0.0
DPO personal services reduction	(250,000)	0	(250,000)	0	0	(3.5)
Annualize prior year legislation	(24,468)	0	(24,468)	0	0	0.0
SB 15-234	\$17,668,441	\$0	\$17,074,990	\$593,451	\$0	201.9
HB 15-1309	<u>30,514</u>	<u>0</u>	<u>30,514</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$17,698,955	\$0	\$17,105,504	\$593,451	\$0	201.9
Increase/(Decrease)	\$149,702	\$0	\$152,033	(\$2,331)	\$0	(3.5)
Percentage Change	0.9%	n/a	0.9%	(0.4%)	n/a	(1.7%)

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes adjustments related to FY 2014-15 salary survey and merit pay.

Indirect cost assessment: The appropriation includes a net increase in the Department’s indirect cost assessment.

Fund source adjustment: The appropriation includes an increase in General Fund offset by a decrease in cash funds and reappropriated funds. These budget neutral adjustments are to the Executive Director’s Office and Administrative Services Division and the Division of Professions and Occupations in order to accurately reflect fund sources.

DPO personal services reduction: The appropriation includes a reduction of \$250,000 cash funds and 3.5 FTE in the Division of Professions and Occupations’ (DPO) personal services line item as a result of efficiency savings.

Annualize prior year legislation: The appropriation includes a reduction of \$24,468 total funds for the second year impact of legislation. The primary change is a reduction of \$20,054 cash funds associated with the implementation of H.B. 14-133 (Mandatory Licensure Private Investigators).

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Division of Securities

This Division monitors the conduct of state-licensed securities broker-dealers and sales representatives, and investigates complaints and other indications of securities fraud. Division staff perform examinations of dealer offices and investment advisory firms to ensure compliance with regulatory laws. The Division is entirely cash funded from the Division of Securities Cash Fund created in Section 11-51-707 (2), C.R.S.

Division of Securities						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	<u>\$3,439,704</u>	<u>\$0</u>	<u>\$3,439,704</u>	<u>\$0</u>	<u>\$0</u>	<u>24.0</u>
TOTAL	\$3,439,704	\$0	\$3,439,704	\$0	\$0	24.0
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$3,439,704	\$0	\$3,439,704	\$0	\$0	24.0
Annualize prior year budget actions	52,591	0	52,591	0	0	0.0
Indirect cost assessment	3,457	0	3,457	0	0	0.0
Centrally appropriated line items	(24,651)	0	(24,651)	0	0	0.0
SB 15-234	<u>\$3,471,101</u>	<u>\$0</u>	<u>\$3,471,101</u>	<u>\$0</u>	<u>\$0</u>	<u>24.0</u>
TOTAL	\$3,471,101	\$0	\$3,471,101	\$0	\$0	24.0
Increase/(Decrease)	\$31,397	\$0	\$31,397	\$0	\$0	0.0
Percentage Change	0.9%	n/a	0.9%	n/a	n/a	0.0%

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes adjustments related to FY 2014-15 salary survey and merit pay.

Indirect cost assessment: The appropriation includes a net increase in the Department's indirect cost assessment.

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for legal services.

Recent Legislation

2014 Session Bills

S.B. 14-099 (Provisional Physical Therapy License): Provides for provisional physical therapy licensing. Persons holding a provisional license may only practice under the supervision of a physical therapist actively licensed in Colorado. Provisional physical therapy licenses may only be issued one time and are valid for no more than 120 days. Appropriates \$18,336 cash funds from the Division of Professions and Occupations Cash Fund to the Department for FY 2014-15, including \$120 to the Division of Professions and Occupations for operating expenses and reappropriates \$18,216 to the Department of Law for the provision of legal services.

S.B. 14-125 (Transportation Network Companies Regulation): Authorizes the Public Utilities Commission (PUC) to regulate transportation network companies, which are companies that match drivers and passengers through a digital network, such as a mobile phone application, for transportation from an agreed-upon point of origin to an agreed-upon destination. Exempts transportation network companies from much of the PUC's authority, including regulation of rates, entry, operational requirements, and general requirements governing common carriers, contract carriers, and motor carriers, but does require a transportation network company to obtain a permit from the PUC and authorizes the PUC to regulate permit holders with respect to safety conditions, insurance requirements, and driver qualifications. Creates the Transportation Network Company Fund and appropriates 2.5 FTE and \$179,777 cash funds from the fund to the Department and reappropriates \$9,108 and 0.1 FTE to the Department of Law for the provision of legal services for FY 2014-15.

S.B. 14-133 (Mandatory Licensure Private Investigators): Repeals the existing voluntary licensure program for private investigators (PIs) and replaces it with a mandatory licensure program. Provides for repayment of the current voluntary program's deficit through a license surcharge to be paid over the life of the new mandatory program, which is scheduled to repeal on September 1, 2020. Appropriates 0.3 FTE and \$28,300 cash funds from the Division of Professions and Occupations Cash Fund to the Department for FY 2014-15, including \$19,243 and 0.3 FTE to the Division of Professions and Occupations for personal services and reappropriates \$9,057 to the Department of Law for the provision of legal services. Appropriates \$10,544 cash funds from the Colorado Bureau of Investigation Identification Unit Fund for fingerprint-based criminal history checks for FY 2014-15.

H.B. 14-1081 (Motor Carrier Safety Fund): Creates the Motor Carrier Safety Fund to be used for the advancement of highway safety relating to commercial carrier operations. Beginning with FY 2013-14, excess uncommitted reserves in the Public Utilities Commission Motor Carrier Fund are transferred to the Motor Carrier Safety Fund instead of the Hazardous Materials Safety Fund and the Nuclear Materials Transportation Fund. Also transfers \$1,730,839 from the Hazardous Materials Safety Fund to the Motor Carrier Safety Fund on February 27, 2014.

H.B. 14-1195 (Insurance Premium Tax Diversions to Cash Funds): Clarifies the methods for diversions of Insurance Premium Taxes to specified cash funds that would otherwise be deposited in the General Fund.

H.B. 14-1199 (Consumer Goods Service Contracts Regulation): Provides for changes to the regulation of consumer goods service contracts based on the model act of the National Association of Insurance Commissioners. Appropriates \$13,560 cash funds from the Division of Insurance Cash Fund to the Department for FY 2014-15, including 0.2 FTE and \$9,917 to the Division of Insurance for personal services, and reappropriates \$3,643 to the Department of Law for the provision of legal services.

H.B. 14-1227 (Sunset Continue Dental Examiners Board): Continues the State Board of Dental Examiners as the Colorado Dental Board until September 1, 2023 with the sunset review modifications. Appropriates \$109,008 cash funds from the Division of Professions and Occupations Cash Fund to the Department for FY 2014-15, including 1.0 FTE and \$42,530 to the Division of Professions and Occupations for personal services, \$5,653 to the Division for operating expenses and capital outlay, and \$3,900 to the Division for board expenses, and reappropriates \$56,925 and 0.3 FTE to the Department of Law for the provision of legal services.

H.B. 14-1283 (Modify Prescription Drug Monitoring Program): Makes modifications to the Prescription Drug Monitoring Program. Appropriates \$7,500 cash funds from the Prescription Drug Monitoring Cash Fund to the Department for information technology modifications.

H.B. 14-1328 (Connect Colorado Broadband Act): Creates the 16-member Broadband Deployment Board (BDB) in the Department of Regulatory Agencies and the Broadband Fund, administered by the BDB, from which grants are awarded for broadband development in unserved areas of the state. Moneys in the Broadband Fund are appropriated in statute to the BDB. Funding to the Broadband Fund is provided by transfer from surcharges in the High Cost Support Mechanism, as determined by the Public Utilities Commission. Appropriates \$86,518 cash funds from the Colorado High Cost Administration Fund to the Department for FY 2014-15, including \$52,733 and 0.7 FTE to the PUC for personal services, \$5,368 to the PUC for operating expenses and capital outlay, and reappropriates \$28,417 and 0.2 FTE to the Department of Law for the provision of legal services, and an additional \$27,324 cash funds and 0.2 FTE from the Broadband Fund to the Department of Law for the provision of legal services for FY 2014-15.

H.B. 14-1329 (Deregulate Internet Protocol Telecomm): Deregulates certain telecommunication products, services and providers. Eliminates the authority of the Public Utilities Commission (PUC) to regulate advanced and premium telephone services (e.g., call waiting, three-way calling), internet-protocol-enabled service and voice-over-internet protocol service (VoIP), most long-distance services, private line service with fewer than 24 lines, certain operator services, and any telecommunication product or service not otherwise defined or classified in statute for the purposes of PUC regulation. The PUC retains authority to regulate "cramming" (unauthorized charges) and "slamming" (unauthorized changes of a carrier) by long-distance carriers. Appropriates \$39,436 cash funds from the Public Utilities Commission Fixed Utility Fund to the Department for FY 2014-15, including \$21,220 and 0.3 FTE to the Public Utilities Commission for personal services and reappropriates \$18,216 to the Department of Law for the provision of legal services.

H.B. 14-1331 (Regulate Basic Local Exchange Service): Modifies the statutory framework for the regulation of local telephone service. Limits, but retains authority for the Colorado Public Utilities Commission (PUC) to regulate basic emergency service and the providers of basic local exchange service. Eliminates the PUC's authority to regulate long-distance telecommunications, the white page directory and other listed telephone number services, operator services, advanced features (e.g., call waiting, three-way calling) and premium services, "touch-tone" dialing, private telecommunications networks, and telecommunications services and products not otherwise classified under PUC statutes. Appropriates \$270,335 cash funds from the Public Utilities Commission Fixed Utility Fund to the Department for FY 2014-15, including \$153,376 and 2.0 FTE to the PUC for personal services, \$11,306 to the PUC for operating expenses and capital outlay, and reappropriates \$105,653 and 0.6 FTE to the Department of Law for the provision of legal services.

H.B. 14-1336 (Long Bill): General appropriations act for FY 2014-15.

H.B. 14-1398 (Authorize Marijuana Financial Service Cooperatives): Allows for the creation and regulation of marijuana financial services cooperatives referred to as "cannabis credit co-ops" or CCCs, a new type of financial services entity with membership restricted to licensed marijuana businesses, conditional upon certain events occurring. CCCs are regulated by the Division of Financial Services in the Department. Once an incorporator of a CCC receives approval from the Federal Reserve System Board of Governors, the Department must convene a stakeholder group to discuss any conflicts in law that may exist and to recommend ways to resolve any conflicts. No CCC application may be approved until this stakeholder group has met and the General Assembly has resolved all identified conflicts. If no CCC charters are issued by August 1, 2017, the regulation of CCCs is repealed on September 1, 2017. Otherwise, the regulation of CCCs is scheduled to repeal on September 1, 2020. Appropriates \$50,000 from the Marijuana Tax Cash Fund to the Department for FY 2014-15, including \$35,427 to the Division of Financial Services for stakeholder workgroup expenses and reappropriates \$14,573 to the Department of Law for the provision of legal services.

2015 Session Bills

S.B. 15-104 (Sunset CO Division of Securities): Continues the Division of Securities until September 1, 2026 and repeals the \$25 license fee cap for sales representatives and investment advisor representatives.

S.B. 15-105 (Sunset Review Respiratory Therapy Practice Act): Implements the recommendations from the 2014 sunset review for the licensing of respiratory therapists and extends the program until September 1, 2024.

S.B. 15-106 (Sunset Barber & Cosmetologist Act & Committee): Continues the Barber and Cosmetologist Act and the Cosmetology Advisory Committee until September 1, 2026. The bill also adds a sixth member to the committee and requires at least one of the committee members to own or operate a school that provides training for licensees in the industry. Appropriates \$8,506 cash funds from the Division of Professions and Occupations Cash Fund to the Department and reappropriates those funds to the Department of Law for the purchase of legal services.

S.B. 15-110 (Sunset Mortuary Science Regulation): Continues the registration of funeral homes and crematories by the Division of Professions and Occupations until July 1, 2024. Requires the institution of a chain of command for human remains and clarifies the definitions of "crematory" and "funeral establishment." Clarifies that a funeral establishment has 24-hour deadline to embalm, refrigerate, cremate, bury, or entomb human remains after taking custody. Appropriates \$4,726 cash funds from the Division of Professions and Occupations Cash Fund to the Department and reappropriates those funds to the Department of Law for the purchase of legal services.

S.B. 15-119 (Sunset Pesticide Applicators): Continues the Pesticide Applicators' Act until September 1, 2022 and implements the recommendations of the sunset review and report on the regulation of pesticide applicators.

S.B. 15-160 (Supplemental Bill): Supplemental appropriation to the Department to modify FY 2014-15 appropriations included in the FY 2014-15 Long Bill (H.B. 14-1336).

S.B. 15-210 (Title Insurance Commission): Creates the Title Commission in the Division of Insurance to serve as an advisory body to the Commissioner of Insurance in matters of title insurance. The commission may propose rules, bulletins, position statements, and consumer protections to the commissioner. It may also consult with the commissioner or his or her designee about final agency actions related to enforcement, licensing, or market conduct actions. At each quarterly meeting, the commission will be provided with a written summary of

complaints investigated and closed by the division without action. The bill appropriates \$50,000 cash funds from the Division of Insurance Cash Fund to the Division of Insurance for implementation.

S.B. 15-234 (Long Bill): General appropriations act for FY 2015-16.

S.B. 15-271 (Continuation Of The Office Of Consumer Counsel): Continues the Office of the Consumer Counsel (OCC) in the Department until September 1, 2021 and implements recommendations from the sunset review.

H.B. 15-1246 (Crowdfund Intrastate Securities On-line): Allows Colorado residents to invest in Colorado companies through online intermediaries under a simplified regulatory regime. To be eligible to crowdfund an interstate equity offering, a security issuer must be a business entity organized under Colorado law that meets certain requirements. The bill establishes regulatory requirements for on-line intermediaries, including how they will be compensated.

H.B. 15-1309 (Protective Restorations By Dental Hygienists): Allows dental hygienists to receive a permit from the Colorado Dental Board to perform interim therapeutic restorations. Establishes an advisory committee to develop standards for interim therapeutic restorations. Places various restrictions on dental hygienists performing interim therapeutic restorations, including prohibiting the use of local anesthesia and requiring that a dentist first provide the diagnosis, treatment plan, and instruction for the dental hygienist to perform the restoration. Appropriations include \$37,940 cash funds from the Division of Professions and Occupations to the Department for FY 2015-16, including \$30,514 for personal services and \$7,426 for the purchase of legal services from the Department of Law. The bill also appropriates \$37,606 to the Department of Health Care Policy and Financing for FY 2015-16, including \$10,815 General Fund and \$833 cash funds from various cash funds. This provision also states the Department of Health Care Policy and Financing will receive \$25,958 federal funds to implement the act.

H.B. 15-1343 (Streamline HOA Manager Licensing Requirements): Modifies the Community Association Manager (CAM) Licensing Program, including: amending the definition of CAM practices; defining and setting limits on CAM apprentices; modifying examination requirements so that licensees who hold a Certified Manager of Community Associations designation are no longer required to pass the general portion of the exam; requiring a credentialed applicant from another state to complete only the Colorado law portion of the exam; and repealing the Community Association Manager Licensing Cash Fund and transferring those funds to the Division of Real Estate Cash Fund on July 1, 2015. Appropriates \$47,250 from the Division of Real Estate Cash Fund to the Division of Real Estate for operating expenses.

Department Details

DEPARTMENT OF REVENUE

FY 2014-15 and FY 2015-16 Appropriations by Division and Bill

Department of Revenue						
	Total Funds	General Fund ¹	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Total Appropriation:	\$329,500,193	\$103,605,100	\$219,536,248	\$5,534,457	\$824,388	1,332.8
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	59,820,459	28,747,807	26,291,778	4,780,874	0	117.3
Information Technology Division	5,682,645	1,931,483	3,751,162	0	0	0.0
Taxation Business Group	67,348,530	61,127,300	5,176,757	220,085	824,388	371.9
Division of Motor Vehicles	44,467,279	11,448,339	32,764,680	254,260	0	484.6
Enforcement Business Group	54,434,187	350,171	53,804,778	279,238	0	241.9
State Lottery Division	97,747,093	0	97,747,093	0	0	117.1
<u>Breakdown of Total Appropriation by Bill</u>						
HB 14-1336	323,518,116	98,459,137	218,700,134	5,534,457	824,388	1,316.7
SB 14-014	2,534,094	2,534,094	0	0	0	0.5
SB 14-030	824	0	824	0	0	0.0
SB 14-036	10,040	0	10,040	0	0	0.0
SB 14-041	5,778	0	5,778	0	0	0.0
SB 14-073	58,710	58,710	0	0	0	0.0
SB 14-075	116,858	12,828	104,030	0	0	0.0
SB 14-087	43,260	43,260	0	0	0	0.0
SB 14-194	191,651	191,651	0	0	0	2.7
SB 14-215	0	0	0	0	0	0.0
HB 14-1003	30,900	30,900	0	0	0	0.0
HB 14-1006	14,811	14,811	0	0	0	0.0
HB 14-1012	16,480	16,480	0	0	0	0.0
HB 14-1029	84,147	66,689	17,458	0	0	0.0
HB 14-1034	5,202	0	5,202	0	0	0.0
HB 14-1066	67,856	61,264	6,592	0	0	0.0
HB 14-1072	61,381	61,381	0	0	0	0.6
HB 14-1100	97,850	0	97,850	0	0	0.0
HB 14-1228	(73,145)	0	(73,145)	0	0	0.0
HB 14-1326	412	0	412	0	0	0.0
HB 14-1327	73,725	73,725	0	0	0	0.9
HB 14-1350	43,260	43,260	0	0	0	0.0

Department of Revenue						
	Total Funds	General Fund¹	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 14-1352	43,867	0	43,867	0	0	0.6
HB 14-1361	100,000	0	100,000	0	0	0.0
HB 14-1367	33,990	0	33,990	0	0	0.0
SB 15-161	2,382,040	1,898,824	483,216	0	0	10.8
HB 15-1301	15,826	15,826	0	0	0	0.0
HB 15-1372	22,260	22,260	0	0	0	0.0
FY 2015-16 Total Appropriation:	\$324,177,457	\$97,621,597	\$220,417,302	\$5,314,170	\$824,388	1,367.1
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	62,057,172	29,657,217	27,747,779	4,652,176	0	124.0
Information Technology Division	4,708,427	957,265	3,751,162	0	0	0.0
Taxation Business Group	62,442,771	58,346,132	3,052,166	220,085	824,388	381.9
Division of Motor Vehicles	42,011,990	8,291,032	33,546,934	174,024	0	490.1
Enforcement Business Group	55,086,810	369,951	54,448,974	267,885	0	254.0
State Lottery Division	97,870,287	0	97,870,287	0	0	117.1
<u>Breakdown of Total Appropriation by Bill</u>						
SB 15-234	323,064,380	97,544,431	219,381,391	5,314,170	824,388	1,363.7
SB 15-014	113,704	0	113,704	0	0	1.0
SB 15-090	506,487	0	506,487	0	0	0.0
SB 15-188	69,453	0	69,453	0	0	1.0
SB 15-206	5,300	5,300	0	0	0	0.0
SB 15-229	5,304	0	5,304	0	0	0.0
HB 15-1004	4,120	0	4,120	0	0	0.0
HB 15-1026	58,132	0	58,132	0	0	0.0
HB 15-1136	7,880	2,866	5,014	0	0	0.0
HB 15-1217	3,060	0	3,060	0	0	0.0
HB 15-1219	33,000	33,000	0	0	0	0.0
HB 15-1228	73,440	0	73,440	0	0	0.0
HB 15-1313	5,452	0	5,452	0	0	0.0
HB 15-1366	36,000	36,000	0	0	0	0.0
HB 15-1367	25,440	0	25,440	0	0	0.0
HB 15-1379	166,305	0	166,305	0	0	1.4
Increase/(Decrease)	(\$5,322,736)	(\$5,983,503)	\$881,054	(\$220,287)	\$0	34.3
Percentage Change	(1.6%)	(5.8%)	0.4%	(4.0%)	0.0%	2.6%

¹ Includes \$27,248,755 in FY 2014-15 and \$23,500,000 in FY 2015-16 that is not subject to the statutory limitation on General Fund appropriations imposed by Section 24-75-201.1, C.R.S.

Informational Funds: The FY 2015-16 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Treasury are annotated with the "(I)". For additional information, see Appendix J.

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2015-16 Appropriations containing an (I) notation	\$60,600,618	\$23,500,000	\$36,276,230	\$0	\$824,388

Detail of Appropriation by Administrative Section

Executive Director's Office

The Executive Director's Office includes a citizens' advocate, a public information officer, and the following units: Central Budget Office, Accounting and Financial Services, Internal Audit, Office of Human Resources, and Office of Research and Analysis. The Executive Director's Office section of the Long Bill includes centrally appropriated direct and indirect costs. Cash funds sources include various other division cash funds. The sources of reappropriated funds are primarily from indirect costs.

Executive Director's Office						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$58,496,464	\$27,828,534	\$25,887,056	\$4,780,874	\$0	112.6
SB 14-030	824	0	824	0	0	0.0
SB 14-036	4,120	0	4,120	0	0	0.0
SB 14-041	4,120	0	4,120	0	0	0.0
SB 14-075	104,030	0	104,030	0	0	0.0
SB 14-087	43,260	43,260	0	0	0	0.0
SB 14-194	6,077	6,077	0	0	0	0.0
HB 14-1003	30,900	30,900	0	0	0	0.0
HB 14-1006	5,990	5,990	0	0	0	0.0
HB 14-1029	4,120	0	4,120	0	0	0.0
HB 14-1034	4,120	0	4,120	0	0	0.0
HB 14-1066	6,592	0	6,592	0	0	0.0
HB 14-1100	97,850	0	97,850	0	0	0.0
HB 14-1326	412	0	412	0	0	0.0
HB 14-1367	33,990	0	33,990	0	0	0.0
SB 15-161	<u>977,590</u>	<u>833,046</u>	<u>144,544</u>	<u>0</u>	<u>0</u>	<u>4.7</u>
TOTAL	\$59,820,459	\$28,747,807	\$26,291,778	\$4,780,874	\$0	117.3
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$59,820,459	\$28,747,807	\$26,291,778	\$4,780,874	\$0	117.3

Executive Director's Office						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Centrally appropriated line items	2,483,050	1,263,355	1,758,537	(538,842)	0	0.0
Marijuana Enforcement Division FTE and legal services	357,910	0	357,910	0	0	0.0
Division of Motor Vehicles legal services	123,513	123,513	0	0	0	0.0
Senate Bill 13-251 funding	78,474	0	78,474	0	0	0.0
Annualize prior year budget actions	(526,474)	8,703	(535,177)	0	0	0.0
Annualize prior year legislation	(297,313)	28,438	(325,751)	0	0	0.0
Tax document processing costs	(52,869)	(52,869)	0	0	0	6.7
Indirect cost adjustment	(51,586)	(461,730)	0	410,144	0	0.0
SB 15-234	\$61,935,164	\$29,657,217	\$27,625,771	\$4,652,176	\$0	124.0
SB 15-014	56,706	0	56,706	0	0	0.0
SB 15-229	4,120	0	4,120	0	0	0.0
HB 15-1004	4,120	0	4,120	0	0	0.0
HB 15-1026	52,942	0	52,942	0	0	0.0
HB 15-1313	<u>4,120</u>	<u>0</u>	<u>4,120</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$62,057,172	\$29,657,217	\$27,747,779	\$4,652,176	\$0	124.0
Increase/(Decrease)	\$2,236,713	\$909,410	\$1,456,001	(\$128,698)	\$0	6.7
Percentage Change	3.7%	3.2%	5.5%	(2.7%)	n/a	5.7%

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 15-161 provides supplemental appropriations to the Department to modify FY 2014-15 appropriations included in the FY 2014-15 Long Bill (H.B. 14-1336) including increases to all the Department of Law to provide additional services to the Division of Motor Vehicles and the Marijuana Enforcement Division.

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; vehicle lease payments; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; Capitol complex leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

Marijuana Enforcement Division FTE and legal services: The appropriation includes \$357,910 cash funds from the Marijuana Cash Tax Fund to reflect annualization of the budget action to increase the legal services provided by the Department of Law to the Marijuana Enforcement Division.

Division of Motor Vehicles legal services: The appropriation includes \$123,513 General Fund to fund 900 additional legal service hours for the Division of Motor Vehicles.

Senate Bill 13-251 Funding: The appropriation includes \$78,474 cash funds from the Licensing Services Cash Fund for the Division of Motor Vehicles to offer driver's license and identification documents to individuals that cannot prove a lawful presence in the United States at three locations, increased from one. The appropriation also contains a footnote that specifies the Department should reduce operations from three offices to one once the initial anticipated influx of applicants, 60,000, is served.

Annualize prior year budget actions: The appropriation includes a number of changes to annualize funding decisions made through the prior year Long Bill.

Annualize prior year legislation: The appropriation includes adjustments related to prior year legislation.

Tax document processing costs: The appropriation includes a decrease of \$52,869 General Fund related to a budget decision to provide ongoing staff support and for the purchase of document management services from the Department of Personnel.

Indirect cost adjustment: The appropriation includes a net decrease in the department's indirect cost assessment.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Information Technology Division

The appropriations in this Division provide funding for contract services and maintenance for information technology systems not maintained by the Governor's Office of Information Technology and the Colorado State Titling and Registration System (CSTARS). All FTE in the Division were transferred to OIT as part of the Statewide consolidation in FY 2010-11. The services of those personnel are included in the Executive Director's Office centrally appropriated line items.

Major sources of cash funds include the Racing Cash Fund, the Liquor Enforcement Division and State Licensing Authority Cash Fund, the Auto Dealers License Fund, the Aviation Fund, the Highway Users Tax Fund, the Colorado State Titling and Registration Account, the Limited Gaming Fund, the Driver's License Administrative Revocation Account, the AIR Account, and the Outstanding Judgments and Warrants Account. Sources of reappropriated funds are the State Lottery Fund and the Limited Gaming Fund.

Information Technology Division						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$5,682,645	\$1,931,483	\$3,751,162	\$0	\$0	0.0
TOTAL	\$5,682,645	\$1,931,483	\$3,751,162	\$0	\$0	0.0
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$5,682,645	\$1,931,483	\$3,751,162	\$0	\$0	0.0
Annualize prior year budget actions	(863,218)	(863,218)	0	0	0	0.0
Annualize prior year legislation	(111,000)	(111,000)	0	0	0	0.0

Information Technology Division						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 15-234	<u>\$4,708,427</u>	<u>\$957,265</u>	<u>\$3,751,162</u>	<u>\$0</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$4,708,427	\$957,265	\$3,751,162	\$0	\$0	0.0
Increase/(Decrease)	(\$974,218)	(\$974,218)	\$0	\$0	\$0	0.0
Percentage Change	(17.1%)	(50.4%)	0.0%	n/a	n/a	n/a

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes adjustments for the second-year impact of a FY 2014-15 budget decision.

Annualize prior year legislation: The appropriation includes adjustments for the third-year impact of prior year legislation, H.B. 13-1042 (State Income Tax Deduction Disallowed by Federal Government).

Taxation Business Group

The Taxation Business Group administers, collects, and enforces business taxes, income taxes, severance taxes, estate and transfer taxes, special taxes, including gasoline, special fuel, aviation fuel, cigarette, tobacco, and liquor excise taxes, public utility assessments, and food service licensing fees. Sources of cash funds include the Private Letter Ruling Fund, the Aviation Fund, the Tobacco Tax Cash Fund, the Alternative Fuels Rebate Fund, the Highway Users Tax Fund (for the Fuel Tracking System), the Mineral Audit Program, and the State Board of Land Commissioners. Sources of reappropriated funds include the Mineral Audit Program (federal funds), the State Board of Land Commissioners, and the Oil and Gas Conservation Commission.

The Mineral Audit Division audits oil, gas, and mineral rents and royalties; the mill levy from oil and gas production; and severance taxes from federal, state, and private lands. It receives funding from the U.S. Department of the Interior's Minerals Management Service under a cooperative agreement for delegated authority to audit federal minerals production in Colorado.

The Taxation Business Group manages the State's subsystem of the International Fuel Tracking System, which licenses fuel distributors, suppliers, importers, exporters and transporters, and collects fuel taxes for the Highway Users Tax Fund. This group also administers the old age heat and fuel and property tax assistance grants, the cigarette tax rebate to local governments, the Amendment 35 tobacco tax distribution to local governments of proceeds from the tobacco tax fund.

Taxation Business Group						
	Total Funds	General Fund¹	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$63,404,328	\$57,226,965	\$5,132,890	\$220,085	\$824,388	368.8
SB 14-014	2,534,094	2,534,094	0	0	0	0.5

Taxation Business Group							
	Total Funds	General Fund¹	Cash Funds	Reappropriated Funds	Federal Funds	FTE	
SB 14-073	58,710	58,710	0	0	0	0.0	
SB 14-215	0	0	0	0	0	0.0	
HB 14-1006	8,821	8,821	0	0	0	0.0	
HB 14-1012	16,480	16,480	0	0	0	0.0	
HB 14-1072	61,381	61,381	0	0	0	0.6	
HB 14-1327	73,725	73,725	0	0	0	0.9	
HB 14-1350	43,260	43,260	0	0	0	0.0	
HB 14-1352	43,867	0	43,867	0	0	0.6	
SB 15-161	1,065,778	1,065,778	0	0	0	0.5	
HB 15-1301	15,826	15,826	0	0	0	0.0	
HB 15-1372	<u>22,260</u>	<u>22,260</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>	
TOTAL	\$67,348,530	\$61,127,300	\$5,176,757	\$220,085	\$824,388	371.9	
FY 2015-16 Appropriation:							
FY 2014-15 Appropriation	\$67,348,530	\$61,127,300	\$5,176,757	\$220,085	\$824,388	371.9	
Annualize prior year budget actions	734,319	723,604	10,715	0	0	0.0	
Tax document processing costs	156,952	156,952	0	0	0	3.0	
Indirect cost adjustment	2,260	(622)	2,882	0	0	0.0	
Marijuana lab certification	0	0	0	0	0	0.0	
Aged Property Tax and Heating Credit revenue adjustment	(2,656,965)	(2,656,965)	0	0	0	0.0	
Annualize prior year legislation	(1,878,268)	13,353	(1,891,621)	0	0	6.0	
Tobacco Master Settlement revenue adjustment	(1,091,790)	(1,091,790)	0	0	0	0.0	
Amendment 35 tobacco tax revenue adjustment	(414,900)	0	(414,900)	0	0	0.0	
SB 15-234	\$62,200,138	\$58,271,832	\$2,883,833	\$220,085	\$824,388	380.9	
SB 15-188	69,453	0	69,453	0	0	1.0	
SB 15-206	5,300	5,300	0	0	0	0.0	
HB 15-1219	33,000	33,000	0	0	0	0.0	
HB 15-1228	73,440	0	73,440	0	0	0.0	
HB 15-1366	36,000	36,000	0	0	0	0.0	
HB 15-1367	<u>25,440</u>	<u>0</u>	<u>25,440</u>	<u>0</u>	<u>0</u>	<u>0.0</u>	
TOTAL	\$62,442,771	\$58,346,132	\$3,052,166	\$220,085	\$824,388	381.9	
Increase/(Decrease)	(\$4,905,759)	(\$2,781,168)	(\$2,124,591)	\$0	\$0	10.0	
Percentage Change	(7.3%)	(4.5%)	(41.0%)	0.0%	0.0%	2.7%	

¹ Includes \$27,248,755 in FY 2014-15 and \$23,500,000 in FY 2015-16 that is exempt from the statutory limit on state General Fund appropriations pursuant to Section 24-75-201.1, C.R.S.

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 15-161 provides supplemental appropriations to the Department to modify FY 2014-15 appropriations included in the FY 2014-15 Long Bill (H.B. 14-1336). Specifically, it increases the appropriation for the Department to complete unanticipated tasks in the new tax document processing workflow. House Bill 15-1301 added \$15,826 General Fund to the Department to reprogram the State's tax administration software to track credits claimed by distributors who sell tobacco products to out-of-state retailers. House Bill 15-1372 added \$22,260 General Fund to the Department to reprogram the State's tax administration software to implement new limits on assessments made against electric and natural gas utilities and deposited in the Fixed Utilities Fund.

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes a number of changes to the out year impact of funding decisions made through the FY 2014-15 appropriation including annualization of the FY 2014-15 salary survey and merit pay.

Tax document processing costs: The appropriation includes an increase of \$156,952 General Fund and 3.0 FTE to providing ongoing staff support and for the purchase of document management services from the Department of Personnel.

Indirect cost adjustment: The appropriation includes a net increase in the Group's indirect cost assessment.

Aged Property Tax and Heating Credit revenue adjustment: The appropriation includes a reduction based on the Legislative Council Aged Property Tax and Heating Credit revenue forecast for FY 2015-16.

Annualize prior year legislation: The appropriation includes adjustments related to prior year legislation.

Tobacco Master Settlement revenue adjustment: The appropriation includes a reduction based on the Legislative Council Tobacco Master Settlement revenue forecast for FY 2015-16.

Amendment 35 tobaccos tax revenue adjustment: The appropriation includes a reduction of cash funds based on the Legislative Council Amendment 35 revenue forecast for FY 2015-16.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Division of Motor Vehicles

This division is responsible for licensing drivers and issuing driver's licenses and state identification cards; maintaining driver records and administering driver sanctions; titling and registering motor vehicles; regulating commercial driving schools; enforcing the state's emissions program; administering the Motorist Insurance Identification Database Program; and assisting first time drunk driving offenders obtain ignition interlock devices required for those offenders to drive motor vehicles.

Major sources of cash funds are the Licensing Services Cash Fund and the License Plate Cash Fund. Other cash funds sources include the Highway Users Tax Fund, and subaccounts of the Highway Users Tax Fund

including: the Colorado State Titling and Registration System Account, the Automotive Inspections and Readjustment (AIR) Account, and the Driver's License Administrative Revocation Account.

Division of Motor Vehicles						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$44,130,802	\$11,121,984	\$32,754,558	\$254,260	\$0	479.6
SB 14-036	5,920	0	5,920	0	0	0.0
SB 14-041	1,658	0	1,658	0	0	0.0
SB 14-075	12,828	12,828	0	0	0	0.0
SB 14-194	185,574	185,574	0	0	0	2.7
HB 14-1029	80,027	66,689	13,338	0	0	0.0
HB 14-1066	61,264	61,264	0	0	0	0.0
HB 14-1228	(73,145)	0	(73,145)	0	0	0.0
SB 15-161	<u>62,351</u>	<u>0</u>	<u>62,351</u>	<u>0</u>	<u>0</u>	<u>2.3</u>
TOTAL	\$44,467,279	\$11,448,339	\$32,764,680	\$254,260	\$0	484.6
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$44,467,279	\$11,448,339	\$32,764,680	\$254,260	\$0	484.6
Senate Bill 13-251 funding	446,210	0	446,210	0	0	7.2
Indirect cost adjustment	353,677	151,789	201,888	0	0	0.0
Colorado Autotest system maintenance and support	179,010	179,010	0	0	0	0.0
DMV funding deficit	0	4,199,062	(4,199,062)	0	0	0.0
DMV Long Bill technical adjustments	0	0	0	0	0	0.0
Annualize prior year budget actions	(3,365,904)	(7,554,686)	4,269,018	(80,236)	0	(2.0)
Annualize prior year legislation	(590,355)	(135,348)	(455,007)	0	0	0.3
SB 15-234	\$41,489,917	\$8,288,166	\$33,027,727	\$174,024	\$0	490.1
SB 15-090	506,487	0	506,487	0	0	0.0
SB 15-229	1,184	0	1,184	0	0	0.0
HB 15-1026	5,190	0	5,190	0	0	0.0
HB 15-1136	7,880	2,866	5,014	0	0	0.0
HB 15-1313	<u>1,332</u>	<u>0</u>	<u>1,332</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$42,011,990	\$8,291,032	\$33,546,934	\$174,024	\$0	490.1
Increase/(Decrease)	(\$2,455,289)	(\$3,157,307)	\$782,254	(\$80,236)	\$0	5.5
Percentage Change	(5.5%)	(27.6%)	2.4%	(31.6%)	n/a	1.1%

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 15-161 provides supplemental appropriations to the Department to modify FY 2014-15 appropriations included in the FY 2014-15 Long Bill (H.B. 14-1336) to allow the Department to continue

providing driver's licenses and identification cards at three office locations to individuals who cannot prove a lawful presence in the United States.

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Senate Bill 13-251 Funding: The appropriation includes \$446,210 cash funds and 7.2 FTE from the Licensing Services Cash Fund for the Division of Motor Vehicles to offer driver's license and identification documents to individuals who cannot prove a lawful presence in the United States at three locations, increased from one. The appropriation also contains a footnote that specifies the Department should reduce operations from three offices to one once the initial anticipated influx of applicants, 60,000, is served.

Indirect cost adjustment: The appropriation includes a net increase in the Division's indirect cost assessment.

Colorado Autotest system maintenance and support: The appropriation includes \$179,010 General Fund to provide ongoing maintenance and support for the newly installed Colorado Autotest system, a tablet-based knowledge test system for driver's and commercial driver's licenses.

DMV funding deficit: The appropriation includes an increase of \$4,199,062 General Fund with a corresponding reduction of \$4,199,062 cash funds to increase staffing and provide reliable funding to avoid the need to hold positions open.

DMV Long Bill technical adjustments: The appropriation includes technical adjustments that net to \$0 to correct appropriation errors resulting from a Long Bill reorganization contained in the FY 2014-15 Long Bill.

