

STATE OF COLORADO
JOINT BUDGET COMMITTEE



APPROPRIATIONS REPORT:
Fiscal Year 2012-13

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FISCAL YEAR 2012-13 APPROPRIATIONS REPORT

TABLE OF CONTENTS

INTRODUCTION	1
PART I: OVERVIEW OF REVENUES AND EXPENDITURES	
A. General Fund Overview	3
B. Article X, Section 20 (TABOR) Overview	8
C. Overview Charts:	
Sources of General Fund Revenue (FY 2012-13)	10
History of Appropriations by Funding Source (FY 2003-04 to FY 2012-13)	11
Comparison of Appropriations by Program (FY 2002-03 and FY 2012-13):	
Total Funds	12
General Fund	13
PART II: SUMMARY TABLES	
A. FY 2012-13 Operating Appropriations by Department and Fund Source	14
B. Four-Year Summary of Appropriations:	
Total Funds	15
General Fund	16
Cash Funds	17
Reappropriated Funds	18
Federal Funds	19
FTE	20
PART III: APPROPRIATION DETAIL BY DEPARTMENT	
Agriculture	21
Corrections	36
Education	61
Governor-Lieutenant Governor-State Planning and Budgeting	96
Health Care Policy and Financing	122
Higher Education	151
Human Services	177

TABLE OF CONTENTS (CONTINUED)

PART III: APPROPRIATION DETAIL BY DEPARTMENT (CONTINUED)

Judicial	244
Labor and Employment	278
Law (Attorney General's Office)	294
Legislative Department	313
Local Affairs	323
Military and Veterans Affairs	337
Natural Resources	347
Personnel	375
Public Health and Environment	391
Public Safety	429
Regulatory Agencies	451
Revenue	475
State	509
Transportation	522
Treasury	535
Capital Construction	548

APPENDICES

A. Glossary of Terms	557
B. Common Policies	560
C. 2012 Session Supplemental Adjustments to Appropriations for FY 2010-11 and Prior Years	564
D. Summary of State Education Fund Appropriations	567
E. Highway Users Tax Fund Off-the-top Appropriation	570
F. Severance Tax Trust Fund - Operational Account Funds Overview	571
G. Tobacco Revenue Allocations	574
H. Amounts Deemed Exempt from Restriction on General Fund Appropriations . . .	584
I. Letters Requesting Information from State Departments	588
J. Informational (I) Notations on Appropriations	589

INDEX	592
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INTRODUCTION

The purpose of this report is to assist members of the General Assembly, state personnel, and other interested parties in understanding state funding decisions made during the 2012 Regular Session and First Extraordinary Session. This report provides an overview of state revenues and expenditures, comparative and historical information regarding appropriations made during the 2012 Regular Session and First Extraordinary Session, and a detailed explanation of major funding changes for each state department. The FY 2012-13 Appropriations Report includes five sections described below.

Part I: Overview of Revenues and Expenditures

This section of the report includes: (A) an overview of state General Fund revenues and expenditures, as well as a discussion of related statutory requirements and limitations; (B) a discussion of constitutional revenue and spending limits; and (C) a series of charts identifying the sources of General Fund revenues and comparing the distribution of expenditures by program and fund source over a ten year period.

Part II: Summary Tables

This section consists of a series of tables that summarize FY 2012-13 appropriations and FTE authorizations by department and fund source. Tables in subsection B provide comparable appropriation and FTE authorization data for the previous three fiscal years.

Part III: Expenditure and Appropriation Detail by Department

This section contains detailed information regarding funding for the operations of each state department and for capital construction projects. The subsection for each department summarizes funding and FTE authorizations for FY 2011-12 and FY 2012-13. The format reflects appropriations by bill and by division or program area. Narrative sections describe major changes in funding from FY 2011-12 to FY 2012-13, factors impacting departmental budgets, fund sources for each division, and division activities. This section also includes brief summaries of bills adopted during the 2011 Regular Session, the 2012 Regular Session, and the 2012 First Extraordinary Session that contained an appropriation, affected state revenues, or implemented a major policy change.

The footnotes to the 2012 Long Bill (H.B. 12-1335) can be found at the end of each departmental section in the 2012 Session Laws, or they can be accessed via the internet at the following address:

<http://www.leg.state.co.us/CLICS/CLICS2012A/csl.nsf/lbcontainer/HB12-1335?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.state.co.us/gov_dir/leg_dir/jbc/jbchome.htm

Note that these documents, unlike information included in this report, reflect staff recommendations rather than final funding decisions made by the General Assembly.

Appendices

The following appendices are included in this report:

- A - Glossary of terms used in this report
- B - Descriptions of the general policies that have been applied to determine funding for operations of state departments
- C - Table summarizing 2012 Regular Session adjustments to operating and capital construction appropriations for years prior to FY 2011-12
- D - Table summarizing appropriations from the State Education Fund
- E - Table summarizing appropriations from the Highway Users Tax Fund
- F - Summary of severance tax allocations
- G - Summary of tobacco revenue allocations
- H - Summary of General Fund amounts that were deemed exempt from the statutory limitations on General Fund appropriations
- I - Copies of letters sent by the Joint Budget Committee to the Governor, the Chief Justice, and other elected officials requesting information on programs and expenditures
- J - Summary of Informational (I) Appropriations

Index

Finally, this report includes an index to assist the reader in identifying the state department associated with a particular division, service, or program.

PART I: OVERVIEW OF REVENUES AND EXPENDITURES

A. GENERAL FUND OVERVIEW

This section provides an overview of General Fund revenues and expenditures based on the Office of State Planning and Budgeting March 2012 revenue estimate, which was used as the basis for making adjustments to the FY 2011-12 budget and preparing the FY 2012-13 budget.

Summary of Major Actions Taken Regarding the FY 2011-12 General Fund Budget

The following is a summary of the major actions that occurred during the 2012 Regular Session that impacted the FY 2011-12 General Fund budget:

General Fund Revenue Projections: The General Assembly used the Office of State Planning and Budgeting (OSPB) March 2012 revenue estimates when making final adjustments to the FY 2011-12 budget and preparing the FY 2012-13 budget during the 2012 Regular Session. The OSPB March 2012 projections were approximately \$241.3 million higher for FY 2011-12 than the projections that were used during the 2011 Session to prepare the FY 2011-12 budget.

Statutory Reserve: The FY 2011-12 budget, as set by the General Assembly during the 2011 Regular Session, had a \$282.5 million General Fund reserve, including \$279.3 million to comply with the statutory 4.0 percent reserve requirement, and an additional \$3.2 million in excess of the statutory requirement. This reserve was based on the Office of State Planning and Budgeting (OSPB) March 2011 revenue estimate.

During the 2012 Regular Session, the General Assembly passed and the Governor signed H.B. 12-1338, which added a provision to law indicating that \$59.0 million of the excess General Fund reserve at the end of FY 2011-12 above the 4.0 percent statutory reserve requirement be transferred to the State Education Fund.

Actions That Impacted General Fund Revenue: House Bill 12-1343 transferred a total of \$9.4 million from State Rail Bank Cash Fund to the General Fund.

Appropriation Actions: The following major actions were taken to adjust General Fund appropriations for FY 2011-12:

- *Department of Health Care Policy and Financing* - Increased appropriations by \$29.8 million General Fund to adjust for changes in the forecasts of enrollment and expenditures for the health care programs financed by the Department.
- *Department of Corrections* - Increased appropriations by \$14.0 million General Fund to adjust for the increased need for private prison beds.
- *Department of Human Services* - Increased appropriations by \$4.9 million General Fund, primarily for upgrades to the Colorado Benefits Management System pursuant to in H.B. 12-1339.

As a result of the actions noted above, approximately \$141.1 million will be available in excess General Fund reserve at the end of FY 2011-12. However, this is dependent on revenues meeting the expectations as reflected in the OSPB March 2012 revenue estimates.

Comparison of FY 2012-13 Appropriation to FY 2011-12 Appropriation

The following discussion provides a brief summary of the major funding changes that occurred between FY 2011-12 and FY 2012-13. Part III of the Appropriations Report provides a more detailed discussion of the various changes that occurred in each department. The following departments had significant General Fund increases in FY 2012-13 as compared to FY 2011-12:

- *Department of Education* - The General Fund appropriation increased by \$181.7 million, including a \$180.4 million increase in the General Fund share of funding for public schools pursuant to the statutory school finance formula. This increase includes \$123.2 million to offset a reduction in available cash funds, and \$57.2 million to cover the costs of projected enrollment increases.
- *Department of Health Care Policy and Financing* - The General Fund appropriation increased by \$158.2 million primarily as a result of changes in the forecasts of enrollment and expenditures for the health care programs financed by the Department and the expiration of one-time financing that was used to offset the need for General Fund for the Department in FY 2011-12.
- *Department of the Treasury* - The General Fund appropriation increased by \$101.4 million primarily as a result of the reinstatement of the Senior Citizen Property Tax Exemption.
- *Department of Human Services* - The General Fund appropriation increased by \$22.4 million primarily based on restoring General Fund in the Division of Child Welfare that had been temporarily refinanced with federal Temporary Assistance for Needy Families (TANF) funds. Increases were also related to funding required for centrally-appropriated items, information technology projects, improving staff-to-client ratios at the mental health institutes, and reducing overcrowding at Division of Youth Corrections facilities.
- *Judicial Department* - The General Fund appropriation increased by \$13.6 million primarily as a result of increases in the employer share of employee pension and health benefits, and other centrally-appropriated line items.
- *Controlled Maintenance Trust Fund* - The General Assembly made a \$13.0 million General Fund appropriation to the Controlled Maintenance Trust Fund which was then designated as part of the TABOR reserve.

FY 2011-12 and FY 2012-13 General Fund Overview

Table 1 provides an overview of General Fund revenues, spending obligations, and ending reserves for both FY 2011-12 and FY 2012-13. Please note that some of these amounts will change in the future with revised revenue forecasts and/or actions of the General Assembly.

Table 1 General Fund Overview (in Millions)		
Description	FY 2011-12	FY 2012-13
<u>General Fund Available</u>		
Beginning General Fund Reserve	\$156.9	\$422.2
Gross General Fund Nonexempt Revenues	6,326.9	6,724.5
Gross General Fund Exempt Revenues	1,073.2	896.3
Transfer to Older Coloradans Cash Fund	(8.0)	(8.0)
Transfers from/(to) Other Funds	142.1	(9.2)
Excess Article X, Section 20 Revenues	<u>0.0</u>	<u>0.0</u>
Total General Fund Available	\$7,691.1	\$8,025.8
<u>General Fund Obligations</u>		
General Fund Appropriations Subject to Statutory Restriction	\$7,027.9	\$7,438.1
Rebates and Expenditures	131.0	130.5
Transfer to Capital Construction Fund	49.3	61.0
Senior Citizen & Disabled Veteran Property Tax Exemption	1.7	98.5
Transfer of Excess General Fund Reserve to the State Education Fund	<u>59.0</u>	<u>0.2</u>
Total General Fund Obligations	\$7,268.9	\$7,728.3
Ending General Fund Reserve (Available Funds Less Obligations)	\$422.2	\$297.5
<u>General Fund Reserve Information</u>		
Statutorily Required General Fund Reserve	\$281.1	\$297.5
General Fund Reserve in Excess of Statutory Requirement	\$141.1	\$0.0

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.

Gross General Fund Nonexempt and Exempt Revenues - These figures represent estimates of the total General Fund revenues as reflected in the March 2012 Office of State Planning and Budgeting (OSPB) revenue estimate. The major components of the state's General Fund revenues are individual and corporate income, sales and use, insurance, 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 as 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 Taxpayers Bill of Rights (TABOR). The Gross General Fund Exempt Revenues represent the estimate of those retained amounts as reflected in the March 2012 OSPB

revenue estimate. Please see Part I-B - ARTICLE X, SECTION 20 (TABOR) OVERVIEW for a more detailed overview of TABOR and Referendum C.

Transfer to Older Coloradans Cash Fund - Moneys are transferred to this fund pursuant to Section 39-26-123 (3), C.R.S.

Transfers from/(to) Other Funds - This line identifies miscellaneous statutory transfers to or from the General Fund. There is an explanation in each section of this report that identifies 2011 and 2012 Regular Session bills that transferred moneys to or from the General Fund and the associated amounts.

Excess Article X, Section 20 Revenues - Article X, Section 20 of the Colorado Constitution (TABOR) places restrictions on the amount of total General Fund and cash funds that can be collected and, consequently, spent by the State. Based on the March 2012 OSPB revenue estimate, the State is not expected to have excess revenues in FY 2011-12 or FY 2012-13.

General Fund Appropriations Subject to Statutory Restriction - These figures represent the total appropriations made in the Long Bill and in any separate bills. This amount does not include funds appropriated for rebates and expenditures, which are described below and are not subject to the statutory restriction on General Fund appropriations.

Rebates and Expenditures - These statutory obligations include the Old Age Pension program, cigarette tax rebates to local governments, State contributions for local fire and police pensions, and Old Age Heat and Fuel and Property Tax Assistance Grants. These statutory obligations are not subject to the statutory restriction on General Fund appropriations. Appendix H provides more detail concerning rebates and expenditures for FY 2011-12 and FY 2012-13.

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 can, and has, changed the amount of the annual transfer when necessary.

Senior Citizen and Disabled Veteran Property Tax Exemption - In the 2000 general election, 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 the 2006 general election, Colorado voters approved a constitutional amendment extending the homestead exemption to veterans who are 100.0 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 2011-12 and FY 2012-13 represent estimated state expenditures as reflected in the March 2012 OSPB revenue estimate (also shown in Appendix H) Senate Bills 09-276 and 10-190 suspended the senior citizen property tax exemption for FY 2010-11 and FY 2011-12 but left the disabled veteran exemption in place in those fiscal years.

Transfer of Excess General Fund Reserve to the State Education Fund - These amounts represent excess year end reserve amounts that are transferred from the General Fund to the State Education Fund. House Bill 12-1338 required that \$59.0 million of the General Fund excess that exceeds the 4.0 percent reserve requirement for FY 2011-12, and all of the excess General Fund reserve at the end of FY 2012-13, be transferred to the State Education Fund.

Ending General Fund Reserve - 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.

Statutorily Required General Fund Reserve - Section 24-75-201.1 (1) (d) and (e), C.R.S., require a reserve of at least 4.0 percent of General Fund appropriations for FY 2011-12 and FY 2012-13, and Section 24-75-201.5, C.R.S., requires the Governor to take action to reduce state spending during the year if revenue estimates indicate the reserve would fall to 2.0 percent or less.

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 of the previous fiscal year. Since the passage of this provision, the lesser amount has been 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 the restriction, including those associated with new federal mandates, requirements of final court orders, and voter-approved revenue increases.

Table 2 shows the calculation of the allowable General Fund appropriations for FY 2012-13. 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 2012-13, and the difference between General Fund appropriations and the restriction for FY 2012-13.

Table 2 Section 24-75-201.1, C.R.S., Statutory Restriction on Appropriations (in Millions)	
Calendar Year 2010 Personal Income (base as defined in Section 24-75-201.1 (1) (a) (VII) (A), C.R.S.)	\$213,200.0
Multiplied by 5.0 Percent	<u>X 0.05</u>
FY 2012-13 General Fund Appropriations Restriction	\$10,660.0
FY 2012-13 General Fund Appropriations	\$7,569.5
Less: General Fund Appropriations Exempt From/ Not Subject to Statutory Restriction	<u>(131.4)</u>
FY 2012-13 General Fund Appropriations Subject to Restriction	\$7,438.1
Over/(Under) FY 2012-13 General Fund Appropriations Restriction	(\$3,221.9)

B. ARTICLE X, SECTION 20 (TABOR) OVERVIEW

Description of TABOR

In addition to the General Fund appropriation restrictions imposed by Section 24-75-201.1, C.R.S., 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 can be collected and, consequently, spent by the State. This section provides information about this constitutional revenue and spending limit.

Article X, Section 20 has several key provisions that impact the state budget:

- 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; and
- 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 Article X, Section 20, several calculations are necessary. Because this provision makes no distinction between General Fund and cash funds collected by the state, it is necessary to make forecasts of all the separate cash funds as well as the General Fund. The estimated totals of the General Fund and cash funds are then increased by the estimated changes in inflation and population to project the allowable increase in 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, authorized the State to retain and spend all state revenues in excess of the limitation on state fiscal year spending; and
- For FY 2010-11 and each succeeding fiscal year, 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 the exceptions or exclusions thereto, apply 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.

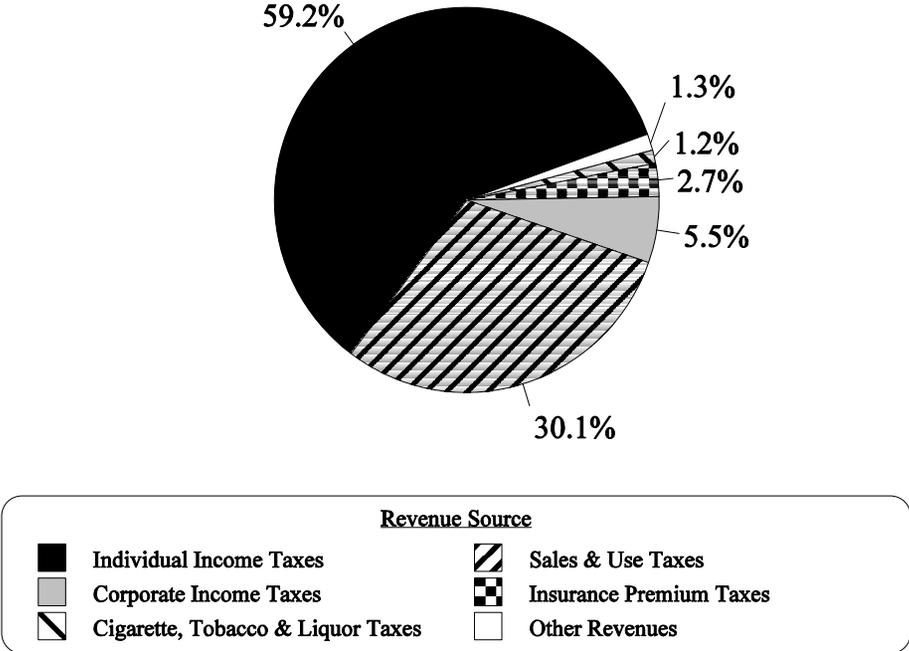
Table 3 summarizes the General Fund Exempt account Appropriations made in compliance with Sections 24-77-103.6 and 24-77-104.5, C.R.S.

Table 3 "Referendum C" General Fund Exempt Appropriations by Programs (in Millions)				
Department	Line Item	FY 10-11	FY 11-12	FY 12-13
Education	State Share of Districts' Total Program Funding	\$275.4	\$373.5	\$312.2
Health Care Policy and Financing	Medical Services Premiums	275.4	373.5	312.2
Higher Education	College Opportunity Fund Program - Stipends	215.2	316.1	257.1
Local Affairs	Volunteer Firefighter Retirement Plans	4.1	4.3	4.0
Treasury	Fire and Police Pension Association Old Hire Plans	0.0	5.3	10.3
Transportation	Capital Construction - Transportation Highway Construction Projects	0.5	0.5	0.5
Total General Fund Exempt		\$770.6	\$1,073.2	\$896.3

Please Note: The Office of State Planning and Budgeting's revenue forecast from March 2012 was used as a basis for the appropriations listed in Table 3. Subsequent revenue forecast revisions and actual experience will require that these appropriations be adjusted in future legislative sessions to reflect actual experience.

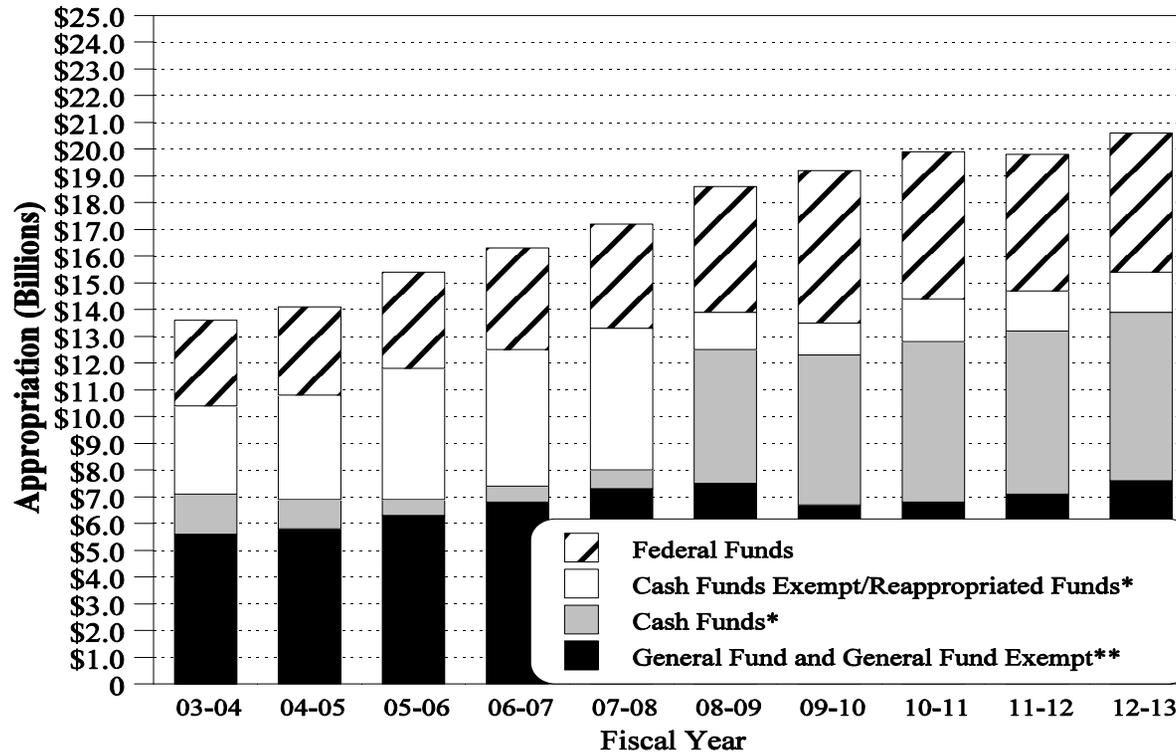
**COLORADO STATE BUDGET
SOURCES OF GENERAL FUND REVENUE
(Fiscal Year 2012-13)**

Estimated Total General Fund Revenues = \$7,620.8 Million*



* Source: Office of State Planning and Budgeting's March 2012 *The Colorado Outlook*. These percentages are net of income tax receipts that are credited to the State Education Fund (\$399.9 million).

**COLORADO STATE OPERATING BUDGET
HISTORY OF APPROPRIATIONS BY FUNDING SOURCE
(Fiscal Years 2003-04 through 2012-13)**



NOTE: Appropriated amounts have not been adjusted for inflation.

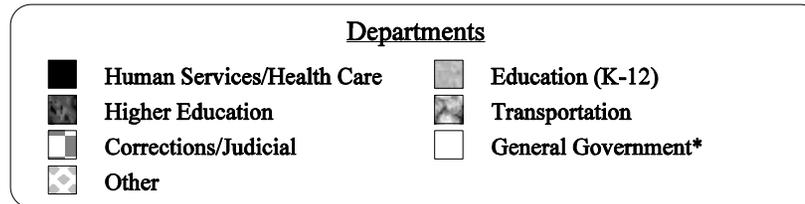
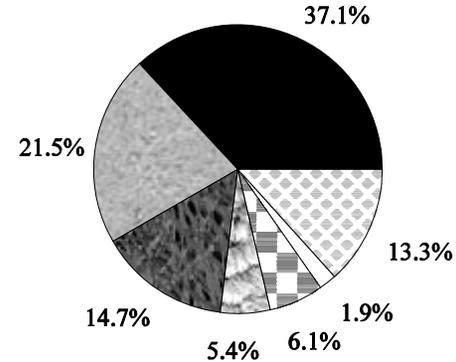
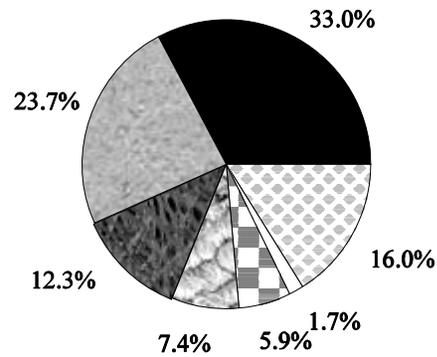
* Appropriations for FY 2008-09 and subsequent years are reflected in a new format, which redistributes funds previously classified "cash funds" and "cash funds exempt" into the newly defined "cash funds" and "reappropriated funds" categories. Cash Funds Exempt amounts are reflected for FY 2007-08 and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

** General Fund Exempt amounts are included for FY 2005-06, when the General Fund Exempt account was created, and subsequent years.

COLORADO STATE OPERATING BUDGET COMPARISON OF TOTAL APPROPRIATIONS BY PROGRAM

FY 2002-03 = \$13.27 billion

FY 2012-13 = \$20.58 billion

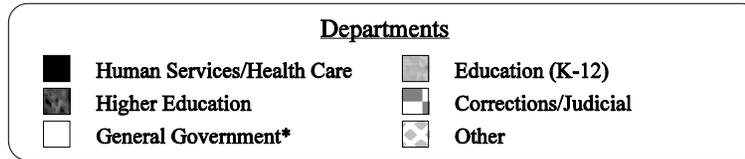
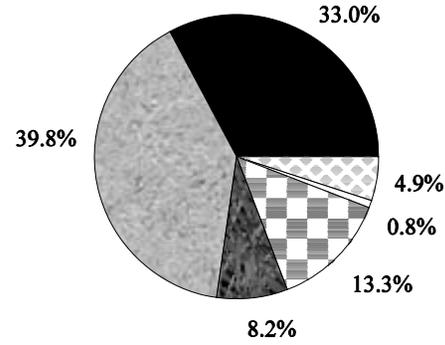
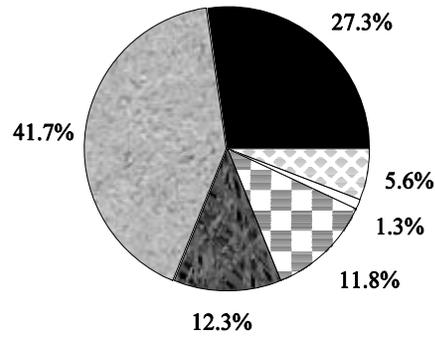


* Includes the Governor-Lieutenant Governor-State Planning and Budgeting, the Legislative Department, and the Department of Personnel.

COLORADO STATE OPERATING BUDGET COMPARISON OF GENERAL FUND APPROPRIATIONS BY PROGRAM

FY 2002-03 = \$5.55 billion

FY 2012-13 = \$7.57 billion



* Includes the Governor-Lieutenant Governor-State Planning and Budgeting, the Legislative Department, and the Department of Personnel.

PART II: SUMMARY TABLES

A. FY 2012-13 OPERATING APPROPRIATIONS BY DEPARTMENT AND FUND SOURCE

Department	General Fund/1	Cash Funds	Reappropriated Funds	Federal Funds	TOTAL
Agriculture	\$6,860,032	\$27,819,174	\$1,090,001	\$3,887,150	\$39,656,357
Corrections	651,332,037	39,590,087	45,644,484	1,014,328	737,580,936
Education/1	3,015,437,087	753,491,302	24,078,570	628,704,003	4,421,710,962
Governor	18,320,081	33,747,087	141,242,425	6,497,635	199,807,228
Health Care Policy and Financing/1	1,857,115,475	925,374,919	8,170,248	2,770,497,472	5,561,158,114
Higher Education/1	619,261,908	1,851,045,974	544,570,013	19,113,229	3,033,991,124
Human Services	642,011,487	336,871,969	475,870,742	616,568,241	2,071,322,439
Judicial	352,087,442	132,827,681	19,113,030	4,425,000	508,453,153
Labor and Employment	0	60,488,778	651,881	96,976,002	158,116,661
Law	9,896,185	10,779,963	34,998,817	1,576,165	57,251,130
Legislature	35,960,016	179,065	910,316	0	37,049,397
Local Affairs/1	11,098,481	206,386,363	7,129,597	102,623,672	327,238,113
Military and Veterans Affairs	6,681,430	1,332,993	803,662	214,128,024	222,946,109
Natural Resources	23,740,163	209,496,335	8,636,648	20,744,426	262,617,572
Personnel	6,596,233	11,997,536	141,427,803	0	160,021,572
Public Health and Environment/1	30,725,111	157,156,520	32,052,315	246,167,561	466,101,507
Public Safety	84,624,139	155,103,072	27,113,894	53,355,759	320,196,864
Regulatory Agencies	1,714,111	71,265,174	4,265,351	1,314,203	78,558,839
Revenue	73,668,142	211,751,066	1,456,105	824,388	287,699,701
State	0	19,893,142	0	0	19,893,142
Transportation	0	706,181,582	3,763,059	409,409,045	1,119,353,686
Treasury/1	109,332,502	369,576,443	0	0	478,908,945
Controlled Maintenance Trust Fund	<u>13,000,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>13,000,000</u>
OPERATING TOTAL/2	\$7,569,462,062	\$6,292,356,225	\$1,522,988,961	\$5,197,826,303	\$20,582,633,551

/1 Includes General Fund Exempt.

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

B. FOUR-YEAR SUMMARY OF APPROPRIATIONS:

TOTAL FUNDS

Department	FY 2009-10 Appropriation	FY 2010-11 Appropriation	FY 2011-12 Appropriation	FY 2012-13 Appropriation
Agriculture	\$38,843,498	\$38,638,828	\$38,966,641	\$39,656,357
Corrections	742,980,190	747,795,246	739,217,957	737,580,936
Education	4,725,438,549	4,366,220,940	4,340,848,185	4,421,710,962
Governor	123,540,645	203,003,586	194,815,921	199,807,228
Health Care Policy and Financing	4,335,417,997	4,893,218,232	5,166,313,591	5,561,158,114
Higher Education	2,627,663,370	3,013,064,028	2,914,014,430	3,033,991,124
Human Services	2,144,727,107	2,139,262,105	2,053,176,906	2,071,322,439
Judicial	441,595,052	450,583,947	473,703,301	508,453,153
Labor and Employment	177,028,794	156,923,584	158,198,167	158,116,661
Law	49,339,112	53,939,725	54,372,200	57,251,130
Legislature	36,544,775	35,999,593	35,973,235	37,049,397
Local Affairs	394,429,210	318,261,501	363,431,403	327,238,113
Military and Veterans Affairs	203,227,824	221,257,517	221,216,971	222,946,109
Natural Resources	225,420,833	245,695,421	241,982,640	262,617,572
Personnel	176,507,609	160,763,682	157,857,935	160,021,572
Public Health and Environment	428,940,743	442,784,386	446,906,027	466,101,507
Public Safety	249,790,343	258,269,940	266,449,468	320,196,864
Regulatory Agencies	79,893,774	77,724,398	76,799,510	78,558,839
Revenue	692,073,355	727,346,620	295,481,810	287,699,701
State	21,022,851	21,496,775	20,514,081	19,893,142
Transportation	973,508,750	1,032,417,169	1,108,119,876	1,119,353,686
Treasury	295,616,667	356,965,488	366,426,119	478,908,945
Controlled Maintenance Trust Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>13,000,000</u>
TOTAL	\$19,183,551,048	\$19,961,632,711	\$19,734,786,374	\$20,582,633,551

FOUR-YEAR SUMMARY OF APPROPRIATIONS:

GENERAL FUND/1

Department	FY 2009-10 Appropriation	FY 2010-11 Appropriation	FY 2011-12 Appropriation	FY 2012-13 Appropriation
Agriculture	\$6,055,836	\$4,924,114	\$5,164,362	\$6,860,032
Corrections	565,603,106	658,794,383	648,950,165	651,332,037
Education	3,239,325,619	2,963,613,216	2,833,702,613	3,015,437,087
Governor	13,862,984	11,930,349	10,613,728	18,320,081
Health Care Policy and Financing	1,151,038,412	1,278,711,042	1,698,937,482	1,857,115,475
Higher Education	428,761,033	705,108,145	623,962,700	619,261,908
Human Services	651,948,502	623,196,849	619,593,123	642,011,487
Judicial	323,814,931	327,054,402	338,455,642	352,087,442
Labor and Employment	0	0	0	0
Law	9,225,846	9,510,373	9,422,208	9,896,185
Legislature	35,137,319	34,796,446	34,684,832	35,960,016
Local Affairs	10,912,921	10,530,849	10,379,500	11,098,481
Military and Veterans Affairs	5,407,887	5,286,233	5,429,298	6,681,430
Natural Resources	26,634,588	26,201,062	23,429,407	23,740,163
Personnel	5,576,326	5,104,155	4,118,272	6,596,233
Public Health and Environment	27,076,170	28,070,224	27,473,436	30,725,111
Public Safety	81,989,417	82,314,802	82,727,973	84,624,139
Regulatory Agencies	1,457,251	1,510,435	1,600,344	1,714,111
Revenue	73,749,339	70,830,479	72,744,786	73,668,142
State	0	0	0	0
Transportation	0	0	0	0
Treasury	1,680,359	2,362,955	7,903,000	109,332,502
Controlled Maintenance Trust Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>13,000,000</u>
OPERATING SUBTOTAL	\$6,659,257,846	\$6,849,850,513	\$7,059,292,871	\$7,569,462,062
Capital Construction Fund /2	41,143,881	19,954,062	50,018,234	62,680,183
LESS: Amount Exempt From Statutory Restrictions	<u>(26,841,912)</u>	<u>(26,209,165)</u>	<u>(31,508,032)</u>	<u>(131,377,953)</u>
GRAND TOTAL	\$6,673,559,815	\$6,843,595,410	\$7,077,803,073	\$7,500,764,292

/1 Includes General Fund Exempt.

/2 These figures reflect appropriations from the General Fund into the Capital Construction Fund.

FOUR-YEAR SUMMARY OF APPROPRIATIONS:

CASH FUNDS

Department	FY 2009-10 Appropriation	FY 2010-11 Appropriation	FY 2011-12 Appropriation	FY 2012-13 Appropriation
Agriculture	\$27,018,443	\$28,568,372	\$28,782,323	\$27,819,174
Corrections	44,731,991	44,669,172	42,343,166	39,590,087
Education	636,538,236	592,384,040	857,596,308	753,491,302
Governor	28,043,418	26,204,006	23,692,996	33,747,087
Health Care Policy and Financing	595,916,623	785,202,148	879,632,546	925,374,919
Higher Education	1,433,870,516	1,614,730,367	1,720,379,975	1,851,045,974
Human Services	351,463,783	341,382,102	329,545,321	336,871,969
Judicial	105,630,825	108,141,846	114,437,763	132,827,681
Labor and Employment	60,585,018	59,639,210	60,912,916	60,488,778
Law	9,292,899	10,185,661	10,389,960	10,779,963
Legislature	223,640	202,831	184,587	179,065
Local Affairs	258,601,220	203,509,756	228,629,982	206,386,363
Military and Veterans Affairs	1,407,940	1,408,881	1,209,140	1,332,993
Natural Resources	174,244,140	191,792,929	190,187,713	209,496,335
Personnel	10,828,867	10,654,935	11,790,909	11,997,536
Public Health and Environment	145,250,938	131,914,492	124,269,359	157,156,520
Public Safety	119,897,125	126,211,938	129,681,033	155,103,072
Regulatory Agencies	68,839,045	68,157,532	69,765,231	71,265,174
Revenue	615,399,703	654,279,061	220,685,036	211,751,066
State	21,022,851	21,496,775	20,514,081	19,893,142
Transportation	614,161,434	658,329,628	699,088,197	706,181,582
Treasury	293,936,308	354,602,533	358,523,119	369,576,443
Controlled Maintenance Trust Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	\$5,616,904,963	\$6,033,668,215	\$6,122,241,661	\$6,292,356,225

FOUR-YEAR SUMMARY OF APPROPRIATIONS:

REAPPROPRIATED FUNDS

Department	FY 2009-10 Appropriation	FY 2010-11 Appropriation	FY 2011-12 Appropriation	FY 2012-13 Appropriation
Agriculture	\$1,800,473	\$1,126,997	\$1,042,342	\$1,090,001
Corrections	42,698,918	43,324,213	44,727,525	45,644,484
Education	22,701,205	22,737,017	23,645,698	24,078,570
Governor	48,776,564	131,373,119	136,717,444	141,242,425
Health Care Policy and Financing	24,443,505	18,526,832	8,576,440	8,170,248
Higher Education	362,747,643	643,769,858	550,656,940	544,570,013
Human Services	438,101,302	469,989,726	455,037,280	475,870,742
Judicial	7,718,876	8,572,957	15,599,598	19,113,030
Labor and Employment	12,832,151	1,695,272	752,426	651,881
Law	29,557,289	32,774,465	33,059,968	34,998,817
Legislature	1,183,816	1,000,316	1,103,816	910,316
Local Affairs	11,928,255	7,243,477	7,102,736	7,129,597
Military and Veterans Affairs	803,509	803,509	803,509	803,662
Natural Resources	7,305,823	7,972,361	8,480,565	8,636,648
Personnel	160,102,416	145,004,592	141,948,754	141,427,803
Public Health and Environment	33,233,774	26,696,827	28,977,004	32,052,315
Public Safety	21,337,368	21,858,171	24,480,944	27,113,894
Regulatory Agencies	8,382,793	6,825,033	4,239,807	4,265,351
Revenue	1,398,939	1,421,461	1,328,287	1,456,105
State	0	0	0	0
Transportation	3,950,128	4,986,153	4,886,656	3,763,059
Treasury	0	0	0	0
Controlled Maintenance Trust Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	\$1,241,004,747	\$1,597,702,356	\$1,493,167,739	\$1,522,988,961

FOUR-YEAR SUMMARY OF APPROPRIATIONS:

FEDERAL FUNDS

Department	FY 2009-10 Appropriation	FY 2010-11 Appropriation	FY 2011-12 Appropriation	FY 2012-13 Appropriation
Agriculture	\$3,968,746	\$4,019,345	\$3,977,614	\$3,887,150
Corrections	89,946,175	1,007,478	3,197,101	1,014,328
Education	826,873,489	787,486,667	625,903,566	628,704,003
Governor	32,857,679	33,496,112	23,791,753	6,497,635
Health Care Policy and Financing	2,564,019,457	2,810,778,210	2,579,167,123	2,770,497,472
Higher Education	402,284,178	49,455,658	19,014,815	19,113,229
Human Services	703,213,520	704,693,428	649,001,182	616,568,241
Judicial	4,430,420	6,814,742	5,210,298	4,425,000
Labor and Employment	103,611,625	95,589,102	96,532,825	96,976,002
Law	1,263,078	1,469,226	1,500,064	1,576,165
Legislature	0	0	0	0
Local Affairs	112,986,814	96,977,419	117,319,185	102,623,672
Military and Veterans Affairs	195,608,488	213,758,894	213,775,024	214,128,024
Natural Resources	17,236,282	19,729,069	19,884,955	20,744,426
Personnel	0	0	0	0
Public Health and Environment	223,379,861	256,102,843	266,186,228	246,167,561
Public Safety	26,566,433	27,885,029	29,559,518	53,355,759
Regulatory Agencies	1,214,685	1,231,398	1,194,128	1,314,203
Revenue	1,525,374	815,619	723,701	824,388
State	0	0	0	0
Transportation	355,397,188	369,101,388	404,145,023	409,409,045
Treasury	0	0	0	0
Controlled Maintenance Trust Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	\$5,666,383,492	\$5,480,411,627	\$5,060,084,103	\$5,197,826,303

FOUR-YEAR SUMMARY OF APPROPRIATIONS:

FTE

Department	FY 2009-10 Appropriation	FY 2010-11 Appropriation	FY 2011-12 Appropriation	FY 2012-13 Appropriation
Agriculture	293.0	287.1	284.1	282.4
Corrections	6,547.6	6,733.1	6,220.6	6,022.9
Education	563.3	555.7	541.6	565.7
Governor	368.9	1,048.9	1,046.8	1,037.4
Health Care Policy and Financing	287.6	294.8	312.5	326.2
Higher Education	20,954.9	21,397.0	21,490.8	21,458.9
Human Services	5,491.1	5,177.4	4,849.6	4,878.6
Judicial	3,947.8	4,047.4	4,174.7	4,267.6
Labor and Employment	1,123.7	1,047.0	1,046.8	1,006.3
Law	398.6	420.7	419.0	429.2
Legislature	277.1	277.1	271.0	271.0
Local Affairs	186.5	176.0	191.1	163.2
Military and Veterans Affairs	1,386.9	1,384.9	1,384.9	1,384.9
Natural Resources	1,538.8	1,474.8	1,466.1	1,464.1
Personnel	393.6	391.3	394.3	394.9
Public Health and Environment	1,289.5	1,227.7	1,260.9	1,223.1
Public Safety	1,358.5	1,349.0	1,354.0	1,558.3
Regulatory Agencies	595.4	578.4	592.1	557.9
Revenue	1,490.7	1,521.5	1,372.3	1,250.3
State	133.9	135.1	127.9	133.0
Transportation	3,366.5	3,307.5	3,315.5	3,308.8
Treasury	31.5	31.5	31.5	31.5
Controlled Maintenance Trust Fund	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>
TOTAL	52,025.4	52,863.9	52,148.1	52,016.2

PART III: APPROPRIATION DETAIL BY DEPARTMENT

DEPARTMENT OF AGRICULTURE

The Department of Agriculture regulates, promotes and supports various agriculture activities throughout Colorado 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 throughout 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, the Agricultural Services Division, the Agricultural Markets Division, the Brand Board, the Colorado State Fair, and the Conservation Board.

Department Budget: Recent Appropriations

Funding Source	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
General Fund	\$6,055,836	\$4,924,114	\$5,164,362	\$6,860,032
Cash Funds	27,018,443	28,568,372	28,782,323	27,819,174
Reappropriated Funds	1,800,473	1,126,997	1,042,342	1,090,001
Federal Funds	<u>3,968,746</u>	<u>4,019,345</u>	<u>3,977,614</u>	<u>3,887,150</u>
Total Funds	\$38,843,498	\$38,638,828	\$38,966,641	\$39,656,357
Full Time Equiv. Staff	293.0	287.1	284.1	282.4

General Factors Driving the Budget

Funding for this department in FY 2012-13 consists of 17.3 percent General Fund, 70.2 percent cash funds, 2.7 percent reappropriated funds, and 9.8 percent federal funds. Some of the most important factors driving the budget are reviewed below.

Agricultural Services Division

Funding appropriated to the Agricultural Services Division (ASD) is expended on four program areas: animal industry, plant industry, inspection and consumer services, and conservation services. In FY 2012-13 ASD accounted for 30.6 percent of the Department's total appropriation (50.0 percent of the Department's total General Fund appropriation and 23.4 percent of the Department's total cash fund appropriation). The following table outlines the Agricultural Services Division's share of the Department's total appropriation since FY 2009-10.

Agricultural Services Division Appropriation Since FY 2009-10				
	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Agricultural Services Division*	\$10,065,927	\$10,298,777	\$10,534,569	\$12,116,054
Total Dept. Appropriation	\$37,400,374	\$38,638,828	\$38,960,831	\$39,656,357
Agriculture Services as Percent of Total Department	26.9%	26.7%	27.0%	30.6%

*Note the FY 2012-13 appropriation includes a transfer of federal grant moneys of approximately \$1.5 million that was previously appropriated to the Commissioner's Office.

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

Agricultural Services Division Workload Measures Driving the Budget				
	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Estimate	FY 2012-13 Estimate
Animal Industry				
Exported Livestock	2,425,000	2,005,299	2,214,382	2,320,672
Animal Abuse Investigations	12,373	12,621	12,625	12,628
Disease Traceability IDs	10,915	27,286	29,000	31,000
Inspection and Consumer Services				
Small & large Devices Tested	25,623	23,855	27,451	27,751
Egg Inspections (by the dozen)	261,959	131,176	160,000	175,000
Plant Industry				
Pounds of seed sampled	1,819,885	988,741	2,003,450	1,900,000
Volume of nursery stock inspected	790,244	549,806	3,654,167	4,000,000

Agriculture Management Fund

The Agriculture Management Fund was created by House Bill 08-1399 (Buescher/Isgar) which allocated the interest earned on the Unclaimed Property Tourism Promotion Trust Fund, once the debt on the State Fair Events Center was repaid, in the following ways:

- 65.0 percent to the Agriculture Management Fund to be used for agricultural purposes and staff;
- 25.0 percent to the Colorado State Fair 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 interest transfers began midway through FY 2008-09. The Agriculture Management Fund has enabled the Department to limit the number of cuts taken during the economic downturn by backfilling General fund reductions with Agriculture Management Fund dollars. The following table outlines the use of funds in the Agriculture Management Fund.

Use of Agriculture Management Funds since FY 2009-10				
	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Appropriation	FY 12-13 Appropriation
Beginning Balance	\$61,120	\$1,138,047	\$1,830,042	\$1,687,554
Revenue	2,231,325	2,308,865	2,000,000	2,000,000
Expenditures				
Agriculture Management Fund Line Item	1,131,232	1,145,328	1,665,186	2,111,842
Centrally Appropriated line items	0	0	18,543	14,464
Refinance Agricultural Markets Division	0	452,779	440,054	0
Indirect Costs	23,166	18,763	18,705	18,300
Subtotal - Expenditures	1,154,398	1,616,870	2,142,488	2,144,606
Ending Balance	\$1,138,047	\$1,830,042	\$1,687,554	\$1,542,948

State Economy

The Department received reduced General Fund appropriations from FY 2008-09 through FY 2011-12. The majority of these General Fund reductions have been backfilled with moneys from the Agricultural Management Fund, and increased Inspection and Consumer Services fees. The FY 2012-13 General Fund appropriation increase is due primarily to the sunset of H.B. 10-1377 (Lambert/Tapia), which cash financed a portion of Inspection and Consumer Services programs, and discontinuing the temporary cash financing of the Agricultural Markets Division. The following table shows the Department's annual General Fund appropriations since FY 2008-09.

Department of Agricultural GF Expenditures/Appropriation Since FY 2008-09					
	FY 2008-09 Appropriation	FY 2009-10 Appropriation	FY 2010-11 Appropriation	FY 2011-12 Appropriation	FY 2012-13 Appropriation
General Fund Appropriation	\$7,223,168	\$6,055,836	\$4,924,114	\$5,164,362	\$6,860,032
Increase/(Decrease) from Previous Year	(1.4)%	(16.2)%	(18.7)%	4.9%	32.8%

Summary of FY 2011-12 and FY 2012-13 Appropriations

Department of Agriculture						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Total Appropriation:	\$38,966,641	\$5,164,362	\$28,782,323	\$1,042,342	\$3,977,614	284.1
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Commissioner's Office and Administrative Services	10,535,557	1,915,415	4,742,361	997,342	2,880,439	27.7
Agricultural Services Division	10,534,569	2,425,730	7,510,114	0	598,725	116.8
Agricultural Markets Division	3,811,194	200,000	3,566,194	45,000	0	41.2
Brand Board	4,124,836	0	4,124,836	0	0	66.3
Colorado State Fair	8,388,818	0	8,388,818	0	0	26.9
Conservation Board	1,571,667	623,217	450,000	0	498,450	5.2
<u>Breakdown of Total Appropriation by Bill</u>						
SB 11-209	38,835,908	5,237,048	28,553,458	1,042,342	4,003,060	284.1
SB 11-076	(325,677)	(72,686)	(227,545)	0	(25,446)	0.0
HB 11-1156	450,000	0	450,000	0	0	0.0
HB 11-1159	600	0	600	0	0	0.0
HB 12-1180	5,810	0	5,810	0	0	0.0
FY 2012-13 Total Appropriation:	\$39,656,357	\$6,860,032	\$27,819,174	\$1,090,001	\$3,887,150	282.4
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Commissioner's Office and Administrative Services	8,880,175	2,150,030	5,402,105	1,045,001	283,039	18.7
Agricultural Services Division	12,116,054	3,432,445	6,497,768	0	2,185,841	123.9
Agricultural Markets Division	4,670,561	646,832	3,060,459	45,000	918,270	41.4
Brand Board	4,012,052	0	4,012,052	0	0	66.3
Colorado State Fair	8,396,790	0	8,396,790	0	0	26.9
Conservation Board	1,580,725	630,725	450,000	0	500,000	5.2
<u>Breakdown of Total Appropriation by Bill</u>						
HB 12-1335	39,146,901	6,850,576	27,319,174	1,090,001	3,887,150	282.4
HB 12-1246	9,456	9,456	0	0	0	0.0
HB 12-1334	500,000	0	500,000	0	0	0.0

Department of Agriculture						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Increase/(Decrease)	\$689,716	\$1,695,670	(\$963,149)	\$47,659	(\$90,464)	(1.7)
Percentage Change	1.8%	32.8%	(3.3)%	4.6%	(2.3)%	(0.6)%

Informational Funds: Beginning in FY 2012-13, the Long Bill and other legislation indicate when an amount is shown solely for informational purposes through a new "(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 2012-13 Appropriations containing an (I) notation	\$4,906,756	\$0	\$1,019,606	\$0	\$3,887,150

FY 2011-12 Appropriation - Mid-year Adjustment Highlights

House Bill 12-1180 modified FY 2011-12 appropriations to make several minor common policy adjustments.

FY 2012-13 Appropriation Highlights

The FY 2012-13 appropriation:

- Adds a total of \$325,000 total funds, of which \$73,000 is General Fund, for a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.
- Reduces \$450,000 cash funds and increases \$450,000 General Fund appropriations to end the temporary cash financing of the Agriculture Markets Division.
- Reduces \$1.3 million cash funds and increases \$1.3 million General Fund appropriations for the sunset of H.B. 10-1377 which cash financed Inspection and Consumer Services Programs.
- Transfers \$2.6 million federal funds and the associated FTE from the Commissioner's Office and Administrative Services Division to the appropriate divisions throughout the Department.
- Reduces a total of \$145,000 total funds, of which \$22,000 is General Fund, for a 1.0 percent personal services base reduction.
- Reduces \$8,200 cash funds for the brand assessment conducted once every five years by the Brand Board.

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 2011-12 Appropriation:						
SB 11-209	\$10,578,702	\$1,943,273	\$4,736,551	\$997,342	\$2,901,536	27.7
SB 11-076	(48,955)	(27,858)	0	0	(21,097)	0.0
HB 12-1180	<u>5,810</u>	<u>0</u>	<u>5,810</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$10,535,557	\$1,915,415	\$4,742,361	\$997,342	\$2,880,439	27.7
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$10,535,557	\$1,915,415	\$4,742,361	\$997,342	\$2,880,439	27.7
Centrally appropriated line items	442,362	77,117	321,403	0	43,842	0.0
Annualize prior year funding	440,846	287,064	262,011	(108,229)	0	0.0
COFRS modernization	73,806	9,783	56,487	0	7,536	0.0
Restore state PERA contribution	48,955	27,858	0	0	21,097	0.0
Statewide IT common policy adjustments	8,841	(11,407)	20,248	0	0	0.0
Operating adjustment	4,012	4,012	0	0	0	0.0
FTE adjustment	0	0	0	0	0	3.0
Information funds adjustment	(2,594,920)	0	0	0	(2,594,920)	(12.0)
Indirect cost adjustment	(88,740)	(169,268)	(405)	155,888	(74,955)	0.0
HB 12-1335	\$8,870,719	\$2,140,574	\$5,402,105	\$1,045,001	\$283,039	18.7
HB 12-1246	<u>9,456</u>	<u>9,456</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$8,880,175	\$2,150,030	\$5,402,105	\$1,045,001	\$283,039	18.7
Increase/(Decrease)	(\$1,655,382)	\$234,615	\$659,744	\$47,659	(\$2,597,400)	(9.0)
Percentage Change	(15.7)%	12.2%	13.9%	4.8%	(90.2)%	(32.5)%

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1180 modified FY 2011-12 appropriations to make several minor common policy adjustments.

FY 2012-13 Appropriation - H.B. 12-1335 (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; vehicle lease payments; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; and Capitol complex leased space.

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

COFRS Modernization: The appropriation includes an increase to fund the first two phases of a five-phase project to replace the statewide accounting system (COFRS) used by the Office of the State Controller to record all state revenues and expenditures.