Annualize prior year budget actions: The appropriation includes adjustments for the second-year impact of FY 2014-15 budget decisions, summarized below:

Annualize prior year budget actions						
	Total	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 14-15 Salary survey	\$481,373	\$223,335	\$258,038	\$0	\$0	0.0
FY 14-15 Merit pay	185,047	0	185,047	0	0	0.0
FY 14-15 DMV funding deficit	(2,300,000)	(6,200,000)	3,900,000	0	0	0.0
FY 14-15 DMV customer service enhancements	(1,578,021)	(1,578,021)	0	0	0	0.0
FY 14-15 Pre-release services	(80,236)	0	0	(80,236)	0	0.3
FY 14-15 DMV Technical Adjustments	<u>(74,067)</u>	<u>0</u>	<u>(74,067)</u>	<u>0</u>	<u>0</u>	<u>(2.3)</u>
Total	(\$3,365,904)	(\$7,554,686)	\$4,269,018	(\$80,236)	\$0	(2.0)

Annualize prior year legislation: The appropriation includes adjustments related to prior year legislation.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Enforcement Business Group

This Division regulates the limited gaming industry; regulates horse and dog racing events; enforces the State's liquor, tobacco, and marijuana regulations; licenses liquor retailers, wholesalers, and manufacturers, and medical marijuana retailers and manufacturing and cultivation facilities; regulates the motor vehicles sales industry; and manages adjudication hearings related to drivers' licenses, certain racing licenses, and some tax disputes. Major sources of cash funds include the Limited Gaming Fund, the Auto Dealers License Fund, the Liquor Enforcement Division and State Licensing Authority Cash Fund, the Medical Marijuana License Cash Fund, the Racing Cash Fund, the Horse Breeders' and Owners' Awards and Supplemental Purse Fund, the Driver's License Administrative Revocation Account, and the Tobacco Education Programs Fund. The source of reappropriated funds is the Limited Gaming Fund.

Enforcement Business Group						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$54,056,784	\$350,171	\$53,427,375	\$279,238	\$0	238.6
SB 14-215	0	0	0	0	0	0.0
HB 14-1034	1,082	0	1,082	0	0	0.0
HB 14-1361	100,000	0	100,000	0	0	0.0
SB 15-161	<u>276,321</u>	<u>0</u>	<u>276,321</u>	<u>0</u>	<u>0</u>	<u>3.3</u>
TOTAL	\$54,434,187	\$350,171	\$53,804,778	\$279,238	\$0	241.9
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$54,434,187	\$350,171	\$53,804,778	\$279,238	\$0	241.9
Marijuana Enforcement Division FTE and legal services	473,798	0	473,798	0	0	9.7
Annualize prior year budget actions	320,994	18,521	302,473	0	0	0.0
Marijuana lab certification	90,125	0	90,125	0	0	0.0
Indirect cost adjustment	(358,116)	1,259	(348,022)	(11,353)	0	0.0
Annualize prior year legislation	(100,541)	0	(100,541)	0	0	0.0
SB 15-234	\$54,860,447	\$369,951	\$54,222,611	\$267,885	\$0	251.6
SB 15-014	56,998	0	56,998	0	0	1.0
HB 15-1217	3,060	0	3,060	0	0	0.0
HB 15-1379	<u>166,305</u>	<u>0</u>	<u>166,305</u>	<u>0</u>	<u>0</u>	<u>1.4</u>
TOTAL	\$55,086,810	\$369,951	\$54,448,974	\$267,885	\$0	254.0
Increase/(Decrease)	\$652,623	\$19,780	\$644,196	(\$11,353)	\$0	12.1
Percentage Change	1.2%	5.6%	1.2%	(4.1%)	n/a	5.0%

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 15-161 provides supplemental appropriations to the Department to modify FY 2014-15 appropriations included in the FY 2014-15 Long Bill (H.B. 14-1336) to increase staff for general marijuana regulatory enforcement.

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Marijuana Enforcement Division FTE and legal services: The appropriation includes \$473,798 cash funds and 9.7 FTE to reflect annualization of additional staff for the Marijuana Enforcement Division added in FY 2014-15 to keep pace with the burgeoning marijuana industry.

Annualize prior year budget actions: The appropriation includes a number of changes to the out year impact of funding decisions made through the FY 2014-15 appropriation, including annualization of the FY 2014-15 salary survey and merit pay.

Marijuana lab certification: The appropriation includes an increase of \$90,125 cash funds, which is reappropriated to the Department of Public Health and Environment for the inspection and survey of marijuana testing laboratories required for a laboratory certification.

Indirect cost adjustment: The appropriation includes a net decrease in the Division’s indirect cost assessment.

Annualize prior year legislation: The appropriation includes adjustments related to prior year legislation.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

State Lottery Division

The State Lottery Division regulates and administers the State Lottery. It is an enterprise under the provisions of Article X, Section 20, of the Colorado Constitution (the Taxpayer's Bill of Rights). Expenditures are paid from the State Lottery Fund and appropriated as cash funds. The Lottery's direct costs for centrally appropriated items are shown in consolidated budget lines within the Executive Director's Office. Proceeds from the Lottery are distributed to: the Conservation Trust Fund for parks, recreation, and open space purposes; the Division of Parks and Outdoor Recreation in the Department of Natural Resources for the acquisition, development and improvement of new and existing state parks, recreation areas and recreational trails; Great Outdoors Colorado; and public school capital improvements.

State Lottery Division						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	<u>\$97,747,093</u>	<u>\$0</u>	<u>\$97,747,093</u>	<u>\$0</u>	<u>\$0</u>	<u>117.1</u>
TOTAL	\$97,747,093	\$0	\$97,747,093	\$0	\$0	117.1

State Lottery Division						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$97,747,093	\$0	\$97,747,093	\$0	\$0	117.1
Annualize prior year budget actions	249,713	0	249,713	0	0	0.0
Indirect cost adjustment	(126,519)	0	(126,519)	0	0	0.0
SB 15-234	<u>\$97,870,287</u>	<u>\$0</u>	<u>\$97,870,287</u>	<u>\$0</u>	<u>\$0</u>	<u>117.1</u>
TOTAL	\$97,870,287	\$0	\$97,870,287	\$0	\$0	117.1
Increase/(Decrease)	\$123,194	\$0	\$123,194	\$0	\$0	0.0
Percentage Change	0.1%	n/a	0.1%	n/a	n/a	0.0%

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes a number of changes to the out year impact of funding decisions made through the FY 2014-15 appropriation including annualization of the FY 2014-15 salary survey and merit pay.

Indirect cost adjustment: The appropriation includes a net decrease in the Division’s indirect cost assessment.

Recent Legislation

2014 Session Bills

S.B. 14-014 (Property Tax, Rent, and Heat Rebate Program): Makes changes to the Property Tax, Rent, and Heat Rebate (PTC) Program by:

- increasing the maximum property tax and rent rebate for income-eligible claimants to \$700;
- establishing a "flat rate" rebate for both the property tax and rent rebate and the heat rebate in an expanded range of income eligibility; and
- implementing certain recommendations of the August 2013 Legislative Audit of the program.

For FY 2014-15 appropriates \$177,129 General Fund to the Department of Revenue in FY 2014-15, and an allocation of 0.5 FTE. Of this amount, \$31,400 is reappropriated to the Department of Personnel. Appropriates \$2,356,965 General Fund for PTC rebates to the Department. Pursuant to Section 39-31-102 (1), C.R.S., appropriations for the Old Age Heat and Fuel and Property Tax Assistance Grant program are included in the Long Bill for informational purposes and are not deemed to be appropriations subject to the limitations of Section 24-75-201.1, C.R.S. The bill also appropriates \$4,092 for CBMS changes in FY 2014-15, as follows:

- \$1,397 to the Department of Health Care Policy and Financing (HCPF) (\$684 from the General Fund, \$9 from the Children's Basic Health Plan Trust, \$4 from the Old Age Pension Cash Fund, and \$700 from federal funds), of which the whole amount is reappropriated to the Department of Human Services (DHS); and

- \$4,092 to DHS (\$976 from the General Fund, \$131 from the Old Age Pension Cash Fund, \$1,588 from federal funds, and \$1,397 reappropriated funds from HCPF), of which the entire amount is reappropriated to the Governor's Office of Information Technology.

S.B. 14-030 (Distinguished Flying Cross License Plate Fee): Eliminates all fees for one set of Distinguished Flying Cross license plates, if the cross was awarded for valor. For FY 2014-15 appropriates \$824 cash funds to the Department for programming costs and reappropriates the same amount to the Governor's Office of Information Technology to perform the programming for the Department of the Revenue.

S.B. 14-036 (Emergency Medical Services License Plate): Creates the Emergency Medical Services (EMS) special license plate. For FY 2014-15 appropriates \$10,040 cash funds to the Department of Revenue for computer programming and license plate costs. Reappropriates \$4,120 to the Governor's Office of Information Technology to perform the programming.

S.B. 14-041 (USS Colorado Submarine License Plate): Creates the USS Colorado special license plate. For FY 2014-15 appropriates \$5,778 cash funds to the Department for computer programming and license plate costs. Reappropriates \$4,120 to the Governor's Office of Information Technology to perform the programming.

S.B. 14-073 (Brownfield Contaminated Land Income Tax Credit): Creates an income tax credit for individuals, organizations, and qualified entities that perform any approved environmental remediation of contaminated property. The tax credit is limited to 40.0 percent of the first \$750,000 expended for the approved remediation. For FY 2014-15 appropriates \$58,710 General Fund to the Department for computer programming costs. For additional information on S.B. 14-073, see the "Recent Legislation" section for the Department of Public Health and Environment.

S.B. 14-075 (Deployed Military Motor Vehicle Fees and Taxes): Exempts members of the United States armed forces who are Colorado residents and deployed outside of the U.S. for a full year from paying certain motor vehicle registration fees. For FY 2014-15 appropriates \$116,858 total funds, including \$12,828 General Fund and \$104,030 cash funds to the Department of Revenue for FY 2014-15. Reappropriates \$104,030 to the Governor's Office of Information Technology to perform the programming. For additional information on S.B. 14-075, see the "Recent Legislation" section for the Department of Education.

S.B. 14-087 (Identification Cards Issuance Standards): Requires the Department to report to the Transportation Legislation Review Committee (TLRC) of the General Assembly each year regarding the effectiveness of exceptions processing. For FY 2014-15 appropriates \$43,260 General Fund to the Department and reappropriates the same amount to the Governor's Office of Information Technology to perform the programming.

S.B. 14-129 (Marijuana Criminal Provision Clean-up): Makes changes to a number of laws related to criminal penalties for offenses involving marijuana, including adding consumption and possession of marijuana and possession of marijuana paraphernalia to the crime of underage possession or consumption of alcohol and changing the associated penalty structure. Appropriates \$4,120 cash funds from the Marijuana Cash Fund to the Department of Revenue for FY 2013-14 to make related changes to its driver license system, and appropriates \$4,120 reappropriated funds to the Governor's Office of Information Technology for the provision of computer center services. For additional information on S.B. 14-129, see the "Recent Legislation" section for the Department of Human Services.

S.B. 14-161 (Update Uniform Election Code of 1992): The "Voter Access and Modernized Elections Act", enacted in 2013, made various changes to the "Uniform Election Code of 1992". To facilitate implementation of that act and the conduct of elections generally, the bill makes various corrections, clarifications, and alterations to the code. Appropriates \$30,000 General Fund to the Department for FY 2013-14. For additional information on S.B. 14-161, see the "Recent Legislation" section for the Department of State.

S.B. 14-194 (Issuance of Identification Documents by the Department of Revenue): Amends the laws guiding the issuance of identification documents including:

- defines exceptions processing and requires that by September 1, 2014, the Department of Revenue (DOR) provide in-person exceptions processing services in at least four regional offices that are operated by the DOR and that issue driver's licenses;
- establishes increased fees for the issuance of driver's licenses, instructional permit applications, duplicate permits and duplicate minor's driver's licenses, identification cards, and commercial driver's licenses;
- authorizes the DOR to assess an additional fee for the issuance of a driver's license when an applicant retakes the knowledge or driving exam;
- authorizes the DOR to raise or lower fees established in statute related to the issuance of driver's licenses and identification cards, except that the DOR cannot increase fees by more than 20 percent in FY 2015-16, and by not more than 5 percent beginning in FY 2016-17 and each year thereafter;
- requires that if a rule is created to raise a fee, the rule and fee will not take effect until 30 days after the DOR has submitted a report to the JBC listing the fee to be changed, the amount by which it will be changed, and an explanation and analysis for why the increase is needed;
- eliminates the Identification Security Fund within the Highway Users Tax Fund (HUTF), transfers all unexpended and unencumbered balances to the Licensing Services Cash Fund (LSCF) on the effective date of the bill, and allocates moneys previously allocated to the security fund to the LSCF;
- eliminates the Motorist Insurance Identification Account within the HUTF and reallocates the motorist insurance identification fee to the Colorado State Titling and Registration System Account (CSTARS) within the HUTF;
- specifies that any unexpended or unencumbered balances in the CSTARS Account or in the License Plate Cash Fund (LPCF) remain in those funds at the end of any fiscal year;
- modifies the allocation of the driver's license restoration fee to distribute \$73 to the Driver's License Administrative Revocation Account of the HUTF, and \$22 to the First Time Drunk Driving Offender Account of the HUTF (currently \$60 and \$35, respectively); and
- allows eligible applicants for driver's licenses and identification cards to renew the card electronically for two consecutive renewal periods.

For FY 2014-15 appropriates \$191,651 General Fund and 2.7 FTE to the Department of Revenue and reappropriates \$6,077 to the Governor's Office of Information Technology for computer programming costs.

S.B. 14-215 (Disposition of Legal Marijuana Related Revenue): Creates the Marijuana Tax Cash Fund (MTCF) and directs that all sales tax moneys collected by the state starting in FY 2014-15 from retail and medical marijuana to be deposited in the MTCF instead of the Marijuana Cash Fund (MCF). All moneys attributable to fees will continue to be deposited in the MCF. The bill specifies the programs that can receive appropriations out of the MTCF and the MCF. The bill also transfers the balance of marijuana sales tax revenues previously collected in the MCF to the MTCF on July 1, 2014. Limits appropriations from the MTCF to moneys received in the prior fiscal year (cannot appropriate revenues in the fiscal year in which they are received) except that the Department of Revenue is allowed to receive appropriations from current year revenues for direct and indirect costs related to the regulation and enforcement of the marijuana industry; limits

the total amount that the General Assembly can appropriate out of the MTCF starting with appropriations for FY 2015-16 to 93.5 percent of moneys in the fund available for appropriation.

Moneys in the MTCF can initially be appropriated based on the most recent Legislative Council Staff (LCS) or Office of State Planning and Budgeting (OSPB) forecast for the following purposes:

- For the study of law enforcement's activity and costs related to the implementation of the laws legalizing retail marijuana;
- For the coordination of the executive branch response to the legalization of retail marijuana;
- To increase the expertise and knowledge among prosecutors and law enforcement officials regarding the legal and regulatory issues surrounding the legalization of marijuana;
- To obtain health data, through surveys or other means, regarding marijuana and other drug use and to monitor the health effects of marijuana, including changes in drug use patterns and the emerging science and medical information relevant to the health effects associated with marijuana use;
- To advance roadside impaired driving enforcement training and drug recognition expert training for peace officers;
- To develop and implement marijuana education and prevention campaigns;
- To provide inpatient treatment for adults who suffer from co-occurring disorders at the Colorado mental health institute at Pueblo;
- To increase the availability of school-based prevention, early intervention, and health care services and programs to reduce the risk of marijuana and other substance use and abuse by school-aged children;
- For community based programs to provide marijuana prevention and intervention services to youth;
- For local judicial district-based programs to provide marijuana prevention and intervention services to pre-adjudicated and adjudicated youth;
- To expand the provision of jail-based behavioral health services in underserved counties and to enhance the provision of jail-based behavioral health services to offenders transitioning from jail to the community to ensure continuity of care;
- For the provision of substance use disorder treatment services for adolescents and pregnant women; and
- To provide child welfare training specific to issues arising from marijuana use and abuse.

Specifies the permissible uses of the moneys in the MTCF, including:

- [Section 3] Creates the school health professional grant program in the department of education to provide matching grants to education providers to enhance the presence of school health professionals in secondary schools throughout the state and to facilitate better screening, education, and referral care coordination for secondary school students with substance abuse and other behavioral health needs;
- [Section 4] Creates the office of marijuana coordination in the governor's office to coordinate the executive branch response to the legalization of marijuana;
- [Section 5] Requires the department of public health to conduct 2 marijuana education and prevention campaigns, each with a specified purpose, and to create a web site to serve as the state portal for the most accurate and timely information regarding the health effects of marijuana and the laws regarding marijuana use;
- [Section 6] Creates the school-based substance abuse prevention and intervention grant program in the department of health care policy and financing to award competitive grants to entities to provide school-based prevention and intervention programs for youth 12 to 19 years of age, primarily focused on reducing marijuana use, but including strategies and efforts to reduce alcohol use and prescription drug misuse; and

- [Section 7] Expands the purposes of the Tony Grampsas youth services program, created in the department of human services, to include community-based programs specifically related to the prevention and intervention of adolescent and youth marijuana use.

Continues for FY 2013-14 and FY 2014-15 the transfer of \$2.0 million of sales tax revenues to the General Fund to offset General Fund expenditures for the Department of Human Services' "Circle Program" and the Department of Health Care Policy and Financing Screening, Brief Intervention, and Referral for Treatment for Substance Abuse ("SBIRT") Program. Starting in FY 2015-16, the bill authorizes the General Assembly to appropriate moneys from the MTCF to support the Circle Program.

For FY 2014-15 appropriates \$24.9 million total funds, including \$4.0 million General Fund and \$18.5 million from the MTCF for new programs authorized in the bill (Section 13). Appropriates \$8.2 million from the MTCF for existing programs that previously received appropriations out of the MCF (Section 12). Transfers \$6.3 million from the MTCF to the General Fund for the CIRCLE and SBIRT programs as well as for two new school-based prevention and intervention services program and the school-based early intervention and prevention substance abuse grant program (Section 2).

SB 14-215 Appropriations and Transfers for New Programs							
Agency		Total	General Fund	Marijuana Tax Cash Fund	Federal Funds	FTE	Purpose
EDU	(1)	\$2,500,000	\$0	\$2,500,000	\$0	1.0	Behavioral health issues in public schools.
GOV	(2)	190,097	0	190,097	0	2.0	Drug policy office creation.
HCP	(3)	4,363,807	2,000,000	0	2,363,807	0.0	School-based prevention and intervention services.
HCP	(4)	2,000,000	2,000,000	0	0	0.0	School-based early intervention and prevention substance abuse grant program.
HUM	(5)	2,000,000	0	2,000,000	0	0.0	Tony Grampsas program grants for prevention.
HUM	(6)	1,500,000	0	1,500,000	0	0.0	Substance use disorder treatment services for adolescents and pregnant women.
HUM	(7)	2,000,000	0	2,000,000	0	0.0	Expansion and enhancement of jail-based behavioral health services.
HUM	(8)	2,000,000	0	2,000,000	0	0.0	Enhancement of S.B. 91-094 programs.
LAW	(9)	456,760	0	456,760	0	2.0	Development of in-house expertise on regulations.
LAW	(10)	1,168,000	0	1,168,000	0	1.0	Peace Officers Standards and Training Board expanded training activities.
PBH	(11)	5,683,608	0	5,683,608	0	3.7	Public awareness campaign.
PBH	(12)	903,561	0	903,561	0	1.5	Health Kids Colorado survey.
HUM	(13)	100,000	0	100,000	0	0.0	Child welfare training.
Section 13 Subtotal		\$24,865,833	\$4,000,000	\$18,502,026	\$2,363,807	11.2	
Section 12 Subtotal		\$8,156,371	\$0	\$8,156,371	\$0	0.0	Adjustments to 2014 Long Bill
		2,000,000	0	2,000,000	0	0.0	Transfer to General Fund for CIRCLE and SBIRT
		4,260,000	0	4,260,000	0	0.0	Transfer to General Fund for HCP Sect. 13 (3) and HCP Sect. 13 (4) programs, as well as a 6.5 percent (\$260,000) General Fund reserve.
Section 2 Subtotal		\$6,260,000	\$0	\$6,260,000	\$0	0.0	
Sections 2, 12, 13 Total		\$39,282,204	\$4,000,000	\$32,918,397	\$2,363,807	11.2	

H.B. 14-1003 (Nonresident Disaster Relief Worker Tax Exemption): Allows a state withholding tax exemption for nonresident taxpayers who performed disaster-related work during a disaster period in the state. The withholding exemption is available beginning in tax year 2015. For FY 2014-15 appropriates to the Department \$30,900 General Fund.

H.B. 14-1006 (Tax Remittance for Local Marketing Districts): Changes the filing and remittance deadlines for lodging taxes levied by a local marketing district from quarterly remittance to monthly remittance starting July 1, 2014. For FY 2014-15 appropriates \$14,811 General Fund to the Department.

H.B. 14-1012 (Advanced Industry Investment Income Tax Credit): Repeals the Colorado Innovation Investment Income Tax Credit and replaces it with the Advanced Industry Investment Income Tax Credit. The total amount of the tax credit shall not exceed \$375,000 for the 2014 calendar year and \$750,000 for each of the 2015, 2016, and 2017 calendar years. For FY 2014-15 appropriates \$16,480 General Fund to the Department of Revenue. For additional information on H.B. 14-1012, see the "Recent Legislation" section for the Governor's Office.

H.B. 14-1029 (Disabled Parking License Plate Placards): Repeals and reenacts the laws governing reserved parking for persons with disabilities and makes clarifying changes to the Program. For FY 2014-15 appropriates \$84,147 total funds, including \$66,689 General Fund and \$17,458 cash funds, to the. Reappropriates \$4,120 to the Governor's Office of Information Technology.

H.B. 14-1034 (Wine Packaging Permits): Creates the wine packaging permit to a licensed winery to package wine manufactured by another winery, and the permit also allows a wine wholesaler to package wine. For FY 2014-15 appropriates \$5,202 cash funds to the Department and reappropriates \$4,120 to the Governor's Office of Information Technology.

H.B. 14-1066 (County Clerk and Recorder Driver's License Fee): Adjusts the amount of a driver's license fee that may be retained by a county clerk when issuing a driver's license in counties with a population of 100,000 people or fewer. Under current law, this amount is \$8; the bill increases this amount to \$13.60. For FY 2014-15 appropriates \$67,856 total funds, including \$61,264 General Fund and \$6,592 cash funds, to the Department and reappropriates \$6,592 to the Governor's Office of Information Technology.

H.B. 14-1072 (Income Tax Credit for Child Care Expenses): Creates a new child care tax credit for Colorado taxpayers who have a federal adjusted gross income (FAGI) of \$25,000 or less. The credit is equal to 25.0 percent of the taxpayer's child care expenses with a maximum amount of \$500 for a single dependent or \$1,000 for two or more dependents. For FY 2014-15 appropriates \$61,381 General Fund and 0.6 FTE to the Department.

H.B. 14-1100 (Motor Vehicle Title Branding): Requires that a branding be placed on the certificate of title of a motor vehicle, if the vehicle is non-repairable, is flood-damaged, has had the odometer tampered with, has an incorrect odometer, or has a designation placed on the title by another jurisdiction. For FY 2014-15 appropriates \$97,850 cash funds to the Department and reappropriates the \$97,850 to the Governor's Office of Information Technology.

H.B. 14-1178 (Sales and Use Tax Exemption for Property Used in Space Flight): Creates a sales and use tax exemption for tangible personal property used in space flight starting in FY 2014-15. Appropriates \$31,000 General Fund to the Department for FY 2013-14.

H.B. 14-1228 (Court-ordered Driving School Evaluation Repeal): Removes the requirement that the Department monitor, evaluate, and report on the curriculum and effectiveness of court-ordered driver improvement courses and eliminates the penalty surcharge imposed on persons who attend these courses. Repeals the Defensive Driving School Fund (Fund) and requires the State Treasurer to transfer any remaining fund balance to the General Fund on January 1, 2015. For FY 2014-15 decreases \$73,145 cash funds appropriation to the Department.

H.B. 14-1246 (Supplemental Bill): Supplemental appropriation to the Department of Revenue to modify FY 2013-14 appropriations included in the FY 2013-14 Long Bill (S.B. 13-230).

H.B. 14-1326 (Tax Incentives for Alternative Fuel Trucks): Changes three areas of tax policy affecting low-emission and alternative fuel vehicles. Creates a new income tax credit for innovative trucks, reduces the number of vehicles eligible to claim an existing sales and use tax exemption, and reduces the taxable value of certain vehicles for the purpose of calculating the specific ownership tax. For FY 2014-15 appropriates \$412 cash funds to the Department and reappropriates that amount to the Governor's Office of Information Technology.

H.B. 14-1327 (Expand Deployment of Broadband Technology): Sets statewide policy concerning the deployment of broadband technology. Specifically, the bill:

- creates a state rebate of state sales and use taxes paid on broadband equipment installed in target areas of the state;
- requires local government permitting of broadband facilities and certain wireless service facilities to adhere to new statutory deadlines, and to allow consolidation of applications for small cell networks;
- requires state and local government agencies, including coordination by the Department of Transportation, to provide notice of trenching activity to broadband providers, except in emergencies, and to regulate other aspects of trenching; and
- clarifies that broadband service providers may utilize public rights-of-way for broadband facilities to the same extent as other telecommunication providers.

For FY 2014-15 appropriates \$73,725 General Fund and 0.9 FTE to the Department.

H.B. 14-1336 (Long Bill): General appropriations act for FY 2014-15. Includes provisions modifying FY 2013-14 appropriations included in H.B. 13-1042 and H.B. 13-1318.

H.B. 14-1350 (Modifications to Regional Tourism Act): Changes the application process for Regional Tourism Act projects, and limits the amount of State sales tax increment financing that can be approved for each future project. For FY 2014-15 appropriates \$43,260 General Fund to the Department. For additional information on H.B. 14-1350, see the "Recent Legislation" section for the Governor's Office.

H.B. 14-1352 (Update Waste Tire Management System): Repeals and reenacts the state's waste tire laws into a new part of the solid waste statutes and makes changes to the Waste Tire Program. Modifies the distribution of the \$1.50 waste tire fee, consolidates several cash funds and creates three new cash funds, and specifies how the moneys in each cash fund are to be used. Reduces the waste tire fee to \$0.55 per tire beginning January 1, 2018, and repeals the End Users and Processors Rebate Program at that time. Requires the Department of Public Health and Environment to administer and collect the waste tire fee, among other duties in lieu of the Department of Revenue. Establishes new regulations for waste tire haulers, generators, processors, end users, collection facilities, mobile processors, used tire sellers, and waste tire monofills.

Repeals the Waste Tire Advisory Committee. For FY 2014-15 appropriates \$43,867 cash funds to the Department of Revenue. For additional information on H.B. 14-1352, see the "Recent Legislation" section for the Department of Public Health and Environment.

H.B. 14-1361 (Regulation of Marijuana Concentrates): Requires that by January 1, 2016, the Department of Revenue promulgate rules establishing the equivalency of one ounce of retail marijuana flower in various retail marijuana products including retail marijuana concentrate. Prior to promulgating the rules, the Department may contract for a scientific study to determine such equivalency. Clarifies that a retail marijuana store may not sell more than one ounce of retail marijuana or its equivalent in retail marijuana products to a Colorado resident, or not more than a quarter ounce of retail marijuana or its equivalent in marijuana products to a nonresident. For FY 2014-15 appropriates \$100,000 cash funds to the Department of Revenue.

H.B. 14-1367 (Autocycles, Motorcycles, & Motor Vehicles): Defines "autocycle" and removes this type of vehicle from classification and regulation as a motorcycle. For FY 2014-15 appropriates \$33,990 cash funds to the Department of Revenue and reappropriates that amount to the Governor's Office of Information Technology to make changes to the Colorado State Titling and Registration System.

2015 Session Bills

S.B. 15-014 (Medical Marijuana): Requires all transporting and cultivating primary caregivers to register with the state medical marijuana licensing authority (Department of Revenue). Places registration requirements on a cultivating primary caregiver and transporting primary caregivers. DOR may verify patient registration numbers and extended plant count numbers with the state health agency to confirm that a patient does not have more than one primary caregiver, or does not have both a designated caregiver and medical marijuana center, cultivating medical marijuana on his or her behalf at any given time. The bill prohibits any registering as a primary caregiver if the person is licensed as medical or retail marijuana business. A cultivating or transporting primary caregiver shall maintain a list of his or her patients including the registry identification card number of each patient and a recommended total plant count at all times.

Requires DOR and DPHE to share the minimum amount of information necessary to ensure that a medical marijuana patient has only one caregiver and is not using a primary caregiver and a medical marijuana center. Encourages patients cultivating more than 6 medical marijuana plants for their own medical use to register with the state licensing authority. Prohibits a patient and primary caregiver from cultivating more than 99 plants. A cultivating primary caregiver who grows more than 36 plants must register with the state licensing authority including the location of his or her cultivation operation, the patient registration identification number for each of the primary caregiver's patients, and any extended plant count numbers and their corresponding patient registry numbers. DOR must verify the location of extended plant counts for primary caregiver cultivation operations and homebound patient registration for transporting caregivers to a local government or law enforcement agency upon receiving a request for verification. The location of the cultivation operation shall comply with all applicable local laws, rules, or regulations. Sunsets the medical marijuana program on September 1, 2019. Adds an exception to the student possession policy for medical marijuana. Permits moneys in the Marijuana Tax Cash Fund to be used to fund the implementation of any costs for law enforcement audits. Appropriates \$113,704 cash funds and 1.0 FTE from the Marijuana Tax Cash Fund to the Department of Revenue in FY 2015-16. For additional information, see the "Recent Legislation" section at the end of the Department of Public Health and Environment.

S.B. 15-090 (Temporary Registration Document Standards): Requires that temporary motor vehicle registration plates and certificates meet the same statutory requirements regarding attachment, visibility, and readability as permanent plates, except that a temporary plate is only required to be affixed to the rear of the vehicle. The bill takes effect January 1, 2016, if the Department of Revenue receives enough gifts, grants, or donations to cover the materials, start-up costs, and computer programming necessary to implement the legislation. If that condition is met, the new temporary tags will be issued effective July 1, 2016. Requires the Department of Revenue to create an electronic issuance system for temporary plates and to promulgate rules for dealers printing temporary certificates. County clerk and recorder offices are no longer required to issue dealer blocks to dealers; rather, the blocks may be issued directly to the dealers from Colorado Correctional Industries (CCi) in the Department of Corrections (DOC). Appropriates \$506,487 to the Department of Revenue contingent upon the Department receiving at least \$355,595 from gifts, grants, and donations and limited to the amount received by the Department.

S.B. 15-115 (Sunset Medical Marijuana Programs): Continues the Medical Marijuana Code (Medical Code) from July 1, 2015, until September 1, 2019, and implements some of the recommendations from the Department of Regulatory Agencies' 2014 sunset review. The changes include:

- Aligning the sunset date of the medical marijuana program administered by the Department of Public Health and Environment with the Medical Code;
- Prohibiting the infusion of trademarked items with medical marijuana;
- Allowing optional premises cultivation licensees to sell medical marijuana directly to other medical marijuana licensees within the context of vertical integration;
- Harmonizing the license disqualifiers with the Retail Marijuana Code (Retail Code);
- Requiring a seed-to-sale tracking system for medical marijuana and medical marijuana products;
- Harmonizing the destruction of unauthorized medical marijuana or medical marijuana products with the Retail Code;
- Repealing the hours during which medical marijuana centers can sell medical marijuana and authorizing the Department of Revenue (DOR) to set the hours in rule;
- Clarifying that the DOR must keep medical or retail marijuana licensee data confidential; and
- Allowing the executive director of the DOR to administratively continue a license renewal application.

S.B. 15-161 (Supplemental Bill): Supplemental appropriations to the Department of Revenue to modify FY 2014-15 appropriations included in the FY 2014-15 Long Bill (H.B. 14-1336).

S.B. 15-167 (Modify 2014-15 Appropriation from Marijuana Revenue): Reduces the difference between appropriations made from the Marijuana Tax Cash Fund (MTCF) for FY 2014-15 and the actual moneys collected and deposited in the MTCF during FY 2013-14 by creating a one-year exception to the prohibition on appropriating moneys in the MTCF for the current fiscal year, authorizing the general assembly to appropriate, in FY 2014-15, a certain amount of moneys in the MTCF received by the State during FY 2014-15, and by reducing appropriations for marijuana-related programs and services for FY 2014-15 in four principal departments of the executive branch of State government as follows:

- Reduces the appropriation from the MTCF to the Department of Law for optional training for certified peace officers who will act as trainers in advanced roadside impaired driving enforcement by \$76,000;
- Reduces the appropriation from the MTCF to the Department of Revenue for the Marijuana Enforcement Division by \$6.4 million and increases the appropriation from the Marijuana Cash Fund (MCF) to the Department of Revenue for the Marijuana Enforcement Division by the same amount;

- Reduces the General Fund appropriation to the Department of Health Care Policy and Financing (HCPF) for the School-based Substance Abuse Prevention and Intervention Grant Program by \$1,081,344 to reflect the actual amount of grants HCPF awarded plus \$50,000 for HCPF's administrative costs. In addition, the act reduces the amount that the State Treasurer is required to transfer from the MTCF to the General Fund by \$1,151,631 to offset the General Fund appropriation for the grant program for the associated 6.5% statutory reserve.
- Reduces the appropriation from the MTCF to the Department of Human Services (DHS) for jail-based behavioral health services to offenders, including screening and providing treatment for adult inmates with a substance use disorder and providing continuity of care within the community after the inmate's release from jail. The appropriation is reduced by \$452,787 to reflect actual allocations to counties for the fiscal year.

In addition, the act authorizes DHS to use moneys appropriated from the MTCF for FY 2014-15 for the provision of substance use disorder treatment services for adolescents and pregnant women for the expanded purposes of providing substance use disorder treatment and prevention services and intensive wrap around services for adolescents and pregnant women. The act also authorizes DHS to spend such appropriated moneys in FY 2014-15 if necessary.

For more information about bills related to the topic of marijuana and the disposition of marijuana taxes made through the 2015 Long Bill, please refer to Appendix L – Marijuana.

S.B. 15-188 (Tobacco settlement defense account allocation): Beginning in FY 2016-17, makes a new annual statutory allocation of 2.0 percent of tobacco litigation settlement money to the Tobacco Settlement Defense Account (Account) of the Litigation Settlement Cash Fund and an offsetting 2.0 percent reduction in the annual statutory allocation of such money to the Children's Basic Health Plan Trust. Under previous law, only the Department of Law was authorized to use money in the account. The act authorizes the Department of Revenue to also use money in the Account to help administer, coordinate, and support the activities of the Departments of Revenue and Law, including the investigation of and response to settlement agreement manufacture and distribution reporting irregularities identified by the Department of Law. For FY 2015-16, \$69,453 is appropriated from the Account to the Department of Revenue to help administer, coordinate, and support the activities of the Departments of Revenue and Law in relation to the tobacco litigation settlement agreements. Appropriates \$69,453 and 1.0 FTE to the Department of Revenue for FY 2015-16. For additional information, see the "Recent Legislation" section at the end of the Department of Public Health and Environment.

S.B. 15-206 (Implement Conservation Easement Audit): Makes two changes to the gross conservation easement income tax credit beginning tax year 2015 through tax year 2017. First, credit awarded for the first \$100,000 of a donated conservation easement is increased to 75.0 percent of the easement's fair market value, up from 50.0 percent in current law. Second, the maximum credit that may be awarded to a donor for a single donation is increased to \$1,000,000 from the \$375,000 cap in current law. Appropriates \$5,300 General Fund to the Department of Revenue to modify the State's tax administration software in FY 2015-16.

S.B. 15-229 (ALS Motor Vehicles License Plate): The bill creates the Amyotrophic Lateral Sclerosis (ALS) license plate. The license plate will be available—to any applicant who pays the standard license plate taxes and fees and a one-time additional special license plate fee of \$50—on January 1, 2016, or when the Rocky Mountain Chapter of the ALS Association has collected 3,000 signatures of individuals committing to purchase

the plate, whichever is later. Appropriates \$5,304 cash funds to the Department of Revenue for FY 2015-16. Of this amount, \$4,120 is reappropriated to the Governor's Office of Information Technology.

S.B. 15-234 (Long Bill): General appropriations act for FY 2015-16.

H.B. 15-1004 (Firefighter Motorcycle License Plate): The act directs the Department of Revenue to issue firefighter license plates for motorcycles, passenger cars, trucks, or recreational motor vehicles that do not exceed 16,000 pounds empty weight. This adds motorcycles to the list of vehicles that may use a firefighter license plate. Appropriates \$4,120 cash funds from the Colorado State Titling and Registration Account in the Highway Users Tax Fund and reappropriated \$4,120 to the Governor's Office of Information and Technology.

H.B. 15-1026 (Reserved Parking Disabled Military License Plates): Allows the Division of Motor Vehicles (DMV) within the Department of Revenue to create and issue a people with disabilities version for each of the 36 other military special license plates. The DMV will also create a people with disabilities version of each of the 36 military motorcycle special license plates. In total, 72 new people with disabilities military veterans license plates will be created. Appropriates \$58,132 cash funds to the Department of Revenue in FY 2015-16. Of this amount, \$52,942 is reappropriated to the Governor's Office of Information Technology.

H.B. 15-1136 (Parking Privileges for Disables Veterans License Plate): Increases from one to two the number of special license plates with an identifying figure that may be issued to a disabled veteran to indicate the owner of the vehicle is authorized to use reserved parking for persons with disabilities.

H.B. 15-1180 (Sales & Use Tax Refund Medical and Clean Technology): Recreates a sales and use tax refund for clean technology and medical device firms with 35 employees or less. The refund must be claimed between January 1 and April 1 in the year following when the sales taxes were paid. The refund is for sales taxes paid on equipment used for the research and development of clean technology or medical technology and is limited to \$50,000 per taxpayer per year. Taxpayers will be allowed to claim the refund for sales taxes paid between January 1, 2015, and December 31, 2019.