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Statewide IT common policy adjustments: The appropriation includes adjustments to line items appropriated for: purchase of services from the computer center; multiuse network payments; management and administration of the Governor's Office of Information Technology (OIT); and communication services payments.

Operating adjustments: The appropriation includes a net increase to restore a FY 2010-11 General Fund operating expenses reduction.

FTE adjustment: The appropriation adds 3.0 FTE to the Agriculture Management Fund line item.

Information funds adjustment: The appropriation includes a net decrease of federal funds reflected for informational purposes only. These moneys, traditionally federal grants, are now displayed in the appropriate divisions.

Indirect cost assessment: The appropriation includes a net decrease in indirect cost assessments.

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

Agricultural Services Division

This division administers four major Department programs outlined below. The three cash funds that provide the majority of moneys are: the Agricultural Products Inspection Fund, the Inspection and Consumer Services Cash Fund; and the Plant Health, Pest Control and Environmental Protection Fund.

Inspection and Consumer Services Programs: These programs ensure compliance with product quality standards through licensing and inspection; certify commercial (large and small) weights and measurement devices; and analyze fertilizer and animal feed for chemical contaminants.

Animal Industry: These programs provide for the: monitoring of the health of livestock and other animals used in various fields of agriculture; prevention and control of livestock disease; licensing and inspection of pet animal facilities; implementation of pest control; and investigation of animal cruelty claims.

Plant Industry: These 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.

Conservation Services: These programs provide technical and financial support, leadership, statewide coordination, and regulatory oversight to public and private landowners statewide on an array of natural resource management challenges including noxious weed management and biological pest control.

Agricultural Services Division						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$10,669,602	\$2,465,182	\$7,602,896	\$0	\$601,524	116.8
SB 11-076	(135,633)	(39,452)	(93,382)	0	(2,799)	0.0
HB 11-1159	<u>600</u>	<u>0</u>	<u>600</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$10,534,569	\$2,425,730	\$7,510,114	\$0	\$598,725	116.8
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$10,534,569	\$2,425,730	\$7,510,114	\$0	\$598,725	116.8
Information funds adjustment	1,534,563	0	(18,437)	0	1,553,000	7.1
Restore state PERA contribution	135,633	39,452	93,382	0	2,799	0.0
Operating adjustments	14,361	14,361	0	0	0	0.0
Annualize prior year funding	13,368	974,668	(961,300)	0	0	0.0
Personal services base reduction	(79,950)	(21,766)	(46,596)	0	(11,588)	0.0
Indirect cost assessment	(36,490)	0	(79,395)	0	42,905	0.0
HB 12-1335	<u>\$12,116,054</u>	<u>\$3,432,445</u>	<u>\$6,497,768</u>	<u>\$0</u>	<u>\$2,185,841</u>	<u>123.9</u>
TOTAL	\$12,116,054	\$3,432,445	\$6,497,768	\$0	\$2,185,841	123.9
Increase/(Decrease)	\$1,581,485	\$1,006,715	(\$1,012,346)	\$0	\$1,587,116	7.1
Percentage Change	15.0%	41.5%	(13.5)%	n/a	265.1%	6.1%

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Information funds adjustment: The appropriation includes an increase of federal funds reflected for informational purposes only. Prior to the FY 2012-13 Long Bill these funds were displayed in the Commissioner's Office and Administrative Services Division.

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Operating adjustments: The appropriation includes a net increase to restore a FY 2010-11 General Fund operating expenses reduction.

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

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services line items.

Indirect cost assessment: The appropriation includes a net decrease in indirect cost assessments.

Agricultural Markets Division

The Agricultural Markets Division is organized into two subdivisions:

Agricultural Markets subdivision: provides marketing assistance and related support to Colorado agricultural-based businesses competing in local, national, and international arenas through coordination of various market orders, promotion of Colorado agricultural products, and assistance to start-up or expanding food processing companies within Colorado. The primary sources of funds is the General Fund and the Wine Promotion Cash Fund.

Agricultural Products Inspection subdivision: administers the agricultural products inspection program, performing mandatory and non-mandatory inspections to determine grade, size, and quality of fruits and vegetables. This subdivision receives \$200,000 General Fund in addition to agricultural products inspection fees.

Agricultural Markets Division						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$3,850,692	\$200,000	\$3,605,692	\$45,000	\$0	41.2
SB 11-076	(39,498)	0	(39,498)	0	0	0.0
TOTAL	\$3,811,194	\$200,000	\$3,566,194	\$45,000	\$0	41.2

Agricultural Markets Division						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$3,811,194	\$200,000	\$3,566,194	\$45,000	\$0	41.2
Information funds adjustment	914,000	0	0	0	914,000	0.7
Restore state PERA contribution	38,922	0	38,922	0	0	0.0
Operating adjustments	176	176	0	0	0	0.0
Annualize prior year funding	0	446,656	(446,656)	0	0	0.0
Eliminate Agricultural Development Board	(574,261)	0	(574,261)	0	0	(0.5)
Personal services base reduction	(15,011)	0	(15,011)	0	0	0.0
Indirect cost assessment	(4,459)	0	(8,729)	0	4,270	0.0
HB 12-1335	\$4,170,561	\$646,832	\$2,560,459	\$45,000	\$918,270	41.4
HB 12-1334	<u>500,000</u>	<u>0</u>	<u>500,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$4,670,561	\$646,832	\$3,060,459	\$45,000	\$918,270	41.4
Increase/(Decrease)	\$859,367	\$446,832	(\$505,735)	\$0	\$918,270	0.2
Percentage Change	22.5%	223.4%	(14.2)%	0.0%	n/a	0.5%

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Information funds adjustment: The appropriation includes an increase of federal funds reflected for informational purposes only. Prior to the FY 2012-13 Long Bill these funds were displayed in the Commissioner's Office and Administrative Services Division.

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Operating adjustments: The appropriation includes a net increase to restore a FY 2010-11 General Fund operating expenses reduction.

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

Eliminate Agricultural Development Board: The Long Bill appropriation eliminates the Agricultural Development Board for FY 2012-13. House Bill 12-1334 extends funding for the Agricultural Development Board pursuant to Section 35-75-205 (1.5) (a), C.R.S., through FY 2016-17.

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services line items.

Indirect cost assessment: The appropriation includes a net decrease in indirect cost assessments.

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

Brand Board

The Brand Board serves the livestock industry and assists the public with problems related to livestock management. The Brand Board also 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 Colorado Constitution (TABOR).

Brand Board						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$4,194,827	\$0	\$4,194,827	\$0	\$0	66.3
SB 11-076	<u>(69,991)</u>	<u>0</u>	<u>(69,991)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$4,124,836	\$0	\$4,124,836	\$0	\$0	66.3
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$4,124,836	\$0	\$4,124,836	\$0	\$0	66.3
Restore state PERA contribution	69,991	0	69,991	0	0	0.0
Information funds adjustment	(134,712)	0	(134,712)	0	0	0.0
Personal services base reduction	(34,166)	0	(34,166)	0	0	0.0
Annualize prior year funding	(8,237)	0	(8,237)	0	0	0.0
Indirect cost assessment	(5,660)	0	(5,660)	0	0	0.0
HB 12-1335	<u>\$4,012,052</u>	<u>\$0</u>	<u>\$4,012,052</u>	<u>\$0</u>	<u>\$0</u>	<u>66.3</u>
TOTAL	\$4,012,052	\$0	\$4,012,052	\$0	\$0	66.3
Increase/(Decrease)	(\$112,784)	\$0	(\$112,784)	\$0	\$0	0.0
Percentage Change	(2.7)%	n/a	(2.7)%	n/a	n/a	0.0%

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Information funds adjustment: The appropriation includes decrease of cash funds that are continuously appropriated, and reflected for informational purposes only.

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services line items.

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

Indirect cost assessment: The appropriation includes a net decrease in indirect cost assessments.

Colorado State Fair

This program includes personal services and operating expenses associated with the Colorado State Fair, which is administered by the eleven member State Fair Authority. The State Fair is designated as a Type 1 agency pursuant to Section 35-65-401 (1) (a), C.R.S. This division is entirely cash funded from the Colorado State Fair Authority Cash Fund, Agriculture Management Fund, and revenue is from fees collected during the eleven day state fair and from non-fair events held at the fairgrounds during the rest of the year. Fair attendance for the 2011 State Fair was 515,995 which was a slight decrease from 2010.

Colorado State Fair						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$8,413,492	\$0	\$8,413,492	\$0	\$0	26.9
SB 11-076	(24,674)	0	(24,674)	0	0	0.0
TOTAL	\$8,388,818	\$0	\$8,388,818	\$0	\$0	26.9
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$8,388,818	\$0	\$8,388,818	\$0	\$0	26.9
Restore state PERA contribution	24,674	0	24,674	0	0	0.0
Personal services base reduction	(14,726)	0	(14,726)	0	0	0.0
Indirect cost assessment	(1,976)	0	(1,976)	0	0	0.0
HB 12-1335	<u>\$8,396,790</u>	<u>\$0</u>	<u>\$8,396,790</u>	<u>\$0</u>	<u>\$0</u>	<u>26.9</u>
TOTAL	\$8,396,790	\$0	\$8,396,790	\$0	\$0	26.9
Increase/(Decrease)	\$7,972	\$0	\$7,972	\$0	\$0	0.0
Percentage Change	0.1%	n/a	0.1%	n/a	n/a	0.0%

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services line items.

Indirect cost assessment: The appropriation includes a net decrease in indirect cost assessments.

Conservation Board

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

Conservation Board						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$1,128,593	\$628,593	\$0	\$0	\$500,000	5.2
SB 11-076	(6,926)	(5,376)	0	0	(1,550)	0.0
HB 11-1156	<u>450,000</u>	<u>0</u>	<u>450,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$1,571,667	\$623,217	\$450,000	\$0	\$498,450	5.2
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$1,571,667	\$623,217	\$450,000	\$0	\$498,450	5.2
Restore state PERA contribution	6,926	5,376	0	0	1,550	0.0
Operating adjustments	2,132	2,132	0	0	0	0.0
HB 12-1335	<u>\$1,580,725</u>	<u>\$630,725</u>	<u>\$450,000</u>	<u>\$0</u>	<u>\$500,000</u>	<u>5.2</u>
TOTAL	\$1,580,725	\$630,725	\$450,000	\$0	\$500,000	5.2
Increase/(Decrease)	\$9,058	\$7,508	\$0	\$0	\$1,550	0.0
Percentage Change	0.6%	1.2%	0.0%	n/a	0.3%	0.0%

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Operating adjustments: The appropriation includes a net increase to restore a FY 2010-11 General Fund operating expenses reduction.

Recent Legislation

2011 Session Bills

S.B. 11-076: For the 2011-12 state fiscal year only, reduces the employer contribution rate for the State and Judicial divisions of the Public Employees' Retirement Association (PERA) by 2.5 percent and increases the member contribution rate for these divisions by the same amount. In effect, continues the FY 2010-11 PERA contribution adjustments authorized through S.B. 10-146 for one additional year. Reduces the Department's total appropriation by \$325,677 total funds, of which \$72,686 is General Fund, \$227,545 is cash funds, and \$25,446 is federal funds.

S.B. 11-209: General appropriations act for FY 2011-12.

H.B. 11-1156: Extends the repeal date of the Conservation District Grant Fund in the Department of Agriculture from July 1, 2011, to December 31, 2022. Appropriates \$450,000 cash funds to the Department of Agriculture, Conservation Board for FY 2011-12.

H.B. 11-1159: Requires the Commissioner of Agriculture to license grain protein analyzers prior to commercial use, and to charge a fee to cover all the direct and indirect costs associated with licensing, testing, inspection and regulation. Appropriates \$600 cash funds to the Agricultural Services Division for FY 2011-12.

2012 Session Bills

H.B. 12-1125: Modifies animal impoundment procedures related to animal cruelty to include a hearing to determine probable cause of animal impoundment, and shifts the costs of impoundment in accordance with the determination.

H.B. 12-1158: Repeals the Colorado Inedible Meat Rendering and Processing Act of 1967, and gives the Commissioner of Agriculture authority to specify labeling requirements for commercial feed.

H.B. 12-1180: Makes mid-year adjustments to the Department's FY 2011-12 appropriations.

H.B. 12-1246: Reverses the June pay-day shift for bi-weekly employees.

H.B. 12-1334: Extends the repeal date of the transfer of \$500,000 cash funds from the Operational Account of the Severance Tax Trust Fund to the Agriculture Value-Added Cash Fund from FY 2012-13 through FY 2016-17.

H.B. 12-1335: General appropriations act for FY 2012-13.

DEPARTMENT OF CORRECTIONS

The Department is responsible for the following activities:

- 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, offenders on parole, 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 programs, treatment programs, and correctional industries within the facilities that have a rehabilitative or therapeutic value for inmates and supply necessary products for state institutions and other public purposes, as provided by law.

The Department is comprised of the following divisions:

1. Management
2. Institutions
3. Support Services
4. Inmate Programs
5. Community Services
6. Parole Board
7. Correctional Industries
8. Canteen Operation

Department Budget: Recent Appropriations

Funding Source	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
General Fund	\$565,603,106	\$658,794,383	\$648,950,165	\$651,332,037
Cash Funds	44,731,991	44,669,172	42,343,166	39,590,087
Reappropriated Funds	42,698,918	43,324,213	44,727,525	45,644,484
Federal Funds	<u>89,946,175</u>	<u>1,007,478</u>	<u>3,197,101</u>	<u>1,014,328</u>
Total Funds	\$742,980,190	\$747,795,246	\$739,217,957	\$737,580,936
Full Time Equiv. Staff	6,547.6	6,733.1	6,220.6	6,022.9

General Factors Driving the Budget

Inmate Population

The Department of Corrections (DOC) budget depends in substantial part upon the Department's caseload, which has two key components:

- The number of incarcerated offenders that the Department must place in state-operated prisons, private prisons, or county jails; and
- The number of transition and parole offenders that the Department must supervise.

The following table shows recent changes in the Department's total inmate jurisdictional population, which includes inmates who are housed in state-operated prisons, private prisons, and county jails. This population peaked at the beginning of FY 2009-10 and has subsequently declined.

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Estimate	FY 2012-13 Estimate
Fiscal year-end inmate population	22,989	23,186	22,860	22,319	21,000	20,199
Annual percentage change		0.9%	(1.4)%	(2.4)%	(5.9)%	(3.8)%

DOC Offenders in County Jails

A portion of the offenders under the DOC's jurisdiction are housed in county jails. Some of these offenders have recently been sentenced to the DOC and are awaiting transfer from jail (a population that is commonly referred to as the jail backlog). Pursuant to Section 17-1-112 (1), C.R.S., the DOC is required to reimburse counties for holding these inmates starting 72 hours after they are sentenced. Other offenders were on parole and, following a parole violation, have been placed in jail while awaiting a parole revocation hearing. In addition, the DOC has contracts with several jails around the state and places offenders in these facilities on a longer term basis. The following table highlights the DOC jail population in recent years.

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Estimate	FY 2012-13 Estimate
Average DOC population in jails	443	411	567	639	519	560
Cost to DOC	\$8,037,697	\$7,595,058	\$10,474,017	\$11,772,794	\$9,557,357	\$10,318,430
Daily Reimbursement Rate	\$49.69	\$50.44	\$50.44	\$50.44	\$50.44	\$50.44
Annual percentage change		1.5%	0.0%	0.0%	0.0%	0.0%

DOC Offenders in Private Prisons

In 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 offenders have not been housed at out-of-state prisons since FY 2007-08. The following information summarizes recent payments to in-state private prisons.

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Estimate	FY 2012-13 Estimate
Average Daily Population*	4,596	5,425	5,088	4,451	4,250	3,934
Cost of Private Contracts	\$88,388,521	\$104,323,294	\$97,844,779	\$85,599,904	\$81,738,160	\$75,650,866
Daily Reimbursement Rate	\$52.69	\$52.69	\$52.69	\$52.69	\$52.69	\$52.69
Annual percentage change		0.0%	0.0%	0.0%	0.0%	0.0%

Transition and Parole – Costs of Returning Offenders to the Community

The process of returning an offender to the community always involves a period of parole, but may include placement in a community corrections facility (known as a halfway house) and a period of intensely supervised independent living before parole begins. Inmates living in halfway houses are often referred to as "transition" offenders. Once on parole, a significant number of offenders are reincarcerated for violating their parole conditions; if the parole violation does not involve a new crime that leads to a new conviction, reincarceration will last no longer than six months.

The costs of returning offenders to the community are shared by the DOC and the Division of Criminal Justice (DCJ) at the Department of Public Safety. The DCJ is responsible for payments to halfway houses, which in Colorado are operated by private entities, non-profits, and local governments. The DOC is responsible for the costs of supervising DOC offenders who are in community corrections, living independently prior to parole, or on parole. In addition, the DOC pays reincarceration costs when parole is revoked. Non-violent parolees whose parole is temporarily revoked are frequently reincarcerated in "Community Return-to-Custody" facilities, which, like halfway houses, are not run by the State.

Costs of supervision are closely tied to the size of the population being supervised. The following table reports the recent fiscal year-end parole population.

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Estimate	FY 2012-13 Estimate
Fiscal year-end parole population	8,783	9,016	8,535	8,181	8,350	7,816
Annual percentage change		2.7%	(5.3)%	(4.1)%	2.1%	(6.4)%

The next table summarizes DOC's recent costs of supervision and recent payments to Community Return-to-Custody facilities.

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Approp.	FY 2012-13 Approp.
Community Corrections Supervision	\$12,916,652	\$12,823,512	\$13,662,290	\$12,790,930	\$12,651,726	\$12,713,430
Annual percentage change		(0.7)%	6.5%	(6.4)%	(1.1)%	0.5%
Parole Supervision	\$18,360,727	\$20,828,293	\$21,127,826	\$22,219,683	\$23,608,850	\$22,847,180
Annual percentage change		13.4%	1.4%	5.2%	6.3%	(3.2)%

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Approp.	FY 2012-13 Approp.
Payments to Community Return-to-Custody Facilities	\$3,282,623	\$3,395,999	\$3,912,275	\$4,035,869	\$3,851,545	\$3,546,819
Annual percentage change		3.5%	15.2%	3.2%	(4.6)%	(7.9)%

For more information on the cost of placing DOC offenders in community corrections facilities, please see the Department of Public Safety section of this document.

Capital Construction and Certificates of Participation

In addition to the DOC's operating costs, there are also costs associated with new construction, controlled maintenance of existing capital resources, and payments for the certificates of participation that financed the construction of one of the State's prison facilities. Related appropriations are summarized in the following table.

	FY 2006-07 Approp.	FY 2007-08 Approp.	FY 2008-09 Approp.	FY 2009-10 Approp.	FY 2010-11 Approp.	FY 2011-12 Approp.	FY 2012-13 Approp.
Capital Construction Fund Appropriation	\$15,952,529	\$50,956,653	\$3,664,965	\$6,274,207	\$2,012,428	\$18,952,353	\$20,798,083

Summary of FY 2011-12 and FY 2012-13 Appropriations

Department of Corrections						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Total Appropriation:	\$739,217,957	\$648,950,165	\$42,343,166	\$44,727,525	\$3,197,101	6,220.6
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Management	175,019,534	168,135,987	6,138,528	374,269	370,750	76.6
Institutions	382,692,870	380,190,225	2,005,017	230,000	267,628	4,898.5
Support Services	31,393,093	30,631,977	753,094	8,022	0	222.4
Inmate Programs	38,646,024	31,232,344	4,696,844	1,197,211	1,519,625	482.1
Community Services	39,123,647	37,222,809	10,000	1,851,740	39,098	359.5
Parole Board	1,536,823	1,536,823	0	0	0	12.5
Correctional Industries	56,130,159	0	14,063,876	41,066,283	1,000,000	142.1
Canteen Operation	14,675,807	0	14,675,807	0	0	26.9
<u>Breakdown of Total Appropriation by Bill</u>						
SB 11-209	727,033,553	641,840,769	40,223,654	44,250,443	718,687	6,222.2
SB 07-096	353,114	353,114	0	0	0	0.0

Department of Corrections						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 07-1040	496,566	0	496,566	0	0	0.0
HB 07-1326	160,005	160,005	0	0	0	0.0
SB 08-239	89,150	89,150	0	0	0	0.0
HB 08-1115	54,640	54,640	0	0	0	0.0
HB 08-1194	31,634	31,634	0	0	0	0.0
HB 08-1352	217,566	217,566	0	0	0	0.0
HB 10-1081	28,800	28,800	0	0	0	0.0
HB 10-1277	28,014	28,014	0	0	0	0.0
SB 11-076	(8,100,294)	(7,868,220)	(99,856)	(132,218)	0	0.0
SB 11-176	0	0	0	0	0	0.0
SB 11-241	43,800	43,800	0	0	0	0.0
HB 11-1064	(45,243)	(45,243)	0	0	0	0.0
HB 12-1181	18,752,502	14,016,136	1,722,802	535,150	2,478,414	(1.6)
HB 12-1335	74,150	0	0	74,150	0	0.0
FY 2012-13 Total Appropriation:	\$737,580,936	\$651,332,037	\$39,590,087	\$45,644,484	\$1,014,328	6,022.9
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Management	179,593,141	173,947,080	5,076,607	276,542	292,912	76.6
Institutions	375,615,746	374,135,453	1,335,494	64,799	80,000	4,707.1
Support Services	33,799,224	32,835,837	921,524	41,318	545	225.2
Inmate Programs	38,117,032	32,530,285	3,428,956	2,059,068	98,723	491.9
Community Services	38,345,883	36,292,529	10,000	2,004,256	39,098	340.6
Parole Board	1,590,853	1,590,853	0	0	0	12.5
Correctional Industries	55,807,140	0	14,105,589	41,198,501	503,050	142.1
Canteen Operation	14,711,917	0	14,711,917	0	0	26.9
<u>Breakdown of Total Appropriation by Bill</u>						
HB 12-1335	736,945,972	650,697,073	40,835,214	44,399,357	1,014,328	6,020.9
SB 08-239	175,424	175,424	0	0	0	0.0
HB 08-1115	28,758	28,758	0	0	0	0.0
HB 08-1194	31,634	31,634	0	0	0	0.0
HB 08-1352	217,566	217,566	0	0	0	0.0
HB 10-1081	28,800	28,800	0	0	0	0.0

Department of Corrections						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 10-1277	4,482	4,482	0	0	0	0.0
HB 12-1223	0	0	0	0	0	2.0
HB 12-1246	136,460	136,460	0	0	0	0.0
HB 12-1310	11,840	11,840	(1,245,127)	1,245,127	0	0.0
Increase/(Decrease)	(\$1,637,021)	\$2,381,872	(\$2,753,079)	\$916,959	(\$2,182,773)	(197.7)
Percentage Change	(0.2)%	0.4%	(6.5)%	2.1%	(68.3)%	(3.2)%

Informational Funds: Beginning in FY 2012-13, the Long Bill and other legislation indicate when an amount is shown solely for informational purposes through a new "(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 2012-13 Appropriations containing an (I) notation	\$15,726,245	\$0	\$14,711,917	\$0	\$1,014,328

FY 2011-12 Appropriation - Mid-year Adjustment Highlights

The FY 2011-12 appropriation was modified during the 2012 Legislative Session to:

1. Add \$11.3 million total funds (\$9.9 million General Fund) to house offenders in private prisons, county jails, and community corrections facilities.
2. Add \$3.3 million General Fund for offender medical expenses.
3. Add \$1.35 million total funds (\$1.28 million General Fund) for utilities.
4. Reduce General Fund expenditures by \$456,000 due to the closure and repurposing of the Fort Lyon Correctional Facility.

FY 2012-13 Appropriation Highlights

The FY 2012-13 appropriation:

1. Adds \$11.8 million General Fund for adjustments to centrally appropriated line items.
2. Adds \$7.8 million General Fund for a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA).

3. Adds \$1.5 million General Fund and 22.0 FTE to restore a temporary five percent operating expense reduction and a temporary reduction to therapeutic communities, which were both taken in response to the recent economic downturn.
4. Adds \$1.0 million General Fund for statewide IT common policy adjustments.
5. Adds \$778,000 General Fund and 4.7 FTE to for security and maintenance at the Fort Lyon Correctional Facility to aid repurposing efforts until December 31, 2012.
6. Includes a reduction of \$8.5 million General Fund and 112.7 FTE related to the decommission of the Fort Lyon Correctional Facility.
7. Includes a reduction of \$5.6 million General Fund for housing offenders in private prison facilities.
8. Includes a reduction of \$4.5 million General Fund and 71.7 FTE related to the decommission of Colorado State Penitentiary II.
9. Includes a reduction of \$1.5 million General Fund and 16.9 FTE due to declining parole populations.
10. Includes a reduction of \$1.4 million General Fund and 25.6 FTE to close three living units at three prisons in response to the Department's declining offender population.
11. Includes a reduction of \$1.0 million General Fund due to a program that has increased the capacity of minimum security housing units, which allows fewer offenders to be placed in private prisons.
12. Includes a net reduction of 197.7 FTE, comprised of the following changes (all of which are referenced above):
 - An increase of 22.0 FTE due to the restoration of prison therapeutic communities, which were temporarily reduced during the recent economic downturn;
 - A temporary increase of 4.7 FTE for maintenance and security to support Fort Lyon Correctional Facility repurposing efforts;
 - An increase of 2.0 FTE to implement the earned-time provisions of H.B. 12-1223;
 - A decrease of 112.7 FTE due to the decommission of the Fort Lyon Correctional Facility;
 - A decrease of 71.2 FTE due to the decommission of Colorado State Penitentiary II;
 - A decrease of 25.6 FTE due to the closure of living units at three prisons; and
 - A decrease of 16.9 FTE due to declining parole populations.

Detail of Appropriation by Administrative Section

Management

The Management division contains the main departmental management functions including the Executive Director's Office and the External Capacity Subprogram. Cash funds and reappropriated funds are primarily from Correctional Industries sales revenue, Canteen Operation sales revenue, the Sex Offender Surcharge Fund, and Victims Assistance and Law Enforcement funds.

Management						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$163,608,733	\$158,559,030	\$4,676,773	\$277,330	\$95,600	76.6
SB 11-076	(158,165)	(158,165)	0	0	0	0.0
SB 11-176	(172,546)	(172,546)	0	0	0	0.0
HB 11-1064	(45,243)	(45,243)	0	0	0	0.0
HB 12-1181	<u>11,786,755</u>	<u>9,952,911</u>	<u>1,461,755</u>	<u>96,939</u>	<u>275,150</u>	<u>0.0</u>
TOTAL	\$175,019,534	\$168,135,987	\$6,138,528	\$374,269	\$370,750	76.6
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$175,019,534	\$168,135,987	\$6,138,528	\$374,269	\$370,750	76.6
Centrally appropriated line items	11,076,287	10,704,858	371,429	0	0	0.0
Restore reductions to operating expenses and therapeutic communities	205,921	205,921	0	0	0	0.0
Restore state PERA contribution	158,165	158,165	0	0	0	0.0
External sex offender study	100,000	100,000	0	0	0	0.0
Security and utilities for Fort Lyon Correctional Facility	51,529	51,529	0	0	0	0.0
External capacity	(5,630,947)	(4,199,245)	(1,431,702)	0	0	0.0
CSP II decommission	(520,494)	(520,494)	0	0	0	0.0
Parole caseload	(247,070)	(247,070)	0	0	0	0.0
Grant funding	(176,151)	0	(586)	(97,727)	(77,838)	0.0
Close living units	(119,843)	(119,843)	0	0	0	0.0
Personal services base reduction	(37,510)	(36,448)	(1,062)	0	0	0.0
HB 12-1335	\$179,879,421	\$174,233,360	\$5,076,607	\$276,542	\$292,912	76.6
HB 12-1223	(331,766)	(331,766)	0	0	0	0.0
HB 12-1246	<u>45,486</u>	<u>45,486</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>

	Management					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
TOTAL	\$179,593,141	\$173,947,080	\$5,076,607	\$276,542	\$292,912	76.6
Increase/(Decrease)	\$4,573,607	\$5,811,093	(\$1,061,921)	(\$97,727)	(\$77,838)	0.0
Percentage Change	2.6%	3.5%	(17.3)%	(26.1)%	(21.0)%	0.0%

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1181 modified FY 2011-12 appropriations to:

- add \$11,303,260 total funds (including \$9,871,558 General Fund) to house offenders in private prisons, county jails, and community corrections facilities;
- add \$364,163 of reappropriated and federal funds for the Inspector General's office;
- add \$222,772 General Fund for payments to District Attorneys to prosecute crimes committed in DOC facilities;
- reduce expenditures for Health, Life, Dental, Short Term Disability, Amortization Equalization, and Supplemental Amortization Equalization by \$152,248 General Fund to reflect the closure of Fort Lyon Correctional Facility and to reflect reduced parole and intensive supervision caseloads; and
- make various minor adjustments related to the closure of the Fort Lyon Correctional Facility, private prison monitoring, and funding for victims programs.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions to health, life, and dental benefits; shift differential; state contributions to the Public Employees' Retirement Association (PERA) pension fund; workers' compensation; legal services; payments to risk management and property funds; and Capitol complex leased space.

Restore reductions to operating expenses and therapeutic communities: The appropriation restores a temporary five percent operating expense reduction and a reduction to therapeutic communities that were both taken in response to the recent economic downturn. The prison therapeutic communities provide intensive, long-term residential treatment for substance abuse.

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

External sex offender study: The appropriation provides \$100,000 for an external study of the effectiveness and cost of the Department of Correction's Sex Offender Treatment and Management Program.

Security and utilities for Fort Lyon Correctional Facility: The appropriation provides funding to aid repurposing efforts at Fort Lyon Correctional Facility. The appropriation will keep the facility operating at a minimal level, without offenders, and provide security as a precaution against vandalism until December 31, 2012.

External Capacity: The appropriation adjusts payments to the private prisons and jails that house a portion of the DOC' offender population.

CSP II decommission: The appropriation reflects the decommission of Colorado State Penitentiary II (CSP II) by February 1, 2013.

Parole caseload: The appropriation includes a reduction based on the projected parole caseload.

Grant funding: The appropriation reflects anticipated changes in grant funding and federal funding.

Close living units: The appropriation reflects the closure of three offender living units at three prisons.

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services line items.

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 the State's adult correctional facilities. These subprogram cost centers include utilities, maintenance, housing and security, food services, medical services, superintendents, the Youthful Offender System, and the specialized San Carlos Correctional Facility. 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 2011-12 Appropriation:						
SB 11-209	\$382,509,773	\$380,985,307	\$1,244,366	\$200,100	\$80,000	4,897.2
SB 07-096	353,114	353,114	0	0	0	0.0
HB 07-1040	496,566	0	496,566	0	0	0.0
HB 07-1326	160,005	160,005	0	0	0	0.0
SB 08-239	89,150	89,150	0	0	0	0.0
HB 08-1115	54,640	54,640	0	0	0	0.0
HB 08-1194	31,634	31,634	0	0	0	0.0
HB 08-1352	217,566	217,566	0	0	0	0.0
HB 10-1081	28,800	28,800	0	0	0	0.0
HB 10-1277	28,014	28,014	0	0	0	0.0
SB 11-076	(6,133,894)	(6,133,894)	0	0	0	0.0

Institutions						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 11-176	49,933	49,933	0	0	0	0.0
HB 12-1181	<u>4,807,569</u>	<u>4,325,956</u>	<u>264,085</u>	<u>29,900</u>	<u>187,628</u>	<u>1.3</u>
TOTAL	\$382,692,870	\$380,190,225	\$2,005,017	\$230,000	\$267,628	4,898.5
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$382,692,870	\$380,190,225	\$2,005,017	\$230,000	\$267,628	4,898.5
Restore state PERA contribution	6,133,894	6,133,894	0	0	0	0.0
Security and utilities for Fort Lyon Correctional Facility	726,671	726,671	0	0	0	4.7
Medical expenses	148,952	148,952	0	0	0	0.0
Restore reductions to operating expenses	39,250	39,250	0	0	0	0.0
Utilities increase	37,414	25,498	11,916	0	0	0.0
Indirect cost assessment	0	(7,228)	7,228	0	0	0.0
Fort Lyon Correctional Facility decommission	(6,631,283)	(6,631,283)	0	0	0	(97.8)
CSP II decommission	(3,922,649)	(3,922,649)	0	0	0	(69.5)
Close living units	(1,135,841)	(1,135,841)	0	0	0	(23.8)
Grant funding	(1,132,877)	(585,000)	(195,048)	(165,201)	(187,628)	0.0
Annualize prior year funding	(510,910)	(510,910)	0	0	0	0.0
Expiration of five-year statutory appropriations for H.B. 07-1040	(493,619)	0	(493,619)	0	0	0.0
Five-year statutory appropriations for FY 2012-13	(486,664)	(486,664)	0	0	0	0.0
Consolidate funding for San Carlos Correctional Facility	(356,641)	(356,641)	0	0	0	(5.0)
HB 12-1335	\$375,108,567	\$373,628,274	\$1,335,494	\$64,799	\$80,000	4,707.1
SB 08-239	175,424	175,424	0	0	0	0.0
HB 08-1115	28,758	28,758	0	0	0	0.0
HB 08-1194	31,634	31,634	0	0	0	0.0
HB 08-1352	217,566	217,566	0	0	0	0.0
HB 10-1081	28,800	28,800	0	0	0	0.0
HB 10-1277	4,482	4,482	0	0	0	0.0
HB 12-1223	(24,972)	(24,972)	0	0	0	0.0
HB 12-1246	<u>45,487</u>	<u>45,487</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>

	Institutions					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
TOTAL	\$375,615,746	\$374,135,453	\$1,335,494	\$64,799	\$80,000	4,707.1
Increase/(Decrease)	(\$7,077,124)	(\$6,054,772)	(\$669,523)	(\$165,201)	(\$187,628)	(191.4)
Percentage Change	(1.8)%	(1.6)%	(33.4)%	(71.8)%	(70.1)%	(3.9)%

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1181 modified FY 2011-12 appropriations to:

- add \$3,290,242 General Fund for offender medical expenses,
- add \$1,349,744 total funds (including \$1,280,707 General Fund) for increased utilities costs;
- add \$399,645 General Fund for security and maintenance at Fort Lyon Correctional Facility to support repurposing efforts;
- add \$195,048 cash funds for a maintenance grant at Fort Lyon Correctional Facility;
- add \$187,628 federal funds in-kind food grants;
- add \$29,900 for a mental health grants; and
- reduce personal services at Fort Lyon Correctional Facility by \$644,638, General Fund.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Security and utilities for Fort Lyon Correctional Facility: The appropriation provides funding for maintenance and security to support repurposing efforts.

Medical expenses: The appropriation adjusts spending for inmate medical expenses based on a projected increase in costs per offender and a projected decline in the inmate population that will receive medical services.

Restore reductions to operating expenses: The appropriation restores a temporary five percent operating expense reduction that was taken in response to the recent economic downturn.

Utilities increase: The appropriation includes an increase for utility expenses.

Indirect cost assessment: The appropriation includes a net increase in indirect cost assessments appropriated within this division, allowing for an offsetting reduction in General Fund appropriations.

Fort Lyon Correctional Facility decommission: The appropriation includes a reduction related to the decommission of the Fort Lyon Correctional Facility.

CSP II decommission: The appropriation reduces spending to reflect the decommission of Colorado State Penitentiary II (CSP II) by February 1, 2013.

Close living units: The appropriation reflects the closure of three offender living units at three prisons.

Grant funding: The appropriation reflects anticipated changes in grant funding and federal funding.

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

Expiration of five-year statutory appropriations for H.B. 07-1040: The total appropriation for FY 2011-12 includes the cash fund spending authority provided statutorily by H.B. 07-1040 (Concerning Warrants and Bonds for Illegal Immigrants). This funding source expires on July 1, 2012.

Five-year statutory appropriations for FY 2012-13: The total appropriation for FY 2011-12 includes funding provided statutorily by bills enacted in prior legislative sessions. This \$486,664 reduction is the amount of FY 2012-13 funding that is provided by these prior-year bills, thus removing funding that does not need to be provided by the Long Bill.

Consolidate funding for San Carlos Correctional Facility: The appropriations for most Department facilities are combined into a large number of functional categories such as laundry, housing, medical, and food service. Appropriations for the San Carlos Correctional Facility are presented separately with no functional detail. The FY 2012-13 Long Bill combines appropriations for San Carlos with the functional-category appropriations for most other facilities.

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 2011-12 Appropriation:						
SB 11-209	\$31,557,148	\$30,792,994	\$756,132	\$8,022	\$0	222.4
SB 11-076	(307,422)	(307,422)	0	0	0	0.0
SB 11-176	122,613	122,613	0	0	0	0.0
HB 12-1181	<u>20,754</u>	<u>23,792</u>	<u>(3,038)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$31,393,093	\$30,631,977	\$753,094	\$8,022	\$0	222.4

Support Services

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$31,393,093	\$30,631,977	\$753,094	\$8,022	\$0	222.4
Statewide IT common policy adjustments	1,016,824	993,878	22,946	0	0	0.0
COFRS modernization	545,055	480,395	30,736	33,379	545	0.0
Centrally appropriated line items	290,180	156,997	133,183	0	0	0.0
Restore state PERA contribution	285,802	285,802	0	0	0	0.0
Restore reductions to operating expenses and therapeutic communities	245,101	245,101	0	0	0	0.0
Technical correction for prior legislation	108,420	108,420	0	0	0	2.0
Consolidate funding for San Carlos Correctional Facility	85,095	85,095	0	0	0	1.0
Grant funding	40,052	40,052	0	0	0	0.0
Indirect cost assessment	0	13,968	(13,968)	0	0	0.0
Fort Lyon Correctional Facility decommission	(168,491)	(168,491)	0	0	0	(2.2)
Personal services base reduction	(130,314)	(125,764)	(4,467)	(83)	0	0.0
Parole caseload	(75,889)	(75,889)	0	0	0	0.0
Dispatch services	(30,270)	(30,270)	0	0	0	0.0
CSP II decommission	(1,276)	(1,276)	0	0	0	0.0
Close living units	(975)	(975)	0	0	0	0.0
HB 12-1335	\$33,602,407	\$32,639,020	\$921,524	\$41,318	\$545	223.2
HB 12-1223	184,977	184,977	0	0	0	2.0
HB 12-1310	<u>11,840</u>	<u>11,840</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$33,799,224	\$32,835,837	\$921,524	\$41,318	\$545	225.2
Increase/(Decrease)	\$2,406,131	\$2,203,860	\$168,430	\$33,296	\$545	2.8
Percentage Change	7.7%	7.2%	22.4%	415.1%	n/a	1.3%

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1181 modified FY 2011-12 appropriations to:

- increase vehicle lease payments by \$81,829 (comprised of a \$84,867 General Fund increase and a \$3,038 cash funds decrease);
- reduce payments for dispatch services by \$40,052 General Fund;

- reduce training expenses at Fort Lyon Correctional Facility by \$18,459 General Fund; and
- reduce parole caseload expenses by \$2,564 General Fund.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Statewide IT common policy adjustments: The appropriation includes adjustments to line items appropriated for: purchase of services from the computer center; multiuse network payments; management and administration of the Governor's Office of Information Technology (OIT); and communication services payments.

COFRS modernization: The appropriation includes an increase to fund the first two phases of a five-phase project to replace the statewide accounting system (COFRS) used by the Office of the State Controller to record all state revenues and expenditures.

Centrally appropriated line items: The appropriation includes an adjustment for vehicle lease payments.

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Restore reductions to operating expenses and therapeutic communities: The appropriation restores a temporary five percent operating expense reduction and a reduction to therapeutic communities that were both taken in response to the recent economic downturn. The prison therapeutic communities provide intensive, long-term residential treatment for substance abuse.

Technical correction for prior legislation: The appropriation includes a reduction to correct technical errors in the allocation of General Fund and FTE in H.B. 10-1360 and H.B. 10-1374.

Consolidate funding for San Carlos Correctional Facility: The appropriation combines spending for San Carlos with the functional-category appropriations for most other facilities.

Grant funding: The appropriation reflects anticipated changes in grant funding and federal funding.

Indirect cost assessment: The appropriation includes a net decrease in indirect cost assessments, requiring a General Fund increase for line items where the revenues obtained from these indirect cost assessments are appropriated.

Fort Lyon Correctional Facility decommission: The appropriation includes a reduction related to the decommission of the Fort Lyon Correctional Facility.

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services line items.

Parole caseload: The appropriation includes a reduction based on the projected parole caseload.

Dispatch services: The appropriation aligns the appropriation for dispatch services with recent expenditures.

CSP II decommission: The appropriation reflects the decommission of Colorado State Penitentiary II (CSP II) by February 1, 2013.

Close living units: The appropriation reflects the closure of three offender living units at three prisons.

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 all educational, vocational, recreational, and inmate labor programs operated by the Department. This division also includes the Sex Offender Treatment Subprogram and the Drug and Alcohol Treatment Subprogram. The cash funds are primarily from the Drug Offender Surcharge Fund. The reappropriated funds and federal funds are primarily from educational grants.

Inmate Programs						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$38,170,980	\$31,988,067	\$4,704,909	\$974,015	\$503,989	482.1
SB 11-076	(676,872)	(668,807)	(8,065)	0	0	0.0
HB 12-1181	<u>1,151,916</u>	<u>(86,916)</u>	<u>0</u>	<u>223,196</u>	<u>1,015,636</u>	<u>0.0</u>
TOTAL	\$38,646,024	\$31,232,344	\$4,696,844	\$1,197,211	\$1,519,625	482.1
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$38,646,024	\$31,232,344	\$4,696,844	\$1,197,211	\$1,519,625	482.1
Restore reductions to therapeutic communities	1,016,070	1,016,070	0	0	0	22.0
Restore state PERA contribution	676,872	668,807	8,065	0	0	0.0
Consolidate funding for San Carlos Correctional Facility	271,546	271,546	0	0	0	4.0
Grant funding	(1,804,172)	0	0	(383,270)	(1,420,902)	0.0
Fort Lyon Correctional Facility decommission	(642,766)	(622,803)	(19,963)	0	0	(12.7)
Close living units	(119,126)	(110,538)	(8,588)	0	0	(1.8)
CSP II decommission	(91,488)	(89,213)	(2,275)	0	0	(1.7)
Parole caseload	(75,315)	(75,315)	0	0	0	0.0
HB 12-1335	\$37,877,645	\$32,290,898	\$4,674,083	\$813,941	\$98,723	491.9
HB 12-1223	193,900	193,900	0	0	0	0.0
HB 12-1246	45,487	45,487	0	0	0	0.0

Inmate Programs						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 12-1310	<u>0</u>	<u>0</u>	<u>(1,245,127)</u>	<u>1,245,127</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$38,117,032	\$32,530,285	\$3,428,956	\$2,059,068	\$98,723	491.9
Increase/(Decrease)	(\$528,992)	\$1,297,941	(\$1,267,888)	\$861,857	(\$1,420,902)	9.8
Percentage Change	(1.4)%	4.2%	(27.0)%	72.0%	(93.5)%	2.0%

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1181 modified FY 2011-12 appropriations to:

- add \$788,297 of reappropriated and federal funds for education programs;
- add \$263,074 of federal funds for sex offender treatment programs;
- add \$187,461 of reappropriated funds for substance abuse programs;
- reduce personal services at Fort Lyon Correctional Facility by \$70,057 General Fund; and
- reduce substance abuse treatment services by \$16,859 General Fund.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Restore reductions to therapeutic communities: The appropriation restores a temporary reduction to therapeutic communities that was taken in response to the recent economic downturn. The prison therapeutic communities provide intensive, long-term residential treatment for substance abuse.

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Consolidate funding for San Carlos Correctional Facility: The appropriation combines spending for San Carlos with the functional-category appropriations for most other facilities.

Grant funding: The appropriation reflects anticipated changes in grant funding and federal funding.

Fort Lyon Correctional Facility decommission: The appropriation includes a reduction related to the decommission of the Fort Lyon Correctional Facility by March 1, 2012.

Close living units: The appropriation reflects the closure of three offender living units at three prisons.

CSP II decommission: The appropriation reflects the decommission of Colorado State Penitentiary II (CSP II) by February 1, 2013.

Parole caseload: The appropriation includes a reduction based on the projected parole caseload.

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, parole intensive supervision program (ISP), community supervision (transition), and community ISP (transition) subprograms. This major program area is designed to isolate most costs associated with supervising inmates and parolees in a community setting. Other costs associated with residential community corrections placements are appropriated to the Department of Public Safety, Division of Criminal Justice (DCJ). The reappropriated funds are moneys transferred from the DCJ.

Community Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$39,631,236	\$37,989,663	\$10,000	\$1,592,475	\$39,098	362.4
SB 11-076	(567,247)	(567,247)	0	0	0	0.0
HB 12-1181	(14,492)	(199,607)	0	185,115	0	(2.9)
HB 12-1335	<u>74,150</u>	<u>0</u>	<u>0</u>	<u>74,150</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$39,123,647	\$37,222,809	\$10,000	\$1,851,740	\$39,098	359.5
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$39,123,647	\$37,222,809	\$10,000	\$1,851,740	\$39,098	359.5
Restore state PERA contribution	567,247	567,247	0	0	0	0.0
Offender treatment services (SB 10-1352)	282,950	0	0	282,950	0	0.0
Restore reduction to operating expenses	13,583	13,583	0	0	0	0.0
Parole caseload	(1,142,038)	(1,142,038)	0	0	0	(16.9)
Personal services base reduction	(238,308)	(238,308)	0	0	0	0.0
Technical correction for prior legislation	(108,420)	(108,420)	0	0	0	(2.0)
Grant funding	(80,434)	0	0	(80,434)	0	0.0
Contract services	(50,000)	0	0	(50,000)	0	0.0
Other	(205)	(205)	0	0	0	0.0
HB 12-1335	\$38,368,022	\$36,314,668	\$10,000	\$2,004,256	\$39,098	340.6
HB 12-1223	<u>(22,139)</u>	<u>(22,139)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$38,345,883	\$36,292,529	\$10,000	\$2,004,256	\$39,098	340.6
Increase/(Decrease)	(\$777,764)	(\$930,280)	\$0	\$152,516	\$0	(18.9)
Percentage Change	(2.0)%	(2.5)%	0.0%	8.2%	0.0%	(5.3)%

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1181 modified FY 2011-12 appropriations to:

- add \$185,115 of federal funds for mental health and reintegration programs;
- add \$260 of General Fund for administrative law judge services; and
- reduce expenditures for parole and intensive supervision by \$199,867 General Fund, reflecting lower caseloads.

House Bill 12-1335 modified FY 2011-12 appropriations to provide an additional \$74,150 reappropriated funds from the Judicial Department for treatment services for adult offenders on parole.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Offender treatment services (H.B. 10-1352): The appropriation includes increased funding from the Judicial Department for treatment services for adult offenders on parole (H.B. 10-1352).

Restore reduction to operating expenses: The appropriation restores a temporary reduction to operating expenses that was taken in response to the recent economic downturn.

Parole caseload: The appropriation includes a reduction based on the projected parole caseload.

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services line items.

Technical correction for prior legislation: The appropriation includes a reduction to correct technical errors in the allocation of General Fund and FTE in H.B. 10-1360 and H.B. 10-1374.

Grant funding: The appropriation reflects anticipated changes in grant funding and federal funding.

Contract Services: The appropriation aligns funding for day reporting services with recent usage.

Other: The appropriation includes an adjustment for administrative law judge services and for the lack of a leap day in FY 2012-13, which affects estimates of medication usage.

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

Parole Board

The Parole Board has discretion to grant or deny parole for persons who were not sentenced under mandatory parole. The Board can stipulate the conditions of parole for discretionary and mandatory parolees. When the conditions of parole are violated, the Board can revoke a person's parole.

Parole Board						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$1,525,708	\$1,525,708	\$0	\$0	\$0	12.5
SB 11-076	(32,685)	(32,685)	0	0	0	0.0
SB 11-241	<u>43,800</u>	<u>43,800</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$1,536,823	\$1,536,823	\$0	\$0	\$0	12.5
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$1,536,823	\$1,536,823	\$0	\$0	\$0	12.5
Restore state PERA contribution	32,685	32,685	0	0	0	0.0
Annualize prior year funding	21,345	21,345	0	0	0	0.0
HB 12-1335	<u>\$1,590,853</u>	<u>\$1,590,853</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>12.5</u>
TOTAL	\$1,590,853	\$1,590,853	\$0	\$0	\$0	12.5
Increase/(Decrease)	\$54,030	\$54,030	\$0	\$0	\$0	0.0
Percentage Change	3.5%	3.5%	n/a	n/a	n/a	0.0%

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Annualize prior year funding: The appropriation restore a five percent operating expense reduction and includes adjustments for S.B. 11-024 (Parole Board Changes).

Correctional Industries

Correctional Industries manages profit-oriented work programs to provide inmates with training in various job skills while generating revenues to cover its costs. The major businesses operated by Correctional Industries include manufacturing operations for automobile license plates, office furniture, and modular office systems; a print shop; a leather products shop; and a garment production operation. Correctional Industries sells its products primarily to other government agencies. The Correctional Industries division is fully supported by cash funds and reappropriated funds from sales of Correctional Industries products and services. Because Correctional Industries is an enterprise, appropriations in this area are exempt from Section 20 of Article X of the State Constitution (Section 17-24-104 (1), C.R.S.).

Correctional Industries						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$55,316,382	\$0	\$14,117,881	\$41,198,501	\$0	142.1
SB 11-076	(186,223)	0	(54,005)	(132,218)	0	0.0
HB 12-1181	<u>1,000,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,000,000</u>	<u>0.0</u>
TOTAL	\$56,130,159	\$0	\$14,063,876	\$41,066,283	\$1,000,000	142.1
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$56,130,159	\$0	\$14,063,876	\$41,066,283	\$1,000,000	142.1
Restore state PERA contribution	186,223	0	54,005	132,218	0	0.0
Correctional Industries grants	(496,950)	0	0	0	(496,950)	0.0
Indirect cost assessment	(12,292)	0	(12,292)	0	0	0.0
HB 12-1335	<u>\$55,807,140</u>	<u>\$0</u>	<u>\$14,105,589</u>	<u>\$41,198,501</u>	<u>\$503,050</u>	<u>142.1</u>
TOTAL	\$55,807,140	\$0	\$14,105,589	\$41,198,501	\$503,050	142.1
Increase/(Decrease)	(323,019)	\$0	\$41,713	\$132,218	(\$496,950)	0.0
Percentage Change	(0.6)%	n/a	0.3%	0.3%	(49.7)%	0.0%

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1181 modified FY 2011-12 appropriations to reflect the availability of \$1.0 million from federal grants.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Correctional Industries grants: The appropriation reflects anticipated changes in grant funding.

Indirect cost assessment: The appropriation includes a net decrease in indirect cost assessments.

Canteen Operation

The Canteen Operation provides various personal items for purchase by inmates including toiletries, snack foods, phone services, and other approved items. Per court order, all funds remaining after expenses are to be 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 the Canteen Operation is an enterprise, appropriations in this area are exempt from Section 20 of Article X of the Colorado Constitution (Section 17-24-126, C.R.S.).

Canteen Operation						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$14,713,593	\$0	\$14,713,593	\$0	\$0	26.9
SB 11-076	<u>(37,786)</u>	<u>0</u>	<u>(37,786)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$14,675,807	\$0	\$14,675,807	\$0	\$0	26.9
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$14,675,807	\$0	\$14,675,807	\$0	\$0	26.9
Restore state PERA contribution	37,786	0	37,786	0	0	0.0
Indirect cost assessment	(1,676)	0	(1,676)	0	0	0.0
HB 12-1335	<u>\$14,711,917</u>	<u>\$0</u>	<u>\$14,711,917</u>	<u>\$0</u>	<u>\$0</u>	<u>26.9</u>
TOTAL	\$14,711,917	\$0	\$14,711,917	\$0	\$0	26.9
Increase/(Decrease)	\$36,110	\$0	\$36,110	\$0	\$0	0.0
Percentage Change	0.2%	n/a	0.2%	n/a	n/a	0.0%

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Indirect cost assessment: The appropriation includes a net decrease in indirect cost assessments.