H.B. 15-1217 (Local Government Input on Liquor Sales Rooms Applications): The act requires a licensed winery, limited winery, distillery, or beer wholesaler that applies to the State licensing authority for approval to operate a sales room to send a copy of the application submitted to the State licensing authority, to the local licensing authority in whose jurisdiction the proposed sales room is located. The local licensing authority has 45 days to provide input on the sales room application if it chooses to do so. Appropriates \$3,060 cash funds from the Liquor Enforcement Division Cash Fund.

H.B. 15-1219 (Enterprise Zone Investment Tax Credit for Renewable Energy Projects): Allows a taxpayer who places a renewable energy project in an enterprise zone and receives certification to claim an Enterprise Zone Investment Tax Credit (ITC) for the project an option to receive a refund of the credit. The amount of the refund is equal to 80 cents for every one dollar of ITC credit and is capped at \$750,000 per tax year and taxpayer. Renewable energy investments completed on or after January 1, 2015 may elect to receive a refund. A taxpayer can only receive a refund from one new renewable investment at a time. The taxpayer must exhaust the full amount of the refund from one project before electing to receive a refund from another renewable energy investment that generated ITC credits. Requires the Governor's Office of Economic Development and International Trade to annual post on its website the level of renewable energy investment and other information resulting from the refund. Appropriates \$33,000 General Fund to the Department of Revenue in FY 2015-16. Of this amount, \$1,200 is reappropriated to the Department of Personnel.

H.B. 15-1228 (Special Fuel Tax on Liquefied Petroleum Gas): Makes several changes to the administration and collection of the special fuel excise tax (tax) on liquefied petroleum gas (LPG), beginning in calendar year 2016. These changes include:

- Limiting the imposition of the tax on LPG so that, in most instances, the tax is levied when LPG is placed in a motor vehicle's fuel tank, instead of when the LPG is acquired, sold, offered for sale, or used for any purpose whatsoever;
- Requiring a distributor that places LPG in a fuel tank to pay the tax;
- Allowing a retailer not to be considered as a distributor, provided it files an affidavit with the Department of Revenue (DOR) and posts a notice stating that the LPG it sells is not for vehicle use;
- Designating the operator of a private commercial fleets that uses LPG as a distributor where no other distribution contract is in place;
- Requiring a distributor that uses LPG to propel a cargo tank motor vehicle to pay the tax on the LPG used for this purpose, based on odometer readings of the mileage traveled by the vehicle;
- Assessing the tax on the volume of net gallons, rather than gross gallons, of LPG;
- Eliminating the 2 percent allowance for LPG lost in transit or handling;
- Eliminating the minimum amount, currently \$25,000, of a surety bond that an LPG distributor may deposit with the DOR in lieu of evidence of a savings account, deposit, or certificate of deposit; and
- Prohibiting the DOR from collecting any penalties or interest related to the tax on LPG sold in calendar years 2014 and 2015.

Appropriates \$73,440 cash funds from the Highway Users Tax Fund in FY 2015-16.

H.B. 15-1313 (Rocky Mountain National Park License Plate): The act creates the Rocky Mountain National Park License Plate. For FY 2015-16, it appropriates \$5,452 cash funds to the Department of Revenue and reappropriates \$4,120 of this amount to the Governor's Office of Information Technology.

H.B. 15-1366 (Expand Job Growth Tax Credit for Higher Education Projects): Changes the job growth incentive tax credit for taxpayers who enter into a partnership with a state institution of higher education. In particular, this bill allows the credit to be refundable under certain conditions and relaxes the requirements to qualify for the credit. Firms must create at least five jobs with wages of at least 100 percent of the average wage within the county in which the new jobs are located, and retain those jobs for one year. For FY 2015-16, appropriates \$36,000 General Fund to the Department of Revenue to program the State's tax administration software.

H.B. 15-1367 (Retail Marijuana Taxes): The act refers a ballot issue to voters on November 3, 2015, asking whether the State may retain and spend revenue collected from the Proposition AA excise and special sales taxes on retail marijuana in FY 2014-15. Further, it creates a Proposition AA Refund Account (Refund Account) in the General Fund. The Refund Account comprises \$58.0 million, the amount expected to be collected from Proposition AA taxes in FY 2014-15. Of this amount, \$27.7 million is a transfer from the Marijuana Tax Cash Fund (MTCF) pursuant to Senate Bill 15-249, and \$30.3 million is from the General Fund. If voters approve the ballot issue, the bill apportions the amount in the Refund Account for expenditure during FY 2015-16. If voters reject the ballot issue, the bill establishes mechanisms to refund moneys in the Account to taxpayers in FY 2015-16.

Independent of whether the voters approve the ballot issue, the act:

- lowers the retail marijuana excise and special sales tax rates to zero effective September 16, 2015, and raises them back to 15.0 percent and 10.0 percent, respectively, effective September 17, 2015;
- lowers the retail marijuana special sales tax rate from 10.0 percent to 8.0 percent beginning July 1, 2017;
- repeals current law requiring the Finance Committees of the General Assembly to review tax rates by April 1, 2016;
- transfers any marijuana excise tax revenue collected in excess of \$40.0 million during a single fiscal year to the Public School Fund rather than the MTCF;
- broadens purposes for which funds in the MTCF can be expended and requires the Marijuana Enforcement Division to report on its website how tax revenue is spent;
- requires that appropriations from the MTCF for jail-based behavioral health services be made through the Correctional Treatment Cash Fund;
- creates the Local Government Retail Marijuana Impact Grant Program (described below); and
- makes conforming adjustments to appropriations in the 2015 Long Bill, as detailed in the following table.

Section 22 Appropriations not Dependent on Outcome of Ballot Question				
Department/Recipient	Fund Source	Dollar Amount	FTE	
Department of Agriculture	Marijuana Tax Cash Fund	\$314,633	4.3	
Department of Law	Reappropriated funds from Department of Local Affairs	1,890	0.0	
Department of Law	Reappropriated funds from Department of Agriculture	24,703	0.1	
Department of Local Affairs	Marijuana Tax Cash Fund	71,342	1.0	
Department of Revenue	Marijuana Tax Cash Fund	25,440	0.0	
Total		\$438,008	1.1	
2015 Long Bill Conforming Adjustments				
Department of Human Services	Marijuana Tax Cash Fund	(\$1,550,000)	0.0	
Department of Human Services	Reappropriated funds from Correctional Treatment Cash Fund	1,550,000	0.0	
Correctional Treatment Cash Fund	Marijuana Tax Cash Fund	1,550,000	0.0	
Judicial Department	Correctional Treatment Cash Fund	1,550,000	0.0	

The act requires that the General Fund be reimbursed between FY 2014-15 and FY 2019-20 for the \$30.3 million deposited in the Proposition AA Refund Account. The schedule and amount of the reimbursement depends on whether voters approve or reject the ballot issue.

Contingencies in Act Related to the Outcome of the Ballot Issue

If approved	Amount	If rejected	Amount
Explicitly describes how the funds identified for the refund (\$58.0 million) would be spent:		Describes how the Proposition AA Refund will be made:	
\$40.0 million is transferred to the Public School Capital Construction Fund, known as the BEST Fund	\$40,000,000	\$25.0 million refunded via the six-tier sales tax refund mechanism	\$25,000,000
\$2.5 million to the Department of Public Health and Environment (CDPHE) for the marijuana education campaign	2,500,000	\$19.7 million refunded to marijuana cultivators who paid a retail marijuana excise tax in FY 2014-15	19,700,000
\$1.0 million to CDPHE for the dissemination of information from poison control centers	1,000,000	\$13.3 million refunded via a special sales tax rate reduction	13,300,000
\$2.0 million to the School Bullying Prevention and Education Cash Fund administered by the Colorado Department of Education (CDE)	2,000,000	DOLA will not begin making grants through the Local Government Retail Marijuana Impact Grant Program until FY 2016-17	
\$2.0 million to CDE via the Student Re-Engagement Program Cash Fund for costs associated with the student re-engagement program	2,000,000	Beginning FY 2015-16, \$6.06 million is retained in the General Fund from revenue that would have been transferred to the MTCF to repay \$30.3 million General Fund identified for the refund	<u>6,060,000</u>
\$1.0 million to the Department of Human Services (DHS) via the Youth Mentoring Services Cash Fund for costs associated with youth mentoring services	1,000,000	Total¹	\$64,060,00
\$1.0 million to DHS for the provision of grants through the Tony Grampsas youth mentoring program	1,000,000		
\$0.5 million to the Department of Health Care Policy and Financing for grants to substance the substance abuse screening, brief intervention, and referral to treatment (SBIRT) program	500,000		
\$0.3 million to the Department of Agriculture for Future Farmers of American and 4-H programs at the state fair	300,000		
\$1.0 million to the Department of Local Affairs (DOLA) for grants through the Local Government Retail Marijuana Impact (LGRMI) Grant Program	1,000,000		
\$0.5 million to DHS for treatment and detoxification contracts	500,000		
\$0.2 million to the Department of Law (DOL) for Peace Officers Standards and Training (POST) Board	200,000		

Contingencies in Act Related to the Outcome of the Ballot Issue

If approved	Amount	If rejected	Amount
\$6.0 retained in the General Fund to begin repayment of the \$30.3 million General Fund identified for the refund	6,000,000		
Appropriates \$82,132 and 1.0 FTE from the MTCF to DOLA for additional expenditures requires to make grants through the LGRMI Grant Program	82,132		
Of the \$82,132 to DOLA, \$21,803 is reappropriated to the Office of Information Technology	21,803		
Of the \$82,132 to DOLA, \$2,835 is reappropriated to the Office of Information Technology	<u>2,835</u>		
Total¹	\$58,106,770		

¹ Does not total \$58.0 million due to inclusion of reappropriated funds and FY 2015-16 appropriations in totals.

The Local Government Retail Marijuana Impact Program is to be administered by the Division of Local Government in the Department of Local Affairs. Local governments eligible to receive grants from the program are those that:

- permit the sale of retail marijuana but do not impose a tax, except sales taxes that apply uniformly to all products;
- counties where no retail marijuana is sold in unincorporated areas, but where retail marijuana is sold in one of more municipalities within the county;
- counties where no marijuana is sold, but where retail marijuana is sold in a contiguous county; and
- municipalities where no retail marijuana is sold, but where retail marijuana is sold in another municipality or unincorporated area of the same county, or in any part of a contiguous county.

For more information about bills related to the topic of marijuana and the disposition of marijuana taxes made through the 2015 Long Bill, please refer to Appendix L – Marijuana.

H.B. 15-1379 (Marijuana Permitted Economic Interest): Allows people who are not residents of Colorado to apply to the Marijuana Enforcement Division (MED) in the Department of Revenue for the authorization to hold a Permitted Economic Interest (PEI) in a regulated medical or retail marijuana business. Only a natural person who is a lawful United States resident may obtain a PEI, and the interest is limited to an unsecured debt instrument, option agreement, warrant, or any other right to obtain an ownership interest. The MED is required to promulgate rules regarding the PEI by January 1, 2016, including a process for, and a requirement to, submit to, and pass, a criminal history record check, divestiture, and other agreements that would qualify as PEIs. In FY 2015-16, appropriates \$166,305 and 1.4 FTE from the Marijuana Cash Fund to the Department of Revenue. Of this amount, \$33,254 and 0.2 FTE is reappropriated to the Department of Law and \$15,999 is reappropriated to the Department of Public Safety.

Department Details

DEPARTMENT OF STATE

FY 2014-15 and FY 2015-16 Appropriations by Division and Bill

Department of State						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Total Appropriation:	\$22,508,337	\$0	\$22,508,337	\$0	\$0	137.3
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Administration	5,726,579	0	5,726,579	0	0	19.0
Information Technology Services	8,829,733	0	8,829,733	0	0	36.0
Elections Division	5,341,922	0	5,341,922	0	0	34.2
Business and Licensing Division	2,610,103	0	2,610,103	0	0	48.1
<u>Breakdown of Total Appropriation by Bill</u>						
HB 14-1336	21,893,762	0	21,893,762	0	0	137.2
SB 14-153	(2,816)	0	(2,816)	0	0	0.0
SB 14-161	150,154	0	150,154	0	0	0.0
SB 14-217	0	0	0	0	0	0.0
HB 14-1369	95,775	0	95,775	0	0	0.1
SB 15-162	371,462	0	371,462	0	0	0.0
FY 2015-16 Total Appropriation:	\$21,580,286	\$0	\$21,580,286	\$0	\$0	137.3
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Administration	5,615,627	0	5,615,627	0	0	19.0
Information Technology Services	7,388,679	0	7,388,679	0	0	36.0
Elections Division	5,114,858	0	5,114,858	0	0	34.2
Business and Licensing Division	3,461,122	0	3,461,122	0	0	48.1
<u>Breakdown of Total Appropriation by Bill</u>						
SB 15-234	21,580,286	0	21,580,286	0	0	137.3
Increase/(Decrease)	(\$928,051)	\$0	(\$928,051)	\$0	\$0	0.0
Percentage Change	(4.1%)	n/a	(4.1%)	n/a	n/a	0.0%

Informational Funds: The FY 2015-16 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Treasury are annotated with the "(I)". For additional information, see Appendix J.

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2015-16 Appropriations containing an (I) notation	\$10,000	\$0	\$10,000	\$0	\$0

Detail of Appropriation by Administrative Section

Administration

The Administration division provides general management and supervision for the entire Department, including budgeting, accounting, and human resources services. The Department is required to charge a fee for many of the business filings section's services, and these fees are the primary source of revenue for the Department of State Cash Fund. The Department of State does not receive any General Fund appropriations.

Administration						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$5,760,341	\$0	\$5,760,341	\$0	\$0	19.0
SB 15-162	<u>(33,762)</u>	<u>0</u>	<u>(33,762)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$5,726,579	\$0	\$5,726,579	\$0	\$0	19.0
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$5,726,579	\$0	\$5,726,579	\$0	\$0	19.0
Centrally appropriated line items	254,873	0	254,873	0	0	0.0
Indirect cost assessment	27,325	0	27,325	0	0	0.0
Annualize prior year budget actions	(393,150)	0	(393,150)	0	0	0.0
SB 15-234	<u>\$5,615,627</u>	<u>\$0</u>	<u>\$5,615,627</u>	<u>\$0</u>	<u>\$0</u>	<u>19.0</u>
TOTAL	\$5,615,627	\$0	\$5,615,627	\$0	\$0	19.0
Increase/(Decrease)	(\$110,952)	0	(\$110,952)	0	0	0.0
Percentage Change	(1.9%)	n/a	(1.9%)	n/a	n/a	0.0%

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 15-162 decreases the FY 2014-15 appropriation for this division by \$33,762 cash funds for adjustments to centrally appropriated line items for administrative law judge services and CORE operations.

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; salary survey; merit

pay; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; vehicle lease payments; leased space; and CORE operations.

Indirect cost assessment: The appropriation includes a net increase in the division's indirect cost assessment.

Annualize prior year budget actions: The appropriation includes a number of changes to the out year impact of funding decisions made through the FY 2014-15 appropriation, including:

- the annualization of the FY 2014-15 salary survey and merit pay;
- the elimination of a one-time \$175,000 cash funds appropriation for the Business Intelligence Center; and
- the elimination of a one-time \$33,762 cash funds supplemental appropriation for FY 2014-15.

Information Technology Services

Information Technology Services (ITS) provides most of the technology support for the Department and is responsible for the Department's compliance with the Colorado Information Security Act. The Department provides search and filing services via the internet and processes over 2,500 web-based transactions daily. ITS also provides project direction and support for the statewide voter registration and election management system. Funding is provided entirely by the Department of State Cash Fund.

Information Technology Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$8,606,373	\$0	\$8,606,373	\$0	\$0	36.0
SB 14-161	132,720	0	132,720	0	0	0.0
SB 14-217 ^a	0	0	0	0	0	0.0
HB 14-1369	<u>90,640</u>	<u>0</u>	<u>90,640</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$8,829,733	\$0	\$8,829,733	\$0	\$0	36.0
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$8,829,733	\$0	\$8,829,733	\$0	\$0	36.0
Annualize prior year budget actions	(1,217,694)	0	(1,217,694)	0	0	0.0
Annualize prior year legislation	(223,360)	0	(223,360)	0	0	0.0
SB 15-234	<u>\$7,388,679</u>	<u>\$0</u>	<u>\$7,388,679</u>	<u>\$0</u>	<u>\$0</u>	<u>36.0</u>
TOTAL	\$7,388,679	\$0	\$7,388,679	\$0	\$0	36.0
Increase/(Decrease)	(\$1,441,054)	0	(\$1,441,054)	0	0	0.0
Percentage Change	(16.3%)	n/a	(16.3%)	n/a	n/a	0.0%

^a Senate Bill 14-217 appropriates \$12,360 cash funds for information technology modifications in FY 2014-15, but the effective date of the bill is July 1, 2015, effectively nullifying the appropriation for FY 2014-15.

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes a number of changes related to the out year impact of funding decisions made through the FY 2014-15 appropriation, including:

- the annualization of the FY 2014-15 salary survey and merit pay; and
- the elimination of a one-time \$1.3 million cash funds appropriation for the Business Intelligence Center.

Annualize prior year legislation: The appropriation includes a decrease of \$223,360 cash funds for the second year impact of legislation, including:

- a decrease of \$132,720 cash funds for S.B. 14-161 (Update Uniform Election Code of 1992); and
- a decrease of \$90,640 for H.B. 14-1369 (Durable Medical Equipment Supplier License).

Elections Division

The Elections Division supervises primary, general, and congressional vacancy elections; maintains the statewide voter registration file; authorizes official recounts for federal, state, and district elections; and administers the Fair Campaign Practices Act. The Elections Division also helps the Secretary of State supervise the 64 county clerks in the execution of their statutory responsibilities relating to voter registration and elections. The sources of funding for this Division are cash funds including the Department of State Cash Fund and the Federal Elections Assistance Fund.

Elections Division						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$4,922,080	\$0	\$4,922,080	\$0	\$0	34.2
SB 14-153	(2,816)	0	(2,816)	0	0	0.0
SB 14-161	17,434	0	17,434	0	0	0.0
SB 15-162	<u>405,224</u>	<u>0</u>	<u>405,224</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$5,341,922	\$0	\$5,341,922	\$0	\$0	34.2
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$5,341,922	\$0	\$5,341,922	\$0	\$0	34.2
Local election reimbursement	495,964	0	495,964	0	0	0.0
Elections Division operating expenses	70,265	0	70,265	0	0	0.0
Annualize prior year budget actions	(436,637)	0	(436,637)	0	0	0.0
Adjustment to HAVA appropriation	(339,222)	0	(339,222)	0	0	0.0
Annualize prior year legislation	(17,434)	0	(17,434)	0	0	0.0
SB 15-234	<u>\$5,114,858</u>	<u>\$0</u>	<u>\$5,114,858</u>	<u>\$0</u>	<u>\$0</u>	<u>34.2</u>
TOTAL	\$5,114,858	\$0	\$5,114,858	\$0	\$0	34.2
Increase/(Decrease)	(\$227,064)	\$0	(\$227,064)	\$0	\$0	0.0
Percentage Change	(4.3%)	n/a	(4.3%)	n/a	n/a	0.0%

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 15-162 increases the FY 2014-15 appropriation for this division by \$405,224 cash funds to fully fund local election reimbursements to counties following the November 2014 elections as required by statute (Section 1-5-505.5 (3), C.R.S.).

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Local election reimbursement: The appropriation includes an increase of \$495,964 cash funds to fully fund reimbursements to counties for election expenses as required by statute (Section 1-5-505.5 (3), C.R.S.).

Elections Division operating expenses: The appropriation includes an increase of \$70,265 cash funds for additional operating expenses associated with training and certifying county clerks and local elections officials, observing and overseeing elections, and providing support to counties.

Annualize prior year budget actions: The appropriation includes a number of changes related to the out year impact of funding decisions made through the FY 2014-15 appropriation, including:

- the annualization of the FY 2014-15 salary survey and merit pay;
- the elimination of a one-time \$405,224 cash funds supplemental appropriation for FY 2014-15; and
- a decrease of \$100,000 cash funds to reflect expenditures on ballot initiatives during an odd-year election.

Adjustment to HAVA appropriation: The appropriation includes a decrease of \$339,222 cash funds that are continuously appropriated to support expenditures related to the Help America Vote Act (HAVA). This funding is included in the Long Bill for informational purposes only and is not tied to planned or projected spending.

Annualize prior year legislation: The appropriation includes a decrease of \$17,434 cash funds for the second year impact of S.B. 14-161 (Update Uniform Election Code of 1992).

Business and Licensing Division

This Division, created in the FY 2013-14 Long Bill, assumes the programmatic functions previously carried out in the Administration division related to business filings and licensing services, including:

- Collecting, storing, and providing public access to articles of incorporation, annual reports, and a variety of other documents filed by for-profit and not-for-profit entities under Colorado's corporation and association laws;
- Collecting, storing, and providing public access to a variety of Uniform Commercial Code documents, including security interests, liens, and other items that are utilized by lending institutions;
- Administering the Administrative Rules Code, a body of statutes governing the rule-making authority of many State agencies;
- Overseeing the bingo and raffles program pursuant to Section 3 of Article XVIII of the Colorado Constitution;
- Administering the Charitable Solicitations Act, which forbids fraudulent charitable solicitation; and
- Licensing and regulating notaries public.

Business and Licensing Division						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$2,604,968	\$0	\$2,604,968	\$0	\$0	48.0
HB 14-1369	<u>5,135</u>	<u>0</u>	<u>5,135</u>	<u>0</u>	<u>0</u>	<u>0.1</u>
TOTAL	\$2,610,103	\$0	\$2,610,103	\$0	\$0	48.1
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$2,610,103	\$0	\$2,610,103	\$0	\$0	48.1
Business Intelligence Center	775,000	0	775,000	0	0	0.0
Annualize prior year budget actions	76,019	0	76,019	0	0	0.0
SB 15-234	<u>\$3,461,122</u>	<u>\$0</u>	<u>\$3,461,122</u>	<u>\$0</u>	<u>\$0</u>	<u>48.1</u>
TOTAL	\$3,461,122	\$0	\$3,461,122	\$0	\$0	48.1
Increase/(Decrease)	\$851,019	\$0	\$851,019	\$0	\$0	0.0
Percentage Change	32.6%	n/a	32.6%	n/a	n/a	0.0%

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Business Intelligence Center: The appropriation includes an increase of \$775,000 cash funds to support the collection, management, and distribution of public data by the Business Intelligence Center program, and provide ongoing funding for the Go Code Colorado statewide application challenge.

Annualize prior year budget actions: The appropriation includes the annualization of the FY 2014-15 salary survey and merit pay.

Recent Legislation

2014 Session Bills

S.B. 14-153 (Legislative Members Compensation Boards & Commissions): Establishes uniform payments of per diem and the reimbursement of expenses to current members of the general assembly who are appointed to serve on state entities created or authorized by statute on which members of the general assembly are statutorily required to be appointed to serve. Reduces the appropriation to the Elections Division for the Colorado Voter Access and Modernized Elections Commission by \$2,816 cash funds for FY 2014-15.

S.B. 14-161 (Update Uniform Election Code of 1992): The "Voter Access and Modernized Elections Act", enacted in 2013, made various changes to the "Uniform Election Code of 1992". To facilitate implementation of that act, and the conduct of elections generally, the bill makes various corrections, clarifications, and alterations to the code. Appropriates \$150,154 cash funds to the Department of State for FY 2014-15 for information technology costs and voter registration materials.

S.B. 14-217 (Increased Transparency Lobbyist Disclosure): Makes modifications to existing statutory provisions governing lobbying. While the bill appropriates \$12,360 cash funds for information technology modifications for FY 2014-15, the effective date of the bill is July 1, 2015, effectively nullifying the appropriation for FY 2014-15.

H.B. 14-1336 (Long Bill): General appropriations act for FY 2014-15.

H.B. 14-1341 (Department of State Cash Fund Repayment Transfer): The bill transfers \$2,175,000 from the General Fund to the Department of State Cash Fund on June 30, 2014 (FY 2013-14), for the repayment of moneys transferred from the cash fund to the General Fund during FY 2008-09, to forestall a projected cash fund deficit based on the projected operating deficit between appropriations and revenue for FY 2013-14 and FY 2014-15.

H.B. 14-1369 (Durable Medical Equipment Supplier License): Requires a durable medical equipment supplier to have a license with the Secretary of State. The licensee must be physically located within the state or within 50 miles of the state, have sufficient inventory and staff to do business, and be accredited by an organization recognized and accepted by the Centers for Medicare and Medicaid Services. Appropriates \$95,775 cash funds and 0.1 FTE for information technology costs and program management to the Department of State for FY 2014-15.

2015 Session Bills

S.B. 15-162 (Supplemental Bill): Supplemental appropriations for FY 2014-15.

S.B. 15-234 (Long Bill): General appropriations act for FY 2015-16.

S.B. 15-288 (Compensation Paid to Elected Officials): Effective January 2019, replaces the existing fixed dollar salaries listed in statute for certain state officials and state legislators with a new method for determining salaries that aligns them to certain judicial officers' salaries. The Secretary of State's salary will be equal to 58.0 percent of the salary paid to most county court judges. For additional information, see the "Recent Legislation" section at the end of the Governor – Lieutenant Governor – State Planning and Budgeting.

Department Details

DEPARTMENT OF TRANSPORTATION

FY 2014-15 and FY 2015-16 Appropriations by Division and Bill

Department of Transportation						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Total Appropriation:	\$1,283,277,981	\$700,000	\$748,479,175	\$19,773,476	\$514,325,330	3,326.9
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Administration	31,967,831	0	30,122,796	1,845,035	0	183.5
Construction, Maintenance, and Operations	1,103,347,971	700,000	586,394,200	1,928,441	514,325,330	3,137.3
High Performance Transportation Enterprise	31,575,000	0	30,575,000	1,000,000	0	4.0
First Time Drunk Driving Offenders Account	1,500,000	0	1,500,000	0	0	0.0
Statewide Bridge Enterprise	114,881,900	0	99,881,900	15,000,000	0	2.0
SW Chief Rail Commission	5,279	0	5,279	0	0	0.1
Marijuana Impaired Driving Program	0	0	0	0	0	0.0
<u>Breakdown of Total Appropriation by Bill</u>						
HB 14-1336	1,282,492,152	0	748,358,535	19,773,476	514,360,141	3,326.8
HB 14-1161	5,279	0	5,279	0	0	0.1
HB 14-1301	700,000	700,000	0	0	0	0.0
SB 15-163	80,550	0	115,361	0	(34,811)	0.0
FY 2015-16 Total Appropriation:	\$1,436,913,372	\$0	\$844,073,959	\$19,777,338	\$573,062,075	3,326.8
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Administration	30,872,211	0	29,011,065	1,861,146	0	183.5
Construction, Maintenance, and Operations	1,277,416,161	0	702,437,894	1,916,192	573,062,075	3,137.3
High Performance Transportation Enterprise	2,575,000	0	1,575,000	1,000,000	0	4.0
First Time Drunk Driving Offenders Account	1,500,000	0	1,500,000	0	0	0.0
Statewide Bridge Enterprise	124,100,000	0	109,100,000	15,000,000	0	2.0
SW Chief Rail Commission	0	0	0	0	0	0.0
Marijuana Impaired Driving Program	450,000	0	450,000	0	0	0.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 15-234	1,436,913,372	0	844,073,959	19,777,338	573,062,075	3,326.8

Department of Transportation						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Increase/(Decrease)	\$153,635,391	(\$700,000)	\$95,594,784	\$3,862	\$58,736,745	(0.1)
Percentage Change	12.0%	(100.0%)	12.8%	0.0%	11.4%	(0.0%)

Informational Funds: The FY 2015-16 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Transportation are annotated with the "(I)". For additional information, see Appendix J.

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2015-16 Appropriations containing an (I) notation	\$1,403,091,161	\$0	\$813,112,894	\$16,916,192	\$573,062,075

Detail of Appropriation by Administrative Section

Administration

The Administration section consists of the following offices and divisions:

- Transportation Commission;
- Office of the Executive Director;
- Office of Government Relations;
- Office of Public Relations;
- Office of Information Technology;
- Office of Financial Management and Budget;
- Accounting Branch;
- Office of the Chief Engineer and Region Transportation Directors;
- Motor Pool Operations for State Fleet Vehicles;
- Division of Human Resources and Administration; and
- Division of Audit.

The General Assembly appropriates funds to this division in a lump sum as required by Section 43-1-113 (3) (a), C.R.S. The funding for the Administration division includes the salaries and expenses for the numerous offices and programs within the Administration section. Section 43-1-113 (6) (a), C.R.S., limits the Administration appropriation to no more than 5.0 percent of the total Department of Transportation Long Bill appropriation. Cash funds from the State Highway Fund is the primary source of funding, with a portion of administrative costs funded by reappropriated funds paid to the print shop and for the maintenance of other state agencies' vehicles.

Administration						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$31,887,281	\$0	\$30,007,435	\$1,845,035	\$34,811	183.5
SB 15-163	<u>80,550</u>	<u>0</u>	<u>115,361</u>	<u>0</u>	<u>(34,811)</u>	<u>0.0</u>
TOTAL	\$31,967,831	\$0	\$30,122,796	\$1,845,035	\$0	183.5
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$31,967,831	\$0	\$30,122,796	\$1,845,035	\$0	183.5
Centrally appropriated line items	(971,119)	0	(988,952)	17,833	0	0.0
Annualize prior year budget actions	(124,501)	0	(122,779)	(1,722)	0	0.0
SB 15-234	<u>\$30,872,211</u>	<u>\$0</u>	<u>\$29,011,065</u>	<u>\$1,861,146</u>	<u>\$0</u>	<u>183.5</u>
TOTAL	\$30,872,211	\$0	\$29,011,065	\$1,861,146	\$0	183.5
Increase/(Decrease)	(\$1,095,620)	\$0	(\$1,111,731)	\$16,111	\$0	0.0
Percentage Change	(3.4%)	n/a	(3.7%)	0.9%	n/a	0.0%

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 15-163 adds \$80,550 total funds for mid-year adjustments to the FY 2014-15 appropriation, including: an increase of \$56,349 cash funds for technical modifications to the State's human resources' computer systems, a net increase of \$24,085 total funds for mid-year funding adjustments of statewide IT costs, and an increase of \$116 cash funds for an additional common policy allocation adjustment for administrative law judge services. S.B. 15-163 includes a roll forward of \$550,000 General Fund appropriated in H.B. 14-1301 (Safe Routes to School Program State Funding) so the Department can spend the funds through June 30, 2017.

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; salary survey; merit pay; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; workers' compensation; shift differential; legal services; payment to risk management and property funds; Capitol complex leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

Annualize prior year budget actions: The appropriation includes adjustments related to prior year budget actions.

Construction, Maintenance, and Operations

The Construction, Maintenance, and Operations Division is responsible for transportation planning, inter-modal transportation programs, and all phases of highway operation including engineering, construction, and maintenance. The Transportation Commission allocates the budgets for these programs and amounts are

included in the Long Bill for informational purposes only. This division represents the majority of the Department's total budget. Funding for this division is intended to improve the condition of the state transportation system.

This division reflects revenues that are continuously appropriated to the Department for the construction, maintenance, and operations of state highways and transportation systems. Cash funds include the State Highway Fund, miscellaneous permit fees, interest earnings, and local matching funds made available for federal dollars.

Construction, Maintenance, and Operations						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$1,102,647,971	\$0	\$586,394,200	\$1,928,441	\$514,325,330	3,137.3
HB 14-1301	<u>700,000</u>	<u>700,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$1,103,347,971	\$700,000	\$586,394,200	\$1,928,441	\$514,325,330	3,137.3
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$1,103,347,971	\$700,000	\$586,394,200	\$1,928,441	\$514,325,330	3,137.3
Updated department revenue projections	164,580,403	0	105,843,658	0	58,736,745	0.0
Centrally appropriated line items	10,178,647	0	10,192,618	(13,971)	0	0.0
Annualize prior year budget actions	9,140	0	7,418	1,722	0	0.0
Annualize prior year legislation	(700,000)	(700,000)	0	0	0	0.0
SB 15-234	<u>\$1,277,416,161</u>	<u>\$0</u>	<u>\$702,437,894</u>	<u>\$1,916,192</u>	<u>\$573,062,075</u>	<u>3,137.3</u>
TOTAL	\$1,277,416,161	\$0	\$702,437,894	\$1,916,192	\$573,062,075	3,137.3
Increase/(Decrease)	\$174,068,190	(\$700,000)	\$116,043,694	(\$12,249)	\$58,736,745	0.0
Percentage Change	15.8%	(100.0%)	19.8%	(0.6%)	11.4%	0.0%

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Updated department revenue projections: The appropriation reflects updated revenue projections for cash funded divisions of the department that are included for informational purposes.

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; salary survey; merit pay; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; workers' compensation; shift differential; legal services; payment to risk management and property funds; Capitol complex leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

Annualize prior year budget actions: The appropriation includes adjustments related to prior year budget actions.

Annualize prior year legislation: The appropriation includes a reduction of \$705,279 total funds for the second year impact of legislation, including the elimination of the one-time \$700,000 General Fund appropriation in H.B. 14-1301 (Safe Routes to School) and the one-time \$5,279 cash funds appropriation in H.B. 14-1161 (Southwest Chief Rail Line).

High Performance Transportation Enterprise

This section, created in S.B. 09-108 (Transportation System Planning and Funding), replaced the Statewide Tolling Enterprise. In addition to assuming the responsibilities of the Statewide Tolling Enterprise, the High Performance Transportation Enterprise was established to pursue public-private partnerships and other means of completing surface transportation projects, including collecting tolls on existing roadways if such projects are approved by local transportation entities. This section is granted enterprise status as long as it retains the authority to issue revenue bonds and receives less than 10.0 percent of its total revenues from grants from state and local governments. The amounts shown are revenue estimates from the existing toll lanes and are included in the Long Bill for informational purposes only.

High Performance Transportation Enterprise						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	<u>\$31,575,000</u>	<u>\$0</u>	<u>\$30,575,000</u>	<u>\$1,000,000</u>	<u>\$0</u>	<u>4.0</u>
TOTAL	\$31,575,000	\$0	\$30,575,000	\$1,000,000	\$0	4.0
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$31,575,000	\$0	\$30,575,000	\$1,000,000	\$0	4.0
Updated department revenue projections	(29,000,000)	0	(29,000,000)	0	0	0.0
SB 15-234	<u>\$2,575,000</u>	<u>\$0</u>	<u>\$1,575,000</u>	<u>\$1,000,000</u>	<u>\$0</u>	<u>4.0</u>
TOTAL	\$2,575,000	\$0	\$1,575,000	\$1,000,000	\$0	4.0
Increase/(Decrease)	(\$29,000,000)	\$0	(\$29,000,000)	\$0	\$0	0.0
Percentage Change	(91.8%)	n/a	(94.8%)	0.0%	n/a	0.0%

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Updated department revenue projections: The appropriation reflects updated revenue projections for cash funded divisions of the department that are included for informational purposes.

First Time Drunk Driving Offenders Account

This section provides funding for increased high visibility drunk driving law enforcement actions pursuant to Section 42-2-132 (4) (b) (II) (A), C.R.S. The General Assembly controls the appropriation for this division. Cash funds are from driver's license restoration fees connected with alcohol-related driving offenses.

First Time Drunk Driving Offenders Account						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	<u>\$1,500,000</u>	<u>\$0</u>	<u>\$1,500,000</u>	<u>\$0</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$1,500,000	\$0	\$1,500,000	\$0	\$0	0.0
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$1,500,000	\$0	\$1,500,000	\$0	\$0	0.0
No Changes	0	0	0	0	0	0.0
SB 15-234	<u>\$1,500,000</u>	<u>\$0</u>	<u>\$1,500,000</u>	<u>\$0</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$1,500,000	\$0	\$1,500,000	\$0	\$0	0.0
Increase/(Decrease)	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	n/a	0.0%	n/a	n/a	n/a

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

No Changes: The appropriation does not contain changes from the FY 2014-15 appropriation.

Statewide Bridge Enterprise

Created in Section 43-4-805 (3) (a), C.R.S., this section is funded through a bridge safety surcharge on vehicle registrations. The enterprise's purpose is to facilitate the repair or replacement of bridges rated as in poor condition and as structurally deficient or functionally obsolete. The enterprise has the authority to issue revenue bonds and to borrow funds from the Transportation Commission to be repaid from bridge safety surcharge revenues. The section can maintain enterprise status as long as it retains the authority to issue revenue bonds and receives less than 10.0 percent of its total revenues from grants from state and local governments. The amounts shown are revenue estimates and are included in the Long Bill for informational purposes only.

Statewide Bridge Enterprise						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	<u>\$114,881,900</u>	<u>\$0</u>	<u>\$99,881,900</u>	<u>\$15,000,000</u>	<u>0</u>	<u>2.0</u>
TOTAL	\$114,881,900	\$0	\$99,881,900	\$15,000,000	\$0	2.0
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$114,881,900	\$0	\$99,881,900	\$15,000,000	\$0	2.0
Updated department revenue projections	9,218,100	0	9,218,100	0	0	0.0
SB 15-234	<u>\$124,100,000</u>	<u>\$0</u>	<u>\$109,100,000</u>	<u>\$15,000,000</u>	<u>\$0</u>	<u>2.0</u>

Statewide Bridge Enterprise						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
TOTAL	\$124,100,000	\$0	\$109,100,000	\$15,000,000	\$0	2.0
Increase/(Decrease)	\$9,218,100	\$0	\$9,218,100	\$0	\$0	0.0
Percentage Change	8.0%	n/a	9.2%	0.0%	n/a	0.0%

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Updated department revenue projections: The appropriation reflects updated revenue projections for cash funded divisions of the department that are included for informational purposes.