Recent Legislation

2011 Session Bills

S.B. 11-076: For the 2011-12 state fiscal year only, reduces the employer contribution rate for the State and Judicial divisions of the Public Employees' Retirement Association (PERA) by 2.5 percent and increases the member contribution rate for these divisions by the same amount. In effect, continues the FY 2010-11 PERA contribution adjustments authorized through S.B. 10-146 for one additional year. Reduces the DOC's FY 2011-12 appropriation by \$8,100,294 total funds, of which \$7,868,220 is General Fund, \$99,856 is cash funds, and \$132,218 is reappropriated funds.

S.B. 11-134: Defines the terms "salvia divinorum" and "synthetic cannabinoids" and specifies that synthetic cannabinoids are not to be considered medical marijuana under Colorado law. Creates the following new criminal offenses:

- class 2 misdemeanor for unlawfully using or possessing synthetic cannabinoids or salvia divinorum;
- class 5 felony for knowingly distributing, manufacturing, dispensing, selling, or cultivating synthetic cannabinoids or salvia divinorum; or
- class 4 felony for knowingly distributing, dispensing, or selling synthetic cannabinoids or salvia divinorum when the person distributes, dispenses, or sells to a minor under the age of 18 and the person is at least 18 years of age and at least two years older than the minor.

Has a five-year fiscal impact of \$1,267,387, but includes a provision making an exception to the five-year appropriation requirement and therefore does not make any appropriations.

S.B. 11-176: Permits the accrual of earned time for inmates who have been housed in administrative segregation for at least 90 days, provided they meet the statutory criteria for doing so. Makes the following appropriations and adjustments for FY 2011-12:

- appropriates \$26,250 General Fund to the DOC Executive Director's Office Subprogram, for annual reporting requirements;
- appropriates \$49,933 General Fund to the DOC Mental Health Subprogram, for behavior-modification programs, incentive programs, mental health services or programs, or similar efforts designed as viable alternatives to administrative segregation;
- appropriates \$122,613 General Fund to the DOC Information Systems Subprogram, for computer system programming modifications and ongoing maintenance related to changes to earned time accrual eligibility for inmates in administrative segregation and reappropriates this amount along with 2.0 FTE to the Governor - Lieutenant Governor - State Planning and Budgeting, Office of Information Technology, for the provision of programming services; and
- decreases General Fund appropriations to the DOC for payments to house state prisoners by \$198,796.

S.B. 11-209: General appropriations act for FY 2011-12.

S.B. 11-241: Expands the definition of a special needs offender to include individuals who:

- are 60 years of age or older, have been diagnosed with a chronic infirmity, illness, condition, disease, or mental illness, and have been determined to be incapacitated to the extent that they are not likely to pose a public safety risk; or
- suffer from a chronic, permanent, terminal, or irreversible physical or mental illness, condition, or disease that requires costly care or treatment and have been determined to be incapacitated to the extent that they are not likely to pose a public safety risk.

Within the definition of a special needs offender, permits the inclusion of class 2 felony crimes of violence (when the offender has served fewer than 10 years in prison), sex offenses, and class 1 felonies (when the class 1 felony was committed before July 1, 1990, and the offender has served at least 20 years in prison). Creates a presumption in favor of granting parole for an inmate with a detainer on file from the United States Immigration and Customs Enforcement Agency (ICE) who:

- has reached his or her parole eligibility date;
- is not serving a sentence for a violent crime; and
- has been assessed as medium risk or below.

Makes a FY 2011-12 appropriation of \$43,800 General Fund to the DOC, Parole Board, for training and contract administrative and release hearing officers.

H.B. 11-1064: Creates a presumption, subject to the discretion of the State Board of Parole, in favor of granting parole to an inmate who has reached his or her parole eligibility date and who:

- is serving a sentence for a felony drug possession or drug use offense (as described in Sections 18-18-404 or 18-18-405, C.R.S., as those offenses existed prior to August 11, 2010);
- has displayed satisfactory institutional behavior;
- is program compliant;
- has never been convicted of a specified list of crimes that include offenses against children and illegal possession of firearms, among others; and
- does not have an active felony or immigration detainer.

Decreases the FY 2011-12 General Fund appropriation to the DOC for payments to house state prisoners by \$45,243.

2012 Session Bills

H.B. 12-1084: Increases from a class 5 felony to a class 4 felony the penalty for a vehicle driver who leaves the scene of an accident resulting in serious bodily injury. Has a five-year fiscal impact of \$1,743,070, but includes a provision making an exception to the statutory five-year appropriation requirement and therefore does not make any appropriations.

H.B. 12-1181: Supplemental appropriation to modify FY 2011-12 appropriations to the Department.

H.B. 12-1223: Allows offenders in the DOC to receive additional earned time while in prison, while on parole, and while temporarily reincarcerated for a parole violation, thus reducing the average time that offenders are in prison and on parole while providing increased incentives for offenders to behave appropriately. Appropriates the resulting FY 2012-13 General Fund savings of \$193,900 to offender education programs within the Department.

H.B. 12-1246: Reverses the annual pay date shift for state employees who are paid on a biweekly basis. Appropriates \$136,460 General Fund to the DOC for FY 2012-13. For additional information see the corresponding bill description in the "Recent Legislation" section of the Department of Personnel.

H.B. 12-1271: Raises to 16 the minimum age at which juveniles charged with certain serious crimes may be prosecuted in adult court, a process known as "direct filing", while limiting the offenses for which direct filing is available to class 1 and 2 felonies, violent sex offenses, crimes of violence committed by prior felony offenders, and certain sex offenses committed by prior felony offenders. Reduces expenditures for the Department's Youthful Offender System by a projected \$1,856,160 over four years, beginning in FY 2013-14. For more information see the corresponding bill description in the "Recent Legislation" section of the Department of Human Services.

H.B. 12-1310: Addresses criminal justice matters in several areas including drug offenses and treatment, sentencing, court proceedings, sex offenses, probation, and parole. Contains the following provisions relevant to the DOC:

- Removes the term "cathinone" (also known as bath salts) from the statutory list of schedule 1 controlled substances and creates a detailed list of cathinones elsewhere in statute. Reduces penalties for cathinone possession to a misdemeanor. Creates a new class 3 felony for the distribution or production of cathinones, which has a five-year fiscal impact of \$82,826, but includes a provision making an exception to the statutory five-year appropriation requirement and therefore does not make any appropriations for the criminal penalties. Creates a new civil penalty for deceptive trade practices for distribution or production of cathinones.
- Establishes a ten-year mandatory period of parole under the supervision of the DOC for juvenile offenders who are adjudicated delinquent and sentenced for first degree murder. Includes a one-time FY 2012-13 General Fund appropriation of \$11,840 to DOC for computer programming changes and an equal reappropriation to the Governor's Office of Information Technology.
- Consolidates funding for substance-abuse treatment for adult and juvenile offenders, replacing multiple appropriations with a set of similar appropriations involving the Correctional Treatment Cash Fund, which is created by the bill. Implements a consistent appropriation format that initially appropriates all General Fund and cash funds made available by S.B. 03-318 and H.B. 10-1352 for treatment to a single department (Judicial). Transfers funds not used in the Judicial Department to other state agencies as reappropriated funds. Increases appropriations of reappropriated funds to the DOC by \$1,245,127 while reducing appropriations of cash funds by the same amount. For more information see the corresponding bill description in the "Recent Legislation" section of the Judicial Department.

H.B. 12-1335: General appropriations act for FY 2012-13.

H.B. 12-1336: Directs the Office of State Planning and Budgeting (OSPB) to contract for a systemwide analysis of the DOC by July 1, 2012. Encourages the OSPB to convene an advisory group to assist the OSPB and the Joint Budget Committee (JBC) in developing options based on the study. Directs the OSPB, the JBC, and any advisory group convened to identify, evaluate, and prioritize state and private contract prison-bed utilization options for five fiscal years beginning with FY 2013-14. Appropriates \$350,000 General Fund to the Office of the Governor for FY 2012-13.

H.B. 12-1337: Closes the south campus of the Centennial correctional facility for state housing of inmates while allowing non-state entities to house inmates on the south campus. Allows the south campus to be maintained to provide support and services to the rest of the facility. The corresponding FY 2012-13 funding reductions for the DOC, comprised of \$4,533,632 General Fund, \$2,275 cash funds, and 71.2 FTE, are reflected in the Long Bill (H.B. 12-1335).

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 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
General Fund/1	\$3,239,325,619	\$2,963,613,216	\$2,833,702,613	\$3,015,437,087
Cash Funds	636,538,236	592,384,040	857,596,308	753,491,302
Reappropriated Funds	22,701,205	22,737,017	23,645,698	24,078,570
Federal Funds	<u>826,873,489</u>	<u>787,486,667</u>	<u>625,903,566</u>	<u>628,704,003</u>
Total Funds	\$4,725,438,549	\$4,366,220,940	\$4,340,848,185	\$4,421,710,962
Full Time Equiv. Staff	563.3	555.7	541.6	565.7

/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 (\$1.9 billion in FY 2012-13), local funds are not reflected in the State's annual appropriations to the Department of Education. Total appropriations to the Department of Education for FY 2012-13 consist of 68.2 percent General Fund, 17.0 percent cash funds, 14.2 percent federal funds, and 0.5 percent reappropriated funds. The 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 (\$5,843 per pupil for FY 2012-13). 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 2012-13, per-pupil funding allocations are anticipated to range from \$6,059 to \$15,099, with a statewide average of \$6,474 per pupil. Each district's per-pupil funding allocation is multiplied by its funded-pupil count to determine its *total program funding*. For FY 2012-13, pursuant to the formula, a total of \$5.3 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 2012-13, the General Assembly was required to increase the statewide base per-pupil funding amount by at least \$208 (from \$5,635 to \$5,843, or 3.7 percent), based on the actual 3.7 percent increase in the Denver-Boulder consumer price index in calendar year 2011. Given an estimated funded-pupil count of more than 817,000, the General Assembly was thus required to provide a minimum of \$4.8 billion in state and local funds for FY 2012-13, equal to 90.3 percent of the \$5.3 billion in total program funding.

Factors Considered in Public School Finance Formula

The remaining 9.7 percent of state and local funds that will be allocated among school districts in FY 2012-13 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* (\$6,141 per pupil for FY 2012-13¹), regardless of the impact of the above factors. For FY 2012-13, 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 \$5,911² for FY 2012-13) *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.

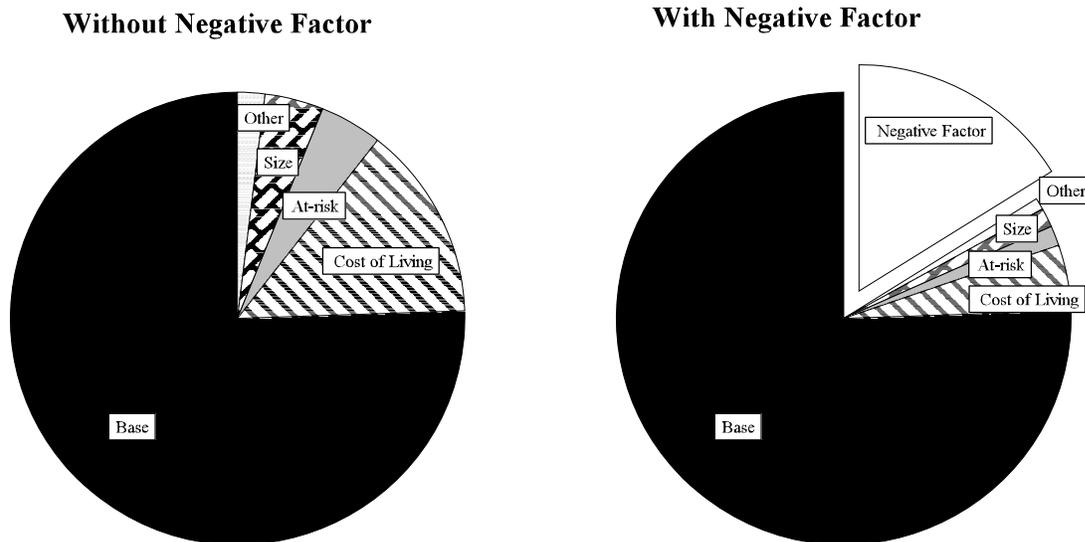
Finally, since FY 2010-11 the formula has included a *negative factor* designed to reduce districts' total program funding to a specified total amount. For FY 2012-13, this factor is estimated to be -16.1 percent, requiring a \$1.0 billion reduction in total program funding. Thus, the Department will calculate total program funding for each district based on the formula described above, and then reduce each district's total program funding by 16.1 percent³. 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 graphic on the next page.

¹ This amount is calculated after the application of the negative factor (discussed in the next paragraph).

² This amount is calculated after the application of the negative factor (discussed in the next paragraph).

³ Please note that for some districts, this reduction exceeds the state share of total program funding. In this case, the reduction in total program funding is limited to the state share of funding.

Total Program Funding by Component: FY 2012-13



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)⁴. 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 2012-13, \$1.9 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 \$3.4 billion in state funding for FY 2012-13 to provide a total of \$5.3 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"⁵) which initially reduced the residential assessment rate from 30.0 percent to 21.0 percent, and capped the residential share of property taxes.

⁴ One "mill" equals one-tenth of one percent (.001). For example, for a property with an actual value of \$100,000, and an assessed value of \$7,960 (based on the 7.96 percent assessment rate for residential property), each mill of tax raises \$7.96.

⁵ See Article X, Section 3 (1) (b) of the State Constitution.

- In 1992 voters approved the Taxpayer's Bill of Rights (TABOR)⁶. 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 ratio of the State share of funding to the local share of funding shifted from 43:57 to 64:36.

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 63.6 percent of total program funding in FY 2012-13.

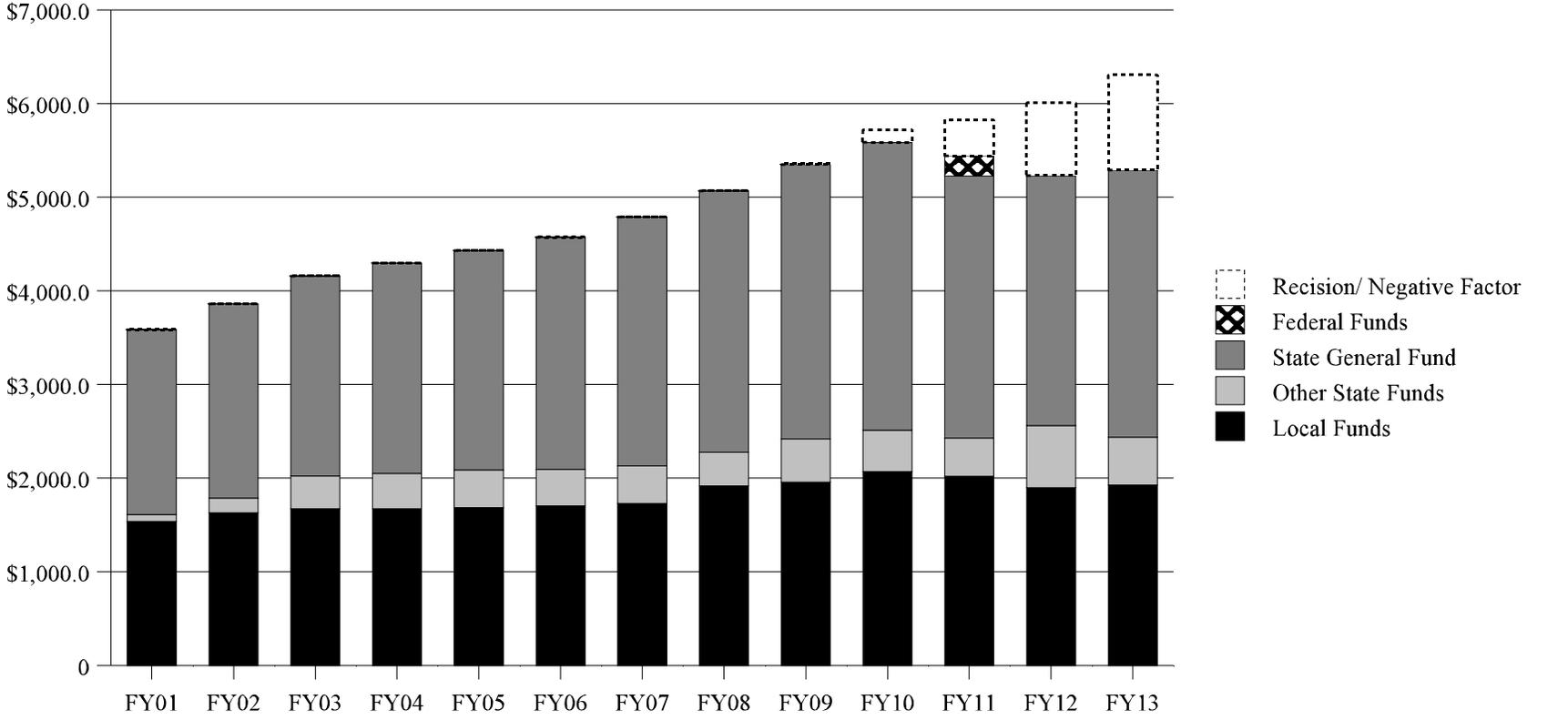
In summary, several factors affect the amount of state funding appropriated for public school finance, including:

- 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 2012-13. 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 2011-12 and FY 2012-13.

⁶ See Article X, Section 20 of the State Constitution.

School Districts' Total Program Funding (\$ millions): FY 00-01 through FY 12-13



School Finance Funding						
Description	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Approp.	FY 2012-13 Approp. /2
Funded-Pupil Count	760,884	778,108	789,497	798,600	808,195	817,221
<i>Annual Percent Change</i>	<i>1.0%</i>	<i>2.3%</i>	<i>1.5%</i>	<i>1.2%</i>	<i>1.2%</i>	<i>1.1%</i>
<i>Change in Denver-Boulder Consumer Price Index for Previous Calendar Year</i>	<i>3.6%</i>	<i>2.2%</i>	<i>3.9%</i>	<i>(0.6)%</i>	<i>1.9%</i>	<i>3.7%</i>
Statewide <u>Base</u> Per-Pupil Funding	\$5,088	\$5,250	\$5,508	\$5,530	\$5,635	\$5,843
<i>Annual Percent Change</i>	<i>4.6%</i>	<i>3.2%</i>	<i>4.9%</i>	<i>0.4%</i>	<i>1.9%</i>	<i>3.7%</i>
Statewide <u>Average</u> Per-Pupil Funding	\$6,661	\$6,874	\$7,078	\$6,814	\$6,474	\$6,474
<i>Annual Percent Change</i>	<i>4.8%</i>	<i>3.2%</i>	<i>3.0%</i>	<i>(3.7)%</i>	<i>(5.0)%</i>	<i>0.0%</i>
Total Program Funding/1	\$5,068,284,706	\$5,349,019,294	\$5,587,765,303	\$5,441,412,219	\$5,232,447,623	\$5,290,884,887
<i>Annual Percent Change</i>	<i>5.8%</i>	<i>5.5%</i>	<i>4.5%</i>	<i>(2.6)%</i>	<i>(3.8)%</i>	<i>1.1%</i>
<u>Local Share</u> of Total Program Funding	\$1,915,971,895	\$1,956,083,870	\$2,068,895,672	\$2,018,856,003	\$1,900,525,468	\$1,924,424,268
<i>Annual Percent Change</i>	<i>10.8%</i>	<i>2.1%</i>	<i>5.8%</i>	<i>(2.4)%</i>	<i>(5.9)%</i>	<i>1.3%</i>
<u>Federal Funds</u> made available based on School Finance Act formula				216,358,164		
<u>State Share</u> of Total Program Funding	\$3,152,312,811	\$3,392,935,424	\$3,518,869,631	\$3,206,198,052	\$3,331,922,155	\$3,366,460,619
<i>Annual Percent Change</i>	<i>3.0%</i>	<i>7.6%</i>	<i>3.7%</i>	<i>(8.9)%</i>	<i>3.9%</i>	<i>1.0%</i>
<i>State Share as Percent of Districts' Total Program Funding</i>	<i>62.2%</i>	<i>63.4%</i>	<i>63.0%</i>	<i>63.0%</i>	<i>63.7%</i>	<i>63.6%</i>

1/ For FY 2008-09 and FY 2009-10, figures exclude amounts that were rescinded mid-year due to a shortfall in appropriations (\$5,777,656 and \$129,620,699, respectively). For subsequent fiscal years, figures reflect Total Program Funding after application of the negative factor. Finally, for purposes of providing comparable data, the FY 2010-11 figure includes \$216.4 million in federal funds that were distributed based on the school finance formula, but were not technically allocated through the School Finance Act.

2/ Please note that these figures reflect the Long Bill (H.B. 12-1335) and H.B. 12-1345. For details concerning the impact of the Long Bill and H.B. 12-1345 on public school funding, see the Assistance to Public Schools, Public School Finance section within this Department.

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 2011 the percentage change in the Denver-Boulder consumer price index was 3.7 percent, so the General Assembly was required to increase state funding for categorical programs by at least that amount (\$8,713,706) for FY 2012-13.

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 \$102.1 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 \$36.6 million higher than the minimum amount that would have otherwise been required.

The following table details the allocation of the \$102.1 million increase since FY 2000-01 among categorical programs. For details concerning the allocation of the funding increase provided for FY 2012-13, please see the Assistance to Public Schools, Categorical Programs section.

Increases in State Funding for Categorical Programs Since FY 2000-01				
Long Bill Line Item	FY 2000-01 Appropriation	FY 2012-32 Appropriation	Total Increase in Annual Appropriation of State Funds Since FY 2000-01	
Special education - children with disabilities	\$71,510,773	\$134,641,941	\$63,131,168	88.3%
English Language Proficiency Program	3,101,598	14,460,255	11,358,657	366.2%
Public school transportation	36,922,227	51,967,107	15,044,880	40.7%
Career and technical education programs	17,792,850	24,218,018	6,425,168	36.1%
Special education - gifted and talented children	5,500,000	9,473,606	3,973,606	72.2%
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	959,379	11,239	1.2%
Comprehensive health education	600,000	1,005,396	405,396	67.6%
Total	\$142,164,395	\$244,219,262	\$102,054,867	71.8%

Summary of FY 2011-12 and FY 2012-13 Appropriations

Department of Education						
	Total Funds	General Fund/1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Total Appropriation:	\$4,340,848,185	\$2,833,702,613	\$857,596,308	\$23,645,698	\$625,903,566	541.6
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Management and Administration	58,310,020	7,209,049	20,365,607	13,195,553	17,539,811	133.6
Assistance to Public Schools	4,261,522,253	2,814,391,746	835,443,204	7,131,521	604,555,782	197.8
Library Programs	6,930,587	2,160,117	712,497	250,000	3,807,973	42.6
School for the Deaf and the Blind	14,085,325	9,941,701	1,075,000	3,068,624	0	167.6
<u>Breakdown of Total Appropriation by Bill</u>						
SB 11-209	4,563,872,393	3,294,711,018	619,775,069	23,433,557	625,952,749	540.9
SB 11-076	(465,333)	(311,971)	(64,092)	(56,458)	(32,812)	0.0
SB 11-230	(227,413,958)	(460,700,000)	233,343,858	(57,816)	0	0.0
HB 11-1010	1,664	1,664	0	0	0	0.0
HB 11-1121	83,383	0	83,383	0	0	0.9
HB 11-1241	845	845	0	0	0	0.0
HB 11-1277	(35,173)	0	(35,173)	0	0	(0.2)
HB 12-1182	2,185,026	1,057	1,873,925	326,415	(16,371)	0.0
HB 12-1201	(4,380,662)	0	(4,380,662)	0	0	0.0
HB 12-1335	7,000,000	0	7,000,000	0	0	0.0
FY 2012-13 Total Appropriation:	\$4,421,710,962	\$3,015,437,087	\$753,491,302	\$24,078,570	\$628,704,003	565.7
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Management and Administration	80,094,372	8,067,942	38,249,668	13,449,947	20,326,815	150.2
Assistance to Public Schools	4,320,157,360	2,994,856,478	713,453,360	7,278,307	604,569,215	205.3
Library Programs	7,051,301	2,180,054	713,274	350,000	3,807,973	42.6
School for the Deaf and the Blind	14,407,929	10,332,613	1,075,000	3,000,316	0	167.6
<u>Breakdown of Total Appropriation by Bill</u>						
HB 12-1335	4,352,905,769	2,958,024,914	742,098,282	24,078,570	628,704,003	556.9
SB 12-068	6,800	6,800	0	0	0	0.0
HB 12-1238	169,473	0	169,473	0	0	8.8
HB 12-1246	173,373	173,373	0	0	0	0.0

Department of Education						
	Total Funds	General Fund/1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 12-1261	604,800	0	604,800	0	0	0.0
HB 12-1345	67,850,747	57,232,000	10,618,747	0	0	0.0
Increase/(Decrease)	\$80,862,777	\$181,734,474	(\$104,105,006)	\$432,872	\$2,800,437	24.1
Percentage Change	1.9%	6.4%	(12.1)%	1.8%	0.4%	4.5%

/1 Includes \$373,508,751 General Fund Exempt in FY 2011-12 and \$312,202,624 General Fund Exempt in FY 2012-13. See Division Detail for more information on General Fund Exempt appropriations.

Informational Funds: Beginning in FY 2012-13, the Long Bill and other legislation indicate when an amount is shown solely for informational purposes through a new "(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 2012-13 Appropriations containing an (I) notation	\$632,214,586	\$0	\$3,510,583	\$0	\$628,704,003

FY 2011-12 Appropriation - Mid-year Adjustment Highlights

The FY 2011-12 appropriation was modified during the 2012 Legislative Session to:

1. Increase total state and local funding that is distributed to public schools through the School Finance Act by \$19.8 million to cover the costs of a higher than anticipated student count, thereby avoiding a mid-year decrease in average per-pupil funding. Local tax revenues for school finance are \$24.2 million higher than anticipated, so H.B. 12-1201 decreases appropriations of state funds by \$4.4 million.
2. Increase cash funds spending authority from the Public School Capital Construction Assistance Fund by \$7.0 million to allow for payments on lease-purchase agreements entered into by the State Treasurer in FY 2011-12.
3. Increase cash funds spending authority by \$1.8 million to allow for the expenditure of a variety of grants received by the Department in FY 2011-12 that were not anticipated in the original appropriation.

FY 2012-13 Appropriation Highlights

The FY 2012-13 appropriation:

1. Increases total state and local funding that is distributed to public schools through the School Finance Act by \$58.4 million (1.1 percent) to maintain average per-pupil funding at the FY 2011-12 level (\$6,474). Local tax revenues for school finance are anticipated to increase by \$23.9 million, so appropriations of state funds increase by \$34.5 million (through the Long Bill and H.B. 12-1345). This net increase in state funding includes an increase of \$180.4 million General Fund and a decrease of \$145.9 million cash funds.

2. Adds \$8.7 million cash funds from the State Education Fund to increase state funding for categorical programs by 3.7 percent as required by Section 17 (1) of Article IX of the State Constitution.
3. Includes a total of \$8.7 million and 20.5 FTE associated with the implementation of S.B. 10-191 (Principal and Teacher Effectiveness). The appropriation includes: \$424,390 General Fund and 3.0 FTE to support and reflect the ongoing operations of the Educator Effectiveness Unit within the Department; \$6.4 million cash funds (to be spent over three years) and 5.0 FTE to support one-time implementation costs; and \$1.8 million federal funds and 12.5 FTE to reflect, for informational purposes only, anticipated expenditures of federal Race to the Top grant funds in FY 2012-13.
4. Increases cash funds spending authority from the Public School Capital Construction Assistance Fund by \$8.0 million for the purpose of making payments on lease-purchase agreements entered into by the State Treasurer pursuant to the Building Excellent Schools Today ("BEST") Program.
5. Adds \$6.4 million cash funds to: (1) develop new statewide assessments for science and social studies that align with statewide academic standards; and (2) update the alternate assessments for students with significant cognitive disabilities and the English language assessments to align with current statewide standards. The appropriation does not include funding for the development of new assessments in mathematics, English language arts, or writing in FY 2012-13.
6. Adds a total of \$957,000, including \$213,000 General Fund, for centrally appropriated line items.
7. Adds \$851,000 cash funds to the Read-to-Achieve Grant Program based on anticipated tobacco settlement revenues.
8. Adds \$465,000, including \$312,000 General Fund, to restore the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.
9. Adds a total of 15.3 FTE, including the following changes (some of which are referenced above):
 - An increase of 13.6 FTE that are included for informational purposes, including: an increase of 12.5 federally funded FTE associated with the implementation of S.B. 10-191 (Principal and Teacher Effectiveness) and 1.1 cash funded FTE, supported by the Educator Licensure Cash Fund, which is continuously appropriated to the Department in FY 2012-13, to reflect anticipated usage by the Office of Professional Services.
 - An increase of 8.0 FTE to improve or enhance existing programs, including: reflecting 3.0 FTE associated with the ongoing operations of the Educator Effectiveness Unit (implementing S.B. 10-191) and 5.0 new FTE to conduct one-time implementation efforts for S.B. 10-191 over the next three years; and
 - A reduction of 6.3 FTE to more accurately reflect staffing levels.

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 2011-12 Appropriation:						
SB 11-209	\$58,045,569	\$7,289,886	\$20,285,831	\$12,894,291	\$17,575,561	132.9
SB 11-076	(167,247)	(80,837)	(42,359)	(24,672)	(19,379)	0.0
SB 11-230	(481)	0	0	(481)	0	0.0
HB 11-1121	83,383	0	83,383	0	0	0.9
HB 11-1277	(35,173)	0	(35,173)	0	0	(0.2)
HB 12-1182	<u>383,969</u>	<u>0</u>	<u>73,925</u>	<u>326,415</u>	<u>(16,371)</u>	<u>0.0</u>
TOTAL	\$58,310,020	\$7,209,049	\$20,365,607	\$13,195,553	\$17,539,811	133.6
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$58,310,020	\$7,209,049	\$20,365,607	\$13,195,553	\$17,539,811	133.6
Educator effectiveness implementation	8,683,371	424,390	6,426,830	0	1,832,151	20.5
Development of new assessments	6,357,743	0	6,357,743	0	0	0.0
Centrally appropriated line items	936,080	192,375	131,806	17,525	594,374	0.0
Spending authority and informational appropriation adjustments	856,828	0	515,728	0	341,100	1.1
Indirect cost assessment	323,317	0	323,317	0	0	0.0
COFRS modernization	197,914	61,100	89,496	47,318	0	0.0
Charter School Institute increase	177,590	0	0	177,590	0	0.0
Restore state PERA contribution	167,247	80,837	42,359	24,672	19,379	0.0

Management and Administration						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Statewide IT common policy adjustments	120,645	120,645	0	0	0	0.0
Annualize prior year funding	12,273	14,514	(1,854)	(387)	0	0.0
Vacant FTE reduction	0	0	0	0	0	(5.0)
Personal services base reduction	(43,269)	(29,581)	(1,364)	(12,324)	0	0.0
Emeritus retirement elimination	(5,387)	(5,387)	0	0	0	0.0
HB 12-1335	\$76,094,372	\$8,067,942	\$34,249,668	\$13,449,947	\$20,326,815	150.2
HB 12-1345	<u>4,000,000</u>	<u>0</u>	<u>4,000,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$80,094,372	\$8,067,942	\$38,249,668	\$13,449,947	\$20,326,815	150.2
Increase/(Decrease)	\$21,784,352	\$858,893	\$17,884,061	\$254,394	\$2,787,004	16.6
Percentage Change	37.4%	11.9%	87.8%	1.9%	15.9%	12.4%

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1182 included an increase of \$0.4 million for Management and Administration, primarily due to an increase in spending authority for the State Charter School Institute to adjust for increased student counts and a resulting increase in revenues distributed to Institute charter schools.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Educator effectiveness implementation: The appropriation includes funding and FTE for the implementation of S.B. 10-191 (Principal and Teacher Effectiveness) and reflects anticipated expenditures of federal funds and associated FTE for that purpose.

Development of new assessments: The appropriation includes funding to support the development of new statewide science and social studies assessments and to update the existing alternate assessments for students with cognitive disabilities and the Colorado English Language Assessments to align with current statewide academic standards.

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; workers' compensation; legal services; administrative law judges; payments to risk management and property funds; and Capitol complex leased space.

Spending authority and informational appropriation adjustments: The appropriation includes adjustments to several line items to better reflect funding anticipated to be available from various cash and federal grants, as well as to reflect anticipated expenditures in the Office of Professional Services as a result of the continuous appropriation of the Educator Licensure Cash Fund pursuant to H.B. 11-1201.

Indirect cost assessment: The appropriation increases the amount of indirect cost recoveries that is included in the Office of Professional Services line item to reflect the indirect cost rate applied to the Educator Licensure Cash Fund.

COFRS modernization: The appropriation includes an increase to fund the first two phases of a five-phase project to replace the statewide accounting system (COFRS) used by the Office of the State Controller to record all state revenues and expenditures.

Charter School Institute increase: The appropriation reflects increased estimated funding for the Charter School Institute as a result of anticipated changes in enrollment and per-pupil revenue.

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Statewide IT common policy adjustments: The appropriation includes adjustments to line items appropriated for purchase of services from the computer center and multiuse network payments.

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

Vacant FTE reduction: The appropriation eliminates 5.0 vacant and unfunded FTE to better reflect staffing levels.

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services lines.

Emeritus retirement elimination: The appropriation eliminates unnecessary funding for the Emeritus Retirement Program because there are no remaining participants.

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 three 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.

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/1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$4,484,581,857	\$3,275,148,371	\$597,700,964	\$7,163,307	\$604,569,215	197.8
SB 11-076	(67,974)	(1,799)	(20,956)	(31,786)	(13,433)	0.0
SB 11-230	(227,413,477)	(460,757,335)	233,343,858	0	0	0.0
HB 11-1010	1,664	1,664	0	0	0	0.0
HB 11-1241	845	845	0	0	0	0.0
HB 12-1182	1,800,000	0	1,800,000	0	0	0.0
HB 12-1201	(4,380,662)	0	(4,380,662)	0	0	0.0
HB 12-1335	<u>7,000,000</u>	<u>0</u>	<u>7,000,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$4,261,522,253	\$2,814,391,746	\$835,443,204	\$7,131,521	\$604,555,782	197.8
FY 2012-13 Appropriation:						
HB 12-1335	\$4,255,525,540	\$2,937,617,678	\$706,060,340	\$7,278,307	\$604,569,215	196.5
SB 12-068	6,800	6,800	0	0	0	0.0
HB 12-1238	169,473	0	169,473	0	0	8.8
HB 12-1261	604,800	0	604,800	0	0	0.0
HB 12-1345	<u>63,850,747</u>	<u>57,232,000</u>	<u>6,618,747</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$4,320,157,360	\$2,994,856,478	\$713,453,360	\$7,278,307	\$604,569,215	205.3
Increase/(Decrease)	\$58,635,107	\$180,464,732	(\$121,989,844)	\$146,786	\$13,433	7.5
Percentage Change	1.4%	6.4%	(14.6)%	2.1%	0.0%	3.8%

/1 Includes General Fund Exempt amounts. See subsection detail, below, for information on General Fund Exempt appropriations.

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 (36.4 percent of the amount required under the Act for FY 2012-13 or \$1.9 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 2012-13, 84.7 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 2012-13 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 2012-13 Long Bill (H.B. 12-1335) includes appropriations sufficient to fully fund public schools based on projected student enrollment for FY 2012-13, the statutory public school finance funding formula prior to any 2012 Session modifications, and the minimum constitutionally required increase in the statewide base per-pupil funding amount. Specifically, appropriations in the Public School Finance subsection of the Long Bill decreased by \$22.5 million compared to FY 2011-12. The funding decreases that are included in the Long Bill are described below, in the "FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions" section.

The 2012 school finance bill (H.B. 12-1345) includes formula modifications that increase the cost of funding the public school finance formula for FY 2012-13. House Bill 12-1345 thus includes an appropriation clause that increases appropriations of state funds in the Public School Finance subsection of the Long Bill for FY 2012-13 by \$60.9 million. When both the Long Bill and H.B. 12-1345 are taken into account, appropriations in the Public School Finance subsection increased by \$38.4 million from FY 2011-12 to FY 2012-13.

The largest line item appropriation within this subsection provides the *State Share of Districts' Total Program Funding*. The table on the following page provides data related to this line item appropriation for both FY 2011-12 and FY 2012-13. As detailed in the table:

- Long Bill appropriations for districts' total program funding are based on the formula prior to H.B. 12-1345, which maintained the total state and local funds received by districts at \$5.2 billion. Due to a projected increase in local tax revenues, Long Bill appropriations of state funds decreased by \$22.5 million.
- House Bill 12-1345 modifies the statutory school finance formula, increasing the costs of fully funding the formula for FY 2012-13. This bill increases districts' total program funding by \$57.0 million in

order to avoid a decrease in average per-pupil funding. This bill thus increases the level of state funding required for FY 2012-13 by \$57.0 million.

When both the Long Bill and H.B. 12-1345 are taken into account, total state and local funding for school districts for FY 2012-13 is \$58.4 million (1.1 percent) higher than for FY 2011-12. This level of funding is anticipated to maintain average per-pupil funding at the FY 2011-12 level of \$6,474 per pupil.

School Finance Formula Overview					
Districts' Total Program Funding: FY 2011-12 and FY 2012-13					
School Finance: Total Program	FY 11-12 Amended Appropriation	Long Bill (HB 12-1335) Appropriation	Adjustments in HB 12-1345	FY 12-13 Appropriation	Annual Change
Funded-pupil count	808,194.5	817,221.0	0.0	817,221.0	9,026.5
<i>Annual percent change</i>					<i>1.1%</i>
Statewide <u>base</u> per-pupil funding	\$5,634.77	\$5,843.26	\$0.00	\$5,843.26	\$208.49
<i>Annual percent change</i>					<i>3.7%</i>
Total program funding (<u>prior to</u> negative factor)	\$6,006,861,965	\$6,302,403,884	\$0	\$6,302,403,884	\$295,541,919
LESS: Negative factor reduction	<u>(774,414,342)</u>	<u>(1,068,522,446)</u>	<u>57,003,449</u>	<u>(1,011,518,997)</u>	<u>(237,104,655)</u>
EQUALS: Adjusted total program funding	5,232,447,623	5,233,881,438	57,003,449	5,290,884,887	58,437,264
<i>Annual percent change</i>					<i>1.1%</i>
<i>Total funds reduction as percent of "full" funding</i>	<i>-12.9%</i>	<i>-17.0%</i>		<i>-16.1%</i>	
Statewide <u>average</u> per-pupil funding	\$6,474.24	\$6,404.49	\$69.75	\$6,474.24	\$0.00
<i>Annual percent Change</i>					<i>0.0%</i>
<u>Local share</u> of adjusted total program funding	\$1,900,525,468	\$1,924,424,268	\$0	\$1,924,424,268	\$23,898,800
<i>Annual percent Change</i>					<i>1.3%</i>
State share of adjusted total program funding	\$3,331,922,155	\$3,309,457,170	\$57,003,449	\$3,366,460,619	\$34,538,464
<i>Annual percent Change</i>					<i>1.0%</i>
<i>State Share as % of Districts' Total Program</i>	<i>63.7%</i>			<i>63.6%</i>	

The next table provides the standard comparison of FY 2011-12 and FY 2012-13 appropriations for the Public School Finance subsection of the budget. This table is followed by descriptions of mid-year adjustments to FY 2011-12 appropriations and descriptions of the year-over-year funding changes that are reflected in the Long Bill (H.B. 12-1335). Descriptions of the statutory changes and the appropriation changes included in H.B. 12-1238 and H.B. 12-1345 are included in the "Recent Legislation" section at the end of the Education section.

Public School Finance

	Total Funds	General Fund/1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$3,571,575,963	\$3,132,600,570	\$437,494,546	\$1,480,847	\$0	18.5
SB 11-076	(27,870)	0	0	(27,870)	0	0.0
SB 11-230	(226,760,477)	(460,757,335)	233,996,858	0	0	0.0
HB 11-1010	1,664	1,664	0	0	0	0.0
HB 11-1241	845	845	0	0	0	0.0
HB 12-1201	(4,380,662)	0	(4,380,662)	0	0	0.0
HB 12-1335	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$3,340,409,463	\$2,671,845,744	\$667,110,742	\$1,452,977	\$0	18.5
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$3,340,409,463	\$2,671,845,744	\$667,110,742	\$1,452,977	\$0	18.5
Restore state PERA contribution	27,870	0	0	27,870	0	0.0
Adjustment to better reflect staffing	0	0	0	0	0	(1.3)
State share of districts' total program funding	(22,464,985)	123,224,133	(145,689,118)	0	0	0.0
Hold-harmless Full-day Kindergarten Funding	(69,427)	0	(69,427)	0	0	0.0
HB 12-1335	\$3,317,902,921	\$2,795,069,877	\$521,352,197	\$1,480,847	\$0	17.2
HB 12-1238	0	0	0	0	0	0.0
HB 12-1345	<u>60,917,747</u>	<u>57,232,000</u>	<u>3,685,747</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$3,378,820,668	\$2,852,301,877	\$525,037,944	\$1,480,847	\$0	17.2
Increase/(Decrease)	\$38,411,205	\$180,456,133	(\$142,072,798)	\$27,870	\$0	(1.3)
Percentage Change	1.2%	6.8%	(21.3)%	1.9%	n/a	(7.0)%

/1 Includes General Fund Exempt amounts.

General Fund Summary	Total General Fund	General Fund	General Fund Exempt
FY 2011-12 Appropriation	\$2,671,845,744	\$2,387,670,327	\$284,175,417
HB 12-1335	<u>0</u>	<u>(89,333,334)</u>	<u>89,333,334</u>
FY 2011-12 Adjusted Appropriation	\$2,671,845,744	\$2,298,336,993	\$373,508,751

General Fund Summary	Total General Fund	General Fund	General Fund Exempt
Fund state share of districts' total program funding based on current law	123,224,133	123,224,133	0
Adjust General Fund Exempt amount based on FY 2012-13 revenue projections ⁷	0	61,306,127	(61,306,127)
HB 12-1345	<u>57,232,000</u>	<u>57,232,000</u>	<u>0</u>
FY 2012-13 Appropriation	\$2,852,301,877	\$2,540,099,253	\$312,202,624

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 cap⁸, for that fiscal year. This revenue must be placed in the General Fund Exempt Account. The above table shows the amount of General Fund that is appropriated for FY 2011-12 and FY 2012-13 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.

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1335 modified FY 2011-12 appropriations to reflect the portion of the General Fund appropriation that is from the General Fund Exempt Account based on the Office of State Planning and Budgeting March 2012 revenue forecast.

For information on H.B. 12-1201, see the "Recent Legislation" section at the end of this department.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase in the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Adjustment to better reflect staffing: The appropriation reduces the FTE associated with the school finance administration unit to more accurately reflect staffing levels.

State share of districts' total program funding: The Long Bill appropriation reflects a \$22.5 million reduction in state funding for the statutory school finance formula. Based on the statutory formula as it existed prior to H.B. 12-1345, total state and local funding received by school districts is maintained at the FY 2011-12 level (\$5.2 billion). Due to a projected increase in local tax revenues, the Long Bill appropriation of state funds decreases by \$22.5 million. This decrease in state funding is comprised of a \$145.7 million cash funds decrease and a \$123.2 million General Fund increase. In FY 2011-12, the General Assembly authorized the transfer of

⁷ Based on the Office of State Planning and Budgeting's March 2012 revenue forecast.

⁸ The "excess state revenues 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 changes.

nearly \$300 million from the General Fund to the State Education Fund and the State Public School Fund. Thus, despite the overall decrease in state funds appropriated for school finance in the Long Bill, the bill reflects a decrease in available cash funds and an increase in the General Fund appropriation.

Hold-harmless Full-day Kindergarten Funding: The appropriation decreases funding for certain districts for full-day kindergarten based on projected enrollment changes and changes in per-pupil funding.

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 and various sources of federal funds. Cash fund sources include the State Education Fund and the Public School Transportation Fund. Reappropriated funds include federal funds transferred from the Department of Human Services.

<i>Categorical Programs</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	<u>\$406,077,582</u>	<u>\$141,765,474</u>	<u>\$94,190,082</u>	<u>\$101,812</u>	<u>\$170,020,214</u>	<u>73.6</u>
TOTAL	\$406,077,582	\$141,765,474	\$94,190,082	\$101,812	\$170,020,214	73.6
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$406,077,582	\$141,765,474	\$94,190,082	\$101,812	\$170,020,214	73.6
Increase state funding by 3.7 percent	8,713,706	0	8,713,706	0	0	0.0
HB 12-1335	<u>\$414,791,288</u>	<u>\$141,765,474</u>	<u>\$102,903,788</u>	<u>\$101,812</u>	<u>\$170,020,214</u>	<u>73.6</u>
TOTAL	\$414,791,288	\$141,765,474	\$102,903,788	\$101,812	\$170,020,214	73.6
Increase/(Decrease)	\$8,713,706	\$0	\$8,713,706	\$0	\$0	0.0
Percentage Change	2.1%	0.0%	9.3%	0.0%	0.0%	0.0%

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Increase state funding by 3.7 percent: As required by Amendment 23, the FY 2012-13 appropriation includes a \$8,713,706 (3.7 percent) increase in *state funding* for categorical programs (based on the actual percent change in the Denver-Boulder consumer price index in 2011). The full amount of the increase is from the State Education Fund. The following table details the allocation of the required funding increase among categorical programs.

Appropriations Increase in State Funding for Categorical Programs for FY 2012-13				
Long Bill Line Item	FY 2011-12 Appropriation of State Funds	Allocation of FY 2012-13 Increases in State Funds		FY 2012-13 Appropriation of State Funds
		\$ Change	% Change	
District Programs Required by Statute:				
Special education programs for children with disabilities	\$129,797,797	\$4,844,144	3.7%	\$134,641,941
English language proficiency programs	13,085,778	1,374,477	10.5%	14,460,255
Other Categorical Programs:				
Public school transportation	50,378,042	1,589,065	3.2%	51,967,107
Career and technical education programs	23,584,498	633,520	2.7%	24,218,018
Special education programs for gifted and talented children	9,201,106	272,500	3.0%	9,473,606
Expelled and at-risk student services grant program	7,493,560	0	0.0%	7,493,560
Small attendance center aid	959,379	0	0.0%	959,379
Comprehensive health education	1,005,396	0	0.0%	1,005,396
Total	\$235,505,556	\$8,713,706	3.7%	\$244,219,262

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 2011-12 Appropriation:						
SB 11-209	\$506,928,312	\$782,327	\$66,016,336	\$5,580,648	\$434,549,001	105.7
SB 11-076	(40,104)	(1,799)	(20,956)	(3,916)	(13,433)	0.0
SB 11-230	(653,000)	0	(653,000)	0	0	0.0
HB 12-1182	1,800,000	0	1,800,000	0	0	0.0
HB 12-1335	<u>7,000,000</u>	<u>0</u>	<u>7,000,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$515,035,208	\$780,528	\$74,142,380	\$5,576,732	\$434,535,568	105.7
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$515,035,208	\$780,528	\$74,142,380	\$5,576,732	\$434,535,568	105.7
Lease Payments	8,000,000	0	8,000,000	0	0	0.0
Read-to-Achieve Grant Program	851,275	0	851,275	0	0	0.0
Facility schools	133,000	0	133,000	0	0	0.0
Restore state PERA contribution	40,104	1,799	20,956	3,916	13,433	0.0
Appropriated Sponsored Programs adjustments	(635,000)	0	(750,000)	115,000	0	0.0
School Counselor Corps Program reduction	(480,000)	0	(480,000)	0	0	0.0
Financial assistance priority assessment	(114,793)	0	(114,793)	0	0	0.0
Other	1,537	0	1,537	0	0	0.0
HB 12-1335	\$522,831,331	\$782,327	\$81,804,355	\$5,695,648	\$434,549,001	105.7
SB 12-068	6,800	6,800	0	0	0	0.0
HB 12-1238	169,473	0	169,473	0	0	8.8
HB 12-1261	604,800	0	604,800	0	0	0.0
HB 12-1345	<u>2,933,000</u>	<u>0</u>	<u>2,933,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$526,545,404	\$789,127	\$85,511,628	\$5,695,648	\$434,549,001	114.5

Grant Programs, Distributions, and Other Assistance

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Increase/(Decrease)	\$11,510,196	\$8,599	\$11,369,248	\$118,916	\$13,433	8.8
Percentage Change	2.2%	1.1%	15.3%	2.1%	0.0%	8.3%

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1182 and H.B. 12-1335 modified FY 2011-12 appropriations to:

- increase cash funds spending authority for a variety of grants received by the Department in FY 2011-12; and
- increase cash funds spending authority from the Public School Capital Construction Assistance Fund by \$7.0 million to allow for payments on lease-purchase agreements entered into by the State Treasurer in FY 2011-12.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Lease payments: The appropriation increases the cash funds spending authority from the Public School Capital Construction Assistance Fund by \$8.0 million (from an FY 2011-12 adjusted appropriation of \$35.0 million to an FY 2012-13 total of \$44.0 million) for the purpose of making payments on lease-purchase agreements entered into by the State Treasurer.

Read-to-Achieve Grant Program: The Long Bill appropriation increases spending authority from the Read-to-Achieve Cash Fund based on the anticipated transfers of tobacco settlement moneys and anticipated fund reserves. The enactment of H.B. 12-1238, discussed in the Recent Legislation section at the end of this Department, eliminates the Read-to-Achieve Grant Program and the Read-to-Achieve Cash Fund.

Facility schools: The appropriation increases funding for facility schools based on estimated student enrollment and state average per-pupil revenues for FY 2012-13.

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Appropriated Sponsored Programs adjustments: The appropriation adjusts grant-funded spending authority based on anticipated grants and transfers from other state agencies.

School Counselor Corps Program reduction: The Long Bill appropriation decreases funding for the School Counselor Corps Program, eliminating funding for a new cohort of schools in FY 2012-13. The General Assembly restored these funds with the enactment of H.B. 12-1345, which is discussed in the Recent Legislation section at the end of this Department.

Financial assistance priority assessment: The appropriation reduces the cash funds appropriation for the priority assessment required by H.B. 08-1335 (Building Excellent Schools Today Act) based on anticipated expenditures in FY 2012-13.

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.

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 2011-12 Appropriation:						
SB 11-209	\$6,947,624	\$2,176,377	\$713,274	\$250,000	\$3,807,973	42.6
SB 11-076	<u>(17,037)</u>	<u>(16,260)</u>	<u>(777)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$6,930,587	\$2,160,117	\$712,497	\$250,000	\$3,807,973	42.6
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$6,930,587	\$2,160,117	\$712,497	\$250,000	\$3,807,973	42.6
Reading services for the blind increase	100,000	0	0	100,000	0	0.0
Restore state PERA contribution	17,037	16,260	777	0	0	0.0
Annualize prior year funding	3,677	3,677	0	0	0	0.0
HB 12-1335	<u>\$7,051,301</u>	<u>\$2,180,054</u>	<u>\$713,274</u>	<u>\$350,000</u>	<u>\$3,807,973</u>	<u>42.6</u>
TOTAL	\$7,051,301	\$2,180,054	\$713,274	\$350,000	\$3,807,973	42.6
Increase/(Decrease)	\$120,714	\$19,937	\$777	\$100,000	\$0	0.0
Percentage Change	1.7%	0.9%	0.1%	40.0%	0.0%	0.0%

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Reading services for the blind increase: The appropriation includes an increase in support for the Audio Information Network of Colorado which provides on-the-air volunteer reading services for the blind.