Southwest Chief Rail Line Economic Development, Rural Tourism, and Infrastructure Repair and Maintenance Commission (SW Chief Rail Commission)

The passage of House Bill 14-1161 (SW Chief Rail Commission) creates the southwest chief rail line economic development, rural tourism, and infrastructure repair and maintenance commission as a Type 1 agency within the Department of Transportation. The commission’s mission is to coordinate and oversee efforts by the state and local governments and cooperate with states of Kansas and New Mexico, Amtrak, and Burlington Northern and Santa Fe Railway (BNSF) to ensure continuation of existing Amtrak southwest chief rail line service in the state. Expansion of such service would include a stop in Pueblo, and exploration of the benefits of adding an additional stop in Walsenburg. Cash funds are from the Chief Rail Line Economic Development, Rural Tourism, and Infrastructure Repair and Maintenance Fund.

SW Chief Rail Commission						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1161	<u>\$5,279</u>	<u>\$0</u>	<u>\$5,279</u>	<u>\$0</u>	<u>\$0</u>	<u>0.1</u>
TOTAL	\$5,279	\$0	\$5,279	\$0	\$0	0.1
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$5,279	\$0	\$5,279	\$0	\$0	0.1
Annualize prior year legislation	(5,279)	0	(5,279)	0	0	(0.1)
<u>SB 15-234</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$0	\$0	\$0	\$0	\$0	0.0
Increase/(Decrease)	(\$5,279)	\$0	(\$5,279)	\$0	\$0	(0.1)
Percentage Change	(100.0%)	n/a	(100.0%)	n/a	n/a	(100.0%)

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Annualize prior year legislation: The appropriation includes a reduction of the one-time \$5,279 cash funds appropriation in H.B. 14-1161 (Southwest Chief Rail Line).

Marijuana Impaired Driving Program

This division, created in FY 2015-16, provides funding for the Department to develop and administer a public awareness program directed at marijuana impaired driving. Goals of the campaign include reductions in serious injuries and fatalities on Colorado roads, as well as declines in marijuana impaired driving behavior and citations. This program is funded by the Marijuana Tax Cash Fund.

Marijuana Impaired Driving Program						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$0	\$0	\$0	\$0	\$0	0.0
TOTAL	\$0	\$0	\$0	\$0	\$0	0.0
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$0	\$0	\$0	\$0	\$0	0.0
Marijuana impaired driving program funding	450,000	0	450,000	0	0	0.0
SB 15-234	<u>\$450,000</u>	<u>\$0</u>	<u>\$450,000</u>	<u>\$0</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$450,000	\$0	\$450,000	\$0	\$0	0.0
Increase/(Decrease)	\$450,000	\$0	\$450,000	\$0	\$0	0.0
Percentage Change	n/a	n/a	n/a	n/a	n/a	n/a

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Marijuana impaired driving program funding: The appropriation includes \$450,000 cash funds from the Marijuana Tax Cash Fund for the Marijuana Impaired Driving program's public awareness campaign "Drive High, Get a DUI."

Recent Legislation

2014 Session Bills

H.B. 14-1161 (SW Chief Rail Commission): Creates the Southwest Chief Rail Line Economic Development, Rural Tourism, and Infrastructure Repair and Maintenance Commission as a Type 1 agency within the Department of Transportation. Requires the Commission to coordinate and oversee efforts by the state and

local governments, to cooperate with the states of Kansas and New Mexico, Amtrak, and the Burlington Northern and Santa Fe Railway (BNSF) to ensure continuation of existing Amtrak southwest chief rail line service in the state, expand such service to include a stop in Pueblo, and to explore the benefits of adding an additional stop in Walsenburg. Appropriates \$5,279 cash funds to the Department in FY 2014-15.

H.B. 14-1301 (Safe Routes to School): Continues the Safe Routes to School Program and specifies all grants awarded must be for non-infrastructure projects. Adds criteria that the CDOT must consider when evaluating grant applications. Requires General Fund appropriations made to the program be reduced in any year that the CDOT receives federal moneys for the program, by the amount of federal moneys received. Appropriates \$700,000 General Fund to the Department in FY 2014-15.

H.B. 14-1336 (Long Bill): General appropriations act for FY 2014-15.

2015 Session Bills

S.B. 15-163 (Supplemental Bill): Supplemental appropriation to the Department of Transportation to modify FY 2014-15 appropriations included in the FY 2014-15 Long Bill (H.B. 14-1336).

S.B. 15-234 (Long Bill): General appropriations act for FY 2015-16.

Department Details

DEPARTMENT OF THE TREASURY

FY 2014-15 and FY 2015-16 Appropriations by Division and Bill

Department of the Treasury						
	Total Funds	General Fund ¹	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Total Appropriation:	\$438,779,404	\$121,578,482	\$317,200,922	\$0	\$0	31.9
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Administration	2,293,445	956,654	1,336,791	0	0	16.4
Unclaimed Property Program	2,034,743	0	2,034,743	0	0	15.5
Special Purpose	434,451,216	120,621,828	313,829,388	0	0	0.0
<u>Breakdown of Total Appropriation by Bill</u>						
HB 14-1336	436,549,308	119,404,248	317,145,060	0	0	31.9
HB 14-1001	2,221,828	2,221,828	0	0	0	0.0
SB 15-164	8,268	(47,594)	55,862	0	0	0.0
FY 2015-16 Total Appropriation:	\$481,677,345	\$135,066,583	\$346,610,762	\$0	\$0	31.9
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Administration	2,309,294	1,063,680	1,245,614	0	0	16.4
Unclaimed Property Program	2,321,887	0	2,321,887	0	0	15.5
Special Purpose	477,046,164	134,002,903	343,043,261	0	0	0.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 15-234	481,677,345	135,066,583	346,610,762	0	0	31.9
Increase/(Decrease)	\$42,897,941	\$13,488,101	\$29,409,840	\$0	\$0	0.0
Percentage Change	9.8%	11.1%	9.3%	n/a	n/a	0.0%

¹ Includes General Fund amounts (\$118,400,000 for FY 2014-15 and \$126,000,000 for FY 2015-16) for reimbursements for the Senior Citizen and Disabled Veteran Property Tax Exemption that are exempt from the statutory limit on state General Fund appropriations pursuant to Section 24-75-201.1 (1) (a) (III) (A), C.R.S.

Informational Funds: The FY 2015-16 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of the Treasury are annotated with the "(I)". For additional information, see Appendix J.

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2015-16 Appropriations containing an (I) notation	\$457,856,286	\$126,000,000	\$331,856,286	\$0	\$0

Detail of Appropriation by Administrative Section

Administration

This Division is responsible for the operation and oversight of the Department and provides accounting, cash management, and investment services for the State. The Division's cash funds derive from the Treasury transaction fee imposed pursuant to Section 24-36-120, C.R.S., and from the Unclaimed Property Trust Fund.

Administration						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$2,285,177	\$1,004,248	\$1,280,929	\$0	\$0	16.4
SB 15-164	8,268	(47,594)	55,862	0	0	0.0
TOTAL	\$2,293,445	\$956,654	\$1,336,791	\$0	\$0	16.4
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$2,293,445	\$956,654	\$1,336,791	\$0	\$0	16.4
Annualize prior year budget actions	35,296	35,296	0	0	0	0.0
Centrally appropriated line items	(11,179)	24,136	(35,315)	0	0	0.0
Annualize prior year legislation	(8,268)	47,594	(55,862)	0	0	0.0
SB 15-234	\$2,309,294	\$1,063,680	\$1,245,614	\$0	\$0	16.4
TOTAL	\$2,309,294	\$1,063,680	\$1,245,614	\$0	\$0	16.4
Increase/(Decrease)	\$15,849	\$107,026	(\$91,177)	\$0	\$0	0.0
Percentage Change	0.7%	11.2%	(6.8%)	n/a	n/a	0.0%

FY 2014-15 Appropriation – Mid-year Adjustments

Senate Bill 15-164: Includes a net increase of \$8,268 total funds, including a decrease of \$47,594 General Fund and an increase of \$55,862 cash funds. This includes the refinancing of a portion of the Department's administrative costs from General Fund to cash funds from cash management transaction fees; costs associated with retirement payout; and the CORE common policy true-up.

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes an adjustment for out-year impacts of funding decisions made through the FY 2014-15 appropriation, including the annualization of prior year salary survey and merit pay.

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees’ Retirement Association (PERA) pension fund; workers’ compensation; legal services; payment to risk management and property funds; Capitol complex leased space; payments to the Governor’s Office of Information Technology (OIT); and CORE operations.

Annualize prior year legislation: The appropriation includes a decrease of \$8,268 total funds, including an increase of \$47,594 General Fund and a decrease of \$55,862 cash funds, to reflect the FY 2015-16 impact of prior year legislation (S.B. 15-164).

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 (UPTF), using the principal and interest to pay claims as well as the costs of operating the program. The Department anticipates paying approximately 10,330 claims valued at \$25.1 million in FY 2014-15. The remaining principal and interest earnings in the fund support the Medicaid Adult Dental Program and provide a reserve against future unclaimed property claims. 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 (UPTPTF). The State uses the interest earned on the UPTPTF fund to promote economic development, agri-tourism, and the State Fair. The cash funds source for appropriations in this division is the Unclaimed Property Trust Fund.

Unclaimed Property Program						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	<u>\$2,034,743</u>	<u>\$0</u>	<u>\$2,034,743</u>	<u>\$0</u>	<u>\$0</u>	<u>15.5</u>
TOTAL	\$2,034,743	\$0	\$2,034,743	\$0	\$0	15.5
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$2,034,743	\$0	\$2,034,743	\$0	\$0	15.5
Kelmar Unclaimed Property software and service	252,763	0	252,763	0	0	0.0
Annualize prior year budget actions	34,381	0	34,381	0	0	0.0
SB 15-234	<u>\$2,321,887</u>	<u>\$0</u>	<u>\$2,321,887</u>	<u>\$0</u>	<u>\$0</u>	<u>15.5</u>
TOTAL	\$2,321,887	\$0	\$2,321,887	\$0	\$0	15.5
Increase/(Decrease)	\$287,144	\$0	\$287,144	\$0	\$0	0.0
Percentage Change	14.1%	n/a	14.1%	n/a	n/a	0.0%

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Kelmar Unclaimed Property software and service: The appropriation includes an increase of \$252,763 cash funds to purchase the Kelmar Unclaimed Property software and service to improve security and auditing in the Unclaimed Property Program.

Annualize prior year budget actions: The appropriation includes an adjustment for out-year impacts of funding decisions made through the FY 2014-15 appropriation, including the annualization of prior year salary survey and merit pay.

Special Purpose

This section of the Long Bill reflects various disbursements and transfers the Treasurer is required to make, including the following: (1) reimbursements to local governments for property tax revenues foregone due to the senior citizen and disabled veteran property tax exemption; (2) allocations of HUTF revenues to local governments; and (3) property tax reimbursements for real or business property listed on a single schedule that was destroyed by a natural cause, pursuant to H.B. 14-1001. The General Fund appropriation for the senior citizen property tax exemption is not subject to the statutory restrictions on General Fund appropriations. The sources of cash funds are the Highway Users Tax Fund, the Unclaimed Property Trust Fund, and the Higher Education Federal Mineral Lease Revenue Fund.

	Special Purpose					
	Total Funds	General Fund ¹	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
HB 14-1336	\$432,229,388	\$118,400,000	\$313,829,388	\$0	\$0	0.0
HB 14-1001	<u>2,221,828</u>	<u>2,221,828</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$434,451,216	\$120,621,828	\$313,829,388	\$0	\$0	0.0
FY 2015-16 Appropriation:						
FY 2014-15 Appropriation	\$434,451,216	\$120,621,828	\$313,829,388	\$0	\$0	0.0
Move lease purchase payments to operating budget	17,773,050	7,761,199	10,011,851	0	0	0.0
Highway Users Tax Fund adjustment	17,221,898	0	17,221,898	0	0	0.0
Senior Citizen and Disabled Veteran Property Tax Exemption adjustment	7,600,000	7,600,000	0	0	0	0.0
Federal mineral lease adjustment	0	(1,980,124)	1,980,124	0	0	0.0
SB 15-234	<u>\$477,046,164</u>	<u>\$134,002,903</u>	<u>\$343,043,261</u>	<u>\$0</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$477,046,164	\$134,002,903	\$343,043,261	\$0	\$0	0.0
Increase/(Decrease)	\$42,594,948	\$13,381,075	\$29,213,873	\$0	\$0	0.0
Percentage Change	9.8%	11.1%	9.3%	n/a	n/a	n/a

¹ Includes General Fund amounts (\$118,400,000 for FY 2014-15 and \$126,000,000 for FY 2015-16) for reimbursements for the Senior Citizen and Disabled Veteran Property Tax Exemption that are exempt from the statutory limit on state General Fund appropriations pursuant to Section 24-75-201.1 (1) (a) (III) (A), C.R.S.

FY 2015-16 Appropriation – S.B. 15-234 (Long Bill) Issue Descriptions

Move lease purchase payments to operating budget: The appropriation moves lease purchase payment (certificates of participation) amounts that were previously appropriated in the capital construction section of the Long Bill into the operating budget.

Highway Users Tax Fund (HUTF) adjustment: The appropriation includes for informational purposes a \$17.2 million increase in cash funds for distribution of HUTF to counties and municipalities.

Senior Citizen and Disabled Veteran Property Tax Exemption adjustment: The appropriation includes for informational purposes a \$7.6 million increase in General Fund for reimbursement to local governments for lost property tax revenues.

Federal mineral lease adjustment: The appropriation includes a decrease of \$2.0 million General Fund and a corresponding increase in cash funds from the Higher Education Federal Mineral Lease Revenues Fund for certificates of participation for academic facilities.

Recent Legislation

2014 Session Bills

H.B. 14-1001 (Property Tax Reimbursement for Property Destroyed by a Natural Cause): Provides a property tax reimbursement for real or business property listed on a single schedule that was destroyed by a natural cause beyond the control of and not caused by the property owner. This property tax reimbursement is for tax years beginning on or after January 1, 2013, and is subject to reimbursement from the state in an amount equal to the property tax liability applicable to the destroyed property in the property tax year in which the natural cause occurred. Directs the State Treasurer to issue a reimbursement warrant to the applicable county upon receipt of a report from a county treasurer verifying the total amount of property tax in the county eligible for reimbursement. Subject to annual appropriation by the General Assembly.

H.B. 14-1336 (Long Bill): General appropriations act for FY 2014-15.

2015 Session Bills

S.B. 15-164 (Supplemental Bill): Supplemental appropriation to the Department of the Treasury to modify FY 2014-15 appropriations included in the FY 2014-15 Long Bill (H.B. 14-1336).

S.B. 15-234 (Long Bill): General appropriations act for FY 2015-16.

S.B. 15-288 (Compensation Paid to Elected Officials): Effective January 2019, replaces the existing fixed dollar salaries listed in statute for certain state officials and state legislators with a new method for determining salaries that aligns them to certain judicial officers' salaries. The State Treasurer's salary will be equal to 58.0 percent of the salary paid to most county court judges. For additional information, see the "Recent Legislation" section at the end of the Governor – Lieutenant Governor – State Planning and Budgeting.

Department Details

CAPITAL CONSTRUCTION

FY 2014-15 and FY 2015-16 Appropriations by Department and Bill

Capital Construction, Controlled Maintenance, and Information Technology Project Appropriations^{/1}					
	Total Funds	Capital Construction Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2014-15 Total Appropriation:	\$525,690,120	\$388,023,295	\$127,419,763	\$7,427,537	\$2,819,525
<u>Breakdown of Total Appropriation by Department</u>					
Agriculture	2,220,388	992,325	1,228,063	0	0
Corrections	33,338,562	32,678,562	660,000	0	0
Education	1,725,007	1,725,007	0	0	0
Governor	45,279,344	37,234,845	616,962	7,427,537	0
Higher Education	263,346,974	199,729,458	63,617,516	0	0
Human Services	25,458,882	25,458,882	0	0	0
Judicial	21,627,507	0	21,627,507	0	0
Labor and Employment	5,932,500	0	5,932,500	0	0
Military and Veterans Affairs	6,365,972	5,465,447	0	0	900,525
Natural Resources	31,043,298	0	29,124,298	0	1,919,000
Personnel	12,745,442	11,745,442	1,000,000	0	0
Public Health and Environment	1,690,484	323,200	1,367,284	0	0
Public Safety	14,069,487	11,823,854	2,245,633	0	0
Revenue	41,758,717	41,758,717	0	0	0
Transportation	500,000	500,000	0	0	0
Treasury	18,587,556	18,587,556	0	0	0
<u>Breakdown of Total Appropriation by Bill</u>					
HB 14-1336	492,833,491	364,420,213	116,124,738	8,566,515	3,722,025
SB 15-165	32,261,879	23,008,332	11,295,025	(1,138,978)	(902,500)
HB 15-1333	594,750	594,750	0	0	0
FY 2015-16 Total Appropriation:	\$397,514,044	\$250,675,939	\$117,490,701	\$13,911,135	\$15,436,269
<u>Breakdown of Total Appropriation by Department</u>					
Corrections	19,198,815	18,538,815	660,000	0	0
Education	8,645,100	8,645,100	0	0	0
Governor	27,844,799	13,933,664	0	13,911,135	0
Higher Education	197,224,811	120,686,081	76,538,730	0	0

Capital Construction, Controlled Maintenance, and Information Technology Project Appropriations^{/1}					
	Total Funds	Capital Construction Fund	Cash Funds	Reappropriated Funds	Federal Funds
Human Services	38,979,245	23,735,914	0	0	15,243,331
Military and Veterans Affairs	5,000,000	5,000,000	0	0	0
Natural Resources	23,997,372	0	23,804,434	0	192,938
Personnel	18,465,352	4,054,217	14,411,135	0	0
Public Safety	5,307,717	3,231,315	2,076,402	0	0
Revenue	52,350,833	52,350,833	0	0	0
Transportation	500,000	500,000	0	0	0
Breakdown of Total Appropriation by Bill					
SB 15-234	396,231,034	249,945,429	116,938,201	13,911,135	15,436,269
HB 15-1310	552,500	0	552,500	0	0
HB 15-1333	730,510	730,510	0	0	0
Increase/(Decrease)	(\$128,176,076)	(\$137,347,356)	(\$9,929,062)	\$6,483,598	\$12,616,744
Percentage Change	(24.4%)	(35.4%)	(7.8%)	87.3%	447.5%

^{/1} Does not include appropriations or transfers to the Capital Construction Fund or Controlled Maintenance Trust Fund.

Informational Funds: The FY 2015-16 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Capital Construction section are annotated with the "(I)". For additional information, see Appendix J.

	Total Funds	Capital Construction Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2015-16 Appropriations containing an (I) notation	\$20,371,727	\$0	\$4,935,458	\$0	\$15,436,269

Appropriations and Transfers to the Capital Construction Fund

The following table summarizes appropriations and transfers to or from the Capital Construction Fund that increase or decrease the balance in the Fund to adjust the amount of money available for projects. Appropriations to the Capital Construction Fund are subject to the statutory restriction on the growth of General Fund appropriations, but transfers to the Capital Construction Fund are not.

Appropriations and Transfers to the Capital Construction Fund					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2014-15 Total Appropriations and Transfers:	\$384,837,545	\$383,837,545	\$1,000,000	\$0	\$0

Appropriations and Transfers to the Capital Construction Fund					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
General Fund transfers to the Capital Construction Fund (no conditions) (H.B. 14-1342)	225,493,465	225,493,465	0	0	0
General Fund transfers to the Capital Construction Fund conditioned on FY 2013-14 surplus General Fund revenue (H.B. 14-1342)*	135,335,748	135,335,748	0	0	0
General Fund transfers to the Capital Construction Fund for supplemental appropriations (S.B. 15-170)	23,008,332	23,008,332	0	0	0
State Historical Fund transfers to the Capital Construction Fund (H.B. 14-1342)	1,000,000	0	1,000,000	0	0
Appropriations to the Capital Construction Fund	0	0	0	0	0
5-year sentencing bill transfers to the Capital Construction Fund	0	0	0	0	0
FY 2015-16 Total Appropriations and Transfers:	\$272,829,429	\$271,829,429	\$1,000,000	\$0	\$0
General Fund transfer to the Capital Construction Fund (S.B. 15-250)	143,951,639	143,951,639	0	0	0
General Fund transfer to the Information Technology Capital Account in the Capital Construction Fund (S.B. 15-250)	76,877,790	76,877,790	0	0	0
Estimated S.B. 09-228 General Fund transfer to the Capital Construction Fund (March 2015 LCS Forecast)	50,500,000	50,500,000	0	0	0
State Historical Fund transfer to the Capital Construction Fund (S.B. 15-250)	1,000,000	0	1,000,000	0	0
General Fund Exempt transfer to the Capital Construction Fund (S.B. 15-250)	25,600,000	25,600,000	0	0	0
Appropriations to the Capital Construction Fund	0	0	0	0	0
5-year sentencing bill transfers to the Capital Construction Fund	0	0	0	0	0
Increase/(Decrease)	(\$136,908,116)	(\$136,908,116)	\$0	\$0	\$0
Percentage Change	(35.6%)	(35.7%)	0.0%	n/a	n/a

* The General Fund transfers to the Capital Construction Fund conditioned on FY 2013-14 surplus General Fund revenue are reflected in this table as a transfer in FY 2014-15. This is to reflect this source of funding to be consistent with the FY 2014-15 appropriations made for projects from this funding. However, General Fund tracking tables correctly identify these conditional transfers as having occurred in FY 2013-14.

General Fund Exempt

Referendum C, passed by Colorado voters in November 2005, allows the State to retain and spend all revenue that is collected in excess of the TABOR limit for FY 2005-06 through FY 2009-10. For FY 2010-11 and subsequent fiscal years, Referendum C allows the State to retain all revenues that are in excess of the TABOR limit, but less than the excess state revenues cap, for that fiscal year. This revenue must be placed in the General Fund Exempt Account. The following table shows the amount of General Fund Exempt that is

appropriated for FY 2014-15 and FY 2015-16 from the General Fund Exempt Account for strategic transportation projects pursuant to Sections 24-77-103.6 (2) (b) and 24-77-104.5 (1) (b) (III), C.R.S.

General Fund Summary	Total General Fund	General Fund	General Fund Exempt
FY 2014-15	\$383,837,545	\$383,337,545	\$500,000
FY 2015-16	\$271,829,429	\$271,329,429	\$500,000

Appropriations and Transfers to/from the Controlled Maintenance Trust Fund

The Controlled Maintenance Trust Fund (CMTF) serves multiple purposes, as outlined in Section 24-75-302.5, C.R.S.:

- Up to 50.0 percent of interest earnings on the CMTF principal for the current and prior fiscal year may be used to support controlled maintenance projects.
- The CMTF may serve as a state emergency reserve. CMTF amounts are identified in the Long Bill headnotes as part of the emergency reserve required pursuant to Section 20 of Article X of the State Constitution (TABOR). Based on the authority provided in Section 24-33.5-706, C.R.S., the Governor has transferred funds from the CMTF to the Disaster Emergency Fund to address wildfires, floods, and other state emergencies.

During FY 2014-15 and FY 2015-16, no appropriations were made for controlled maintenance from interest earnings on the CMTF. During FY 2014-15, the CMTF was used to set aside moneys for new legislation. The table below summarizes appropriations and transfers to and from the CMTF in FY 2014-15 and FY 2015-16.

Appropriations and Transfers to/from the Controlled Maintenance Trust Fund					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2014-15 Total Appropriations and Transfers:	(\$9,560,736)	\$111,264	(\$9,672,000)	\$0	\$0
Appropriation to CMTF: H.B. 14-1336	20,093,068	20,093,068	0	0	0
Reductions in H.B. 14-1336 Appropriation to CMTF (multiple bills; see appendix)	(19,981,804)	(19,981,804)	0	0	0
Transfer from CMTF: S.B. 14-189	(9,672,000)	0	(9,672,000)	0	0
FY 2015-16 Total Appropriations and Transfers:	\$0	\$0	\$0	\$0	\$0

Recent Legislation

2014 Session Bills

S.B. 14-189 (Controlled Maintenance Trust Fund Transfer): Transfers \$9,762,000 from the Controlled Maintenance Trust Fund to the General Fund to support a FY 2014-15 appropriation for the Colorado firefighting air corps.

H.B. 14-1336 (Long Bill): General appropriations act for FY 2014-15. Also includes supplemental adjustments to capital appropriations for FY 2011-12.

H.B. 14-1342 (Transfers of Money Related to Capital Construction): For FY 2014-15, transfers \$225,493,465 from the General Fund to the Capital Construction Fund, \$500,000 from the General Fund Exempt account of the General Fund to the Capital Construction Fund, and \$1,000,000 from the State Historical Fund to the Capital Construction Fund. Also modifies statutory provisions concerning the use of any FY 2013-14 General Fund surplus. Authorizes additional FY 2014-15 transfers from the General Fund to the Capital Construction Fund of up to \$135,335,748 if there is sufficient FY 2013-14 General Fund surplus, and establishes a priority order for funding specific capital projects up to this dollar amount if the amount available for transfer to the Capital Construction Fund is lower than this figure.

2015 Session Bills

S.B. 15-165 (Supplemental Bill): Supplemental appropriations bill for capital construction. Includes modifications to capital appropriations for FY 2014-15 and footnote amendments for FY 2007-08 and FY 2008-09.

S.B. 15-170 (General Fund Transfer to Capital Construction Fund): Transfers \$23,008,332 General Fund to the Capital Construction Fund for FY 2014-15 supplemental appropriations.

S.B. 15-211 (Automatic Funding for Capital Assets): Specifies that for every capital construction building project beginning in FY 2015-16, state agencies and higher education institutions must set aside reserve funds intended for future capital construction based on depreciation.

- *State-funded* capital construction projects funded by General Fund, the Capital Construction Fund, or the Controlled Maintenance Trust Fund, for state agencies and higher education institutions, will require an annual payment through a *depreciation-lease equivalent* line item in the operating budget equal to the depreciation amount for the length of the depreciation period to be paid with General Fund. An amount equal to one percent of the project cost of the *depreciation-lease equivalent* payment will be credited to the Controlled Maintenance Trust Fund and the balance of the *depreciation-lease equivalent* payment will be credited to the Capital Construction Fund.
- *Cash-funded* capital construction projects for state agencies only, must set aside depreciation in a *capital reserve* within the cash fund, equal to the depreciation amount for the length of the depreciation period.

Capital construction building projects financed with an annual lease-purchase payment agreement (certificates of participation or COPs) must set aside one percent of project cost annually for controlled maintenance. The one percent will be paid in a *controlled maintenance* line item in the operating budget.

- *Controlled maintenance* payments for state-funded capital projects financed with a COP will be paid by General Fund and credited to the Controlled Maintenance Trust Fund.
- *Controlled maintenance* payments for cash-funded capital projects financed with a COP will be set aside in a *capital reserve* within the cash fund.

S.B. 15-234 (Long Bill): General appropriations act for FY 2015-16.

S.B. 15-250 (Capital Related Transfers): For FY 2015-16, transfers \$143,951,639 from the General Fund to the Capital Construction Fund, \$500,000 from the General Fund Exempt account of the General Fund to the Capital Construction Fund, \$76,877,790 from the General Fund to the Information Technology Capital Account in the Capital Construction Fund, and \$1,000,000 from the Preservation Grant Program Account of the State Historical Fund to the Capital Construction Fund.

S.B. 15-251 (Exclude Lease-purchase Payments from General Fund Reserve): Excludes appropriations for lease-purchase payments from the amount used to calculate the necessary General Fund reserve.

S.B. 15-270 (Create the Office of the State Architect): Codifies in statute the Office of the State Architect in the Department of Personnel. Adds to the Office the responsibility for statewide capital construction planning and making recommendations on real property capital construction budget requests.

S.B. 15-278 (Capitol Dome Restoration Moneys Expanded Scope): Amends the FY 2013-14 Long Bill to allow the moneys originally appropriated for the capitol dome restoration project to be used more generally for state capitol restoration.

H.B. 15-1266 (Information Technology Budget Request Process): Creates the Information Technology Capital Account in the Capital Construction Fund for the purpose of funding Information Technology Capital Projects from the Capital Construction Fund. Requires that information technology budget requests clearly identify and quantify anticipated administrative and operating efficiencies or program enhancements and service expansion through cost-benefit analyses and return on investment calculations. Provides access to the interim supplemental process for information technology budget items.

H.B. 15-1280 (Capital Reserve in Certain Cash Funds): Requires state agencies to create a *capital reserve* in any cash fund which consists of accumulated depreciation related to capital outlay in the operating budget or capital construction in the capital budget. Specifies that the *capital reserve* is subject to annual appropriation in the Long Bill. Defines the *capital reserve* as a long-term asset, which is excluded from the definition of *uncommitted reserves* in the cash funds excess reserves statute, Section 24-75-402, C.R.S. Requires the State Controller to include in the annual report on excess uncommitted reserves the amount of the capital reserve excluded from uncommitted reserves for cash funds included in the report.

H.B. 15-1310 (Division of Parks and Wildlife Acquire Real Property): Appropriates \$552,500 cash funds from the Wildlife Cash Fund to the Division of Parks and Wildlife in the Department of Natural Resources for FY 2015-16 to purchase property in Garfield County.

H.B. 15-1333 (Regional Center Depreciation Account in the Capital Construction Fund): Creates the Regional Center Depreciation Account (account) within the Capital Construction Fund. The account consists of all moneys received by the Department of Health Care Policy and Financing (HCPF) for the annual calculated depreciation of the state's regional centers, which are operated by the Department of Human Services (DHS). Spending from the account is subject to appropriation and approval by the Capital Development Committee. Funds in the account may be spent for regional center controlled maintenance, capital renewal, or capital construction. The bill also requires DHS to annually report the total calculated depreciation amount credited to the account to the Joint Budget Committee no later than 45 days after the close of a fiscal year. Appropriates \$730,510 Capital Construction Fund from the account for improvements to the security perimeter fence at Kipling Village located at the Wheat Ridge Regional Center operated by the Department of Human Services for FY 2015-16. Also appropriates \$594,750 Capital Construction Fund from the account for heat-detection fire alarm systems at regional center group homes operated by the Department of Human Services for FY 2014-15.

APPENDICES

APPENDIX A. GLOSSARY OF TERMS

Capital Construction Fund

A fund that receives transfers from the General Fund for capital construction purposes. Moneys in this fund are appropriated to: construct, repair, and renovate state facilities; purchase major equipment; and acquire land. Appropriations from this fund are exempt from the fiscal year spending limit imposed by Article X, Section 20 of the Colorado Constitution (also known as the Taxpayer's Bill of Rights or TABOR), because they authorize expenditures from a reserve.

Cash Funds

Specific funds created to receive earmarked revenues, such as fees and fines. These funds typically pay for the programs for which the revenues are collected. Examples are the Wildlife Cash Fund and the Disabled Telephone Users Fund.

Common Policies

Policies adopted by the General Assembly that are applicable to all departments, unless specifically exempted. Examples of common policies are the rates paid by agencies to the Department of Personnel for vehicle leases and capitol complex leased space, and to the Governor's Office of Information Technology for information technology-related services.

C.R.S.

Colorado Revised Statutes, the compilation of Colorado laws.

Federal Funds

Funds from the federal government. Some federal funds are grants for limited purposes, while other federal funds support ongoing state-federal programs and may require matching state funds. Examples of programs requiring a state match are Medicaid and highway construction. Federal funds are exempt from the fiscal year spending limit imposed by TABOR.

FTE

Full-time equivalent (FTE) means the budgetary equivalent of one permanent position continuously filled full-time for an entire fiscal year by elected officials or by state employees who are paid for at least 2,080 hours. For example, two employees in two different positions whose combined hours equal 2,080 for a fiscal year equal one FTE.

General Fund

A fund that consists of general tax revenues, such as state sales and income tax revenues, as well as any other revenues and moneys not legally required to be credited and paid into a special fund. The General Fund is used to pay for a variety of state programs and services.

General Fund Exempt

TABOR places restrictions on the amount of General Fund and cash fund revenues that can be collected, and subsequently spent, by the State. Certain General Fund revenues are exempt from these provisions: (1) tobacco tax revenues received pursuant to Amendment 35, which contained a voter-approved tax increase that specified that some of the resulting tax revenue be deposited in the General Fund; and (2) General Fund revenues that exceed the TABOR limit but are less than the revenue cap established by Referendum C. The latter source of

funds must be deposited in the General Fund Exempt Account and can be appropriated only for health care, education, retirement plans for firefighters and police officers, and strategic transportation projects.

General Fund moneys exempt from the statutory restriction on General Fund appropriations

The total annual State General Fund appropriation is restricted to an amount equal to 5.0 percent of Colorado personal income. There are three specific exemptions to the statutory restriction on General Fund appropriations:

- appropriations due to federal law requiring a new program or service or an increase in the level of service for an existing program;
- appropriations due to a state or federal court order requiring a new program or service or an increase in the level of service for an existing program; and
- appropriations funded from an increase in taxes or fees approved by voters.

For more information, see Appendix H.

Informational Funds

The Long Bill and other legislation indicate when an amount is shown for informational purposes. As defined in the Long Bill headnotes, these amounts do not reflect appropriations made by the General Assembly, or an expenditure limit on such moneys. For more information see Appendix J.

Indirect Costs

Indirect costs are administrative support service expenses that are not billed directly to programs, offices, or divisions. Instead, these overhead expenses are allocated among programs, offices, or divisions based on an annual cost allocation plan. Indirect costs assessed to federally-funded and cash-funded programs reduce General Fund expenditures for administrative overhead costs attributable to services provided to those non-General Fund programs. Indirect cost recoveries from federally-funded and cash-funded programs are calculated to cover statewide overhead costs and departmental overhead costs.

Long Bill

Colorado's annual general appropriation act, which provides most of the appropriations to support state government operations.

Reappropriated Funds

Reappropriated funds are amounts of General Fund, cash funds, or federal funds that are appropriated more than one time in the same fiscal year. For example, funding may be initially appropriated to a department as federal funds, then appropriated to another agency for the payment of services (see Common Policies). In the recipient agency's Long Bill appropriation, this is shown as reappropriated funds with an associated letternote indicating the origin of the funds.

Referendum C

Colorado voters adopted a measure, popularly known as Referendum C, in the general election of 2005. This measure allowed the State to retain all General Fund revenues in excess of the fiscal year spending limit imposed by TABOR from July 1, 2005 through June 30, 2010. For FY 2010-11 and subsequent fiscal years, Referendum C allows the State to retain all revenues that are in excess of the TABOR fiscal year spending limit, but less than the "excess state revenues cap." The excess state revenues cap is equal to the highest total state revenues for a fiscal year from FY 2005-06 through FY 2009-10, adjusted for each subsequent fiscal year for inflation, the percentage change in state population, enterprises, and debt service changes. These revenues must

be deposited in the General Fund Exempt Account and appropriated by the General Assembly for the following purposes: (a) health care; (b) education, including capital construction projects related thereto; (c) retirement plans for firefighters and police officers, if the General Assembly determines funding is needed; and (d) strategic transportation projects.

Supplemental Appropriation

Legislation authorizing changes in appropriations for the current fiscal year or a previous fiscal year.

Taxpayer's Bill of Rights (TABOR)

Colorado voters adopted a citizen-initiated amendment to the Colorado Constitution known as the Taxpayer's Bill of Rights or TABOR (Article X, Section 20) in 1992. The amendment restricts State and local governments' abilities to collect and spend revenues without voter approval. Under TABOR, a vote of the people is required for State or local governments to: (a) increase tax rates; (b) increase retained revenues by more than the sum of inflation and the percentage population growth; (c) incur multi-year debt; or (d) weaken other limits on revenue. The amendment requires that collected revenue in excess of the inflation plus population growth limit be refunded in the following fiscal year. In November 2005 voters passed Referendum C, which allows the State to retain certain revenues in excess of the TABOR fiscal year spending limit.

B. COMMON POLICIES

A number of line item appropriations are determined by general policies (called common policies) that are applied consistently to all departments. For many line items affected by common policy, amounts are initially appropriated in individual departments and then transferred to another department such as the Department of Personnel, the Governor's Office of Information Technology, or the Department of Law, where they appear a second time as reappropriated funds. A brief explanation for each of these line items and the associated policies is provided below.

Administrative Law Judge Services

Funds for Administrative Law Judge (ALJ) services are appropriated to the 14 departments that use these services and then transferred to the Department of Personnel. Department allocations are calculated by identifying the prior fiscal year's actual costs, then distributing the costs for the upcoming fiscal year according to the prior percentage use. For FY 2015-16, statewide allocations for ALJ services total approximately \$5.3 million, compared to \$4.1 million for FY 2014-15. This includes \$5.0 million in program costs and a \$321,000 adjustment to increase the fund balance reserve for the Administrative Courts Cash Fund created in Section 24-30-1001 (3), C.R.S.

Capitol Complex Leased Space

This line item is for departments that occupy space in the Capitol Complex, the North Campus facility, the Pierce Street Building, the Grand Junction State Office Building, and Camp George West. This line item appears in each department's Executive Director's Office, with some exceptions, and is transferred to the Department of Personnel. The funding amount per square foot varies according to each building's location and intended use. For FY 2015-16, statewide agency allocations total \$15.0 million in comparison to \$10.7 million for FY 2014-15. This includes \$13.9 million in program costs and a \$1.1 million adjustment to increase the fund balance reserve for the Capitol Complex Facilities Account within the Department of Personnel Revolving Fund created in Section 24-30-1108 (1), C.R.S.

Community Provider Rates

Community provider rate adjustments are applied to programs and services which, if not provided by contract non-state providers or by county staff, would be provided by state staff. The appropriation includes a 0.5 percent increase for providers paid from the Medical Services Premiums line item in the Department of Health Care Policy and Financing and a 1.7 percent provider rate increase for all other community providers. In addition to the common policy provider rate increases, the appropriation includes targeted rate increases for select Medicaid and community corrections providers. See the Department of Health Care Policy and Financing and the Department of Public Safety for more information about the targeted rate increases.