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

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

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 2010-11, the School had a total enrollment of 582 children, including 368 infants and toddlers and 214 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 one and one-third times the average per-pupil revenue for education services, 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 2011-12 Appropriation:						
SB 11-209	\$14,297,343	\$10,096,384	\$1,075,000	\$3,125,959	\$0	167.6
SB 11-076	(213,075)	(213,075)	0	0	0	0.0
SB 11-230	0	57,335	0	(57,335)	0	0.0
HB 12-1182	<u>1,057</u>	<u>1,057</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$14,085,325	\$9,941,701	\$1,075,000	\$3,068,624	\$0	167.6
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$14,085,325	\$9,941,701	\$1,075,000	\$3,068,624	\$0	167.6
Restore state PERA contribution	213,075	213,075	0	0	0	0.0
Centrally appropriated line items	20,796	20,796	0	0	0	0.0
Fund source adjustment	0	68,308	0	(68,308)	0	0.0
Personal services base reduction	(84,640)	(84,640)	0	0	0	0.0
HB 12-1335	\$14,234,556	\$10,159,240	\$1,075,000	\$3,000,316	\$0	167.6

School for the Deaf and the Blind						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 12-1246	<u>173,373</u>	<u>173,373</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$14,407,929	\$10,332,613	\$1,075,000	\$3,000,316	\$0	167.6
Increase/(Decrease)	\$322,604	\$390,912	\$0	(\$68,308)	\$0	0.0
Percentage Change	2.3%	3.9%	0.0%	(2.2)%	n/a	0.0%

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1182 included an increase to account for mid-year billing adjustments for vehicle lease payments.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for shift differential and vehicle lease payments.

Fund source adjustment: The appropriation reflects an decrease of funds transferred from the Facility Schools Funding line item and a commensurate increase of General Fund.

Personal services base reduction: The appropriation includes a 1.0 percent reduction for personal services line items.

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

Recent Legislation

2011 Session Bills

S.B. 11-076: For the 2011-12 state fiscal year only, reduces the employer contribution rate for the State and Judicial divisions of the Public Employees' Retirement Association (PERA) by 2.5 percent and increases the member contribution rate for these divisions by the same amount. In effect, continues the FY 2010-11 PERA contribution adjustments authorized through S.B. 10-146 for one additional year. Reduces the Department's appropriation by a total of \$465,333, including \$311,971 General Fund, \$64,092 cash funds, \$56,458 reappropriated funds, and \$32,812 federal funds.

S.B. 11-109: Establishes a new voluntary donation line on state income tax forms for support of the Colorado Preschool Program. Requires contributions to be credited to the newly created Public Education Fund, and

authorizes the General Assembly to appropriate moneys in the Fund to the Department of Revenue for related administrative costs and to the Department of Education for use in the Colorado Preschool Program. For additional information see the corresponding bill description in the "Recent Legislation" section of the Department of Revenue.

S.B. 11-111: Creates the Educational Success Task Force to study and make recommendations concerning strategies for ensuring students' academic progress by providing intervention education services and remedial education at critical junctures in their academic careers. The Task Force will be made up of legislators, researchers, practitioners, parents of students, and members of the business community.

S.B. 11-156: Reduces the statutorily required General Fund reserve for FY 2010-11 from 4.0 percent of General Fund appropriations to 2.3 percent of General Fund appropriations. Requires the State Treasurer to transfer General Fund moneys that exceed the 2.3 percent reserve requirement to the State Education Fund. Through the second quarter of FY 2011-12, a total of \$221,857,054 was transferred to the State Education Fund pursuant to this bill; these transfers are effective for FY 2010-11.

S.B. 11-164: Transfers \$2,853,383 from the Contingency Reserve Fund to the General Fund on June 30, 2011. For additional information on this bill, see the "Recent Legislation" section for the Department of Labor and Employment.

S.B. 11-184: Establishes a temporary tax amnesty program that allows taxpayers to pay certain overdue taxes to the State without penalty and at a reduced interest rate. Transfers a portion of the moneys collected through the tax amnesty program to the State Education Fund on December 31, 2011. As of May 31, 2012, a total of \$9,595,652 has been transferred to the State Education Fund pursuant to this bill, effective for FY 2011-12. For additional information see the corresponding bill description in the "Recent Legislation" section of the Department of Revenue.

S.B. 11-209: General appropriations act for FY 2011-12.

S.B. 11-226: Transfers amounts from various cash funds to the General Fund in FY 2010-11 and FY 2011-12, as detailed in the following table.

Senate Bill 11-226: FY 2010-11 and FY 2011-12 Transfers					
Bill Section	Name of Fund	Department	Transfer Date	Transfer Amount	
				FY 2010-11	FY 2011-12
1	Read-to-Achieve Cash Fund*	Education	June 30, 2011	\$1,864,845	\$0
2	Tobacco Litigation Settlement Cash Fund - Health Care Supplemental Appropriations and Overexpenditures Account*	Public Health and Environment	June 30, 2012	0	669,519
3	Debt Collection Fund	Personnel	June 30, 2012	0	249,494
4	Child Welfare Action Committee Cash Fund*	Human Services	July 1, 2011	0	155,104
5	Local Government Mineral Impact Fund	Local Affairs	June 30, 2012	0	30,000,000

Senate Bill 11-226: FY 2010-11 and FY 2011-12 Transfers

Bill Section	Name of Fund	Department	Transfer Date	Transfer Amount	
				FY 2010-11	FY 2011-12
6	Perpetual Base Account of Severance Tax Trust Fund	Natural Resources	July 1, 2011 and June 30, 2012	0	48,100,000
7	Operational Account of the Severance Tax Trust Fund	Natural Resources	June 30, 2012	0	3,950,000
8	Local Government Severance Tax Fund	Local Affairs	June 30, 2012	0	41,000,000
9	Low Income Energy Assistance Fund	Human Services	June 30, 2011 and Jan. 5, 2012	3,250,000	3,250,000
Total Transfers				\$5,114,845	\$127,374,117

*Requires the transfer of any unexpended and unencumbered moneys remaining in these funds.

Reduces an informational appropriation for the Low Income Energy Assistance Program for FY 2010-11 by \$3.25 million, consistent with the transfer of moneys from the Low Income Energy Assistance Fund to the General Fund.

S.B. 11-230: Amends the "Public School Finance Act of 1994" and other statutory provisions to provide funding for school districts for FY 2011-12, making the following changes:

- Increases the *statewide base per-pupil funding* amount from \$5,529.71 to \$5,634.77 (1.9 percent) to account for the annual change in the Denver-Boulder consumer price index in CY 2010.
- Renames the "state budget stabilization factor", which was created through H.B. 10-1369, the "*negative factor*" and extends application of this factor indefinitely beyond FY 2011-12. For FY 2011-12, reduces the specified minimum total program funding amount that results after the application of the negative factor by \$227.5 million; does not specify the total program funding amount for FY 2012-13 or any subsequent fiscal year.
- Extends for an additional two years (FY 2011-12 and FY 2012-13) the requirement that certain *revenues related to state trust lands* that would otherwise be credited to the Public School ("Permanent") Fund be transferred to the State Public School Fund (SPSF). Initial estimates indicate that this provision will make another \$36.0 million available for appropriation for FY 2011-12.
- Modifies S.B. 11-156, which requires the State Treasurer to transfer General Fund moneys that exceed the 2.3 percent statutory reserve requirement to the State Education Fund. Specifically, requires the State Treasurer to *transfer from the General Fund to the State Public School Fund (SPSF)* an amount equal to the additional estimated revenue (i.e., the amount by which the Office of State Planning and Budgeting's June 2011 estimate of General Fund revenues for FY 2010-11 exceeds the Office's March 2011 estimate); except the transfer to the SPSF shall not exceed \$67.5 million. States the General Assembly's intent that the moneys transferred to the SPSF be available for appropriation during FY 2011-12 to account for mid-year changes in pupil enrollment, the at-risk pupil population, and changes in local tax revenues available for school finance. Requires all remaining excess General Fund reserve moneys to be transferred to the State Education Fund, as required by S.B. 11-156.

- States that the assessed valuation used to determine a *school district's limit of bonded indebtedness* is the assessed valuation certified on the December 10 prior to the date on which the bonds are issued.
- Extends a requirement that the Legislative Council Staff calculate the additional interest earned on severance taxes paid monthly instead of quarterly to September 1, 2015. The added interest, up to \$1,500,000, is transferred to the *Public School Energy Efficiency Fund*.

As detailed in the following table, modifies several appropriations for FY 2011-12.

Senate Bill 11-230: FY 2011-12 Appropriations		
Purpose	Amount	Fund Source
Section 14: Adjustments Related to Statutory Changes to School Finance Formula		
(1) Management and Administration, State Charter School Institute Administration, Oversight, and Management	(\$481)	Reappropriated Funds - Transfer from State Share of Districts' Total Program Funding line item
(2), (3), and (4) Public School Finance, State Share of Districts' Total Program Funding	(284,810,465)	General Fund
	36,000,000	Cash Funds - State Public School Fund (available pursuant to Sections 8, 9, and 10 of the bill)
	<u>22,379,885</u>	Cash Funds - State Education Fund (SEF)
	(226,430,580)	Total Funds
(5) Public School Finance, Hold-harmless Full-day Kindergarten Funding	(329,897)	Cash Funds - SEF
(6) Grant Programs, Distributions, and Other Assistance, Facility School Funding	(653,000)	Cash Funds - SEF
(7) and (8) Colorado School for the Deaf and the Blind, Personal Services	57,335	General Fund
	(57,335)	Reappropriated Funds - Transfer from Facility School Funding line item
Section 15: Fund Source Adjustments Unrelated to Statutory Changes		
(1) and (2) Public School Finance, State Share of Districts' Total Program Funding	(175,946,870)	General Fund
	<u>175,946,870</u>	Cash Funds - SEF
	0	Total Funds
Total Appropriations	(460,700,000)	General Fund
	197,343,858	State Education Fund
	36,000,000	State Public School Fund
	<u>(57,816)</u>	Reappropriated Funds
	(227,413,958)	Total Funds

Also adjusts footnote #7 in the 2011-12 Long Bill (S.B. 11-209) to reduce the amount of funding that the Department of Education may use to fund students in the Accelerating Students Through Concurrent Enrollment (ASCENT) Program to \$4,443,980.

H.B. 11-1010: Modifies certain requirements concerning property tax exemptions and reporting requirements related to the incidental use of property owned and used by fraternal and veterans' organizations for a charitable purpose. Increases the General Fund appropriation to the Department of Education for the State Share of Districts' Total Program Funding for FY 2011-12 by \$1,664 to offset the anticipated reduction in local property tax revenues.

H.B. 11-1093: Modifies requirements concerning specific ownership taxes related to special mobile machinery. While the bill is anticipated to increase the amount of state moneys required for the State Share of Districts' Total Program Funding for FY 2011-12, the amount of the increase is expected to be minimal and has not been estimated.

H.B. 11-1121: Enacts the "Safer Schools Act of 2011", which prohibits a school district, charter school, or Institute charter school from employing a person in a nonlicensed position if that person has been convicted of certain enumerated felonies, including drug and domestic violence felonies. Allows a person to seek reconsideration of the denial of employment, and authorizes the school district or school to hire the person after assessing safety risks. Appropriates \$83,383 cash funds from the Educator Licensure Cash Fund and 0.9 FTE to the Department of Education for FY 2011-12, and appropriates \$11,005 from reappropriated funds transferred from the Department of Education to the Department of Law.

H.B. 11-1201: Modifies administrative procedures related to professional educator license renewals. Continuously appropriates moneys in the Educator Licensure Cash Fund to the Department of Education for three fiscal years (FY 2011-12 through FY 2013-14). Requires the Department to annually report expenditures from the Fund and the Department's progress in meeting the goal of reducing to six weeks or less the processing time for issuing or renewing an educator license. Requires the annual Long Bill for each fiscal year to reflect estimated expenditures from the Fund for informational purposes.

H.B. 11-1241: Beginning with the 2011 property tax year, provides a nonprofit housing provider a property tax exemption for a maximum of five consecutive years for property that is used for charitable purposes and upon which the provider intends to construct or rehabilitate housing to be sold to low-income applicants. Increases the General Fund appropriation to the Department of Education for the State Share of Districts' Total Program Funding for FY 2011-12 by \$845 to offset the anticipated reduction in local property tax revenues.

H.B. 11-1254: Makes a number of changes concerning bullying prevention and education activities and policies. Establishes the School Bullying Prevention and Education Grant Program to provide funding to public schools and facility schools for activities related to bullying prevention and education. Continuously appropriates moneys in the newly created School Bullying Prevention and Education Cash Fund to the Department of Education to implement the grant program. This fund will consist of gifts, grants and donations received and any moneys (other than General Fund moneys) made available by the General Assembly. Requires the Department to make publicly available evidence-based practices and other resources for educators and other professionals engaged in bullying prevention and education.

H.B. 11-1277: Makes a number of statutory changes involving K-12 education. Modifies reporting requirements and oversight functions related to online schools and the Division of Online Learning. Decreases the cash funds appropriation from the State Education Fund for the Division of Online Learning for FY 2011-12 by \$35,173 and 0.2 FTE.

Allows school districts and boards of cooperative services (BOCES) that are affected by a bill that imposes any new mandate or increase in the level of service for an existing mandate to submit to the Legislative Council Staff a brief summary of the fiscal impact of the bill on the district's or BOCES' budget. Requires the Legislative Council Staff to: (1) include any brief summary received from a district or BOCES with the fiscal analysis that is prepared for the bill; and (2) request from the Department of Education information regarding the impact of proposed legislation on school districts and BOCES and to consider the information received when completing the local government fiscal impact section of the fiscal note.

2012 Session Bills

S.B. 12-068: Prohibits public schools from making food or beverages that contain industrially produced trans fat available to students on school grounds during school days, except for foods and beverages provided as part of the federal meal program and foods involved in fundraising efforts. Appropriates \$6,800 General Fund to the Department of Education for FY 2012-13 for consulting services associated with rule making.

S.B. 12-145: For FY 2011-12 only, sets the following limits on transfers to the State Public School Fund: (1) caps transfer of royalty revenue and other income earned on state school lands at \$21.0 million and (2) caps the transfer of interest earned on the Public School (Permanent) Fund at \$15.0 million. Any such revenues above these amounts, excluding the share of state schools lands income transferred to the Public School Capital Construction Assistance Fund, are deposited into (or retained in) the Permanent Fund.

H.B. 12-1146: Allows a school district and community colleges to enter into an agreement to establish a dropout recovery program, allowing students who have dropped out of high school (and some students who are at-risk of dropping out) to complete their high school requirements exclusively at a community college or district junior college. Any participating student who is enrolled in at least seven credit hours per semester is counted as a full-time student for purposes of receiving funding through the School Finance Act. If the student completes the credit hours, the school district pays the college a portion of the student's tuition.

H.B. 12-1182: Supplemental appropriation to the Department of Education to modify FY 2011-12 appropriations included in the FY 2011-12 Long Bill (S.B. 11-209).

H.B. 12-1201: Increases total program funding for public schools for FY 2011-12 by \$19.8 million, based on the actual student count that occurred in October 2011. Absent legislative action, the Department of Education would have been required to increase the size of the statutory school finance formula's negative factor from 12.9 percent to 13.2 percent, causing per-pupil funding to decrease by \$18.44, on average, below the amount anticipated by districts. As detailed in the following table, makes mid-year adjustments to school finance-related appropriations of state funds for FY 2011-12. Local tax revenues for school finance did not decrease as much as initially projected, and are thus \$24.2 million higher than anticipated. Of this amount, \$19.8 million will cover the increase in total program funding, and the remaining \$4.4 million will reduce state expenditures.

House Bill 12-1201: Adjustments to FY 2011-12 Appropriations for School Finance			
	Initial Appropriation	Mid-year Adjustment	Adjusted Appropriation
<u>State Share of Districts' Total Program Funding</u>			
General Fund	\$2,671,845,744	\$0	\$2,671,845,744
Cash Funds: State Education Fund	515,485,287	(4,425,519)	511,059,768
Cash Funds: State Public School Fund	<u>149,016,643</u>	<u>0</u>	<u>149,016,643</u>
Total State Funds	3,336,347,674	(4,425,519)	3,331,922,155
<u>Hold-harmless Full-day Kindergarten Funding</u>			
Cash Funds: State Education Fund	6,869,056	44,857	6,913,913
Total Adjustment (State Education Fund)		(4,380,662)	

Also establishes a statutory total program funding floor for FY 2012-13 to serve as a starting point for purposes of preparing the FY 2012-13 Long Bill and calculating the fiscal impact of any 2012 school finance-related legislation. This preliminary funding floor matches the adjusted floor for FY 2011-12 (\$5,229.6 million).

H.B. 12-1212: Eliminates, effective July 1, 2012, the authority for a board of cooperative services (BOCES) to authorize a single-district on-line educational program. Thus, beginning in FY 2012-13, each student enrolled in a BOCES-authorized on-line program will be funded at the same per-pupil rate as other multi-district on-line programs.

H.B. 12-1238: Makes a number of changes to policies, programs, and procedures associated with early literacy skills, including new requirements for the State Board of Education, the Department of Education, and local education providers (LEPs). Creates the Early Literacy Grant Program in the Department of Education to provide funding to LEPs for literacy assessment, instructional support, and appropriate interventions for early-grade (kindergarten through third grade) learners and replaces the Read-to-Achieve Grant Program with the new program. Creates the Early Literacy Fund, including any remaining money in the Read-to-Achieve Fund after FY 2011-12 and 5.0 percent of tobacco settlement moneys (up to \$8.0 million) each year. Beginning in FY 2013-14, also diverts a portion of the interest earned on money in the Public School (Permanent) Fund to the Early Literacy Fund. Allows the Department of Education to use 1.0 percent of moneys appropriated from the fund for administrative costs. Beginning in FY 2013-14, requires that the Department of Education use:

- \$1.0 million to provide literacy support on a regional basis to LEPs;
- \$4.0 million for the Early Literacy Grant programs; and
- the remaining money to fund LEPs using per-pupil intervention moneys.

H.B. 12-1246: Reverses the annual pay date shift as it applies to state employees paid on a biweekly basis. Appropriates \$173,373 General Fund to the Department of Education for FY 2012-13. For additional information see the corresponding bill description in the "Recent Legislation" section of the Department of Personnel.

H.B. 12-1261: Extends an existing program that requires that the Colorado Department of Education (CDE), subject to available appropriations, to award annual stipends to employed public school teachers holding

certifications from the National Board for Professional Teaching Standards. Expands the program to include principals holding such certifications. Allows for a stipend of \$1,600 per year for all qualified recipients and an additional \$3,200 per year for teachers and principals employed in low-performing, high-needs schools, as defined in the bill. Specifies that if funding is insufficient to support stipends for all qualified recipients then only teachers and principals in low-performing, high-needs schools shall receive stipends. Appropriates a total of \$604,800 cash funds from the State Education Fund to the Department of Education in FY 2012-13, the estimated amount required to fund stipends for teachers and principals in low-performing, high-needs schools.

H.B. 12-1335: General appropriations act for FY 2012-13. Also includes a supplemental adjustment to modify appropriations to the Department of Education included in the FY 2011-12 Long Bill (S.B. 11-209).

H.B. 12-1338: Requires the State Treasurer to transfer the following amounts from the General Fund to the State Education Fund:

- \$59.0 million of General Fund moneys that exceed the statutorily required reserve for FY 2011-12; and
- all General Fund moneys that exceed the statutorily required reserve for FY 2012-13.

Each transfer will be made when the State Controller publishes the Comprehensive Annual Financial Report of the State (*i.e.*, in December 2012 and December 2013, respectively).

H.B. 12-1345: Amends the "Public School Finance Act of 1994" and other statutory provisions to provide funding for school districts for FY 2012-13, making the following changes:

- Increases the *statewide base per-pupil funding* amount from \$5,634.77 to \$5,843.26 (3.7 percent) to account for the annual change in the Denver-Boulder consumer price index in CY 2011.
- For FY 2012-13, increases the specified minimum total program funding amount that results after the application of the *negative factor* by \$57.3 million; does not specify the total program funding amount for FY 2013-14 or any subsequent fiscal year.
- Increases the required annual appropriation from the State Education Fund for *state aid for charter school facilities* from \$5.0 million to \$6.0 million, beginning in FY 2012-13.
- Beginning in FY 2012-13, provides additional *moneys for boards of cooperative services* to assist their participating school districts in implementing and meeting the State's educational priorities. Of the amount annually appropriated for this purpose, allows the Department of Education to retain up to \$120,000 to support a departmental liaison for rural school districts and up to \$50,000 to support the Department's ongoing support of a council that advises the Commissioner of Education regarding the needs and concerns of rural school districts.
- Requires the Department to issue a request for proposals (RFP) for the purchase of an *early literacy assessment tool*, including software licenses and training for local personnel. Based on available appropriations and upon request of a school district, charter school, or board of cooperative services, requires the Department to purchase software licenses and associated training for use of the tool in all kindergarten, 1st, 2nd, and 3rd grade classes in the state. Requires the Department to submit information to the General Assembly in 2014 and 2016 concerning the use of the tool, its impact on students' reading skill levels, and the cost of providing the tool statewide.

- Provides additional state funding, called *at-risk supplemental aid*, for certain school districts and charter schools. First, for charter schools authorized by a district prior to July 1, 2004, in a district with more than 40 percent at-risk students: (a) school districts will receive at-risk supplemental aid for charter schools that have a smaller percentage of at-risk students than the district; and (b) a charter school will receive at-risk supplemental aid if it has a higher percentage of at-risk students than the authorizing district. Second, a charter school in a district with less than 40.0 percent at-risk students will receive at-risk supplemental aid if it has a higher percentage of at-risk students than the authorizing district. Third, a charter school authorized by the State Charter School Institute will receive at-risk supplemental aid if it has a lower percentage of at-risk students than the accounting school district.
- Permits school districts, charter schools, or the State Charter School Institute to administer basic skills placement tests to each student in grades 9 through 12. Requires the use of placement tests used by community colleges to place first-year freshman students in reading, writing, and mathematics. Allows administration of tests as often as necessary and provides for state reimbursement of testing costs once for each student during grades 9 through 12.
- Increases the discretion of school administrators and local school boards regarding suspension and expulsion of students. Adds requirements for local school board disciplinary codes, training of school resource officers, and reporting of incidents involving students on school grounds by local law enforcement entities and school districts.

House Bill 12-1345: FY 2012-13 Appropriations		
Purpose	Amount	Fund Source
Section 48: Long Bill Adjustments Related to School Finance Formula Changes		
(c) and (d) State Share of Districts' Total Program Funding	\$57,232,000	General Fund
	(228,551)	Cash Funds - State Education Fund (SEF)
	57,003,449	Total Funds
(e) Hold-harmless Full-day Kindergarten Funding	74,671	Cash Funds - SEF
(f) Facility School Funding	153,000	Cash Funds - SEF
Subtotal: Adjustments Related to Statutory Changes to School Finance Formula /1	57,232,000	General Fund
	(880)	Cash Funds - SEF
	57,231,120	Total Funds
Section 48: Other Long Bill Adjustments and Appropriations		
(a) School Counselor Corps Program	480,000	Cash Funds - SEF
(b) State Aid for Charter School Facilities	1,000,000	Cash Funds - SEF
Sections 47 and 49: New Appropriations		
47: Reimbursements to districts and charter schools for the costs of basic skills placement or assessment tests	1,000,000	Cash Funds - SEF
49: (1) Assistance to BOCES for implementing and meeting state educational priorities	1,300,000	Cash Funds - SEF

House Bill 12-1345: FY 2012-13 Appropriations		
Purpose	Amount	Fund Source
49: (2) At-risk supplemental aid to school districts, district charter schools, and Institute charter schools	3,839,627	Cash Funds - State Public School Fund
49: (3) Early literacy assessment tool	3,000,000	Cash Funds - SEF
Total Appropriations	57,232,000	General Fund
	6,779,120	State Education Fund
	<u>3,839,627</u>	State Public School Fund
	67,850,747	Total Funds

1/ The Joint Budget Committee's recommended FY 2012-13 budget package included \$57,232,000 General Fund for the annual school finance bill. This amount was estimated to be sufficient to cover the cost of maintaining the FY 2011-12 statewide average per-pupil funding. The associated increases required for the Hold-harmless Full-day Kindergarten and the Facility School Funding line items were appropriated from the State Education Fund, consistent with historical practice. Thus, the State Education Fund appropriation for the State Share line item was reduced in order to fully utilize the General Fund amount that had been set aside for this bill.

Also adjusts footnote #8 in the 2012-13 Long Bill (H.B. 12-1335) to increase the amount of funding that the Department may use to fund students in the Accelerating Students Through Concurrent Enrollment (ASCENT) Program from \$1,198,549 to \$1,211,689.

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 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
General Fund	\$13,862,984	\$11,930,349	\$10,613,728	\$18,320,081
Cash Funds	28,043,418	26,204,006	23,692,996	33,747,087
Reappropriated Funds	48,776,564	131,373,119	136,717,444	141,242,425
Federal Funds	<u>32,857,679</u>	<u>33,496,112</u>	<u>23,791,753</u>	<u>6,497,635</u>
Total Funds	\$123,540,645	\$203,003,586	\$194,815,921	\$199,807,228
Full Time Equiv. Staff	368.9	1,048.9	1,046.8	1,037.4

General Factors Driving the Budget

Funding for this department consists of 9.2 percent General Fund, 16.9 percent cash funds, 70.7 percent reappropriated funds, and 3.3 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 was a one-time, 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 programs to alternative cash fund sources. However, a number of programs administered by CEO are now funded from cash and federal sources that have the potential to vary considerably from year to year, including limited gaming tax revenue, severance tax earnings, and one-time federal funds.

The Clean Energy Fund received a continuous appropriation of the remaining portion of moneys from the Limited Gaming Fund after all other statutory transfers were completed at the end of each fiscal year. Various statutory provisions governing the distribution of limited gaming fund moneys eliminated the transfer of these moneys in FY 2008-09, FY 2009-10, and FY 2010-11. Senate Bill 11-159 permanently eliminated the transfer of limited gaming tax revenue to the Clean Energy Fund.

Moneys from the Operational Account of the Severance Tax Trust Fund are transferred to CEO's Low-Income Energy Assistance Fund, and are continuously appropriated to CEO to provide home energy efficiency improvements for low-income households. The CEO received \$6 million in FY 2008-09. The legislature eliminated the FY 2009-10 transfer for home energy efficiency improvements for low-income households with the passage of S.B. 09-293. The legislature eliminated the transfer of moneys to the CEO Low-Income Energy Assistance Fund for FY 2010-11 and FY 2011-12 with the passage of H.B. 10-1317. The Fund is slated to receive a transfer of \$6.5 million in FY 2012-13, pending overall severance tax revenue collected.