Health, Life, and Dental

This line item pays the state's share of the cost of health, life, and dental insurance for state employees and appears in each department's Executive Director's Office, with some exceptions. The state contribution is set at 80.0 percent of premiums for FY 2015-16, consistent with the state contribution rate for FY 2014-15. Statewide health, life, and dental appropriations total \$217.3 million total funds, including \$124.4 million General Fund in FY 2015-16, compared to \$184.5 million total funds including \$105.8 million General Fund in FY 2014-15.

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 the costs of providing central

services for cash-funded and federally-funded programs that otherwise would be supported by the General Fund. For FY 2015-16, the statewide indirect cost recovery plan is estimated to recover \$16.2 million compared to \$17.2 million for FY 2014-15.

Departmental indirect cost recoveries are specific to the general administrative functions of each department, typically including the functions of the Executive Director's Office. Generally, indirect cost assessments are appropriated as cash funds, reappropriated funds, or federal funds in the division in which they are earned, and those indirect cost recoveries are reappropriated to the Executive Director's Office, reducing the need for General Fund.

Legal Services

This line item appears in the Executive Director's Office, with some exceptions, allowing departments to purchase legal services from the Department of Law, much as they would purchase legal services from a private-sector law firm. For FY 2015-16, agencies will pay a blended legal rate of \$95.01 per hour for legal services, which are provided by both attorneys and legal assistants. This compares to a rate of \$99.01 for FY 2014-15. The payments that client agencies make to the Department of Law are sufficient to pay all the direct and indirect costs of supplying the services. The Department of Law expects to provide 410,963 hours of legal services to client agencies in FY 2015-16.

Payments to OIT

This line item appears in each department's Executive Director's Office, with some exceptions, and represents each department's share of the State's information technology services provided by the Governor's Office of Information Technology (OIT). For FY 2015-16, the appropriation includes recoverable costs totaling \$125.9 million, including \$57.1 million General Fund, in comparison to a total appropriation of \$117.3 million, including \$55.2 million General Fund, for FY 2014-15.

Payment to Risk Management and Property Funds

This line item appears in each department's Executive Director's Office. Appropriations represent 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. The Department of Personnel has continuous spending authority for the property and liability programs claims, premiums, and legal expenses, but not for administrative costs. The FY 2015-16 appropriation for the risk management and property program is \$17.3 million, comprised of \$6.8 million for property and \$10.5 million for liability. This compares to \$16.9 million for FY 2014-15, comprised of \$6.8 million for property and \$10.1 million for liability.

Personal Services

For FY 2015-16, appropriations fund personal services at a continuation level of funding plus base adjustments that include the FY 2014-15 salary survey and merit pay increases.

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

Pursuant to S.B. 04-257 (Amortization Equalization Disbursement), the State contributes additional funds to assist in the amortization of the Public Employees' Retirement Association's (PERA) unfunded liability. The appropriation amount is based on employees' base salaries, including shift differential pay. While the amount is calculated on statewide base salary and is therefore considered as a compensation common policy, AED is not an item paid to state employees for compensation. The contribution amount will increase by 0.4 percent each calendar year until it reaches the maximum contribution rate of 5.0 percent in calendar year 2017. The contribution rate is 4.2 percent for calendar year 2015, and 4.6 percent for calendar year 2016. Appropriations

for FY 2015-16 total \$70.1 million, including \$37.7 million General Fund, compared to \$63.0 million total funds, including \$34.0 million General Fund in FY 2014-15.

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

In addition to the AED contribution amounts, S.B. 06-235 (Supplemental Amortization Equalization Disbursement) provides a supplemental PERA contribution. The intended fund source is money that would otherwise be available for, but not yet awarded as employee salary increases. The appropriation amount is based on employees' base salaries including shift differential pay. While the amount is calculated on statewide base salary and is therefore considered as a compensation common policy, and the intended fund source is money that would otherwise be available for salary increases, SAED is not an item paid to state employees for compensation. SAED will increase by 0.5 percent each calendar year until it reaches its maximum contribution rate of 5.0 percent in 2017. The contribution rate is 4.0 percent for calendar year 2015, and 4.5 percent for calendar year 2016. Appropriations for FY 2015-16 total \$67.3 million, including \$36.1 million General Fund, compared to \$59.1 million, including \$31.9 million General Fund in FY 2014-15.

Salary Survey and Merit Pay Awards

Salary survey line item appropriations total \$25.0 million statewide, including \$16.1 million General Fund for a 1.0 percent across-the-board increase in FY 2015-16. This compares to \$51.4 million, including \$29.3 million General Fund in FY 2014-15, which provided for a 2.5 percent across-the-board increase.

The merit pay line item appropriations total \$17.0 million statewide, including \$9.4 million General Fund for a weighted average 1.0 percent increase to provide funding for raises according to a formula that rewards performance, but also gives greater percentage increases to employees at the lower end of the pay range for their job class. This compares to \$16.3 million statewide, including \$8.7 million General Fund in FY 2014-15, for a weighted average 1.0 percent increase. The following table outlines the merit pay matrix for FY 2015-16.

Merit Pay Matrix				
Performance	Income quartile of class range			
Rating	Q1	Q2	Q3	Q4
3	1.8%	1.6%	1.4%	1.2%
2	1.0%	0.8%	0.6%	0.4%
1	0.0%	0.0%	0.0%	0.0%

Shift Differential

Shift differential payments provide higher wages for evening and night shifts. The FY 2015-16 appropriations are calculated based on actual shift differential expenditures for FY 2013-14. The FY 2015-16 appropriations total \$13.9 million, including \$11.4 million General Fund, primarily for the Departments of Corrections and Human Services, compared to \$13.5 million, including \$10.9 million General Fund, in FY 2014-15.

Short-term Disability

All state employees are eligible for employer-paid, short-term disability insurance. The appropriations are calculated based on 0.22 percent of employees' base salaries, including shift differential pay. This line item appears in each department's Executive Director's Office and cannot be expended for any other purpose. Statewide short-term disability appropriations for FY 2015-16 total approximately \$3.4 million, including \$1.8 million General Fund, which compares to \$3.3 million, including \$1.8 million General Fund, in FY 2014-15.

Vehicle Lease Payments

This line item appears in each department's Executive Director's Office, with some exceptions. Motor vehicles can only be purchased through the Fleet Management Program in the Department of Personnel pursuant to Section 24-30-1117, C.R.S. The appropriation 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. For FY 2015-16, the appropriation includes funding to replace 634 vehicles, including up to 221 compressed natural gas vehicles, compared to FY 2014-15 which replaced 684 vehicles, including 153 compressed natural gas vehicles. The statewide appropriation to Vehicle Lease Payments line items for FY 2015-16 totals \$22.6 million in comparison to \$21.0 million for FY 2014-15. The appropriation for the Vehicle Replacement Lease/Purchase line item for FY 2015-16 is \$17.4 million in comparison to \$19.0 million for FY 2014-15.

Workers' Compensation

This line item appears in each department's Executive Director's Office, with some exceptions. The appropriation 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 covers employees in all departments (except the University of Colorado and Colorado State University, which operate separate, self-insured programs). Program costs total \$43.1 million for FY 2015-16 in comparison to \$42.5 million for FY 2014-15. Allocations to state agencies total \$38.5 million, in comparison to \$45.1 million in FY 2014-15, and includes a \$4.6 million adjustment to decrease the fund balance of the State Employee Workers' Compensation Account created in Section 24-30-1510.7 (1) (a), C.R.S.

C. 2015 SESSION SUPPLEMENTAL ADJUSTMENTS TO APPROPRIATIONS FOR FY 2013-14 AND PRIOR YEARS

2015 Session Supplemental Adjustments to FY 2013-14 Operating Appropriations							
Department/ Division	Total	General Fund	General Fund Exempt	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<u>Changes to FY 2013-14 Operating Budget</u>							
Department of Education							
<i>Senate Bill 15-234</i>							
Public School Finance	\$0	(\$84,639,618)	\$84,639,618	\$0	\$0	\$0	0.0
Subtotal - Education	\$0	(\$84,639,618)	\$84,639,618	\$0	\$0	\$0	0.0
Department of Health Care Policy and Financing							
<i>Senate Bill 15-234</i>							
Medical Services Premiums	\$0	(\$84,639,618)	\$84,639,618	\$0	\$0	\$0	0.0
Subtotal - Health Care Policy and Financing	\$0	(\$84,639,618)	\$84,639,618	\$462,861	\$0	\$360,000	0.0
Department of Human Services							
<i>Senate Bill 15-149</i>							
Mental Health Institutes	\$1,148,682	(\$58,609)	\$0	\$1,207,291	\$0	\$0	0.0
Grand Junction Regional Center	<u>516,575</u>	<u>0</u>	<u>0</u>	<u>516,575</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
Subtotal - Human Services	\$1,665,257	(\$58,609)	\$0	\$1,723,866	\$0	\$0	0.0
Department of Personnel							
<i>Senate Bill 15-157</i>							
Private collection agency fees	\$100,000	\$0	\$0	\$100,000	\$0	\$0	0.0
Subtotal - Personnel	\$100,000	\$0	\$0	\$100,000	\$0	\$0	0.0

2015 Session Supplemental Adjustments to FY 2013-14 Operating Appropriations							
Department/ Division	Total	General Fund	General Fund Exempt	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Department of Public Health and Environment							
<i>Senate Bill 15-158</i>							
Purchase of services from the computer center	\$0	\$0	\$0	\$650,349	\$0	(\$650,349)	0.0
Subtotal - Public Health and Environment	\$0	\$0	\$0	\$650,349	\$0	(\$650,349)	0.0
Total Changes to FY 2013-14 Operating Budget	\$1,765,257	(\$169,697,845)	\$169,279,236	\$2,937,076	\$0	(\$290,349)	0.0

2015 Session Supplemental Adjustments to FY 2013-14 Capital Appropriations						
Department/Division	Total	Capital Construction Fund	General Fund Exempt	Cash Funds	Reappropriated Funds	Federal Funds
<u>Changes to FY 2013-14 Capital Construction Budget</u>						
<i>Senate Bill 15-165</i>						
Ute Indian Museum Landscape and Parking Lot ¹	\$0	\$0	\$0	\$0	\$0	\$0
Total Changes to FY 2013-14 Capital Budget	\$0	\$0	\$0	\$0	\$0	\$0

¹ Senate Bill 15-165 extends, until June 30, 2017, spending authority for appropriations for the Ute Mountain Museum landscape and parking lot.

D. STATE EDUCATION FUND APPROPRIATIONS

This appendix describes appropriations from the State Education Fund.

State Education Fund Revenues and Appropriations

In November 2000, Colorado voters approved Amendment 23, which added Section 17 to Article IX of the Colorado Constitution. This provision links funding for kindergarten through twelfth grade education to the rate of inflation. This provision also creates the State Education Fund (SEF), consisting of all state revenues collected from a tax of one-third of one percent on federal taxable income of every individual, estate, trust, and corporation¹, as well as any interest earned on the fund balance. Revenues to the SEF are not subject to the constitutional Taxpayer's Bill of Rights (TABOR) limitation on fiscal year spending, and SEF appropriations are not subject to the statutory limitation on state General Fund appropriations. The General Assembly may annually appropriate moneys from the SEF for the following education-related purposes:

- Compliance with the requirement to annually increase base per pupil funding for public school finance;
- Compliance with the requirement to annually increase funding for categorical programs;
- Accountable education reform;
- Class size reduction;
- Expanding technology education;
- Improving student safety;
- Expanding the availability of preschool and kindergarten programs;
- Performance incentives for teachers;
- Accountability reporting; or
- Public school building capital construction.

Table 1, on the next page, provides a summary of appropriations from the SEF for FY 2001-02 through FY 2012-13, and it details appropriations from the SEF for FY 2013-14 through FY 2015-16. To date, over \$5.5 billion has been appropriated from the SEF specifically for the state share of districts' total program funding, representing 75.1 percent of all SEF appropriations. To date, appropriations for categorical programs (\$1.0 billion) comprise another 13.7 percent of SEF appropriations.

Appropriations and transfers from the SEF for FY 2014-15 and FY 2015-16 are significantly higher than for FY 2013-14, increasing from \$740.4 million in FY 2013-14 to \$966.2 million in FY 2014-15 and \$943.7 million in FY 2015-16. As a result, the SEF fund balance is projected to decline from \$292.9 million by the end of FY 2015-16. Thus, the \$1.1 billion transfer from the General Fund to the SEF that was authorized by H.B. 12-1338 will be depleted over three years. Appropriations from the SEF for FY 2015-16 exceed projected annual fund revenues by nearly \$400 million (72.5 percent).

¹ Given the current state income tax rate of 4.63 percent, this equates to 7.13 percent of state income tax revenues (0.0033/0.0463). However, due to certain state tax credits that reduce income tax revenue, deposits to the State Education Fund actually represent a slightly higher percentage of state income tax revenues (e.g., 7.46 percent in FY 2013-14).

Table 2, following Table 1, summarizes State Education Fund revenues and expenditures/appropriations for FY 2013-14 through FY 2015-16.

TABLE 1				
History of Appropriations from the State Education Fund				
Description	Cumulative: FY 2001-02 thru FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Public School Finance:				
Funding for the state share of districts' total program funding (including Colorado Preschool Program and full-day kindergarten funding)	\$3,720,213,884	\$523,620,586	\$670,481,408	\$630,328,949
Facility school funding (H.B. 08-1388)	81,784,333	16,990,054	17,051,972	16,794,666
Hold-harmless full-day kindergarten funding (H.B. 08-1388)	36,151,923	7,109,172	7,496,012	7,756,521
District per pupil reimbursements for juveniles held in jail (S.B. 10-054)	100,000	25,000	25,000	25,000
Public school finance administration	20,418	20,418	84,372	81,760
Declining enrollment study (H.B. 08-1388)	200,000	0	0	0
Mid-year appropriation adjustments	<u>9,119,160</u>	<u>3,800,402</u>	<u>(2,897,428)</u>	<u>0</u>
Subtotal: School Finance	\$3,847,589,718	\$551,565,632	\$692,241,336	\$654,986,896
<i>Percent of Total Appropriations</i>	<i>81.3%</i>	<i>74.5%</i>	<i>71.6%</i>	<i>69.4%</i>
Categorical Programs	\$605,381,568	\$127,093,954	\$136,525,196	\$144,317,335
<i>Percent of Total Appropriations</i>	<i>12.8%</i>	<i>17.2%</i>	<i>14.1%</i>	<i>15.3%</i>
School Capital Construction:				
Charter school capital construction	\$68,219,995	\$7,000,000	\$13,500,000	\$20,000,000
School Capital Construction Expenditures Reserve	25,471,112	0	0	0
School Construction and Renovation Fund	7,500,000	0	0	0
Charter School Debt Reserve Fund	<u>1,000,000</u>	<u>0</u>	<u>6,500,000</u>	<u>0</u>
Subtotal: Capital Construction	\$102,191,107	\$7,000,000	\$20,000,000	\$20,000,000
<i>Percent of Total Appropriations</i>	<i>2.2%</i>	<i>0.9%</i>	<i>2.1%</i>	<i>2.1%</i>
Professional Development and Instructional Support:				
ELL Professional development and student support (H.B. 14-1298)	\$0	\$0	\$27,000,000	\$27,000,000
Quality teacher recruitment program (S.B. 13-260)	0	3,000,000	3,000,000	3,000,000
School turnaround leaders development (S.B. 14-124)	0	0	2,000,000	2,000,000
Stipends for nationally board certified teachers (H.B. 08-1384)	604,800	1,617,600	1,580,800	1,580,800
English language proficiency excellence award program (H.B. 14-1298)	0	0	500,000	500,000
Content specialists	2,181,669	441,808	463,652	460,698
A.P. Incentives Pilot Program (H.B. 14-1118)	0	0	261,561	260,519
English language learners technical assistance (H.B. 14-1298)	0	0	53,228	50,876
Teaching and learning conditions survey (H.B. 08-1384)	85,000	0	0	0
Closing the Achievement Gap	5,301,000	0	0	0
Teacher Pay Incentive Program	12,630,000	0	0	0
Science and Technology Education Center Grant Program	1,400,000	0	0	0

TABLE 1
History of Appropriations from the State Education Fund

Description	Cumulative: FY 2001-02 thru FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Civic education	602,305	0	0	0
National credential fee assistance	493,000	0	0	0
Financial literacy	201,757	0	0	0
School Leadership Academy Program (H.B. 08-1386)	162,983	0	0	0
Colorado History Day	60,000	0	0	0
Alternative Teacher Compensation Plan Grants (H.B. 08-1388)	0	0	0	0
Subtotal: Professional Development and Instructional Support	\$23,722,514	\$5,059,408	\$34,859,241	\$34,852,893
<i>Percent of Total Appropriations</i>	<i>0.5%</i>	<i>0.7%</i>	<i>3.6%</i>	<i>3.7%</i>
Other Grants, Distributions, and Assistance:				
Transfer to Early Literacy Fund (S.B. 13-260)	\$0	\$16,000,000	\$34,000,000	\$34,000,000
School Counselor Corps Grant Program (H.B. 08-1370)	24,996,654	5,000,000	8,002,716	10,000,000
Small rural school district per pupil funding (H.B. 15-1321)	0	0	0	10,000,000
Assistance to BOCES (H.B. 12-1345)	1,300,000	1,300,000	3,302,785	3,306,260
Child Nutrition School Lunch Protection Program (S.B. 08-123)	4,250,000	850,000	850,000	850,000
Colorado Student Leaders Institute Pilot Program (S.B. 15-290)	0	0	0	218,825
Transfer to Colorado Teacher of the Year Fund (H.B. 14-1298)	0	0	24,800	24,800
Interstate compact on educational opportunities for military children (H.B. 08-1317)	139,448	23,015	23,217	22,826
Funding for new textbooks	14,144,066	0	0	0
Summer School Grant Program	2,988,563	0	0	0
Regional service cooperatives (S.B. 08-038)	1,224,877	0	0	0
Facility Summer School Grant Program	1,000,000	0	0	0
Aid for declining enrollment districts with new charter schools	1,000,000	0	0	0
Hold-harmless facility school student funding (H.B. 08-1388)	587,504	0	0	0
Family Literacy Education Grant Program	400,000	0	0	0
First responder school mapping (H.B. 08-1267)	150,000	0	0	0
Subtotal: Other Grants, Distributions, and Assistance	\$52,181,112	\$23,173,015	\$46,203,518	\$58,422,711
<i>Percent of Total Appropriations</i>	<i>1.1%</i>	<i>3.1%</i>	<i>4.8%</i>	<i>6.2%</i>
Accountability/ Reform:				
Colorado Student Assessment Program	\$78,958,124	\$24,972,004	\$29,058,189	\$26,882,161
Early literacy assessment tool (H.B. 12-1345)	3,000,000	0	2,679,484	2,795,767
Preschool to postsecondary education alignment (S.B. 08-212)	3,245,335	567,685	579,323	586,509
Division of On-line Learning (S.B. 07-215)	1,139,637	337,334	344,383	352,273
Longitudinal assessment data analyses	388,000	0	298,000	298,000
Educator Effectiveness Unit administration (H.B. 13-1257)	0	120,093	115,390	125,962
Basic skills placement or assessment tests (H.B. 12-1345)	1,000,000	320,917	320,917	50,000
Transfer to Financial Reporting Fund (H.B. 14-1292)	0	0	3,000,000	0
Transfer to Great Teachers and Leaders Fund (S.B. 13-260)	0	200,000	0	0
Educator Effectiveness Implementation (S.B. 10-191)	6,426,830	0	0	0
School Improvement Grant Program	5,350,000	0	0	0
Facility Schools Unit and Facility Schools Board (H.B. 08-1204)	523,568	0	0	0

TABLE 1				
History of Appropriations from the State Education Fund				
Description	Cumulative: FY 2001-02 thru FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Review and update of non-English assessments	411,953	0	0	0
Modifications to accountability reports	75,000	0	0	0
Study non-English assessments	50,000	0	0	0
Study administration of ACT	<u>50,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal: Accountability/ Reform	\$100,618,447	\$26,518,033	\$36,395,686	\$31,090,672
<i>Percent of Total Appropriations</i>	<i>2.1%</i>	<i>3.6%</i>	<i>3.8%</i>	<i>3.3%</i>
TOTAL	\$4,731,684,466	\$740,410,042	\$966,224,977	\$943,670,507
<i>Annual Dollar Change</i>		<i>\$229,480,795</i>	<i>\$225,814,935</i>	<i>(\$22,554,470)</i>
<i>Percent Annual Change</i>		<i>44.9%</i>	<i>30.5%</i>	<i>-2.3%</i>

TABLE 2			
Comparison of State Education Fund Revenues and Expenditures/Appropriations (\$ millions)			
Description	FY 13-14	FY 14-15	FY 15-16
Beginning Fund Balance	\$183.4	\$1,048.9	\$664.2
Actual/ Projected Revenues ^{/1}	486.6	517.5	547.1
Appropriations/ Transfers to the SEF ^{/2}	1,118.8	63.9	25.3
Actual Expenditures/ Appropriation /Transfers to Other Cash Funds ^{/3}	-	<u>(739.8)</u>	<u>(943.7)</u>
Ending Fund Balance ^{/4}	\$1,048.9	\$664.2	\$292.9

^{/1} Projected State Education Fund revenues for FY 2014-15 and FY 2015-16 are based on the amount of General Fund revenues anticipated to be directed or transferred to the Fund pursuant to the *March 2015* Legislative Council Staff Revenue Forecast, as well as projections of interest earnings based on the State Education Fund model utilized by Legislative Council and Joint Budget Committee staff.

^{/2} Transfers from the General Fund to the State Education Fund are based on H.B. 12-1338, S.B. 13-260, and S.B. 13-234.

^{/3} Actual expenditures are reflected for FY 2013-14; appropriations are reflected for FY 2014-15 and FY 2015-16. Amounts include the following transfers to other cash funds: \$16.0 million to the Early Literacy Fund and \$0.2 million to the Great Teachers and Leaders Fund in FY 2013-14 pursuant to S.B. 13-260; \$34.0 million to the Early Literacy Fund in both FY 2014-15 and FY 2015-16 pursuant to H.B. 14-1292; and \$24,800 to the Colorado Teacher of the Year Fund in both FY 2014-15 and FY 2015-16 pursuant to H.B. 14-1298.

^{/4} Totals may not sum due to rounding.

E. HIGHWAY USERS TAX FUND OFF-THE-TOP APPROPRIATION

The Highway Users Tax Fund (HUTF) includes revenues from gas and special-fuel taxes, fines, license plate fees, driver's license fees, motor vehicle title and registration fees, and passenger-mile taxes. Article X, Section 18 of the Colorado Constitution limits expenditures from gas taxes and license and registration fees exclusively to the construction, maintenance, and supervision of state highways. HUTF "off-the-top" refers to the portion of the HUTF that is appropriated for highway supervision. The appropriations are taken off-the-top before the formula allocation of HUTF to the State Highway Fund, counties, and cities.

Pursuant to the various provisions of Sections 43-4-201 through 216, C.R.S., HUTF off-the-top appropriations can only be used by the Colorado State Patrol in the Department of Public Safety and related capital projects. The General Assembly had previously approved legislation to allow the use of HUTF off-the-top appropriations in the Department of Revenue for the Division of Motor Vehicles for FY 2008-09 through FY 2011-12.

Section 43-4-201 (3) (a) (I) (C), C.R.S., limits the annual growth of HUTF off-the-top appropriations to no more than 6.0 percent of the off-the-top appropriation from the previous year, regardless of any increase or decrease in overall highway-related revenues. In addition, statute limits HUTF off-the-top appropriations to no more than 23.0 percent of the total HUTF revenue for the prior fiscal year. The following table shows the off-the-top appropriations from the HUTF for FY 2015-16 compared to FY 2014-15, and the limit for FY 2015-16.

HUTF "Off-the-Top" Appropriations Comparison		
Section 43-4-201 (3) (a) (I) (C), C.R.S.		
	Appropriations Comparison	Percent Change
FY 2014-15 HUTF "Off-the-Top" Appropriation Base	\$128,320,414	
Multiplied by the 6.0 Percent Allowable Growth	<u>1.06</u>	
FY 2015-16 HUTF "Off-the-Top" Appropriation Limit	\$136,019,639	6.0%
FY 2015-16 HUTF "Off-the-Top" Appropriations:		
Department of Public Safety, Colorado State Patrol (Long Bill Operating Budget)	\$132,609,379	
Department of Public Safety, Colorado State Patrol (Long Bill Capital Budget)	<u>2,076,402</u>	
Total FY 2015-16 HUTF "Off-the-Top" Appropriations	\$134,685,781	5.0%
Over / (Under) FY 2015-16 "Off-the-Top" Appropriation Limit	(\$1,333,858)	

F. SEVERANCE TAX TRUST FUND OPERATIONAL FUND OVERVIEW

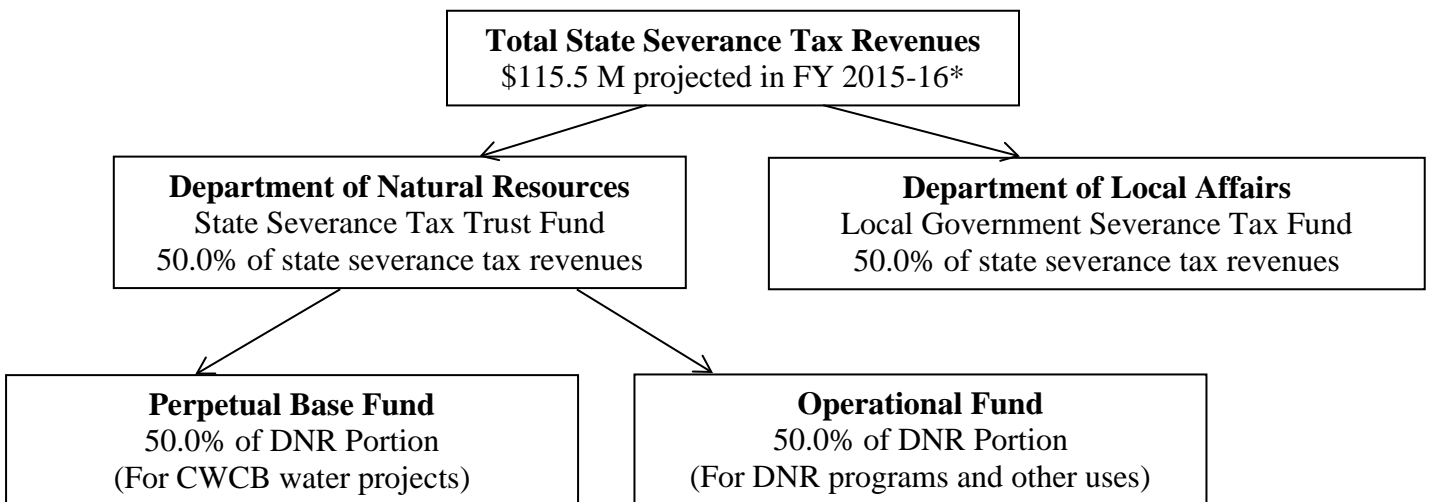
This appendix describes the allocation of state severance tax revenues and anticipated expenditures from the Severance Tax Operational Fund.

Severance Tax Revenue Allocation

Pursuant to Section 39-29-108 (2), C.R.S., 50.0 percent of severance tax revenues are credited to the State Severance Tax Trust Fund, primarily for programs in the Department of Natural Resources (DNR), and the remaining 50.0 percent are credited to the Local Government Severance Tax Fund to be used by the Department of Local Affairs (DOLA) for grants and distributions to local governments affected by mining activities. Revenues in the State Severance Tax Trust Fund are further distributed as follows:

- Section 39-29-109 (2) (a) (II), C.R.S., provides that 50.0 percent of revenues deposited into the State Severance Tax Trust Fund (or 25.0 percent of total severance tax revenues) shall be allocated to the Severance Tax Perpetual Base Fund and used by the Colorado Water Conservation Board (CWCB) for water construction projects.
- Section 39-29-109 (2) (b), C.R.S., provides that the remaining 50.0 percent of State Severance Tax Trust Fund revenues (or 25.0 percent of total severance tax revenues) shall be allocated to the Severance Tax Operational Fund (Operational Fund) to fund programs that "promote and encourage sound natural resource planning, management, and development related to minerals, energy, geology, and water" and "programs to reduce the burden of increasing home energy costs on low-income households" (see Section 39-29-109 (1), C.R.S.).

The following diagram illustrates the statutory distribution of severance tax revenues:



* Based on the March 2015 Legislative Council Staff revenue forecast. Does not include interest earnings on individual funds.

Summary of the Severance Tax Operational Fund

The Operational Fund supports two tiers of programs. Tier I programs support the day-to-day operations of the Department of Natural Resources including funding salaries for employees. Tier II programs support grants, loans, research, and construction. The required reserve for Tier I programs is equal to the total annual appropriation for Tier I programs, while the required reserve for Tier II programs is equal to 15.0 percent of the annual authorized expenditures for those programs.

The distribution of funding for all Tier II programs is staggered with 40.0 percent released on July 1st, 30.0 percent released on January 4th, and the remaining 30.0 percent released on April 1st each year. Tier II programs are subject to proportional reductions if revenue projections indicate that there are insufficient funds to support appropriations and authorized expenditures within a given fiscal year. For example, Tier II programs absorbed a total of \$9.1 million in proportional reductions in FY 2012-13, a reduction of 25.5 percent from the authorized level of expenditures. The March 2015 Legislative Council Staff revenue forecast projects sufficient revenue to fulfill the final disbursement to Tier II programs in FY 2014-15, and fund Tier II programs in FY 2015-16 without proportional reductions.

The following table provides an overview of projected revenues and expenditures from the Operational Fund based on the March 2015 Legislative Council Staff revenue forecast. Please note that estimated revenue in FY 2014-15 accounts for the impact of S.B. 15-255 (Deposit Severance Tax Revenues in General Fund). The bill diverts up to \$20.0 million in severance tax revenues collected after the effective date to the General Fund in FY 2014-15 before those funds are distributed to the DNR and DOLA. The Operational Fund receives 25.0 percent of total revenue and will see a corresponding revenue reduction of up to \$5.0 million in FY 2014-15 (i.e. 25.0 percent of the total amount diverted to the General Fund) as a result of this bill. For more information, see the "Recent Legislation" section at the end of Part III of the Department of Natural Resources.

Severance Tax Operational Fund							
	Statutory Cite (C.R.S.)	FY 2013-14 Actual		FY 2014-15 Estimated		FY 2015-16 Estimated	
Beginning balance		\$18,981,011		\$32,784,247		\$58,514,136	
Revenue		<u>63,070,806</u>		<u>78,461,880</u> (est.)		<u>29,290,348</u> (est.)	
TOTAL Available for Expenditure		\$82,051,817	100.0%	\$111,246,127	100.0%	\$87,804,484	100.0%
Roll-forwards		\$0		\$743,586		\$0	
Off-the-Top Expenditures							
Colorado Energy Office ¹	39-29-108 (2)	\$0		\$375,000		\$375,000	
Public School Energy Efficiency Fund	39-29-109.5	53,638		TBD		TBD	
S.B. 15-253 (2015 CWCB Projects Bill)	39-29-109.3 (2) (q) & (r)	0		0		2,200,000	
Tier 1							
Oil and Gas Conservation Commission	39-29-109.3 (1) (a)	\$3,212,032	3.9%	\$3,212,032	2.9%	\$5,762,842	6.6%
Colorado Geological Survey	(b)	1,257,148	1.5%	1,342,243	1.2%	1,342,243	1.5%
Avalanche Information Center	(b.5)	494,961	0.6%	466,872	0.4%	506,261	0.6%
Div. of Reclamation, Mining, and Safety	(c)	4,495,666	5.5%	4,599,580	4.1%	4,517,990	5.1%
Colorado Water Conservation Board	(d)	1,305,010	1.6%	1,319,250	1.2%	1,319,250	1.5%
Division of Parks and Wildlife	(e) & (f)	<u>2,370,397</u>	<u>2.9%</u>	<u>2,422,356</u>	<u>2.2%</u>	<u>2,577,926</u>	<u>2.9%</u>
SUBTOTAL Tier 1		\$13,135,214	16.0%	\$13,362,333	12.0%	\$16,026,512	18.3%
Tier 2²							
Water infrastructure development	39-29-109.3 (2) (a)	\$10,091,639		\$10,000,000		\$10,000,000	

Severance Tax Operational Fund				
	Statutory Cite (C.R.S.)	FY 2013-14 Actual	FY 2014-15 Estimated	FY 2015-16 Estimated
Soil Conservation Districts matching grants	(b)	454,124	450,000	450,000
Water efficiency grants	(c)	555,040	550,000	550,000
Species Conservation Trust Fund	(e)	4,036,656	6,500,000	5,000,000
Low income energy assistance	(f)	13,119,131	13,000,000	13,000,000
Renewable energy - Agriculture	(h)	504,582	500,000	500,000
Interbasin water compacts	(i)	751,895	745,067	745,067
Forest restoration grants/ bark beetle	(k) and (n)	2,522,910	2,500,000	2,500,000
Aquatic Nuisance Species Fund	(m)	4,042,714	4,006,005	4,006,005
H.B. 15-1150 (Forfeited Mine Site Reclamation)	(o)	0	0	127,000
S.B. 15-022 (Wildfire Risk Reduction Grants)	(p)	0	0	1,000,000
Phreatophyte (Tamarisk) Control Grants	(s)	<u>0</u>	<u>0</u>	<u>2,000,000</u>
SUBTOTAL Tier 2		\$36,078,691 44.0%	\$38,251,072 34.4%	\$39,878,072 45.4%
TOTAL Expenditures		\$49,267,570³	\$52,731,991	\$58,479,584
Ending Balance		\$32,784,247	\$58,514,136	\$29,324,900
Tier 1 Reserve	39-29-109.3 (3)	\$13,135,214	\$13,362,333	\$16,026,512
Tier 2/LEAP Reserve	39-29-109.3 (3)	<u>5,362,661</u>	<u>5,737,661</u>	<u>5,981,711</u>
TOTAL Reserve Requirement		\$18,497,875 22.5%	\$19,099,994 17.2%	\$22,008,223 25.1%
UNOBLIGATED BALANCE		\$14,286,372 17.4%	\$39,414,142 35.4%	\$7,316,677 8.3%

(est.) = estimate. Revenue estimates are based on the Legislative Council Staff's March 2015 Revenue Forecast and include: \$439,760 in estimated interest in FY 2014-15, an estimated reduction of \$5.0 million in revenue in FY 2014-15 to reflect the impact of S.B. 15-255 (Deposit Severance Tax Revenues In General Fund) on the Operational Fund, and \$419,553 in estimated interest in FY 2015-16. Proportional reductions are not anticipated for Tier 2 programs in FY 2014-15 or FY 2015-16.

TBD = To be determined

¹ Reflects the impact of the transfer of \$1.5 million of total gross receipts from severance taxes to the Innovative Energy Fund, which is administered by the Colorado Energy Office pursuant to Section 24-38.5-102.5, C.R.S. The Operational Fund receives 25.0% of total severance tax revenues and, as such, bears the burden of one quarter of the total transfer amount, equivalent to a reduction or expenditure of \$375,000.

² Tier II programs established in paragraphs (d), (g), (l) and (j) of Section 39-29-109.3 (2), C.R.S., have been repealed and no longer receive funding from the Severance Tax Operational Fund.

³ The total expenditures amount in FY 2013-14 includes an adjustment of \$27 in accordance with records from the Department of Natural Resources.

G. TOBACCO REVENUE ALLOCATIONS

This appendix describes the allocation of the revenues that Colorado receives from the tobacco Master Settlement Agreement and from the tobacco taxes imposed by Article X, Section 21 of Colorado Constitution (often called Amendment 35).

Tobacco Master Settlement Agreement Revenue Allocation

The payments that Colorado receives from the tobacco manufacturers who participate in the 1998 Master Settlement Agreement (MSA) consist of a perpetual stream of "base" payments, which began in 2000, and a ten-year stream of "Strategic Contribution Fund" payments, which began in 2008. The vast majority of these annual payments arrive in April. Since 2006, the payments have been reduced due to an ongoing dispute concerning Colorado's enforcement of its laws governing tobacco manufacturers who do not participate in the MSA. This disagreement has led most participating manufacturers to annually withhold a portion of their payments. The core MSA funding allocation process is described in Section 24-75-1104.5, C.R.S. In brief:

- The total amount of tobacco settlement funds allocated to programs equals 98.5 percent of the total settlement payments received by the State during the prior fiscal year. Annual allocations are based on Colorado's base and Strategic Contribution Fund payments, but do not include disputed amounts that have been withheld by tobacco companies.
- Dollars allocated each year are a combination of moneys received during the prior fiscal year and the current fiscal year.
- Settlement programs are divided into two tiers. Programs in each tier may receive a percentage of funding, a percentage subject to certain conditions such as a minimum or maximum, or a fixed dollar amount. Funding is first allocated to Tier 1 programs (receiving approximately two-thirds of total revenues), with most of the remaining balance allocated to Tier 2 programs.
- Most programs cannot spend their allocation without an appropriation. In most cases, the appropriation equals or approximates the annual allocation.

Allocation formula procedures are described in more detail below.

Amount to be Allocated

Colorado's annual revenue from the MSA is comprised of a base payment (received in perpetuity) and a Strategic Contribution Payment (additional funds of approximately \$15 million per year received for ten years from April 2008 through April 2017). Funding has also been affected by ongoing legal disputes with tobacco companies, resulting in both reduced annual receipts (based on amounts withheld by tobacco companies) and one-time funding increases.

The table below reflects the payment history. Amounts received in the prior year (e.g., FY 2014-15) determine total funding allocations for the current year (e.g., FY 2015-16). However, special ("disputed") payments received as legal issues are resolved are not allocated to programs and are used to reduce the share of MSA expenditures made from current year revenue these "accelerated payments" are described below.

Colorado Tobacco Master Settlement Agreement Payments and Disputed Payments 2007 to 2017				
Year of Distribution	Fiscal Year Expended	Colorado Annual Payment After Withholdings	Disputed Amount Withheld	Release of Prior Withholdings
2007	FY 2007-08	\$82,005,568	(\$12,113,579)	
2008	FY 2008-09	103,640,385	(7,711,843)	
2009	FY 2009-10	105,419,647	(7,062,223)	\$7,411,531
2010	FY 2010-11	95,709,303	(8,714,641)	
2011	FY 2011-12	89,065,763	(13,614,015)	
2012	FY 2012-13	90,809,964	(11,574,809)	
2013	FY 2013-14	90,769,997	(12,362,477)	
2014	FY 2014-15	89,037,053	(11,756,684)	11,367,403
Forecast 2015	FY 2015-16	88,562,575	(11,694,032)	
Forecast 2016	FY 2016-17	88,054,137	(11,626,897)	
Forecast 2017	FY 2017-18	87,430,714	(11,544,578)	

Use of Current and Prior-year Revenue to Support Allocations - Accelerated Payments

Since FY 2008-09, allocations during a given year have been a combination of current-year and prior-year revenue. Prior to FY 2007-08, all allocations were based on revenue received in the prior year. Pursuant to H.B. 07-1359, for FY 2008-09, the General Assembly began to rely on current year receipts of Strategic Contribution Fund payments to support current year allocations, which allowed it to redirect one-time funds of \$15.4 million to other purposes without reducing support for MSA-funded programs. Pursuant to S.B. 09-269, for FY 2010-11, the General Assembly expanded the use of current year revenue, using this mechanism to access \$65.0 million in one-time funding without reducing support for MSA programs. Because of these acts, MSA-funded programs operate for most of the fiscal year before the majority of the tobacco settlement revenue arrives. To do so, the programs receive advances from the Treasury, which are repaid in April.

House Bill 12-1247 began to gradually reduce the use of such advances from the Treasury by reducing the use of current year revenue and increasing the use of prior year revenue for tobacco MSA allocations. This act requires spending from current year revenue to be reduced each year by any unallocated MSA funds and other residual funds in the Tobacco Litigation Settlement Cash Fund (approximately \$1.4 million per year total, but varies by year). Allocations from reserves in the Tobacco Litigation Settlement Cash Fund compensate for the decline in spending from current year revenue, so that programs supported by MSA revenue receive no less than they would have under the previous formula. In addition, pursuant to S.B. 14-104 and H.B. 14-1394, disputed payments received are also used to reduce the amount of spending from current year revenue. A total of \$11.4 million received in April 2014 was used for this purpose.

Allocations to Programs

Section 24-75-1104.5, C.R.S., divides MSA programs into two tiers. Settlement moneys are first allocated among the Tier 1 programs, which will use approximately two-thirds of the total. The remainder is allocated among the Tier 2 programs. The tables below list the Tier 1 and Tier 2 MSA programs and provide an overview of each program's statutory allocation. Note that the Children's Basic Health Plan receives allocations from both tiers.

Allocation of MSA Payments - Tier 1 Programs	
Recipient	Portion of the Total Amount Allocated
Children's Basic Health Plan Trust	27.0%, not to exceed \$33.0 million and not less than \$17.5 million
Nurse Home Visitor (NHV) Program and the General Fund (GF)	17.0% less \$1.0 million in FY 2013-14, 18.0% less \$1.0 million in FY 2014-15, 19.0% less \$1.0 million in FY 2015-16, and 19.0% in FY 2016-17 and thereafter, not to exceed \$19.0 million in any year
Fitzsimons lease purchase	8.0%, not to exceed the lesser of \$8.0 million or the actual lease purchase payment
Early Literacy Grant Program	5.0%, not to exceed \$8.0 million
Tony Gramscas Youth Services Program	4.0%, not to exceed \$5.0 million
HIV/AIDS Drug Assistance Program	3.5%, not to exceed \$5.0 million
HIV and AIDS Prevention Grant Program	2.0%, not to exceed \$2.0 million
State Veterans Trust Fund	1.0%, not to exceed \$1.0 million (10.0% of the state veterans allocation is retained in the State Veterans Trust Fund and the remaining 90.0%, plus interest earned by the trust, is expended)
Tobacco Settlement Defense Account	\$1,000,000 (fixed) in FY 2013-14, FY 2014-15, and FY 2015-16
Treatment for Children with Autism	\$1,000,000 annually (fixed)
Mental Health Treatment Services for Youth	\$300,000 annually (fixed)
Dental Loan Repayment Program	\$200,000 annually (fixed)

Allocation of MSA Payments - Tier 2 Programs	
Recipient	Portion of the Residual Allocated after Tier 1 Program Allocations
University of Colorado Health Sciences Center	49.0%
Children's Basic Health Plan Trust	14.5%
Mental health services for juvenile and adult offenders	12.0%
Local public health services	7.0%
Supplemental state contribution for state employee group benefit plans	4.5%
Colorado Immunization Program	4.0%
Alcohol and drug abuse prevention and treatment programs	3.0%
Health Services Corps (Health Care Professional Loan Forgiveness Program)	\$250,000 (fixed)
State Auditor's Office	\$89,000 (fixed)
Retained in Tobacco Litigation Settlement Cash Fund	6.0% less fixed Tier 2 allocations
Total	100.0%

Various statutory changes have modified the allocation formulas over the years. For further information on the history of allocations, see the "Recent Legislation" section at the end of this appendix and prior-year Appropriations Reports. The table below summarizes the combined total allocations by department and program for FY 2014-15 and FY 2015-16.

Tobacco Master Settlement Agreement Allocations			
	FY 14-15 Actual	FY 2015-16 Appropriation	Annual Change
Education - Early Literacy Grant Program	\$4,451,853	\$4,428,129	(\$23,724)
Health Care Policy and Financing			
Children's Basic Health Plan Trust	27,889,272	27,611,075	(278,197)
Treatment for Children with Autism	<u>1,000,000</u>	<u>1,000,000</u>	<u>0</u>
<i>Subtotal - Health Care Policy and Financing</i>	28,889,272	28,611,075	(278,197)
Higher Education - University of Colorado Health Sciences Center	13,007,869	12,500,677	(507,192)
Human Services			
Nurse Home Visitor Program	15,026,670	15,826,889	800,219
Tony Grampsas Youth Services Program	3,561,482	3,542,503	(18,979)
Mental Health Services for Juvenile and Adult Offenders	3,185,601	3,061,390	(124,211)
Treatment, Detoxification, and Prevention Contracts	796,400	765,348	(31,052)
Mental Health Treatment Services for Youth	300,000	300,000	0
<i>Subtotal - Human Services</i>	22,870,153	23,496,130	625,977
Law - Tobacco Settlement Defense Account	1,000,000	1,000,000	0
Legislature - State Auditor's Office	89,000	89,000	0
Military and Veterans Affairs - State Veterans Trust Fund	890,371	885,626	(4,745)
Personnel - Supplemental State Contribution Fund	1,194,600	1,148,021	(46,579)
Public Health and Environment			
AIDS Drug Assistance Program (ADAP; Ryan White)	3,116,297	3,099,690	(16,607)
Local Public Health Agencies	1,858,267	1,785,811	(72,456)
AIDS and HIV Prevention Grants (CHAPP)	1,780,741	1,771,252	(9,489)
Immunizations	1,061,867	1,020,463	(41,404)
Health Services Corps Fund	250,000	250,000	0
Dental Loan Repayment Program	<u>200,000</u>	<u>200,000</u>	<u>0</u>
<i>Subtotal Public Health and Environment</i>	8,267,172	8,127,216	(139,956)

Tobacco Master Settlement Agreement Allocations			
	FY 14-15 Actual	FY 2015-16 Appropriation	Annual Change
Capital Construction - Department of Higher Education - Fitzsimons Lease Purchase Payments	7,122,964	7,085,006	(37,958)
Amounts not allocated - used to reduce accelerated payments	1,253,799	1,191,695	(62,104)
Total Allocations to MSA-Supported Programs	\$89,037,053	\$88,562,575	(\$474,478)

Constitutional (Amendment 35) Tobacco Tax Revenue Allocation

Amendment 35 was approved by the voters in 2004 and added the following two cigarette and tobacco taxes to Section 21 of Article X of the Colorado Constitution:

1. An additional \$0.64 tax on each pack of cigarettes sold in Colorado (a pack equals twenty cigarettes); and
2. A statewide tobacco products tax equal to 20.0 percent of the manufacturer's list price, on the sale, use, consumption, handling, or distribution of tobacco products by distributors.

Amendment 35 was also codified in Section 24-22-117, C.R.S. This provision outlines how revenue from Amendment 35 is allocated to various state agencies including: the Departments of Health Care Policy and Financing (HCPF), Public Health and Environment (DPHE), Revenue (DOR), and Human Services (HUM). The following table summarizes the allocation of Amendment 35 funds for FY 2015-16 as reflected in S.B. 15-234.

FY 2015-16 Distribution of Amendment 35 Moneys				
Dept.	Program and/or Fund	Percent	FY 2015-16 Recommended Appropriation	Change from FY 14- 15 Appropriation
HCPF	Health Care Expansion Fund, to provide funding to the Children's Basic Health Plan and Medicaid.	46.0%	\$65,564,260	\$612,260
HCPF	Primary Care Fund, to provide funding to clinics and hospitals that offer health care services to the uninsured or medically indigent.	19.0%	27,080,890	252,890
DPHE	Tobacco Education Programs Fund, to support grants for tobacco education, prevention and cessation.	16.0%	22,804,960	212,960
DPHE	Prevention, Early Detection and Treatment Fund	<u>16.0%</u>	<u>22,804,960</u>	<u>212,960</u>
	20.0% for CDPHE and HCPF for the Breast and Cervical Cancer Program (up to \$5.0 million)*	3.2% of 16.0%	4,560,992	42,592
	15.0% to Health Disparities Program Fund	2.4% of 16.0%	3,420,744	31,944
	Money to the Center for Health and Environmental Information	dollar amount	283,884	0
	<i>Remains in the Prevention, Early Detection and Treatment Fund for grants for cancer, cardiovascular and pulmonary disease.</i>		<i>14,539,340</i>	<i>138,424</i>
DHS	Old Age Pension Fund	1.5%	2,137,965	19,965
DOR	Local governments, to compensate for lost revenue from tobacco taxes	0.9%	1,282,779	11,979
DPHE	Immunizations performed by small local public health agencies.	0.3%	427,593	3,993
HCPF	Children's Basic Health Plan	0.3%	427,593	3,993
Total Distributions		100.0%	\$142,531,000	\$1,331,000
Total Allocations by Department:				
Health Care Policy and Financing			\$93,072,743	\$869,143
Department of Public Health and Environment			46,037,513	429,913
Department of Human Services			2,137,965	19,965
Department of Revenue			1,282,779	11,979

Recent Legislation

2014 Session Bills

S.B. 14-104 (Tobacco Settlement Disputed Payments): Requires that disputed tobacco litigation settlement moneys received be credited to the Tobacco Litigation Settlement Cash Fund and be used to reduce the annual amount of accelerated payments from the Fund. Previously, disputed tobacco litigation settlement moneys were credited to the General Fund. A total of \$11,367,403 in disputed payments was received in April 2014 and was subject to this change.

H.B. 14-1394 (Allocation of Tobacco Settlement Disputed Payments): Makes technical corrections to the statutory changes in S.B. 14-104.

2014 Session Bills

S.B. 15-188 (Tier 1 Tobacco Settlement Money Allocation): Makes a new annual statutory allocation of 2.0 percent of tobacco litigation settlement money to the Tobacco Settlement Defense Account (Account) of the Litigation Settlement Cash Fund and an offsetting 2.0 percent reduction in the annual statutory allocation of such money to the Children's Basic Health Plan Trust. Authorizes the Department of Revenue to also use money in the Account to help administer, coordinate, and support the activities of the Departments of Revenue and Law, including the investigation of and response to settlement agreement manufacture and distribution reporting irregularities identified by the Department of Law. Appropriates \$69,453 cash funds and 1.0 FTE to the Department of Revenue for FY 2015-16.

S.B. 15-189 (Repeal Consolidated Tobacco Program Reporting Requirements): Repeals requirements that the State Board of Health and the Department of Public Health and Environment annually report on the operation and effectiveness of tobacco settlement programs. Reduces the Department's FY 2015-16 appropriation by \$25,000 reappropriated funds from various MSA-supported programs.

H. GENERAL FUND APPROPRIATIONS EXEMPT FROM STATUTORY AND CONSTITUTIONAL RESTRICTIONS

This appendix provides information concerning General Fund amounts that are described or categorized as "exempt" in this document.

1. Appropriations Exempt from the Constitutional Restriction

The annual General Appropriation Act includes two categories of General Fund appropriations: General Fund, and General Fund Exempt. Items that appear in the "General Fund Exempt" column are exempt from the state fiscal year spending limit in Article X, Section 20 of the Colorado Constitution (the Taxpayer's Bill of Rights or TABOR). There are currently two types of appropriations that are categorized as General Fund Exempt:

- Appropriations from the General Fund Exempt Account:** Referendum C, which was referred to and passed by voters in November 2005, authorizes the State to retain and spend moneys in excess of the TABOR state fiscal year spending limit, but less than the excess state revenues cap. This measure also established the General Fund Exempt Account, which consists of the amount of state revenues in excess of the TABOR state fiscal year spending limit that would have been refunded had Referendum C not passed. Moneys in the General Fund Exempt Account may only be appropriated or transferred for four purposes: health care; education; retirement plans for firefighters and police officers; and strategic transportation projects. For more information about Referendum C, see the section concerning Statutory and Constitutional Restrictions in Part I-A.
- Appropriations from Tobacco Tax Revenues:** Amendment 35, which was approved by voters in November 2004, imposed new cigarette and tobacco taxes through the addition of Section 21 in Article X of the Colorado Constitution. The new tobacco revenues authorized by Amendment 35 are exempt from the TABOR state fiscal year spending limit, and General Fund appropriations from these revenues are also exempt from the statutory restriction on General Fund appropriations (this exemption is discussed later in this section). Amendment 35 requires that a portion of the new tobacco tax revenues be appropriated to the General Fund and made available to the Department of Public Health and Environment for immunization services and to the Department of Health Care Policy and Financing for the Children's Basic Health Plan. For more information about Amendment 35, see Appendix G.

The following table details General Fund Exempt appropriations for FY 2014-15 and FY 2015-16.

General Fund Appropriations Exempt From Constitutional Restrictions			
Department	FY 2014-15	FY 2015-16	Explanation
Appropriations from the General Fund Exempt Account (Referendum C):			
Education	\$813,135,957	\$848,124,468	Appropriations for preschool through twelfth grade education pursuant to Sections 24-77-103.6 (2) (b) and 24-77-104.5 (3), C.R.S.
Health Care Policy and Financing	813,135,957	848,124,468	Appropriations for health care funding for Colorado's elderly, low-income, and disabled populations pursuant to Sections 24-77-103.6 (2) (a) and 24-77-104.5 (2), C.R.S.

General Fund Appropriations Exempt From Constitutional Restrictions			
Department	FY 2014-15	FY 2015-16	Explanation
Appropriations from the General Fund Exempt Account (Referendum C):			
Higher Education	753,033,333	788,000,000	Appropriations for higher education pursuant to Sections 24-77-103.6 (2) (b) and 24-77-104.5 (4), C.R.S.
Local Affairs	4,294,753	4,251,065	Appropriations for volunteer firefighter retirement plans and death and disability insurance, pursuant to Section 24-77-103.6 (2) (c), C.R.S.
Transportation	<u>500,000</u>	<u>500,000</u>	Appropriations for strategic transportation projects pursuant to Section 24-77-103.6 (2) (d), C.R.S.
Subtotal	\$2,384,100,000	\$2,489,000,000	
Appropriations from Tobacco Tax Revenues (Amendment 35):			
Health Care Policy and Financing	423,600	427,593	Appropriations for the Children's Basic Health Plan pursuant to Section 24-22-117 (1) (c) (I) (B.5), C.R.S.
Public Health and Environment	<u>423,600</u>	<u>427,593</u>	Appropriations for immunizations performed by county or district public health agencies pursuant to Section 24-22-117 (1) (c) (I) (B.5), C.R.S.
Subtotal	\$847,200	\$855,186	
Total	\$2,384,947,200	\$2,489,855,186	

2. Appropriations Exempt from the Statutory Restriction

From FY 1991-92 through FY 2008-09, Section 24-75-201.1, C.R.S., restricted annual state General Fund appropriations to the lesser of: (1) an amount equal to 5.0 percent of Colorado personal income, or (2) 6.0 percent over the total General Fund appropriations for the previous fiscal year. During this time period, the lesser amount was 6.0 percent over the previous year's General Fund appropriations, so this restriction was commonly called the "6.0 percent limit". Senate Bill 09-228 amended Section 24-75-201.1, C.R.S., to simply restrict annual state General Fund appropriations to an amount equal to 5.0 percent of Colorado personal income. Therefore, beginning in FY 2009-10, the 6.0 percent limit is no longer applicable.

Section 24-75-201.1 (1) (a) (III), C.R.S., specifies that the statutory restriction on General Fund appropriations shall not apply to:

- A. Any General Fund appropriation which, as a result of any requirement of *federal law*, is made for any new program or service or for any increase in the level of service for an existing program beyond the existing level of service;
- B. Any General Fund appropriation which, as a result of any requirement of a final state or federal *court order*, is made for any new program or service or for any increase in the level of service for an existing program beyond the existing level of service; or
- C. Any General Fund appropriation of any moneys which are derived from any increase in the rate or amount of any *tax or fee* which is approved by a majority of the registered electors of the state voting at any general election.

In addition, some other General Fund transfers and appropriations are not subject to the statutory restriction for reasons other than the exceptions listed above. For example, pursuant to Section 24-75-302 (2), C.R.S., General Fund transfers to the Capital Construction Fund are not subject to the statutory restriction; and the General Fund appropriation related to the senior citizen and disabled veteran property tax exemption is not subject to the statutory restriction because enactment of Article X, Section 3.5 (3) of the Colorado Constitution constitutes voter approval of a weakening of the restriction. These other exceptions are noted in each relevant department sections of this report.

The following table lists the General Fund appropriations that are exempt from or are not subject to the statutory restriction on General Fund appropriations in FY 2014-15 and FY 2015-16. These amounts are organized into three sections, which are described following the table.

General Fund Appropriations Deemed Exempt from Statutory Restrictions			
	Department	Amount	Reason
FY 2014-15:			
<u>Section 1 - Rebates and Expenditures</u>			
Children's Basic Health Plan (Amendment 35) ^{/1}	Health Care Policy and Financing	\$423,600	Voter Approved
Volunteer Firefighter Benefit Plans ^{/1}	Local Affairs	4,294,753	Other
Immunizations (Amendment 35) ^{/1}	Public Health and Environment	423,600	Voter Approved
Cigarette Tax Rebate ^{/1}	Revenue	8,800,000	Other
Retail Marijuana Sales Tax Distribution ^{/1}	Revenue	9,191,790	Other
Old Age Heat and Fuel and Property Tax Assistance Grant ^{/1}	Revenue	<u>9,256,965</u>	Other
Subtotal: Rebates and Expenditures		\$32,390,708	
<u>Section 2 - Homestead Exemption</u>			
Senior Citizen and Disabled Veteran Property Tax Exemption ^{/1}	Treasury	\$118,400,000	Voter Approved
<u>Section 3 - Amounts Deemed Exempt</u>			
Total Amounts Deemed Exempt		\$0	
FY 2014-15 TOTAL		\$150,790,708	
FY 2015-16:			
<u>Section 1 - Rebates and Expenditures</u>			
Children's Basic Health Plan (Amendment 35) ^{/2}	Health Care Policy and Financing	\$427,593	Voter Approved
Volunteer Firefighter Benefit Plans ^{/2}	Local Affairs	4,700,000	Other
Immunizations (Amendment 35) ^{/2}	Public Health and Environment	427,593	Voter Approved
Cigarette Tax Rebate ^{/2}	Revenue	10,600,000	Other
Retail Marijuana Sales Tax Distribution ^{/2}	Revenue	6,300,000	Other
Old Age Heat and Fuel and Property Tax Assistance Grant ^{/2}	Revenue	<u>6,600,000</u>	Other
Subtotal: Rebates and Expenditures		\$29,055,186	

General Fund Appropriations Deemed Exempt from Statutory Restrictions

	Department	Amount	Reason
<u>Section 2 - Homestead Exemption</u>			
Senior Citizen and Disabled Veteran Property Tax Exemption ^{/2}	Treasury	\$126,000,000	Voter Approved
<u>Section 3 - Amounts Deemed Exempt</u>			
Total Amounts Deemed Exempt		\$0	
FY 2015-16 TOTAL		\$155,055,186	

^{/1} These amounts are included in H.B. 14-1336 (the 2014 General Appropriation Act) and S.B. 14-014 (Property-related Expense Assistance Grants).

^{/2} These amounts are included in S.B. 15-234 (the 2015 General Appropriation Act).

Section 1 – Rebates and Expenditures

The quarterly revenue forecasts prepared by the Legislative Council Staff and the Office of State Planning and Budgeting include dollar amounts referred to as "rebates and expenditures". These amounts reflect various expenditures or diversions of funds from the General Fund which are exempt from or are not subject to the statutory restriction on General Fund appropriations pursuant to statutory or constitutional provisions. These statutory and constitutional obligations are listed below. Please note that some of these items are not reflected in General Fund appropriations, and the amounts that are reflected in General Fund appropriations are not routinely adjusted to reflect changes in the quarterly revenue forecasts. For purposes of developing and adjusting the overall General Fund budget, the most recent projected amounts are utilized rather than the appropriated amounts. The above table reflects the actual appropriations for rebates and expenditures.

Items that are included in annual General Fund appropriations include:

- fire and police pension payments for local governments [Sections 31-30-1112 (2), C.R.S.];
- cigarette tax rebates to local governments [Section 39-22-623 (1) (a) (II) (A), C.R.S.];
- retail marijuana sales tax distributions to local governments [Section 39-28.8-203 (1) (a), C.R.S.];
- Old Age Heat and Fuel and Property Tax Assistance Grants [Section 39-31-102 (1), C.R.S.]; and
- General Fund appropriations related to certain tobacco tax revenues [Article X, Section 21 of the Colorado Constitution, often referred to as "Amendment 35"].

Items that are not included in annual General Fund appropriations include:

- sales and use taxes that are credited to the Old Age Pension Fund [Article XXIV of the Colorado Constitution and Section 39-26-123 (3), C.R.S.];
- sales and use taxes that are credited to the Older Coloradans Cash Fund [Section 39-26-123 (3), C.R.S.]; and
- earnings related to cash flow loans to school districts [Sections 22-54-110 and 29-15-112, C.R.S.].

Section 2 – Senior and Disabled Veteran Property Tax Homestead Exemption

In the 2000 general election, Colorado voters approved a constitutional amendment (Article X, Section 3.5) that reduces property taxes for qualifying senior citizens and disabled veterans. The property tax reduction, or "homestead exemption", is available to senior citizens 65 years of age or older who have owned and lived in their homes for at least ten years. In the 2006 general election, Colorado voters approved a constitutional amendment extending the homestead exemption to honorably discharged veterans who are 100 percent disabled

as a result of a service-connected disability. The cost of the exemption is borne by the State rather than by local governments or other property owners.

Section 3 – Amounts Deemed Exempt

These amounts are appropriated for purposes that are exempt from the statutory limitation on General Fund appropriations as reflected in Section 24-75-201.1, C.R.S.

I. LETTERS REQUESTING INFORMATION FROM STATE DEPARTMENTS

Historically, the annual Long Bill included a number of footnotes that described the General Assembly's intent regarding an appropriation; placed a condition or limitation on an appropriation; explained any assumptions used in determining the specific amount of an appropriation; or requested information. However, pursuant to H.B. 08-1321 (Section 24-75-112 (2), C.R.S.), the Long Bill no longer contains footnotes that request information. In their place, the Joint Budget Committee submits requests for information to executive departments and the judicial branch via letters to the Governor, the Chief Justice, and other elected officials. Each request is associated with one or more specific Long Bill line items, and the requests have been prioritized by the Joint Budget Committee as required by Section 2-3-203 (3), C.R.S.

Copies of these letters are included in the following pages. The first of these attached letters is to the Governor and addresses all affected departments in alphabetical order, except those under the purview of the Chief Justice or other elected officials. Letters to the Chief Justice (Judicial Department), the Attorney General (Department of Law), and the Treasurer (Department of the Treasury) follow in that order. For FY 2015-16, there were no requests submitted to the Secretary of State (Department of State).

Responses to these requests for information are typically summarized in Joint Budget Committee staff briefing documents (available at http://www.tornado.state.co.us/gov_dir/leg_dir/jbc/jbchome.htm). Department submissions may also be requested in their entirety from the Legislative Library (email: lcs.ga@state.co.us; or telephone: (303) 866-4011).

STATE OF COLORADO

SENATORS

Kent Lambert, Chair
Kevin Grantham
Pat Steadman

REPRESENTATIVES

Millie Hamner, Vice-Chair
Dave Young
Bob Rankin



STAFF DIRECTOR
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JOINT BUDGET COMMITTEE

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LEGISLATIVE SERVICES BUILDING
Denver, CO 80203
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April 20, 2015

Hon. John Hickenlooper, Governor
136 State Capitol
Denver, CO 80203-1792

Dear Governor Hickenlooper:

The General Assembly recently finalized the FY 2015-16 Long Bill. Pursuant to Section 24-75-112 (2), C.R.S., the Long Bill footnotes no longer include 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. Consistent with the provisions of Section 2-3-203 (3), C.R.S., information requests have been prioritized within each department in the attached lists.

To assist our staff in organizing and tracking submissions, we would appreciate if departments would follow the protocol outlined in an attachment to this letter with respect to submitting hard copies and electronic responses. The Committee requests that the state departments comply with these requests for information to the fullest extent possible.

Please notify us by May 4th if the Executive Branch does not intend to comply with any requests.

Sincerely,

A handwritten signature in cursive script that reads "Kent D. Lambert".

Senator Kent Lambert
Chair

cc:

Executive Agency Directors
Henry Sobanet, Office of State Planning and Budgeting
John Ziegler, Joint Budget Committee Staff

Attachment
Requested Format for Responses to Legislative Requests for Information

Please submit both hard (paper) copies and electronic copies of request for information (RFI) responses as follows:

- Hard copies: One (1) hard copy should be delivered by the requested due-date to the Joint Budget Committee (JBC) offices at 200 East 14th Ave., Denver, 3rd Floor.
- Electronic copies: An electronic copy of all paper submissions should also be submitted. This should be sent by email to:
 - The JBC analyst(s) responsible for the specified budget area(s)
 - Jessi Neuberg (jessi.neuberg@state.co.us) at the JBC offices
 - Legislative Council Staff at the following address: lcs.ga@state.co.us

The Legislative Council Staff (lcs.ga@state.co.us) will include the report in an electronic database (part of the Legislative Council Library) and will also ensure the report is distributed to other legislative committees, as specified in some of the RFIs.

- All submissions should include the following information:
 - Name of Department
 - Long Bill fiscal year to which the RFI is attached (FY 2015-16 for the RFIs listed in this letter)
 - Correct RFI number, as listed in this letter

Please include this information in the subject line for electronic submissions, as well as in the body of both electronic and hard copy submissions.

- Please use the following naming convention for your electronic attachments:

"[Department] [fiscal year] [RFI Number]"

For example, the attachment providing the response to RFI #5 in the Department of Health Care Policy and Financing would be entitled: **Health Care Policy and Financing FY 2015-16 RFI #5**

LEGISLATIVE REQUESTS FOR INFORMATION FROM THE EXECUTIVE BRANCH FOR FY 2015-16

REQUESTS AFFECTING MULTIPLE DEPARTMENTS

1. Department of **Corrections**; Department of **Human Services**; **Judicial** Department; Department of **Public Safety**; and Department of **Transportation** -- State agencies involved in multi-agency programs requiring separate appropriations to each agency are requested to designate one lead agency to be responsible for submitting a comprehensive annual budget request for such programs to the Joint Budget Committee, including prior year, request year, and three year forecasts for revenues into the fund and expenditures from the fund by agency. The requests should be sustainable for the length of the forecast based on anticipated revenues. Each agency is still requested to submit its portion of such request with its own budget document. This applies to requests for appropriation from: the Alcohol and Drug Driving Safety Program Fund, the Law Enforcement Assistance Fund, the Offender Identification Fund, the Persistent Drunk Driver Cash Fund, and the Sex Offender Surcharge Fund, among other programs.
2. Department of **Education**, Assistance to Public Schools, Categorical Programs; and Department of **Higher Education**, Division of Occupational Education, Distribution of State Assistance for Career and Technical Education 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 programs for children with disabilities, English language proficiency programs, public school transportation, career and technical education, 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 2014-15 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 2013-14 and actual district expenditures for each program in fiscal year 2013-14. The information for special education programs for 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 2013-14 and actual district expenditures in fiscal year 2013-14.
3. Department of **Health Care Policy and Financing**, Behavioral Health Community Programs; and Department of **Human Services**, Behavioral Health Services -- The Department of Human Services is requested to work with the Department of Health Care Policy and Financing and any other relevant state agencies to provide a report to the Joint Budget Committee by November 1, 2015, concerning substance use disorder (SUD) treatment and prevention services for adolescents and pregnant women. The report is requested to include the following information: (a) a brief description of each state program that provides SUD prevention or treatment services for adolescents or pregnant

women; (b) actual expenditures for SUD prevention or treatment services for adolescents and pregnant women in FY 2014-15, by program and fund source; and (c) information indicating whether there is a need for additional state funding to meet the SUD prevention and treatment needs of adolescents or pregnant women.

4. Department of **Education**, Assistance to Public Schools, Grant Programs, Distributions, and Other Assistance, Reading and Literacy, Early Literacy Competitive Grant Program; Department of **Health Care Policy and Financing**, Medical Services Premiums; Indigent Care Program, Children's Basic Health Plan Medical and Dental Costs; Department of **Higher Education**, Colorado Commission on Higher Education, Special Purpose, University of Colorado, Lease Purchase of Academic Facilities at Fitzsimons; Governing Boards, Regents of the University of Colorado; Department of **Human Services**, Division of Child Welfare, Tony Grampsas Youth Services Program; Office of Early Childhood, Division of Community and Family Support, Nurse Home Visitor Program; Behavioral Health Services, Mental Health Community Programs, Mental Health Services for Juvenile and Adult Offenders, and Mental Health Treatment Services for Youth (H.B. 99-1116); and Substance Use Treatment and Prevention, Other Programs, Community Prevention and Treatment; Department of **Military and Veterans Affairs**, Division of Veterans Affairs, Colorado State Veterans Trust Fund Expenditures; Department of **Personnel**, Division of Human Resources, Employee Benefits Services, H.B. 07-1335 Supplemental State Contribution Fund; Department of **Public Health and Environment**, Administration and Support, Local Public Health Planning and Support; Disease Control and Environmental Epidemiology Division, Administration, General Disease Control, and Surveillance, Immunization Operating Expenses; Special Purpose Disease Control Programs, Sexually Transmitted Infections, HIV and AIDS Operating Expenses, and Ryan White Act Operating Expenses; Prevention Services Division, Chronic Disease Prevention Programs, Oral Health Programs; Primary Care Office -- Each Department is requested to provide the following information to the Joint Budget Committee by November 1, 2015, for each program funded with Tobacco Master Settlement moneys: the name of the program; the amount of Tobacco Settlement moneys received for the program for the preceding fiscal year; a description of the program including the actual number of persons served and the services provided through the program; information evaluating the operation of the program, including the effectiveness of the program in achieving its stated goals; and a recommendation regarding the amount of Tobacco Master Settlement funds the program requires for FY 2016-17 and why.

5. **Governor – Lieutenant Governor – State Planning and Budgeting**, Office of State Planning and Budgeting; and **Department of Public Safety**, Division of Homeland Security and Emergency Management, Office of Emergency Management, Disaster Response and Recovery -- The Office of Emergency Management is requested to work with the Office of State Planning and Budgeting to provide a report to the Joint Budget Committee by November 1, 2015, concerning revenues credited to and expenditures made from the Disaster Emergency Fund in fiscal years 2014-15 and 2015-16 year-to-date. 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.

6. **All Departments** -- All Departments that own or have administrative custody of or administrative responsibility for State-owned buildings or structures are requested to provide by October 1, 2015, to the Joint Budget Committee an inventory list of all such department buildings or other department structures that are 50 years or older; each building's or structure's general condition and use status; and the estimated cost to address controlled maintenance needs or to provide for demolition.

DEPARTMENT OF CORRECTIONS

1. Department of Corrections, Institutions, Mental Health Subprogram – The Department is requested to submit a report to the House Judiciary Committee and the Senate Judiciary Committee by January 31, 2016, detailing the progress related to the mental health unit at Centennial Correctional Facility.
2. 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, 2016, 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.

DEPARTMENT OF EDUCATION

1. 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, 2015, information concerning the Colorado Preschool Program. The information provided is requested to include the following for fiscal year 2014-15: (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; and (d) the state and local shares of total program funding that are attributable to the Program.
2. 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, 2015, 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 years 2013-14 and 2014-15.

GOVERNOR-LIEUTENANT GOVERNOR-STATE PLANNING AND BUDGETING

1. Governor - Lieutenant Governor - State Planning and Budgeting, Office of the Governor, Colorado Energy Office -- The Colorado Energy Office is requested to submit a report to the Joint Budget Committee on November 1, 2015. At a minimum, the report shall specify the following information with regard to the programs administered by the Office in FY 2014-15: (1) the amount of moneys expended in FY 2014-15 from the Clean and Renewable Energy Fund, Innovative Energy Fund, Colorado Low-income Energy Assistance Fund, and Public School Energy Efficiency Fund; (2) the goals and objectives that the moneys in section (1) were intended to achieve; (3) the performance measures used by the Office to monitor the status of moneys outlined in section (1) against said measures; and (4) the status of the performance measures outlined in section (3).
2. Governor - Lieutenant Governor - State Planning and Budgeting, Office of Information Technology -- The Governor's Office of Information Technology is requested to submit a report to the Joint Budget Committee and all executive branch agencies on September 1, 2015. At a minimum, the report shall include recoverable costs and rates for each service and service category for the FY 2015-16 base information technology appropriation contained in the FY 2015-16 Long Bill appropriations act. Additionally, the report shall include FY 2015-16 base information technology appropriations contained in the FY 2015-16 Long Bill appropriations act by agency, service name, utilization, allocated rate, utilization criteria, and appropriation allocation.

DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

1. Department of Health Care Policy and Financing, Executive Director's Office -- The Department of Health Care Policy and Financing is requested to submit a report to the Joint Budget Committee, by November 1, 2015, comparing Medicaid reimbursement rates for services to Medicare. For codes without a comparable Medicare rate, the Department shall find and identify a data source that will estimate the usual and customary rate paid in a commercial health plan. The Department shall include the reasoning behind the selection of data sources used to estimate the usual and customary rate. The report shall be submitted in a format that provides the ability to estimate the cost of bringing Medicaid rates to a variable percentage of the applicable Medicare rate or usual and customary rate. For codes unique to the Medicaid program, the Department is requested to collect comparable data from other states' Medicaid programs when and if available. For any codes for which the Department cannot find a comparison rate, the Department shall list the codes, the current Medicaid rate, and the reason the Department was unable to find a comparison. Capitated rates, cost-based rates, and rates that are based on a methodology defined in statute shall not be included in the report, except that the Department will estimate the portion of total expenditures paid through each of these methods.

2. Department of Health Care Policy and Financing, Executive Director's Office – The Department is requested to submit a report by November 1 each year estimating the total savings, total cost, and net cost effectiveness of fraud detection efforts.
3. Department of Health Care Policy and Financing, Office of Community Living -- The Department is requested to provide by November 1, 2015, a written report detailing how the Department will implement the recommendations made by the Community Living Advisory Group, Colorado's Community Living Plan developed to comply with the United States Supreme Court's ruling in *Olmstead v. L.C.*, 527 U.S. 14 581 (1999), and the final federal rule setting forth requirements for home- and community-based services, 79 FR 2947. The report shall include: a detailed project plan which includes the timeline for implementing the recommendations and requirements, an explanation of any recommendations or requirements not included in the plan, and an explanation of how outcome measures will be tracked in the future to better understand how changes impact clients. The Department is also requested to provide a financial analysis of the costs of implementing recommendations for FY 2016-17 and FY 2017-18. Additionally the report shall include a description of any FY 2016-17 budget requests that align with the plan.
4. Department of Health Care Policy and Financing, Executive Director's Office – The Department is requested to submit a report to the Joint Budget Committee by June 30, 2015, on how the Department plans to improve the allocation of administrative expenses by cash fund, either using the Public Assistance Cost Allocation Plan (PACAP) technology, or some other method, for the FY 2016-17 budget cycle.
5. Department of Health Care Policy and Financing, Executive Director's Office – The Department is requested to submit a report to the Joint Budget Committee by November 1, 2015, on performance and policy issues associated with emergency and non-emergency transportation services. Regarding non-emergency transportation, the report should include, but not be limited to, the time to complete a request for transportation, the wait time for a same-day request for transportation (e.g. for a hospital discharge), and a discussion of performance variations by region. Regarding emergency transportation, the report should discuss whether providers are appropriately compensated if they provide services on site and the patient declines transportation. If the information requested is not available, the Department is requested to provide as much relevant information as possible.
6. 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, behavioral health capitation, and the intellectual and developmental disabilities 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, the Medicare Modernization Act State Contribution Payment, and the Old Age Pension State Medical Program within the monthly report.

7. Department of Health Care Policy and Financing, Medical Services Premiums -- The Department is requested to submit a report by November 1, 2015, to the Joint Budget Committee providing information on the implementation of the Accountable Care Collaborative Organization project. In the report, the Department is requested to inform the Committee on how many Medicaid clients are enrolled in the pilot program, the current administrative fees and costs for the program, and performance results with an emphasis on the fiscal impact.
8. 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 of each year to the Joint Budget Committee estimating the disbursement to each hospital from the Safety Net Provider Payments line item.
9. Department of Health Care Policy and Financing, Other Medical Services, 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 the S.B. 97-101 public school health services program. The report is requested to include information on the type of services, how those services meet the definition of medical necessity, and the total amount of federal dollars that were distributed to each school under the program. The report should also include information on how many children were served by the program.
10. Department of Health Care Policy and Financing, Office of Community Living, Division of Intellectual and Developmental Disabilities – The Department is request to submit a report to the Joint Budget Committee by November 1, 2015 regarding the status of the distribution of the full program equivalents for the developmental disabilities waivers. The report is requested to include any current or possible future issues which would prevent the distribution of the total number of enrollments noted in the FY 2015-16 Long Bill.
11. Department of Health Care Policy and Financing, Office of Community Living, Division of Intellectual and Developmental Disabilities -- The Department is requested to submit the following information to the Joint Budget Committee by November 1, 2015: how moneys appropriated for the community capacity increase have been and will be used by community centered boards and service providers, the feasibility of implementing a tiered incentivized system for the intellectual and developmental disabilities waivers, and the cost of such a system.
12. Department of Health Care Policy and Financing, Executive Director’s Office – The Department of Health Care Policy and Financing is requested to submit a report to the Joint Budget Committee, by November 1, 2015, on the performance of the Medicare Savings Program. The report should discuss enrollment trends, obstacles to enrollment, previous and current marketing and outreach efforts, and future implementation strategies. The report should also discuss the effect of the program on health outcomes.

DEPARTMENT OF HIGHER EDUCATION

1. Department of Higher Education, Colorado Commission on Higher Education, Administration – The Joint Budget Committee requests that during the annual review process of the new funding allocation model the Department consider the following policy issues, include with their annual budget request, due November 1, 2015, a report on how these issues were examined, incorporated into the current model, or otherwise decided upon, and make recommendations for changes to the model, if needed, including identifying any needed funding to implement.
 - a) Examine the role of the “Tuition Stability Factor” within the model and how it should be utilized in the future.
 - b) Examine the feasibility, cost, and benefit to weighting resident and non-resident students within the model.
 - c) Examine the feasibility, cost, and benefit to program the ability to download model settings and funding results into an Excel spreadsheet format for any given “run” of the model; allowing users to compare the impact of various model settings without excessive data entry.
 - d) (i) Ensure the ability for all concerned parties to examine data used by the model; and (ii) examine the feasibility, cost, and benefit to program a mechanism into the model that would allow for consideration of how model results would change with different underlying data, e.g., data from prior years.
 - e) Examine the feasibility, cost, and benefit to program a mechanism to run the model so that an adjustment to any particular model setting or value does not change the funding allocation associated with other model components but instead increases or decreases the total model funding - thus enabling an increase or decrease support for services (such as Pell-eligible students or masters degrees awarded) without simultaneously *reducing* funding to other model components.
 - f) Continue to examine how performance funding is awarded to incentivize increased completions, retentions, and transfers. In particular:
 - (i) Explore why increasing the proportion of funding directed to performance in the FY 2015-16 model reduces funding to the state's more selective institutions. Does this indicate a need for further changes to the model?
 - (ii) Explore how changes in the numbers of degrees awarded at small versus large governing boards could affect performance funding for each, given FY 2015-16 model settings and recent trends in degrees awarded at boards of different sizes.
 - g) Examine the feasibility, cost, and benefit to incorporating total institutional revenue within the model.
2. Department of Higher Education, Colorado Commission on Higher Education, Administration – Pursuant to H.B. 14-1319, the Department is required to submit to the General Assembly, by November 1, 2015, policies to ensure accessible and affordable higher education for Colorado residents. These policies are requested to also address mandatory fees imposed on most or all students given that such fees significantly affect the accessibility and affordability of higher education.

3. Department of Higher Education, Colorado Commission on Higher Education, Administration; and Governing Boards, Trustees of Adams State University; Trustees of Colorado Mesa University; Trustees of Metropolitan State University of Denver; Trustees of Western State Colorado University; Board of Governors of the Colorado State University System; Trustees of Fort Lewis College; Regents of the University of Colorado; Trustees of the Colorado School of Mines; University of Northern Colorado; State Board for Community Colleges and Occupational Education State System Community Colleges – The Department and governing boards are requested to submit to the Joint Budget Committee, by July 1, 2015, a copy of the enrollment and tuition forecast for each of the governing board’s institutions for FY 2014-15 and FY 2015-16. These are requested to be submitted in spreadsheet format, if feasible. As part of this submission, the governing boards are requested to provide a detailed explanation of how they use enrollment projections to build tuition forecasts. By September 1, 2015, the Department and governing boards are also requested to provide a comparison between each institution’s FY 2014-15 enrollment and tuition forecasts and their final FY 2014-15 actual enrollment and tuition revenue. By November 15, 2015, the Department and governing boards are requested to submit to the Joint Budget Committee actual fall 2015 enrollment data and any revisions to their FY 2015-16 tuition forecasts based on fall enrollment.
4. Department of Higher Education, History Colorado – History Colorado is requested to submit a report by November 1, 2015, on its financial status. This report is requested to include a comprehensive financial analysis reflecting History Colorado’s current and projected fund balances, revenues, and expenditures. The analysis should address both operating and capital costs and the trends for the various types of revenue that support History Colorado. Finally, the report should include a detailed explanation of the steps the organization is taking to address its financial challenges and the projected impacts of these changes from both a financial and organizational perspective.
5. Department of Higher Education, Colorado Commission on Higher Education, Administration; and Colorado Commission on Higher Education Financial Aid, Special Purpose, Colorado Opportunity Scholarship Initiative – The Department is requested to provide a report by November 1, 2015 addressing which Colorado public high schools do and do not have access to pre-collegiate programs, concurrent enrollment programs, and other programs designed to encourage students who might not otherwise attend college to pursue postsecondary studies.
6. Department of Higher Education, Colorado Commission on Higher Education, Administration – The Department is requested to submit a report by November 1, 2015 comparing the cost to the State and participants of providing health and dental benefits through the community college plan versus the state benefits plan. It is also requested to submit, as part of the annual request for common policy benefits adjustments, templates that reflect the benefit selection for each member of the Department staff in a manner that will enable health benefits for these staff to be calculated consistent with common policy. The templates are expected to contain July 2015 data on health benefits actually selected

by Department staff, with family size options that match the state plan options including member plus children only and member plus spouse only.

7. 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 January 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.

DEPARTMENT OF HUMAN SERVICES

1. Department of Human Services, Division of Youth Corrections, Institutional Programs – The Department is requested to submit a report by November 1, 2015 that includes the following monthly data for each State-owned and operated facility for the period of January 2014 through September 2015:
 - Number of assaults by type (e.g. juvenile on staff, staff on juvenile, juvenile on juvenile);
 - Number of homicides;
 - Number of suicides;
 - Number of youth in a facility that have charges filed against them district court;
 - Number of new crimes reported to local police;
 - Ratio of direct care staff (CYSO I, II, and III) to youth;
 - Direct care staffing vacancies by type (e.g. CYSO I);
 - Number and type of staff (e.g. CYSO I) hired at each facility with the additional FY 2015-16 appropriation;
 - Number of hours of missed work by all direct care facility staff and reason for absence (e.g. injury on the job, sick leave, planned absence, unplanned absence, vacation);
 - Amount of overtime hours worked by direct care staff and purpose (e.g. covering a shift for an absent co-worker) at each facility;
 - Amount of temporary help hours used for direct care purposes;
 - Number of staff hired as part of the 53 employee increase in FY 2014-15 who are no longer employed by the Division of Youth Corrections and the reason for separation; and
 - Number of staff hired as part of the 22 employee increase in FY 2015-16 who are no longer employed by the Division of Youth Corrections and the reason for separation.

2. Department of Human Services, Services for People with Disabilities, Division of Vocational Rehabilitation -- The Department is requested to provide quarterly reports on the number of individuals receiving vocational rehabilitation services including: a breakdown by category of the number of individuals receiving services; the average cost by category of services; the projected fiscal year expenditures, and the projected balance of the State's federal vocational rehabilitation account.
3. Department of Human Services, Services for People with Disabilities, Regional Centers for People with Developmental Disabilities -- The Department is requested to provide by January 15, 2016, the monthly census for each Regional Center by licensure type since the beginning of the fiscal year, and annual cost per capita for each Regional Center by licensure type, including the Regional Center costs for utilities, depreciation, and centrally appropriated personnel items.
4. Department of Human Services, Services for People with Disabilities, Regional Centers for People with Developmental Disabilities -- The Department is requested to provide by November 1, 2015 information regarding transitions and readmissions to the Regional Centers for each of the past eighteen months. As part of the response, the Department should include: the number of individuals that have been transitioned from each Regional Center and the setting to which they were transitioned for each month, how many of these individuals have been readmitted to a Regional Center and when, the number of monthly admissions to each Regional Center, the definition of a successful transition, and the monthly number of successful transitions.
5. Department of Human Services, Totals -- The Department is requested to submit a report concerning the status of federal Temporary Assistance for Needy Families (TANF) funds. The requested report should include the following: (a) an analysis of the TANF Long Term Reserve, including estimated TANF funds available for appropriation, estimated TANF appropriations by Long Bill line item, and the estimated closing Long Term Reserve balance, for the most recent actual fiscal year, the current fiscal year, and the request fiscal year; (b) an analysis of the TANF maintenance of effort (MOE) payments, showing the actual and forecasted MOE expenditures, by program, for the most recent actual fiscal year, the current fiscal year, and the request fiscal year; and (c) an analysis of the counties' TANF reserve balances that includes, for each county, for the most recent actual fiscal year, the starting TANF Reserve Account balances for the Works Program, Title XX, and Child Care Development Fund accounts, the annual TANF allocation, the total expenditures, the net transfers to child care and child welfare, any amounts remitted to the state, and the closing reserve balance for all county TANF accounts. The report should be provided to the Joint Budget Committee annually on or before November 1. An update to this information reflecting data at the close of the federal fiscal year should be provided to the Joint Budget Committee annually on or before January 1.
6. Department of Human Services, County Administration -- The Department is requested to submit a report by November 1, 2015 concerning the Supplemental Nutrition Assistance Program (SNAP). The requested report should include the following: (a)

expenditures for FY 2013-14 and FY 2014-15 associated with the State-supervisory component of the implementation of SNAP, including State-level costs for program management, fraud, training, data, program integrity, policy, county oversight, and performance improvement; (b) expenditures for FY 2013-14 and FY 2014-15 associated with the county-administered component of the implementation of SNAP, including county-level costs for eligibility determination, supervision and management administrative costs, issuance and electronic benefit transfers, fair hearings, fraud control, and quality assurance functions; (c) a list of counties placed on performance improvement plans during FY 2013-14 and FY 2014-15 for not meeting federal requirements; and (d) for counties placed on performance improvement plans, information regarding improvements made in timeliness and accuracy (payment and determination).

7. Department of Human Services, Adult Assistance, Community Services for the Elderly -- The Department is requested to submit a report by November 1 of each year on Older Americans Act Funds received and anticipated to be received, and the match requirements for these funds. The report should also specify the amount of funds, if any, that were transferred between the State Funding for Senior Services line item and the Older Americans Act Programs line item in the prior actual fiscal year to comply with federal match requirements.
8. 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, a report evaluating 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.
9. 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.
10. Department of Human Services, Office of Early Childhood, Division of Community and Family Support, Early Intervention Services – The Department is requested to provide to the Joint Budget Committee, by November 1 of each fiscal year, aggregate data on all children aging out of early intervention services in each community centered board region each year, including:
 - 1) the number of 3-, 4-, and 5-year olds who are identified as needing ongoing support services, and who are:

- i) receiving Part B of the Individuals with Disabilities Education Act (IDEA) services through a Part B child care provider;
 - ii) receiving child care services from a non-Part B provider;
 - iii) being cared for by a parent, guardian, or other family member and not receiving Part B services;
- 2) the types and cost of services delivered to those children; and
 - 3) the types of services that those children need but are not receiving.

In addition, the Department is requested to provide information on:

- 4) the number of 3-, 4-, and 5-year-old children who did not receive early intervention services prior to turning 3 years of age, but who have been identified by a Part B provider as needing similar supports as children aging out of early intervention services; and
 - 5) the number of those children who received a Child Find evaluation prior to the age of 3, including the number of evaluations resulting in a referral for early intervention services and the number of evaluations that indicated ineligibility for services.
11. Department of Human Services, Office of Early Childhood, Division of Community and Family Support, Early Intervention Services – The Department is requested to provide to the Joint Budget Committee, by November 1, 2015, an update on the strategies the newly formed Early Intervention Task Force is developing to ensure appropriate utilization of the early intervention funding hierarchy.
 12. Department of Human Services, Division of Child Welfare – The Department is requested to provide to the Joint Budget Committee, by January 1, 2016, a plan that identifies strategies to improve operational efficiencies in the child welfare process and ensures ongoing monitoring of uniform measures for county child welfare staff workload as identified in the August 2014 Colorado Child Welfare County Workload Study.
 13. Department of Human Services, Division of Child Welfare – The Department is requested to provide to the Joint Budget Committee, by November 1, 2015, information on county child welfare worker hiring practices, including county data on: (1) appropriate minimum staffing levels; (2) actual staffing levels; (3) new hires funded by the child welfare block grant; (4) new hires funded through new county child welfare staffing funding (new legislation); (5) new hires that were previously employed and trained by another county; (6) training hours provided to each new and existing employee; and (7) staff turnover, totals and reasons for vacating position.
 14. Department of Human Services, Division of Child Welfare – The Department is requested to provide to the Joint Budget Committee, by November 1, 2015, information concerning the progress in addressing each of the 2014 child welfare audit findings.
 15. Department of Human Services, Division of Child Welfare, Hotline for Child Abuse and Neglect – The Department is requested to provide to the Joint Budget Committee, by the last day of the month following the end of each quarter, information concerning the progress of the development and implementation of the child abuse and neglect hotline

reporting system, including: (a) deliverables contained in each vendor contract; (b) associated expenditures for each element; (c) progress of rule-making; and (d) relevant outcome data, including but not limited to: (i) call volume; (ii) call duration; (iii) wait time; (iv) number of and time to complete Enhanced Screening guide performed by Help Desk staff; and (v) workload indicators of hotline administration.

16. Department of Human Services, Behavioral Health Services, Mental Health Community Programs, Mental Health First Aid -- The Department is requested to provide, by November 1, 2015, a report concerning the expenditure and impact of state funds to support mental health first aid training. The Department is requested to include information concerning the number of instructors who were trained and the number of educators, first responders, and military service personnel who were certified as a result of FY 2014-15 expenditures. The Department is also requested to provide information about planned expenditures for FY 2015-16.
17. 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.
18. 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 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. An update to the information on the amount of federal funds anticipated to be available and requested to be expended by Long Bill line item should be provided to the Joint Budget Committee annually on or before January 15.
19. 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 of each year, information concerning the actual use of funds distributed through the child welfare allocation model, including data on expenses and children served by funding category. At a minimum, 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.

20. Department of Human Services, Division of Child Welfare – The Department is requested to provide to the Joint Budget Committee, by November 1 of each year, 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.

DEPARTMENT OF LOCAL AFFAIRS

1. Department of Local Affairs, Division of Housing – The Department is requested to submit a report by November 1, 2015 on its affordable housing programs. The report should specifically address:

- The State’s priorities for affordable housing construction and rental assistance programs.
- How the projects approved by the State for funding align with these priorities.
- The per-unit costs of these projects identifying specifically (1) state funds; and (2) other funds.
- To the extent feasible, the resulting financial benefits to the State from the types of units funded. The Department is requested to particularly focus this analysis on reductions in state outlays for services: e.g., Medicaid-funded hospitalizations for chronically homeless or disabled individuals.

2. Department of Local Affairs, Division of Housing, Community and Non-Profit Services, Fort Lyon Supportive Housing Program – The Department is requested to submit a report by November 1, 2015 on the Fort Lyon Supportive Housing program. The report should specifically address:

- The overall effectiveness of the program, including an analysis of whether individuals discharged from Ft. Lyon are able to obtain and maintain stable housing and jobs, to remain sober, to avoid involvement in the criminal justice system, and any other measures the Department deems appropriate for evaluating the program’s impacts.
- Costs of maintaining the property over the long term, including costs that must be addressed within a 15-year window and additional investments anticipated to be required beyond that time-frame, including, but not limited to, the costs of demolishing empty buildings and any related asbestos abatement on the site.
- Whether Department and community housing resources are sufficient to successfully transition Ft. Lyon residents back to their local communities now and in the future. The report should particularly address whether the Department has been able to obtain new rental housing vouchers or has had sufficient turnover in its existing

housing voucher resources to assist individuals who complete the program at Fort Lyon in obtaining community-based housing.

3. Department of Local Affairs, Division of Local Government – The Department is requested to submit a report by November 1, 2015 on the Main Street program. The report should specifically address the rationale for the program, what grant requests have been received and acted upon, whether they support impacted communities, and why use of Local Government Severance and Mineral Impact Funds to support the program does not violate federal law or state statute.

DEPARTMENT OF NATURAL RESOURCES

1. Department of Natural Resources, Executive Director's Office, Administration, Integrated Resource Services -- The Department of Natural Resources is requested to provide a report, by November 1, 2015, listing the number of projects funded through the Integrated Resource Services line item and the cost of each project. The report should provide information for the most recent year actual expenditures, the current year estimated expenditures, and the request year estimated expenditures.
2. Department of Natural Resources, Division of Reclamation Mining and Safety, Emergency Response Costs -- The Division of Reclamation, Mining, and Safety is requested to include in its annual budget request a report detailing all expenditures made in the previous year from this line item.
3. Department of Natural Resources, Oil and Gas Conservation Commission, Program Costs -- The Department of Natural Resources is requested to include in its annual budget request a report on the performance of the risk-based inspection program. The report should provide information on the development of the Facilities Integrity group, the inspection of process piping and flowlines, and the metrics used to measure the performance and effectiveness of the Facilities Integrity program.
4. 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.
5. 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.
6. Department of Natural Resources, Division of Parks and Wildlife, Parks and Outdoor Recreation, and Wildlife -- The Division of Parks and Wildlife is requested to provide the Joint Budget Committee with a report on Parks and Outdoor Recreation and Wildlife sources of revenue as well as the expenditures of revenues by revenue type. The report should provide an analysis of lottery funds Great Outdoors Colorado Board Grants used

for operations and capital projects. The report is requested to be submitted by November 1, 2015.

DEPARTMENT OF PERSONNEL

1. Department of Personnel, Division of Accounts and Control, Financial Operations and Reporting – The State Controller is requested to provide by October 1, 2015, to the Joint Budget Committee, a report on uncommitted reserves that includes all cash funds, including those that are otherwise exempt from and unreported in the cash funds excess uncommitted reserves report required by Section 24-30-207, C.R.S.

DEPARTMENT OF PUBLIC HEALTH AND ENVIRONEMNT

1. Department of Public Health and Environment, Water Quality Control Division, Clean Water Sectors -- The Department is requested to submit a monthly report for expenditures by fund source for each of the clean water sectors.
2. Department of Public Health and Environment, Disease Control and Environmental Epidemiology Division, Administration, General Disease Control, and Surveillance, Immunization Personal Services -- The Department is requested to submit a report to the Joint Budget Committee by November 1, 2015 regarding efforts to develop and implement a program similar to the federal Vaccines for Children Program involving the Children's Health Plan Plus and the Immunization Program.
3. Department of Public Health and Environment, Disease Control and Environmental Epidemiology, Environmental Epidemiology, Oil and Gas Health Activities -- The Department is requested to submit to the Joint Budget Committee by November 1, 2015 a summary of the status of the Health Concern Information Line and website, as well as the Mobile Air Quality Monitoring Unit. The report should include a summary of the activity on the website, the information line, and the mobile unit.
4. Department of Public Health and Environment, Totals -- The Department is requested to submit to the Joint Budget Committee by November 1, 2015 an updated strategic plan to most efficiently manage the grant programs administered by the Department. The plan should include an overview of the grant programs and the current methods used to track applications, make grant decisions, pay out grants fund, and the financial and performance standards used to monitor grantees. The plan should also include the proposed changes to improve and standardize Department methods and a timeline for implementing the proposed changes.

DEPARTMENT OF PUBLIC SAFETY

1. Department of Public Safety, Division of Fire Prevention and Control, Fire Safety Grant -
- The Division of Fire Prevention and Control is requested to provide a report to the Joint Budget Committee by November 1, 2015 concerning the status of the Local Firefighter Safety and Disease Prevention Grant Program created in Section 24-33.5-1231, C.R.S.

The report should include the following: (a) an update on the demand for the grants and the ability of the program to satisfy that demand; (b) goals for the program in the upcoming fiscal year (2016-17); and (c) level and type of funding that could be used to fund the program and recommendations for how the program should be funded.

2. Department of Public Safety, Division of Criminal Justice, Community Corrections – The Department is requested to submit the evaluation report for the Subsistence Grace Period Pilot Project to the Joint Budget Committee as soon as feasible after the project is completed but no later than November 1, 2015. The Department is requested to examine whether a subsistence grace period alters length of stay; rates of successful completion, technical violation, or escape; the amount owed to programs at termination; and the amount of savings at termination. The Department is requested to examine whether the effects depend upon the risk level of the offender. The Department is requested to estimate the magnitude of the effects and the precision of the estimates. The Department is also requested to conduct a cost-benefit analysis to determine whether the benefits, if any, observed during the period covered by this study, exceed the cost. The report need not be limited to these questions.
3. Department of Public Safety, Division of Criminal Justice, Community Corrections, Community Corrections Placements – It is requested that the Division of Criminal Justice work with Denver Community Corrections, the Department of Health Care Policy and Financing, ARTS (Addiction Research and Treatment Services), and other relevant parties to determine whether outpatient therapeutic community clients can qualify for Medicaid reimbursement and determine whether Medicaid reimbursement would reduce state costs. The Division is requested to report the findings by January 1, 2016.
4. Department of Public Safety, Division of Homeland Security and Emergency Management, Office of Preparedness -- The Office of Preparedness is requested to provide a report to the Joint Budget Committee by November 1, 2015 concerning the status of the Statewide Alert Notification System. The report is requested to include the following: (a) a list of departments participating in the program; (b) the number of licenses issued to each department; (c) the status of training provided to users of the system; and (d) how the system is being used for actual operations within the participating departments.
5. Department of Public Safety, Division of Criminal Justice, Community Corrections, Community Corrections Placements – As part of its FY 2016-17 budget request, the Department is requested to provide a report showing actual average daily community corrections placements for recently completed fiscal years at a level of detail that is compatible with the table in Long Bill footnote 71. This report should also show condition of probation placements.
6. Department of Public Safety, Colorado State Patrol, Information Technology Asset Maintenance -- The Department is requested to submit to the Joint Budget Committee an annual expenditure report on November 1 of each year. At a minimum, each report

should include on-going 5-year expenditure estimates for the line item, any new contracts awarded, and the names of the vendors.

7. Department of Public Safety, Division of Criminal Justice, Community Corrections, Community Corrections Placements – The Department is requested to report the following information for FY 2014-15 for community corrections facilities of different sizes: (1) the average number of total staff, security staff, and case managers, (2) the average wage and salary of security staff and case managers, (3) the average cost of benefits, excluding payroll taxes, for security staff and for case managers, (4) the average length of employment for security staff and for case managers, and (5) average case manager caseloads for resident and non-resident offenders. The Department is requested to continue collecting periodic financial statements and starting salary information from community corrections programs. The Department is requested to retain the data received from each facility. To reduce data collection costs, the Department may ask programs to provide aggregate data. The Department does not need to sample all providers every year. The Department is requested to submit the report by January 1, 2016.
8. Department of Public Safety, Division of Criminal Justice, Community Corrections, Community Corrections Placements – As part of its FY 2016-17 budget request, the Department is requested to report the estimated impact on community corrections facilities and community corrections boards of any standards or rules that the Department has issued or revised during FY 2014-15. This report should include a summary of the new standards or rules, an estimate of the amount of time it will take facilities or boards to comply, an estimate of the number of additional FTE that will be required for compliance, and an estimate of additional financial costs that facilities or boards may incur. The Department is also requested to report any new or revised standards, rules, or laws from the federal government, the state government, local governments, or other parties that are likely to have a similar impact on community corrections facilities or on community corrections boards. The Department does not need to estimate the costs of standards, rules, and laws issued by other governments or other parties.

DEPARTMENT OF THE REVENUE

1. Department of Revenue, Division of Motor Vehicles, Driver Services, Operating Expenses – The Department is requested to submit to the Joint Technology Committee and Joint Budget Committee, beginning October 1, 2015, quarterly reports about the progress of installation of the Wait Less technology the Department is implementing in 31 of its offices.
2. Department of Revenue, Division of Motor Vehicles, Driver Services, Personal Services – The Department is requested to submit to the Joint Budget Committee by the first of every month, beginning May 1, 2015, a report about the progress made on meeting the demand for services offered under S.B. 13-251, which was estimated at 66,000 individuals. For individuals served who are not lawfully present, the report should include the number of appointments made available, the number of “no shows” for appointments, the number of appointments that resulted in no document issuance, the

number of documents issued, and a justification based in data for why there is a continued need to offer services for individuals who cannot demonstrate a lawful presence in the United States at more than one location.

STATE OF COLORADO

SENATORS

Kent Lambert, Chair
Kevin Grantham
Pat Steadman

REPRESENTATIVES

Millie Hamner, Vice-Chair
Dave Young
Bob Rankin



STAFF DIRECTOR
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JOINT BUDGET COMMITTEE

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April 20, 2015

Hon. Nancy E. Rice, Chief Justice of the Colorado Supreme Court
2 East 14th Avenue
Denver, CO 80203

Dear Chief Justice Rice:

The General Assembly recently finalized the FY 2015-16 Long Bill. Pursuant to Section 24-75-112 (2), C.R.S., the Long Bill footnotes no longer include 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. Consistent with the provisions of Section 2-3-203 (3), C.R.S., information requests are prioritized within each department.

To assist our staff in organizing and tracking submissions, we would appreciate if the department would follow the protocol outlined in an attachment to this letter with respect to submitting hard copies and electronic responses. The Committee requests that the department comply with these requests for information to the fullest extent possible.

Please notify us by May 4th if the department does not intend to comply with any requests.

Sincerely,

A handwritten signature in cursive script that reads "Kent D. Lambert".

Senator Kent Lambert
Chair

cc:

Gerald Marroney, State Court Administrator
Thomas Raynes, Executive Director, Colorado District Attorneys' Council
John Ziegler, Joint Budget Committee Staff

Attachment
Requested Format for Responses to Legislative Requests for Information

Please submit both hard (paper) copies and electronic copies of request for information (RFI) responses as follows:

- Hard copies: One (1) hard copy should be delivered by the requested due-date to the Joint Budget Committee (JBC) offices at 200 East 14th Ave., Denver, 3rd Floor.
- Electronic copies: An electronic copy of all paper submissions should also be submitted. This should be sent by email to:
 - The JBC analyst(s) responsible for the specified budget area(s)
 - Jessi Neuberg (jessi.neuberg@state.co.us) at the JBC offices
 - Legislative Council Staff at the following address: lcs.ga@state.co.us

The Legislative Council Staff (lcs.ga@state.co.us) will include the report in an electronic database (part of the Legislative Council Library) and will also ensure the report is distributed to other legislative committees, as specified in some of the RFIs.

- All submissions should include the following information:
 - Name of Department
 - Long Bill fiscal year to which the RFI is attached (FY 2015-16 for the RFIs listed in this letter)
 - Correct RFI number, as listed in this letter

Please include this information in the subject line for electronic submissions, as well as in the body of both electronic and hard copy submissions.

- Please use the following naming convention for your electronic attachments:

"[Department] [fiscal year] [RFI Number]"

For example, the attachment providing the response to RFI #5 in the Department of Health Care Policy and Financing would be entitled: **Health Care Policy and Financing FY 2015-16 RFI #5**

LEGISLATIVE REQUESTS FOR INFORMATION FROM THE JUDICIAL BRANCH FOR FY 2015-16

REQUESTS AFFECTING MULTIPLE DEPARTMENTS

1. Department of **Corrections**; Department of **Human Services**; **Judicial** Department; Department of **Public Safety**; and Department of **Transportation** -- State agencies involved in multi-agency programs requiring separate appropriations to each agency are requested to designate one lead agency to be responsible for submitting a comprehensive annual budget request for such programs to the Joint Budget Committee, including prior year, request year, and three year forecasts for revenues into the fund and expenditures from the fund by agency. The requests should be sustainable for the length of the forecast based on anticipated revenues. Each agency is still requested to submit its portion of such request with its own budget document. This applies to requests for appropriation from: the Alcohol and Drug Driving Safety Program Fund, the Law Enforcement Assistance Fund, the Offender Identification Fund, the Persistent Drunk Driver Cash Fund, and the Sex Offender Surcharge Fund, among other programs.

[RFIs 2-5 do not apply to the Judicial Department]

6. **All Departments** -- All Departments that own or have administrative custody of or administrative responsibility for State-owned buildings or structures are requested to provide by October 1, 2015, to the Joint Budget Committee an inventory list of all such department buildings or other department structures that are 50 years or older; each building's or structure's general condition and use status; and the estimated cost to address controlled maintenance needs or to provide for demolition.

JUDICIAL DEPARTMENT

1. Judicial Department, Trial Courts, Court Costs, Jury Costs, and Court-appointed Counsel; Trial Courts, District Attorney Mandated Costs; Office of the State Public Defender, Mandated Costs; and Office of the Alternate Defense Counsel, Mandated Costs -- The State Court Administrator's Office (SCAO) is requested to provide by November 1, 2015, a report concerning state expenditures for compensation of expert witnesses and professionals who conduct mental health examinations or evaluations of juveniles or adults concerning either sanity (pursuant to Article 8 of Title 16, C.R.S.) or competency (pursuant to sections 16-8.5-101, et seq. or 19-2-1302, C.R.S.), including the following information: (1) An explanation of the circumstances under which the court pays for such services and when such services must be paid by district attorneys' offices, the Office of the Public Defender (OSPD), or the Office of the Alternate Defense Counsel (OADC); (2) Total expenditures of state funds appropriated to the Judicial Branch for FY 2014-15 for such services; (3) the range of hourly rates paid with state funds in FY 2014-15 for such services; (4) whether the existing limitation on the hourly fee paid for such services in Chief Justice Directive 12-03 is high enough to attract a reasonable number of qualified professionals to perform such services; (5) whether the existing maximum fee

per case limitation in Chief Justice Directive 12-03 is high enough to allow a qualified professional to spend a sufficient number of hours to complete a required evaluation, prepare a report, or testify as an expert witness at a court hearing; and (6) whether Chief Justice Directive 12-03 should be modified to increase the maximum hourly fee or the maximum fee per case for certain types of professionals or certain types of services and the fiscal impact of any such modifications on each affected judicial agency. The SCAO is requested to prepare the report with input from the OSPD, OADC, and the Colorado District Attorneys' Council, and those agencies are requested to cooperate with the SCAO as necessary to prepare the requested report.

2. Judicial Department, Office of the State Public Defender – The State Public Defender is requested to provide by November 1, 2015, a report concerning the Appellate Division's progress in reducing its case backlog, including the following data for FY 2014-15: the number of new cases; the number of opening briefs filed by the Office of the State Public Defender; the number of cases resolved in other ways; the number of cases closed; and the number of cases awaiting an opening brief as of June 30, 2015.
3. Judicial Department, Probation and Related Services – Judicial Department, Probation and Related Services – The State Court Administrator's Office 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; and the female offender program. The Office 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 offenders return to probation as the result of violations.
4. Judicial Department, Trial Courts, District Attorney Mandated Costs – District Attorneys in each judicial district shall be responsible for allocations made by the Colorado District Attorneys' Council's Mandated Cost Committee. Any increases in this line item shall be requested and justified in writing by the Colorado District Attorneys' Council, rather than the Judicial Department, through the regular appropriation and supplemental appropriation processes. The Colorado District Attorneys' Council is requested to submit an annual report by November 1 detailing how the District Attorney Mandated Costs appropriation is spent, how it is distributed, and the steps taken to control these costs.
5. Judicial Department, Probation and Related Services, Offender Treatment and Services – The State Court Administrator's Office 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

SENATORS

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Kevin Grantham
Pat Steadman

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Bob Rankin



STAFF DIRECTOR
John Ziegler

JOINT BUDGET COMMITTEE

200 East 14th Avenue, 3rd Floor
LEGISLATIVE SERVICES BUILDING
Denver, CO 80203
Telephone 303-866-2061
www.tornado.state.co.us/gov_dir/leg_dir/jbc/jbchome.htm

April 20, 2015

Hon. Cynthia Coffman, Attorney General
Colorado Department of Law
Ralph L. Carr Colorado Judicial Center
1300 Broadway, 10th Floor
Denver, CO 80203

Dear Attorney General Coffman:

The General Assembly recently finalized the FY 2015-16 Long Bill. Pursuant to Section 24-75-112 (2), C.R.S., the Long Bill footnotes no longer include 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. Consistent with the provisions of Section 2-3-203 (3), C.R.S., information requests have been prioritized within each department in the attached lists.

To assist our staff in organizing and tracking submissions, we would appreciate if the department would follow the protocol outlined in an attachment to this letter with respect to submitting hard copies and electronic responses. The Committee requests that the department comply with these requests for information to the fullest extent possible.

Please notify us by May 4th if the department does not intend to comply with any requests.

Sincerely,

A handwritten signature in cursive script that reads "Kent D. Lambert".

Senator Kent Lambert
Chair

cc:

Hugh Wilson, Director of Administration, Colorado Department of Law
Jon Reitan, Budget Director, Colorado Department of Law
John Ziegler, Joint Budget Committee Staff

Attachment
Requested Format for Responses to Legislative Requests for Information

Please submit both hard (paper) copies and electronic copies of request for information (RFI) responses as follows:

- Hard copies: One (1) hard copy should be delivered by the requested due-date to the Joint Budget Committee (JBC) offices at 200 East 14th Ave., Denver, 3rd Floor.
- Electronic copies: An electronic copy of all paper submissions should also be submitted. This should be sent by email to:
 - The JBC analyst(s) responsible for the specified budget area(s)
 - Jessi Neuberg (jessi.neuberg@state.co.us) at the JBC offices
 - Legislative Council Staff at the following address: lcs.ga@state.co.us

The Legislative Council Staff (lcs.ga@state.co.us) will include the report in an electronic database (part of the Legislative Council Library) and will also ensure the report is distributed to other legislative committees, as specified in some of the RFIs.

- All submissions should include the following information:
 - Name of Department
 - Long Bill fiscal year to which the RFI is attached (FY 2015-16 for the RFIs listed in this letter)
 - Correct RFI number, as listed in this letter

Please include this information in the subject line for electronic submissions, as well as in the body of both electronic and hard copy submissions.

- Please use the following naming convention for your electronic attachments:

"[Department] [fiscal year] [RFI Number]"

For example, the attachment providing the response to RFI #5 in the Department of Health Care Policy and Financing would be entitled: **Health Care Policy and Financing FY 2015-16 RFI #5**

LEGISLATIVE REQUESTS FOR INFORMATION FROM THE DEPARTMENT OF LAW FOR FY 2015-16

REQUESTS AFFECTING MULTIPLE DEPARTMENTS

[RFIs 1-5 do not apply to the Department of Law]

6. **All Departments** -- All Departments that own or have administrative custody of or administrative responsibility for State-owned buildings or structures are requested to provide by October 1, 2015, to the Joint Budget Committee an inventory list of all such department buildings or other department structures that are 50 years or older; each building's or structure's general condition and use status; and the estimated cost to address controlled maintenance needs or to provide for demolition.

DEPARTMENT OF LAW

1. Department of Law, Criminal Justice and Appellate, Appellate Unit – The Department is requested to provide by November 1, 2015, a report concerning the Appellate Unit's progress in reducing its case backlog, including the following data for FY 2014-15: the number of opening briefs received; the number of answer briefs filed; the number of cases resolved through the expedited docket; and the case backlog as of June 30, 2015. In addition, the Department is requested to summarize the tasks completed by the inter-agency working group that was established to review the procedures, rules, and practices for handling post conviction appeals, along with any recommended procedural, regulatory, or statutory changes.
2. Department of Law, Criminal Justice and Appellate, Medicaid Fraud Control Unit -- Pursuant to Section 25.5-4-310, C.R.S., the Department of Law's Medicaid Fraud Control Unit is required to submit an annual report by January 15 concerning: actions filed under the "Colorado Medicaid False Claims Act", the amount recovered as a result of such actions, and the amount of related expenditures. The General Assembly requests that the Department also include in this annual report information about expenditures and recoveries related to the Unit's criminal investigations.
3. Department of Law, Special Purpose, Deputy District Attorney Training -- Pursuant to Section 20-1-111 (4) (b), C.R.S., the Colorado District Attorneys' Council (CDAC) allocated these dollars to provide prosecution training, seminar, continuing education programs, and other prosecution related services on behalf of District Attorneys who are members of the CDAC. The CDAC is requested to submit an annual report by November 1 detailing how the District Attorney Training appropriation is spent, including the number and type of training activities provided, the number of district attorney offices served by each type of training activity, the number of deputy district attorneys trained, and a detail of the costs categorized by personnel, operating, and travel, for each training effort.

STATE OF COLORADO

SENATORS

Kent Lambert, Chair
Kevin Grantham
Pat Steadman

REPRESENTATIVES

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April 20, 2015

Hon. Walker R. Stapleton
Colorado State Treasurer
200 East Colfax Ave.
State Capitol, Suite 140
Denver, CO 80203

Dear Treasurer Stapleton:

The General Assembly recently finalized the FY 2015-16 Long Bill. Pursuant to Section 24-75-112 (2), C.R.S., the Long Bill footnotes no longer include 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. Consistent with the provisions of Section 2-3-203 (3), C.R.S., information requests are prioritized within each department.

To assist our staff in organizing and tracking submissions, we would appreciate if the department would follow the protocol outlined in an attachment to this letter with respect to submitting hard copies and electronic responses. The Committee requests that the department comply with these requests for information to the fullest extent possible.

Please notify us by May 4th if the department does not intend to comply with any requests.

Sincerely,

Senator Kent Lambert
Chair

cc:

Jon Forbes, Deputy Treasurer
Clare Jozwiak, Controller, State Treasury
John Ziegler, Joint Budget Committee Staff

Attachment
Requested Format for Responses to Legislative Requests for Information

Please submit both hard (paper) copies and electronic copies of request for information (RFI) responses as follows:

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 - The JBC analyst(s) responsible for the specified budget area(s)
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The Legislative Council Staff (lcs.ga@state.co.us) will include the report in an electronic database (part of the Legislative Council Library) and will also ensure the report is distributed to other legislative committees, as specified in some of the RFIs.

- All submissions should include the following information:
 - Name of Department
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 - Correct RFI number, as listed in this letter

Please include this information in the subject line for electronic submissions, as well as in the body of both electronic and hard copy submissions.

- Please use the following naming convention for your electronic attachments:

"[Department] [fiscal year] [RFI Number]"

For example, the attachment providing the response to RFI #5 in the Department of Health Care Policy and Financing would be entitled: **Health Care Policy and Financing FY 2015-16 RFI #5**

LEGISLATIVE REQUESTS FOR INFORMATION FROM THE DEPARTMENT OF THE TREASURY FOR FY 2015-16

REQUESTS AFFECTING MULTIPLE DEPARTMENTS

[RFIs 1-5 do not apply to the Department of the Treasury]

6. **All Departments** -- All Departments that own or have administrative custody of or administrative responsibility for State-owned buildings or structures are requested to provide by October 1, 2015, to the Joint Budget Committee an inventory list of all such department buildings or other department structures that are 50 years or older; each building's or structure's general condition and use status; and the estimated cost to address controlled maintenance needs or to provide for demolition.

DEPARTMENT OF THE TREASURY

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, Unclaimed Property Program – The State Treasurer is requested to submit an annual report to the Joint Budget Committee concerning the Department's progress in implementing the new information systems (KAPS, LexisNexis) for which the Department has received funding; and on the workload measures these systems are intended to improve. The report should be submitted as a part of the State Treasurer's annual budget request and should include but need not be limited to annual comparisons of the following:
 - 1) Average number of claims processed per year, by claim type (A, B, C, and D);
 - 2) Average number of contacts per claim;
 - 3) Average time per contact; and
 - 4) Total value of each claim type (A, B, C, and D) per year.

J. INFORMATIONAL "(I)" NOTATIONS

The Long Bill and other legislation indicate when an amount is shown for informational purposes through an "(I)" notation. As defined in the Long Bill headnotes (Section 2, Paragraph (1) (I) (I) of S.B. 15-234):

Where the letter "(I)" appears directly to the right of a [Long Bill amount], that amount is not an appropriation, nor does it limit the expenditure of such moneys. The [amount] is included for informational purposes only. It provides a record of funds anticipated to be expended and, in some instances, may indicate assumptions used relative to those funds in developing appropriated amounts.

Some of the largest sources of informational funds include the following:

General Fund: General Fund amounts annotated with the "(I)" include Senior Citizen and Disabled Veteran Property Tax Exemption amounts in the Department of the Treasury; Cigarette Tax Rebate, Old Age Heat and Fuel, Property Tax Assistance, and Retail Marijuana Sales Tax Distributions to Local Governments in the Department of Revenue; and payments for Volunteer Firefighter Retirement Plans in the Department of Local Affairs.

Cash Funds: Some of the largest cash fund amounts annotated with the "(I)" include tuition and fees in the Department of Higher Education; cash funds overseen by the State Transportation Commission in the Department of Transportation; Local Government Mineral and Energy Impact Grants and Disbursements in the Department of Local Affairs; and Old Age Pension allocations and the local share of various social services programs in the Department of Human Services.

Reappropriated Funds: The largest reappropriated funds amount annotated with the "(I)" is for workers compensation claims in the Department of Personnel.

Federal Funds: Most federal funds in the Long Bill are annotated with the "(I)". The exceptions are some funds in the Departments of Human Services and Public Health and Environment that are appropriated by the General Assembly pursuant to federal law and funds annotated with the "(M)" and "(H)" notations, primarily in the Department of Health Care Policy and Financing, for which adjustments in federal funds drive a reduction in state funds allocations.

The table below summarizes, by department and bill, those appropriations annotated with the "(I)".

FY 2015-16 "(I)" NOTATIONS							% of Total Operating Budget (I) Notations
Bill	Total Funds	General Fund ¹	Cash Funds	Reappropriated Funds	Federal Funds		
FY 2015-16 OPERATING BUDGET "(I)" NOTATIONS							
Agriculture	S.B. 15-234	\$6,120,517	\$0	\$1,949,860	\$0	\$4,170,657	0.1%
Corrections	S.B. 15-234	16,218,147	0	14,958,210	0	1,259,937	0.2%
Education	S.B. 15-234	667,332,102	0	3,897,434	12,784,739	650,649,929	10.0%
Governor	S.B. 15-234	27,734,193	0	21,241,584	0	6,492,609	0.4%

FY 2015-16 "(I)" NOTATIONS							
	Bill	Total Funds	General Fund ¹	Cash Funds	Reappropriated Funds	Federal Funds	% of Total Operating Budget (I) Notations
Health Care Policy	S.B. 15-234	280,244,771	0	41,266,388	0	238,978,383	4.2%
Higher Education	S.B. 15-234	2,131,188,377	0	2,108,693,826	0	22,494,551	31.9%
Human Services	S.B. 15-234	504,141,819	0	235,629,190	1,340,200	267,172,429	7.6%
Judicial	S.B. 15-234	45,880,722	0	41,146,332	309,390	4,425,000	0.7%
Labor and Employment	S.B. 15-234	108,996,206	0	8,175,002	0	100,821,204	1.6%
Law	S.B. 15-234	3,431,300	0	1,350,757	286,666	1,793,877	0.1%
Legislature	S.B. 15-234	0	0	0	0	0	0.0%
Local Affairs	S.B. 15-234	286,476,045	4,700,000	204,900,000	0	76,876,045	4.3%
Military and Veterans Affairs	S.B. 15-234	215,025,057	0	0	0	215,025,057	3.2%
Natural Resources	S.B. 15-234	53,908,128	0	24,766,328	0	29,141,800	0.8%
Personnel	S.B. 15-234	53,918,394	0	1,148,021	52,770,373	0	0.8%
Public Health	S.B. 15-234	273,087,267	0	0	0	273,087,267	
	S.B. 15-247	<u>600,000</u>	<u>0</u>	<u>600,000</u>	<u>0</u>	<u>0</u>	
<i>Public Health subtotal</i>		273,687,267	0	600,000	0	273,087,267	4.1%
Public Safety	S.B. 15-234	73,611,405	0	10,016,631	4,094,855	59,499,919	1.1%
Regulatory Agencies	S.B. 15-234	3,486,552	0	2,000,542	0	1,486,010	0.1%
Revenue	S.B. 15-234	60,600,618	23,500,000	36,276,230	0	824,388	0.9%
State	S.B. 15-234	10,000	0	10,000	0	0	0.0%
Transportation	S.B. 15-234	1,403,091,161	0	813,112,894	16,916,192	573,062,075	21.0%
Treasury	S.B. 15-234	457,856,286	126,000,000	331,856,286	0	0	6.9%
GRAND TOTAL		\$6,672,959,067	\$154,200,000	\$3,902,995,515	\$88,502,415	\$2,527,261,137	100.0%
FY 2015-16 CAPITAL CONSTRUCTION "(I)" NOTATIONS							
Total "(I)" Notations	S.B. 15-234	\$20,371,727	\$0	\$4,935,458	\$0	\$15,436,269	
GRAND TOTAL "(I)" Notations		\$6,693,330,794	\$154,200,000	\$3,907,930,973	\$88,502,415	\$2,542,697,406	

^{1/} Includes General Fund Exempt.

The table below reflects operating budget appropriations with "(I)" notations as a percentage of the total state operating budget for FY 2015-16. For FY 2015-16, informational funds represent 25.3 percent of all operating appropriations, consisting primarily of cash funds and federal funds.

FY 2015-16 Operating Budget Appropriations and Informational "(I)" Notations

Operating Budget Appropriations

	Operating Budget Appropriations	Informational "(I)" Notation Operating Budget Totals	Informational as Percent of Operating Appropriations
General Fund/General Fund Exempt	\$9,597,112,649	\$154,200,000	1.6%
Cash Funds	7,355,743,365	3,902,995,515	53.1%
Reappropriated Funds	1,461,406,325	88,502,415	6.1%
Federal Funds	<u>8,008,303,724</u>	<u>2,527,261,137</u>	31.6%
Total	\$26,422,566,063	6,672,959,067	25.3%

K. CONTROLLED MAINTENANCE TRUST FUND

This appendix describes appropriations and transfers to the Controlled Maintenance Trust Fund (CMTF) created in Section 24-75-302.5, C.R.S. Pursuant to statute:

- Up to 50.0 percent of interest earnings on the CMTF principal for the current and prior fiscal year may be used to support controlled maintenance projects.
- The CMTF may serve as a state emergency reserve. CMTF amounts are identified in the Long Bill headnotes as part of the emergency reserve required pursuant to Article X, Section 20 of the Colorado Constitution (TABOR). Based on the authority provided in Section 24-33.5-706, C.R.S., the Governor has transferred funds from the CMTF to the Disaster Emergency Fund to address wildfires, floods, and other state emergencies.

During FY 2014-15 and FY 2015-16, no appropriations were made for controlled maintenance from interest earnings on the CMTF. During the 2014 legislative session, the CMTF was used to set aside moneys for new legislation. During the 2015 legislative session, no actions were taken regarding the CMTF. The table below summarizes recent CMTF appropriations, transfers, and earnings.

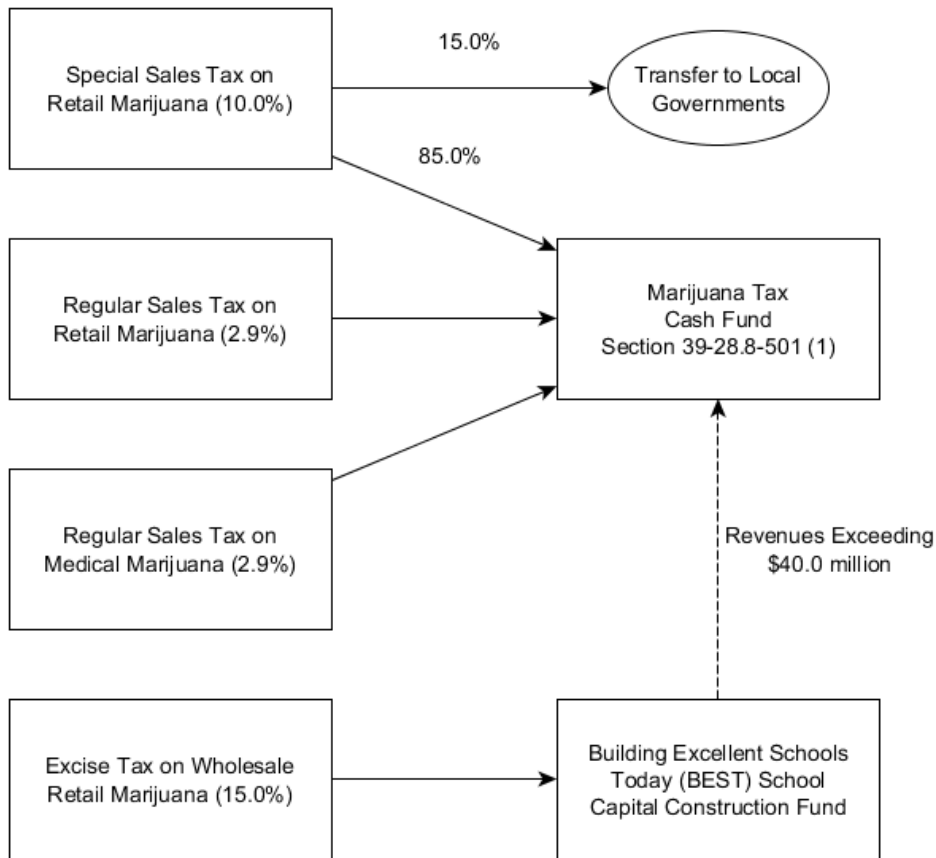
Controlled Maintenance Trust Fund	
	Total Funds
CMTF Balance. June 30, 2014	\$78,620,147
<u>FY 2014-15 Appropriations, Transfers, Earnings</u>	
FY 2014-15 General Fund Appropriation to CMTF (H.B. 14-1336)	20,093,068
Appropriations from CMTF in 2014 legislation	(19,981,804)
Transfer to General Fund (S.B. 14-189)	(9,672,000)
Interest earning through May 2015	<u>666,628</u>
Estimated CMTF Balance June 2015	\$69,726,039

L. MARIJUANA OVERVIEW

This appendix describes the allocation of state marijuana tax revenues and anticipated expenditures from the Marijuana Tax Cash Fund.

Marijuana Tax Revenue and Appropriations in Long Bill

House Bill 13-1318, as approved by Colorado voters in Proposition AA, established a special sales tax and an excise tax on the sale of retail marijuana. As amended by S.B. 14-215, Sections 39-28.8-203 and 39-28.8-302, C.R.S., control the amount of tax levied on these activities. The Marijuana Tax Cash Fund (MTCF), created in Section 39-28.8-501 (1), C.R.S., describes the allowable uses of revenue that is transferred to it. Due to the difficulty in forecasting a completely new source of tax revenue, the majority of appropriations authorized by statute may only be made in the fiscal year following the year in which the taxes were collected. The following diagram illustrates all of the transfers required by various statutes of each marijuana tax stream.



The first statutory transfer occurs on the fifteenth day of the second month after the tax was collected by the retail marijuana operator. This transfer is often referred to as the “local share” of the special sales tax on retail marijuana and equals 15.0 percent of the special sales tax on retail marijuana. The remaining 85.0 percent is deposited in the MTCF. In addition to the new taxes authorized by Proposition AA, the state already has continuing authority to levy a 2.9 percent sales tax on many consumer goods, including retail and medical marijuana. The *regular sales tax* on both types of marijuana is also transferred to the MTCF. Finally,

Proposition AA also authorized the state to levy an *excise tax* on wholesale marijuana transfers. The marijuana excise tax is calculated at 15.0 percent of the average market wholesale price of the product being transferred. The most recent average market wholesale prices were set by the Department of Revenue on January 1, 2015 and are described below:

MED Established Average Market Wholesale Price for Retail Marijuana			
Product Category	Detailed Description	Price	Measurement
Flower	The most potent part of the plant, consumed primarily by smoking	\$2,007	pound
Trim	Sugar leaves, typically used for concentrates and edibles	\$364	pound
Immature plant	Nonflowering plant no larger than 8 inches	\$9	plant

Generally, due to the statutory limitation on the timing of appropriations made from the MTCF, the General Assembly makes its appropriations based on the most recent available revenue projections from either the Legislative Council Staff or Department of Revenue Staff. Therefore, appropriations for FY 2015-16 were premised on the March 2015 Revenue Forecast prepared by Legislative Council. Projected collections for FY 2014-15 from each of the marijuana taxes and the transfers to the MTCF are summarized below. This is the revenue that was available for appropriation in FY 2015-16.

Summary of Revenue Available for FY 2015-16 Appropriations		March 2015 LCS Forecast
FY 2014-15 Marijuana Tax Summary		
a	15% Excise Tax (First \$40.0 million available for public school capital construction)	\$19,700,000
b	State Share of 10% Special Sales Tax	32,600,000
c	Local Share of 10% Special Sales Tax	<u>5,700,000</u>
d	Proposition AA Taxes Total	\$58,000,000
e	2.9% Regular Sales Tax on Retail Marijuana	11,100,000
f	2.9% Regular Sales Tax on Medical Marijuana	<u>10,500,000</u>
g	Total of Regular Sales Tax on Marijuana Products	\$21,600,000
h	Total Taxes on Marijuana (d + g)	\$79,600,000
Marijuana Tax Cash Fund (MTCF) Revenue Projected to be Collected in FY 2014-15		
i	State Share of 10% Special Sales Tax on Retail Marijuana (i = b)	\$32,600,000
j	2.9% Sales Tax on Retail Marijuana (j = e)	11,100,000
k	2.9% Sales Tax on Medical Marijuana (k = f)	<u>10,500,000</u>
l	Projected Total Revenue Transferred to MTCF for FY 2015-16 Appropriations	\$54,200,000

The following appropriations or transfers were made from the MTCF through the FY 2015-16 Long Bill and includes some Joint Budget Committee bills that were included in the budget package. Unless otherwise noted in the description below, appropriations were made through the Long Bill.

Budget Decisions Marijuana Tax Cash Fund (MTCF)		
Description	Department	FY 2015-16
Beginning MTCF Fund Balance for FY 2015-16 Appropriations		\$54,200,000
Required Reserve Equivalent to 6.5% of Available Revenue	None	3,581,500

Budget Decisions Marijuana Tax Cash Fund (MTCF)

Description	Department	FY 2015-16
Fund a portion of FY2014-15 appropriations in S.B. 14-215 via S.B. 15-167	Multiple	\$4,744,254
Annualized Appropriations from Prior Legislation		
Study Health Effects of Marijuana (S.B. 13-283)	Public Health and Environment	320,388
Scientific study of marijuana law enforcement activities (S.B. 13-283)	Public Safety	159,983
Marijuana Testing Lab Certification	Public Health and Environment	176,292
Continuation of FY 2014-15 Appropriations from SB 14-215		
School Health Professional Grant Program	Education	2,280,444
Governor's Office of Marijuana Coordination	Governor	190,097
Tony Gramscas Youth Services Program for the Prevention of Youth Marijuana Use	Human Services	2,000,000
Circle Drug Abuse Program	Human Services	1,911,612
Develop In-House Legal Expertise and Training	Law	436,766
Local Law Enforcement Training for DUI Drugs through the POST Board	Law	1,168,000
Marijuana Public Awareness Campaign	Public Health and Environment	2,150,000
Healthy Kids Colorado Survey	Public Health and Environment	781,789
Jail Based Behavioral Health Services	Human Services	1,550,000
Senate Bill 94 Youth Corrections Programs	Human Services	2,000,000
Marijuana Enforcement Division (FY 2014-15 Enforcement in S.B. 14-215) ¹	Revenue	7,600,000
New Spending for FY 2015-16		
Marijuana-Impaired Driving Campaign	Transportation	450,000
Public Safety Intelligence Support	Public Safety	51,345
Marijuana Lab Certification	Public Health and Environment	176,292
Reduction to appropriation for regulatory enforcement ² (S.B. 15-167)	Revenue	(<u>\$6,424,672</u>)
Total all FY 2015-16 Decisions		\$25,304,090
Forecast Ending Marijuana Tax Cash Fund Balance before Transfer to General Fund Below		28,895,910
Proposition AA Rebate		
Amount forecast to be refunded by TABOR Election Provision		58,000,000
MTCF Transfer to General Fund and reserved in Proposition AA Refund Account (S.B. 15-249)		<u>(27,700,000)</u>
General Fund reserved in Proposition AA Refund Account (S.B. 15-1367)		30,300,000
Forecast Ending Marijuana Tax Cash Fund Balance after Transfer (excludes special bills)		\$1,195,910

¹ The Marijuana Enforcement Division receives its appropriation from current year revenue and therefore FY 2014-15 appropriation for regular enforcement activities reduces the MTCF available for appropriation in FY 2015-16.

² Due to the anticipated refund of Proposition AA taxes, S.B. 15-167 reduces the MTCF appropriation with a subsequent increase in the appropriation from the Marijuana Cash Fund, which receives its revenue from fees on medical and retail marijuana regulation.

2015 Bills Affecting Marijuana Appropriations

S.B. 15-014 (Medical Marijuana): Requires the Colorado Medical Board in consultation with the Department of Public Health and Environment (DPHE) and physicians who specialize in medical marijuana to establish guidelines for physicians who make medical marijuana recommendations. Creates four different types of primary caregiver relationships: a parent child primary caregiver, an advising primary caregiver, a transporting primary caregiver, and a cultivating primary caregiver. Defines "significant responsibility for managing the well-being of a patient".

Requires DPHE to adopt rules regarding guidelines for primary caregivers to give informed consent to patients that the products they cultivate or produce may contain contaminants and that the THC levels are not verified. Requires DPHE to convene a group of interested parties including representatives from the state licensing authority, primary caregivers, patients, marijuana testing laboratory licensees, and any other interested persons to explore laboratory testing options for unlicensed medical marijuana.

Requires all transporting and cultivating primary caregivers to register with the state medical marijuana licensing authority (Department of Revenue). Places registration requirements on a cultivating primary caregiver and transporting primary caregivers. The Department of Revenue (DOR) may verify patient registration numbers and extended plant count numbers with the state health agency to confirm that a patient does not have more than one primary caregiver, or does not have both a designated caregiver and medical marijuana center, cultivating medical marijuana on his or her behalf at any given time. The bill prohibits any registering as a primary caregiver if the person is licensed as medical or retail marijuana business. A cultivating or transporting primary caregiver shall maintain a list of his or her patients including the registry identification card number of each patient and a recommended total plant count at all times.

Requires DOR and DPHE to share the minimum amount of information necessary to ensure that a medical marijuana patient has only one caregiver and is not using a primary caregiver and a medical marijuana center. Encourages patients cultivating more than 6 medical marijuana plants for their own medical use to register with the state licensing authority. Prohibits a patient and primary caregiver from cultivating more than 99 plants. A cultivating primary caregiver who grows more than 36 plants must register with the state licensing authority and report the location of his or her cultivation operation, the patient registration identification number for each of the primary caregiver's patients, and any extended plant count numbers and their corresponding patient registry numbers. DOR must verify the location of extended plant counts for primary caregiver cultivation operations and homebound patient registration for transporting caregivers to a local government or law enforcement agency upon receiving a request for verification. The location of the cultivation operation shall comply with all applicable local laws, rules, or regulations. Sunsets the medical marijuana program on September 1, 2019. Adds an exceptions to the student possession policy for medical marijuana. Permits moneys in the marijuana tax fund to be used to fund the implementation of any costs for law enforcement audits.

The appropriations in S.B. 15-014 are summarizes in the following table.

Summary of Appropriations in S.B. 15-014				
Department	Medical Marijuana Cash Fund	Marijuana Tax Cash Fund	Reappropriated Funds	Total Funds
Public Safety	\$0	\$60,000	\$0	\$60,000
Public Health and Environment	1,068,560	0	0	1,068,560

Summary of Appropriations in S.B. 15-014				
Department	Medical Marijuana Cash Fund	Marijuana Tax Cash Fund	Reappropriated Funds	Total Funds
Revenue	0	113,704	0	113,704
FTE	0.0	1.0	0.0	1.0
Department of Law	0	0	56,706	56,706
FTE	0.0	0.0	0.3	0.3
Office of Information Technology	<u>0</u>	<u>0</u>	<u>1,068,560</u>	<u>1,068,560</u>
Total Funds	\$1,068,560	\$173,704	\$1,125,266	\$2,367,530

S.B. 15-115 (Sunset Medical Marijuana Programs): Continues the Medical Marijuana Code (Medical Code) from July 1, 2015, until September 1, 2019, and implements some of the recommendations from the Department of Regulatory Agencies' 2014 sunset review. The changes include:

- Aligning the sunset date of the medical marijuana program administered by the Department of Public Health and Environment with the Medical Code;
- Prohibiting the infusion of trademarked items with medical marijuana;
- Allowing optional premises cultivation licensees to sell medical marijuana directly to other medical marijuana licensees within the context of vertical integration;
- Harmonizing the license disqualifiers with the Retail Marijuana Code (Retail Code);
- Requiring a seed-to-sale tracking system for medical marijuana and medical marijuana products;
- Harmonizing the destruction of unauthorized medical marijuana or medical marijuana products with the Retail Code;
- Repealing the hours during which medical marijuana centers can sell medical marijuana and authorizing the Department of Revenue (DOR) to set the hours in rule;
- Clarifying that the DOR must keep medical or retail marijuana licensee data confidential; and
- Allowing the executive director of the DOR to administratively continue a license renewal application.

S.B. 15-167 (Modify 2014-15 Appropriation from Marijuana Revenue): Reduces the difference between appropriations made from the Marijuana Tax Cash Fund (MTCF) for FY 2014-15 and the actual moneys collected and deposited in the MTCF during FY 2013-14 by creating a one-year exception to the prohibition on appropriating moneys in the MTCF for the current fiscal year, authorizing the general assembly to appropriate, in FY 2014-15, a certain amount of moneys in the MTCF received by the State during FY 2014-15, and by reducing appropriations for marijuana-related programs and services for FY 2014-15 in four principal departments of the executive branch of State government as follows:

- Reduces the appropriation from the MTCF to the Department of Law for optional training for certified peace officers who will act as trainers in advanced roadside impaired driving enforcement by \$76,000;
- Reduces the appropriation from the MTCF to the Department of Revenue for the Marijuana Enforcement Division by \$6.4 million and increases the appropriation from the Marijuana Cash Fund (MCF) to the Department of Revenue for the Marijuana Enforcement Division by the same amount;
- Reduces the General Fund appropriation to the Department of Health Care Policy and Financing (HCPF) for the School-based Substance Abuse Prevention and Intervention Grant Program by \$1,081,344 to reflect the actual amount of grants HCPF awarded plus \$50,000 for HCPF's administrative costs. In addition, the act reduces the amount that the State Treasurer is required to transfer from the MTCF to the General Fund by

\$1,151,631 to offset the General Fund appropriation for the grant program for the associated 6.5% statutory reserve.

- Reduces the appropriation from the MTCF to the Department of Human Services (DHS) for jail-based behavioral health services to offenders, including screening and providing treatment for adult inmates with a substance use disorder and providing continuity of care within the community after the inmate's release from jail. The appropriation is reduced by \$452,787 to reflect actual allocations to counties for the fiscal year.

In addition, the act authorizes DHS to use moneys appropriated from the MTCF for FY 2014-15 for the provision of substance use disorder treatment services for adolescents and pregnant women for the expanded purposes of providing substance use disorder treatment and prevention services and intensive wrap around services for adolescents and pregnant women. The act also authorizes DHS to spend such appropriated moneys in FY 2014-15 if necessary.

S.B. 15-196 (Industrial Hemp Certified Seeds Concentration Test): Expands the Industrial Hemp Committee from 9 to 11 members by including a representative of the cannabinoid industry and a representative of the certified seed growers industry. The Colorado Department of Agriculture (CDA) is required to administer an industrial hemp certified seed program to identify seeds that produce industrial hemp. The CDA may import seeds to develop the certified seed program in accordance with state and federal laws.

If an industrial hemp registrant wants a licensed retail marijuana testing facility to perform testing on the registrant's industrial hemp, the registrant is required to use a radio frequency identification-based inventory tracking system approved by the CDA Commissioner to test a sample of the crop. The inventory tracking system must be compatible with the Department of Revenue's seed-to-sale tracking system. The testing facility must provide the test results to the registrant and the commissioner. The results are considered confidential business information.

Current law provides criminal immunity from those processing, selling, and distributing industrial hemp. This bill extends that immunity to transporting and possessing hemp. The CDA may promulgate rules to require approved shipping documentation for the transportation of hemp.

In FY 2015-16, makes the following two appropriations: (1) \$249,763 cash funds from the Marijuana Tax Cash Fund to the Department of Agriculture based on the assumption it will require an additional 2.0 FTE; and (2) \$2,780 reappropriated funds to the Department of Law from those received by the Department of Agriculture.

S.B. 15-249 (Marijuana Tax Cash Fund Transfer to General Fund): In FY 2014-15, transfers \$27.7 million from the Marijuana Tax Cash Fund to the General Fund in anticipation of reserving the funds for the Proposition AA refund expected to be required by Section 20 (3) (c) of Article X, of the Colorado Constitution (TABOR Election Provision).

S.B. 15-260 (Medical Marijuana Product Testing): Authorizes the creation of a medical marijuana testing facility license and requires that medical marijuana and medical marijuana-infused products be tested. Mandatory testing cannot begin until a marijuana laboratory testing reference library is created. Because the reference library is created under H.B. 15-1283, the implementation of this bill is conditioned upon the passage of H.B. 15-1283. A person with a financial interest in a medical marijuana testing facility license cannot also have a financial interest in any other marijuana license type with the exception of a retail marijuana testing facility license.

H.B. 15-1267 (Use of Medical Marijuana During Probation): Makes an exception to probation conditions to allow a person on probation to possess and use medical marijuana, unless the person is convicted of an offense related to medical marijuana or the court determines such a prohibition is necessary and appropriate.

H.B. 15-1283 (Marijuana Reference Library and Lab Testing Access): Requires the Department of Public Health and Environment to develop and maintain a marijuana laboratory testing reference library (reference library), or contract with an organization that represents marijuana testing laboratories for the development and maintenance of the reference library. Laboratories licensed by the Department of Revenue are required to provide materials for the reference library; but no licensee is required to provide testing protocols. Creates a new license in the medical marijuana code for medical marijuana testing facilities. Permits a retail marijuana laboratory licensee to test industrial hemp from a registered entity or person. Creates process validation for edible marijuana products and other marijuana products in multi-serving packages for a ten milligram serving in a one hundred milligram package, including homogeneity, potency, solvents, and pesticides. The bill permits the use of moneys from the marijuana tax cash fund for the reference library. Appropriates \$23,850 cash funds to the Department of Public Health and Environment for FY 2015-16.

H.B. 15-1305 (Unlawful Manufacture Marijuana Concentrate): Makes it a class 2 drug felony for an unlicensed person to manufacture or permit manufacture of marijuana concentrate using a hazardous substance. Includes a 5-year statutory General Fund appropriation to the Department that provides \$22,068 for FY 2016-17, \$22,068 for FY 2017-18, and \$11,034 for FY 2018-19.

H.B. 15-1367 (Retail Marijuana Taxes): The act refers a ballot issue to voters on November 3, 2015, asking whether the State may retain and spend revenue collected from the Proposition AA excise and special sales taxes on retail marijuana in FY 2014-15. Further, it creates a Proposition AA Refund Account (Refund Account) in the General Fund. The Refund Account comprises \$58.0 million, the amount expected to be collected from Proposition AA taxes in FY 2014-15. Of this amount, \$27.7 million is a transfer from the Marijuana Tax Cash Fund (MTCF) pursuant to Senate Bill 15-249, and \$30.3 million is from the General Fund. If voters approve the ballot issue, the bill apportions the amount in the Refund Account for expenditure during FY 2015-16. If voters reject the ballot issue, the bill establishes mechanisms to refund moneys in the Account to taxpayers in FY 2015-16.

Independent of whether the voters approve the ballot issue, the act:

- lowers the retail marijuana excise and special sales tax rates to zero effective September 16, 2015, and raises them back to 15.0 percent and 10.0 percent, respectively, effective September 17, 2015;
- lowers the retail marijuana special sales tax rate from 10.0 percent to 8.0 percent beginning July 1, 2017;
- repeals current law requiring the Finance Committees of the General Assembly to review tax rates by April 1, 2016;
- transfers any marijuana excise tax revenue collected in excess of \$40.0 million during a single fiscal year to the Public School Fund rather than the MTCF;
- broadens purposes for which funds in the MTCF can be expended and requires the Marijuana Enforcement Division to report on its website how tax revenue is spent;
- requires that appropriations from the MTCF for jail-based behavioral health services be made through the Correctional Treatment Cash Fund;
- creates the Local Government Retail Marijuana Impact Grant Program (described below); and
- makes conforming adjustments to appropriations in the 2015 Long Bill, as detailed in the following table.

Section 22 Appropriations not Dependent on Outcome of Ballot Question			
Department/Recipient	Fund Source	Dollar Amount	FTE
Department of Agriculture	Marijuana Tax Cash Fund	\$314,633	4.3
Department of Law	Reappropriated funds from Department of Local Affairs	1,890	0.0
Department of Law	Reappropriated funds from Department of Agriculture	24,703	0.1
Department of Local Affairs	Marijuana Tax Cash Fund	71,342	1.0
Department of Revenue	Marijuana Tax Cash Fund	25,440	0.0
Total		\$438,008	5.4
2015 Long Bill Conforming Adjustments			
Department of Human Services	Marijuana Tax Cash Fund	(\$1,550,000)	0.0
Department of Human Services	Reappropriated funds from Correctional Treatment Cash Fund	1,550,000	0.0
Correctional Treatment Cash Fund	Marijuana Tax Cash Fund	1,550,000	0.0
Judicial Department	Correctional Treatment Cash Fund	1,550,000	0.0

The act requires that the General Fund be reimbursed between FY 2014-15 and FY 2019-20 for the \$30.3 million deposited in the Proposition AA Refund Account. The schedule and amount of the reimbursement depends on whether voters approve or reject the ballot issue.

Contingencies in Act Related to the Outcome of the Ballot Issue			
If approved	Amount	If rejected	Amount
Explicitly describes how the funds identified for the refund (\$58.0 million) would be spent:		Describes how the Proposition AA Refund will be made:	
\$40.0 million is transferred to the Public School Capital Construction Fund, known as the BEST Fund	\$40,000,000	\$25.0 million refunded via the six-tier sales tax refund mechanism	\$25,000,000
\$2.5 million to the Department of Public Health and Environment (CDPHE) for the marijuana education campaign	2,500,000	\$19.7 million refunded to marijuana cultivators who paid a retail marijuana excise tax in FY 2014-15	19,700,000
\$1.0 million to CDPHE for the dissemination of information from poison control centers	1,000,000	\$13.3 million refunded via a special sales tax rate reduction	13,300,000
\$2.0 million to the School Bullying Prevention and Education Cash Fund administered by the Colorado Department of Education (CDE)	2,000,000	DOLA will not begin making grants through the Local Government Retail Marijuana Impact Grant Program until FY 2016-17	
\$2.0 million to CDE via the Student Re-Engagement Program Cash Fund for costs associated with the student re-engagement program	2,000,000	Beginning FY 2015-16, \$6.06 million is retained in the General Fund from revenue that would have been transferred to the MTCF to repay \$30.3 million General Fund identified for the refund	<u>6,060,000</u>

Contingencies in Act Related to the Outcome of the Ballot Issue			
If approved	Amount	If rejected	Amount
		Total¹	\$64,060,00
\$1.0 million to the Department of Human Services (DHS) via the Youth Mentoring Services Cash Fund for costs associated with youth mentoring services	1,000,000		
\$1.0 million to DHS for the provision of grants through the Tony Grampsas youth mentoring program	1,000,000		
\$0.5 million to the Department of Health Care Policy and Financing for grants to substance the substance abuse screening, brief intervention, and referral to treatment (SBIRT) program	500,000		
\$0.3 million to the Department of Agriculture for Future Farmers of American and 4-H programs at the state fair	300,000		
\$1.0 million to the Department of Local Affairs (DOLA) for grants through the Local Government Retail Marijuana Impact (LGRMI) Grant Program	1,000,000		
\$0.5 million to DHS for treatment and detoxification contracts	500,000		
\$0.2 million to the Department of Law (DOL) for Peace Officers Standards and Training (POST) Board	200,000		
\$6.0 retained in the General Fund to begin repayment of the \$30.3 million General Fund identified for the refund	6,000,000		
Appropriates \$82,132 and 1.0 FTE from the MTCF to DOLA for additional expenditures requires to make grants through the LGRMI Grant Program	82,132		
Of the \$82,132 to DOLA, \$21,803 is reappropriated to the Office of Information Technology	21,803		
Of the \$82,132 to DOLA, \$2,835 is reappropriated to the Office of Information Technology	<u>2,835</u>		
Total¹	\$58,106,770		

¹ Does not total \$58.0 million due to inclusion of reappropriated funds and FY 2015-16 appropriations in totals.

The Local Government Retail Marijuana Impact Program is to be administered by the Division of Local Government in the Department of Local Affairs. Local governments eligible to receive grants from the program are those that:

- permit the sale of retail marijuana but do not impose a tax, except sales taxes that apply uniformly to all products;
- counties where no retail marijuana is sold in unincorporated areas, but where retail marijuana is sold in one of more municipalities within the county;

- counties where no marijuana is sold, but where retail marijuana is sold in a contiguous county; and
- municipalities where no retail marijuana is sold, but where retail marijuana is sold in another municipality or unincorporated area of the same county, or in any part of a contiguous county.

H.B. 15-1379 (Marijuana Permitted Economic Interest): Allows people who are not residents of Colorado to apply to the Marijuana Enforcement Division (MED) in the Department of Revenue for the authorization to hold a Permitted Economic Interest (PEI) in a regulated medical or retail marijuana business. Only a natural person who is a lawful United States resident may obtain a PEI, and the interest is limited to an unsecured debt instrument, option agreement, warrant, or any other right to obtain an ownership interest. The MED is required to promulgate rules regarding the PEI by January 1, 2016, including a process for and a requirement to submit to and pass a criminal history record check, divestiture, and other agreements that would qualify as PEIs. In FY 2015-16, appropriates \$166,305 and 1.4 FTE from the Marijuana Cash Fund to the Department of Revenue. Of this amount, \$33,254 and 0.2 FTE is reappropriated to the Department of Law and \$15,999 to the Department of Public Safety.

H.B. 15-1387 (End Transfer of Medical Marijuana to Retail Marijuana): Prohibits a medical marijuana business that receives a retail marijuana establishment license from transferring any of its medical marijuana inventory to the new retail marijuana establishment. Due to the fourth-month grow cycle of marijuana, the one-time transfer was initially included in law to ensure retail marijuana operators had sufficient marijuana on January 1, 2014, the first day of retail marijuana sales.

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