The Public School Energy Efficiency Fund, used to support energy efficiency projects in public schools across the state, receives moneys generated from interest earned on the accelerated collection of oil and gas severance taxes. The Fund is estimated to receive \$210,000 in FY 2012-13.

The CEO received \$143.7 million in one-time revenue via the American Recovery and Reinvestment Act of 2009 (ARRA) for investment in weatherization, energy efficiency and conservation, and other state energy programs. All of the ARRA moneys are anticipated to be expended by the end of FY 2011-12.

House Bill 12-1315 (Becker/Steadman) provided a mixture of General Fund moneys and severance tax moneys to offset the lost revenue streams supporting CEO. Specifically, the bill provides \$1.6 million in General Fund and \$1.5 million in severance tax revenue to the Office each year 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. In FY 2012-13, 61.5 percent of the total appropriation for economic development programs is from cash fund sources. Much of the increase in cash funds occurred in the 2006 legislative session through the passage of H.B. 06-1201 (Plant/Taylor). 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 Council on Creative Industries and the Film, Television, and Media Operational Account Cash Fund. Prior to the 2006 legislative session, moneys in the Limited Gaming Fund not allocated for transfer to specific cash funds were transferred to the General Fund.

Statewide Information Technology Consolidation

Between FY 2007-08 and FY 2012-13, the Governor's Office of Information Technology (OIT) expanded from \$2.4 million total funds and 9.1 FTE to \$128.4 million total funds and 898.8 FTE. An Executive Order in May 2007 began centralizing the management of executive branch information technology resources in OIT 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 that consolidated the responsibility for information technology oversight of most of the State's executive branch agencies into 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 moved 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, OIT'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 information technology resources and enterprises to be transferred to OIT. The Department's FY 2010-11 appropriation included a transfer of an additional 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, reflected in the OIT budget as reappropriated funds, for their share of information technology staff payroll costs, including centrally appropriated items and personal services expenses. With the exception of expenses associated with the operation of the Colorado Benefits Management System (CBMS), the payments are made from Information Technology Common Policy allocations that are based on the information technology common policy functions that the agency consumes (Purchases of Services from Computer Center, Multiuse Network Payments, Communications Services, or Management and Administration of OIT). Expenses associated with CBMS are billed directly to the Department of Human Services outside of the Information Technology Common Policy structure.

The table below summarizes expenditure and appropriation levels for OIT from pre-consolidation through FY 2012-13.

Office of Information Technology - Appropriation Change from FY 2007-08 through FY 2012-13 (millions of dollars)						
	FY 2007-08 (Actual)	FY 2008-09 (Actual)	FY 2009-10 (Actual)	FY 2010-11 (Actual)	FY 2011-12 (App'd.)	FY 2012-13 (App'd.)
FTE	9.1	202.3	196.9	895.9	902.8	898.8
Change	N/A	2123.1%	-2.7%	355.0%	0.8%	-0.4%
Expenditures	\$2.4	\$44.1	\$36.2	\$121.3	\$125.7	\$128.4
Change	N/A	1737.5%	-17.9%	235.1%	3.6%	2.1%

Summary of FY 2011-12 and FY 2012-13 Appropriations

Governor - Lieutenant Governor - Office of State Planning and Budgeting						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Total Appropriation:	\$194,815,921	\$10,613,728	\$23,692,996	\$136,717,444	\$23,791,753	1,046.8
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Office of the Governor	37,056,016	4,221,884	637,909	10,856,935	21,339,288	70.5
Office of the Lieutenant Governor	294,250	293,066	1,184	0	0	5.0
Office of State Planning and Budgeting	1,438,916	0	0	1,438,916	0	19.5

Governor - Lieutenant Governor - Office of State Planning and Budgeting

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Economic Development Programs	30,356,922	6,098,778	21,802,975	123,704	2,331,465	49.0
Office of Information Technology	125,669,817	0	1,250,928	124,297,889	121,000	902.8
<u>Breakdown of Total Appropriation by Bill</u>						
SB 11-209	169,239,668	11,275,530	7,722,816	126,370,120	23,871,202	1,031.5
SB 11-037	2,960	0	0	2,960	0	0.0
SB 11-076	(1,785,283)	(100,336)	(4,054)	(1,601,444)	(79,449)	0.0
SB 11-102	29,600	0	0	29,600	0	0.0
SB 11-109	29,600	0	0	29,600	0	0.0
SB 11-159	15,889,000	0	15,889,000	0	0	13.8
SB 11-169	23,680	0	0	23,680	0	0.0
SB 11-176	122,613	0	0	122,613	0	2.0
SB 11-184	20,720	0	0	20,720	0	0.0
SB 11-197	2,960	0	0	2,960	0	0.0
SB 11-247	(77,034)	0	0	(77,034)	0	(1.0)
HB 11-1002	54,538	0	0	54,538	0	0.0
HB 11-1004	22,200	0	0	22,200	0	0.0
HB 11-1043	7,696	0	0	7,696	0	0.0
HB 11-1045	35,398	0	35,398	0	0	0.5
HB 11-1071	29,600	0	0	29,600	0	0.0
HB 11-1097	29,600	0	0	29,600	0	0.0
HB 11-1157	592	0	0	592	0	0.0
HB 11-1163	740	0	0	740	0	0.0
HB 11-1166	2,960	0	0	2,960	0	0.0
HB 11-1216	2,960	0	0	2,960	0	0.0
HB 11-1234	10,952	0	0	10,952	0	0.0
HB 11-1295	29,600	0	0	29,600	0	0.0
HB 11-1298	2,960	0	0	2,960	0	0.0
HB 11-1316	6,660	0	0	6,660	0	0.0
SB 12-044	14,800	0	0	14,800	0	0.0
HB 12-1038	118,000	0	0	118,000	0	0.0
HB 12-1183	1,997,921	(561,466)	49,836	2,509,551	0	0.0

Governor - Lieutenant Governor - Office of State Planning and Budgeting

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 12-1339	8,950,260	0	0	8,950,260	0	0.0
FY 2012-13 Total Appropriation:	\$199,807,228	\$18,320,081	\$33,747,087	\$141,242,425	\$6,497,635	1,037.4
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Office of the Governor	34,033,530	6,494,445	10,813,354	12,684,426	4,041,305	65.1
Office of the Lieutenant Governor	302,194	301,010	1,184	0	0	5.0
Office of State Planning and Budgeting	1,821,281	350,000	0	1,471,281	0	19.5
Economic Development Programs	35,279,342	11,174,626	21,681,621	87,765	2,335,330	49.0
Office of Information Technology	128,370,881	0	1,250,928	126,998,953	121,000	898.8
<u>Breakdown of Total Appropriation by Bill</u>						
HB 12-1335	186,267,091	17,968,186	23,086,596	128,513,469	16,698,840	1,022.7
HB 12-1023	2,960	0	0	2,960	0	0.0
HB 12-1038	32,000	0	0	32,000	0	0.0
HB 12-1041	78,940	0	0	78,940	0	0.0
HB 12-1052	35,520	0	0	35,520	0	0.0
HB 12-1131	2,960	0	0	2,960	0	0.0
HB 12-1153	2,960	0	0	2,960	0	0.0
HB 12-1162	2,960	0	0	2,960	0	0.0
HB 12-1223	100,640	0	0	100,640	0	0.0
HB 12-1246	1,895	1,895	0	0	0	0.0
HB 12-1275	68,080	0	0	68,080	0	0.0
HB 12-1283	(10,201,205)	0	0	0	(10,201,205)	(6.0)
HB 12-1286	3,000,000	0	3,000,000	0	0	0.0
HB 12-1295	2,960	0	0	2,960	0	0.0
HB 12-1302	2,960	0	0	2,960	0	0.0
HB 12-1303	1,184	0	0	1,184	0	0.0
HB 12-1310	11,840	0	0	11,840	0	0.0
HB 12-1314	14,800	0	0	14,800	0	0.0
HB 12-1315	3,660,491	0	3,660,491	0	0	20.7
HB 12-1327	12,210	0	0	12,210	0	0.0
HB 12-1336	350,000	350,000	0	0	0	0.0

Governor - Lieutenant Governor - Office of State Planning and Budgeting

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 12-1339	12,279,762	0	0	12,279,762	0	0.0
HB 12-1360	4,000,000	0	4,000,000	0	0	0.0
SB 12S-001	76,220	0	0	76,220	0	0.0
Increase/(Decrease)	\$4,991,307	\$7,706,353	\$10,054,091	\$4,524,981	(\$17,294,118)	(9.4)
Percentage Change	2.6%	72.6%	42.4%	3.3%	(72.7)%	(0.9)%

Informational Funds: Beginning in FY 2012-13, the Long Bill and other legislation indicate when an amount is shown solely for informational purposes through a new "(I)" notation. The following amounts in the 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 2012-13 Appropriations containing an (I) notation	\$27,067,306	\$0	\$10,368,466	\$0	\$16,698,840

*Federal funds subject to the (I) notation in this department are over-stated by \$10,201,205 due to an oversight in the appropriations clause for H.B. 12-1283.

FY 2011-12 Appropriation - Mid-year Adjustment Highlights

The FY 2011-12 appropriation was modified during the 2012 Legislative Session to:

1. Increase \$2.0 million total funds to make a series of technical corrections and adjustments across the Department. The mid-year technical corrections also decreased General Fund appropriations by \$0.6 million.

FY 2012-13 Appropriation Highlights

The FY 2012-13 appropriation:

1. Decreases \$7.1 million cash funds from limited gaming tax revenue due to current law governing the distribution of gaming moneys to economic development programs.
2. Reduces \$0.7 million total funds, including \$18,000 General Fund, for the 1.0 percent reduction to certain personal services line items.
3. Decreases \$0.4 million General Fund due to the conclusion of the initial trial phase of the Lobato vs. Colorado lawsuit.

4. Adds \$4.0 million General Fund for the Colorado Tourism Office and the Council on Creative Arts to offset a revenue decrease in limited gaming tax moneys.
5. Increases \$1.8 million total funds (including \$0.1 million General Fund) to restore the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.
6. Adds \$1.3 million reappropriated funds transferred from the Department of Human Services to create a system to scan and store documents in the Colorado Benefits Management System (CBMS) database and index each file for retrieval.
7. Increases \$1.0 million General Fund for economic development incentives for job creation.
8. Adds \$0.8 million General Fund for centrally appropriated line items including appropriations for employee benefits. Also adds \$2.1 million General Fund for statewide information technology common policies.
9. Increases \$0.4 million reappropriated funds to support the hardware, software, maintenance, and hosting costs associated with the development of a system to electronically validate the identity and attributes of individuals responding to emergency incidents.

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 19.1 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 31.8 percent of the appropriations to the division, are from various sources, including rental fees for use of the Governor's Mansion. The reappropriated funds, which account for 37.3 percent of the divisions appropriations, are from other divisions within the department and indirect cost recoveries for services. Federal funds reflect 11.9 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 2011-12 Appropriation:						
SB 11-209	\$37,175,012	\$4,837,552	\$607,740	\$10,314,848	\$21,414,872	70.5
SB 11-076	(134,585)	(54,202)	(3,375)	(1,424)	(75,584)	0.0
HB 12-1183	<u>15,589</u>	<u>(561,466)</u>	<u>33,544</u>	<u>543,511</u>	<u>0</u>	<u>0.0</u>

Office of the Governor						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
TOTAL	\$37,056,016	\$4,221,884	\$637,909	\$10,856,935	\$21,339,288	70.5
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$37,056,016	\$4,221,884	\$637,909	\$10,856,935	\$21,339,288	70.5
Statewide IT common policy adjustments	2,104,162	2,127,391	(3,704)	(14,206)	(5,319)	0.0
Centrally appropriated line items	1,595,117	769,876	80,518	739,586	5,137	0.0
Leased space adjustment	887,708	0	0	887,708	0	0.0
OIT leased space expansion	193,000	0	0	193,000	0	0.0
Restore state PERA contribution	134,585	54,202	3,375	1,424	75,584	0.0
COFRS modernization	69,883	22,407	23,019	0	24,457	0.0
Informational funds adjustment	(721,795)	0	6,474,842	0	(7,196,637)	(19.1)
Annualize prior year funding	(670,645)	(657,080)	(33,544)	19,979	0	0.0
Indirect cost assessment	(29,552)	0	(29,552)	0	0	0.0
General Fund base reduction	(28,164)	(28,164)	0	0	0	(1.0)
Personal services base reduction	(17,966)	(17,966)	0	0	0	0.0
HB 12-1335	\$40,572,349	\$6,492,550	\$7,152,863	\$12,684,426	\$14,242,510	50.4
HB 12-1246	1,895	1,895	0	0	0	0.0
HB 12-1283	(10,201,205)	0	0	0	(10,201,205)	(6.0)
HB 12-1315	<u>3,660,491</u>	<u>0</u>	<u>3,660,491</u>	<u>0</u>	<u>0</u>	<u>20.7</u>
TOTAL	\$34,033,530	\$6,494,445	\$10,813,354	\$12,684,426	\$4,041,305	65.1
Increase/(Decrease)	(\$3,022,486)	\$2,272,561	\$10,175,445	\$1,827,491	(\$17,297,983)	(5.4)
Percentage Change	(8.2)%	53.8%	1595.1%	16.8%	(81.1)%	(7.7)%

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1183 includes an increase of \$16,000 total funds (including a decrease of \$0.6 million General Fund) primarily due to technical corrections.

FY 2012-13 Appropriation - (Long Bill) Issue Descriptions

Statewide IT common policy adjustments: The appropriation includes adjustments to line items appropriated for: multiuse network payments and management and administration of the Governor's Office of Information Technology (OIT).

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; shift differential; vehicle lease payments; workers' compensation; legal services; payment to risk management and property funds; and Capitol complex leased space.

Leased space adjustment: The appropriation includes an appropriation of \$0.9 million reappropriated funds transferred to OIT for the costs associated with the Enterprise Facility for Operational Recovery Readiness Response & Transition (eFort) services.

OIT leased space expansion: The appropriation includes budget neutral adjustments to expand OIT's current leased space footprint to accommodate needs of the Colorado Benefits Management System (CBMS) and other OIT consolidation projects.

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

COFRS modernization: The appropriation includes an increase to fund the first two phases of a five-phase project to replace the statewide accounting system (COFRS) used by the Office of the State Controller to record all state revenues and expenditures.

Informational funds adjustment: The appropriation includes an increase of \$6.5 million cash funds, a decrease of \$7.2 million federal funds, and a decrease of 19.1 FTE reflected in the Long Bill for informational purposes only.

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

Indirect cost assessment: The appropriation includes a net decrease in indirect cost assessments.

General Fund base reduction: The appropriation includes a General Fund reduction of \$28,164 and 1.0 FTE through the elimination of one receptionist position in the Governor's Office.

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services line items.

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

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 99.6 percent of the funding for the Office of the Lieutenant Governor is General Fund.

Office of the Lieutenant Governor						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$379,228	\$301,010	\$1,184	\$77,034	\$0	6.0
SB 11-076	(7,944)	(7,944)	0	0	0	0.0
SB 11-247	<u>(77,034)</u>	<u>0</u>	<u>0</u>	<u>(77,034)</u>	<u>0</u>	<u>(1.0)</u>
TOTAL	\$294,250	\$293,066	\$1,184	\$0	\$0	5.0
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$294,250	\$293,066	\$1,184	\$0	\$0	5.0
Restore state PERA contribution	7,944	7,944	0	0	0	0.0
HB 12-1335	<u>\$302,194</u>	<u>\$301,010</u>	<u>\$1,184</u>	<u>\$0</u>	<u>\$0</u>	<u>5.0</u>
TOTAL	\$302,194	\$301,010	\$1,184	\$0	\$0	5.0
Increase/(Decrease)	\$7,944	\$7,944	\$0	\$0	\$0	0.0
Percentage Change	2.7%	2.7%	0.0%	n/a	n/a	0.0%

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

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 division is funded primarily with reappropriated funds from statewide indirect cost recoveries.

Office of State Planning and Budgeting						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$1,471,281	\$0	\$0	\$1,471,281	\$0	19.5
SB 11-076	<u>(32,365)</u>	<u>0</u>	<u>0</u>	<u>(32,365)</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$1,438,916	\$0	\$0	\$1,438,916	\$0	19.5

Office of State Planning and Budgeting						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$1,438,916	\$0	\$0	\$1,438,916	\$0	19.5
Restore state PERA contribution	32,365	0	0	32,365	0	0.0
HB 12-1335	\$1,471,281	\$0	\$0	\$1,471,281	\$0	19.5
HB 12-1336	<u>350,000</u>	<u>350,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$1,821,281	\$350,000	\$0	\$1,471,281	\$0	19.5
Increase/(Decrease)	\$382,365	\$350,000	\$0	\$32,365	\$0	0.0
Percentage Change	26.6%	n/a	n/a	2.2%	n/a	0.0%

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

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

Economic Development Programs

The Office of Economic Development is the central coordination office for the state's business assistance, retention, expansion, and recruitment programs. The Division 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 Division also coordinates programs related to Bioscience Discovery Evaluation. The largest portion of the Division's funding is from cash funds, which receive statutory transfers from the Limited Gaming Fund and the General Fund. Reappropriated funds in the Division are from the Department of Regulatory Agencies and statewide indirect cost assessments. Federal funds in the Division 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 2011-12 Appropriation:						
SB 11-209	\$14,460,685	\$6,136,968	\$5,862,964	\$125,423	\$2,335,330	34.7
SB 11-076	(44,453)	(38,190)	(679)	(1,719)	(3,865)	0.0
SB 11-159	15,889,000	0	15,889,000	0	0	13.8

Economic Development Programs						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 11-1045	35,398	0	35,398	0	0	0.5
HB 12-1183	<u>16,292</u>	<u>0</u>	<u>16,292</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$30,356,922	\$6,098,778	\$21,802,975	\$123,704	\$2,331,465	49.0
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$30,356,922	\$6,098,778	\$21,802,975	\$123,704	\$2,331,465	49.0
Reinstatement of tourism and arts funding	4,000,000	4,000,000	0	0	0	0.0
Economic development incentives	1,000,000	1,000,000	0	0	0	0.0
Restore state PERA contribution	44,453	38,190	679	1,719	3,865	0.0
Global Business Development increase in cash funds	20,050	0	20,050	0	0	0.0
Limited gaming tax revenue adjustment	(7,111,245)	0	(7,111,245)	0	0	0.0
Annualize prior year funding	(16,292)	0	(16,292)	0	0	0.0
Indirect cost assessment	(14,546)	37,658	(14,546)	(37,658)	0	0.0
HB 12-1335	\$28,279,342	\$11,174,626	\$14,681,621	\$87,765	\$2,335,330	49.0
HB 12-1286	3,000,000	0	3,000,000	0	0	0.0
HB 12-1360	<u>4,000,000</u>	<u>0</u>	<u>4,000,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$35,279,342	\$11,174,626	\$21,681,621	\$87,765	\$2,335,330	49.0
Increase/(Decrease)	\$4,922,420	\$5,075,848	(\$121,354)	(\$35,939)	\$3,865	0.0
Percentage Change	16.2%	83.2%	(0.6)%	(29.1)%	0.2%	0.0%

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1183 includes an increase of \$16,000 cash funds primarily due to technical corrections.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Reinstatement of tourism and arts funding: The appropriation increases funding for the Colorado Tourism Office and the Council on Creative Arts by \$4.0 million General Fund to offset a revenue decrease in limited gaming tax moneys.

Economic development incentives: The appropriation increases funding for economic development incentives for job creation by \$1.0 million General Fund.

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Global Business Development increase in cash funds: The appropriation raises spending authority from the Minority Business Development Cash Fund by \$20,050 to extend the Global Business Development unit's outreach efforts to raise awareness of opportunities available to minority owned businesses in Colorado.

Limited gaming tax revenue adjustment: The appropriation aligns the appropriation with current law governing the distribution of limited gaming tax revenue.

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

Indirect cost assessment: The appropriation includes a net decrease in indirect cost assessments.

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. OITs' responsibilities were expanded significantly by S.B. 08-155. The bill formally provided OIT with authority over the management and delivery of consolidated information technology (IT) services for executive departments. Additionally, between July 1, 2008 and July 1, 2012, statute allows for the transfer of any other information technology employees and functions to OIT as designated by the director of OIT, acting jointly with the affected agency's executive director, and the agency's chief information officer. The Department's FY 2010-11 budget included the transfer of \$57.7 million and 680.7 FTE from state agencies to OIT as part of the consolidation process. As a result of the staff transfer, OIT's FY 2012-13 budget increased to \$128.4 million total funds and 898.8 FTE. OIT's budget consists of 98.9 percent from 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 2011-12 Appropriation:						
SB 11-209	\$115,753,462	\$0	\$1,250,928	\$114,381,534	\$121,000	900.8
SB 11-037	2,960	0	0	2,960	0	0.0
SB 11-076	(1,565,936)	0	0	(1,565,936)	0	0.0
SB 11-102	29,600	0	0	29,600	0	0.0
SB 11-109	29,600	0	0	29,600	0	0.0
SB 11-169	23,680	0	0	23,680	0	0.0
SB 11-176	122,613	0	0	122,613	0	2.0

Office of Information Technology

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 11-184	20,720	0	0	20,720	0	0.0
SB 11-197	2,960	0	0	2,960	0	0.0
HB 11-1002	54,538	0	0	54,538	0	0.0
HB 11-1004	22,200	0	0	22,200	0	0.0
HB 11-1043	7,696	0	0	7,696	0	0.0
HB 11-1071	29,600	0	0	29,600	0	0.0
HB 11-1097	29,600	0	0	29,600	0	0.0
HB 11-1157	592	0	0	592	0	0.0
HB 11-1163	740	0	0	740	0	0.0
HB 11-1166	2,960	0	0	2,960	0	0.0
HB 11-1216	2,960	0	0	2,960	0	0.0
HB 11-1234	10,952	0	0	10,952	0	0.0
HB 11-1295	29,600	0	0	29,600	0	0.0
HB 11-1298	2,960	0	0	2,960	0	0.0
HB 11-1316	6,660	0	0	6,660	0	0.0
SB 12-044	14,800	0	0	14,800	0	0.0
HB 12-1038	118,000	0	0	118,000	0	0.0
HB 12-1183	1,966,040	0	0	1,966,040	0	0.0
HB 12-1339	<u>8,950,260</u>	<u>0</u>	<u>0</u>	<u>8,950,260</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$125,669,817	\$0	\$1,250,928	\$124,297,889	\$121,000	902.8

FY 2012-13 Appropriation:

FY 2011-12 Appropriation	\$125,669,817	\$0	\$1,250,928	\$124,297,889	\$121,000	902.8
Restore state PERA contribution	1,565,936	0	0	1,565,936	0	0.0
CBMS electronic document system	1,257,600	0	0	1,257,600	0	0.0
Credentialing system funding	408,549	0	0	408,549	0	0.0
Technical adjustment	389,680	0	0	389,680	0	0.0
Electronic data warehouse operating transfer	94,922	0	0	94,922	0	0.0
Restore prior year operating reduction	58,227	0	0	58,227	0	0.0
Legal services spending authority increase	35,054	0	0	35,054	0	0.0
Communication services utilities increase	18,766	0	0	18,766	0	0.0

Office of Information Technology						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
CBMS hospital provider fee true-up	14,040	0	0	14,040	0	0.0
Centrally appropriated line items	753	0	0	753	0	0.0
Annualize prior year funding	(10,923,113)	0	0	(10,923,113)	0	0.0
Indirect cost assessment	(1,776,925)	0	0	(1,776,925)	0	0.0
Personal services base reduction	(655,801)	0	0	(655,801)	0	0.0
Staff transfer technical adjustment	(322,580)	0	0	(322,580)	0	(4.0)
Leased space expansion	(193,000)	0	0	(193,000)	0	0.0
HB 12-1335	\$115,641,925	\$0	\$1,250,928	\$114,269,997	\$121,000	898.8
HB 12-1023	2,960	0	0	2,960	0	0.0
HB 12-1038	32,000	0	0	32,000	0	0.0
HB 12-1041	78,940	0	0	78,940	0	0.0
HB 12-1052	35,520	0	0	35,520	0	0.0
HB 12-1131	2,960	0	0	2,960	0	0.0
HB 12-1153	2,960	0	0	2,960	0	0.0
HB 12-1162	2,960	0	0	2,960	0	0.0
HB 12-1223	100,640	0	0	100,640	0	0.0
HB 12-1275	68,080	0	0	68,080	0	0.0
HB 12-1295	2,960	0	0	2,960	0	0.0
HB 12-1302	2,960	0	0	2,960	0	0.0
HB 12-1303	1,184	0	0	1,184	0	0.0
HB 12-1310	11,840	0	0	11,840	0	0.0
HB 12-1314	14,800	0	0	14,800	0	0.0
HB 12-1327	12,210	0	0	12,210	0	0.0
HB 12-1339	12,279,762	0	0	12,279,762	0	0.0
SB 12S-001	<u>76,220</u>	<u>0</u>	<u>0</u>	<u>76,220</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$128,370,881	\$0	\$1,250,928	\$126,998,953	\$121,000	898.8
Increase/(Decrease)	\$2,701,064	\$0	\$0	\$2,701,064	\$0	(4.0)
Percentage Change	2.1%	n/a	0.0%	2.2%	0.0%	(0.4)%

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1183 includes an increase of \$2.0 million reappropriated funds primarily due to technical corrections.

For information on S.B. 12-044, H.B. 12-1038, and H.B. 12-1339 (substantive 2012 session bills affecting FY 2011-12 appropriations), see the "Recent Legislation" section at the end of this department.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

CBMS electronic document system: The appropriation includes an increase of \$1.3 million reappropriated funds to create a system to scan and store documents in the CBMS database and index each file for retrieval.

Credentialing system funding: The appropriation includes an appropriation of \$0.4 million reappropriated funds to support the hardware, software, maintenance, and hosting costs associated with the development of a system to electronically validate the identity and attributes of individuals responding to emergency incidents.

Technical adjustment: The appropriation includes an increase of \$0.4 million reappropriated funds to correct errors contained in the prior year Long Bill appropriation.

Electronic data warehouse operating transfer: The appropriation includes a budget neutral action to transfer the appropriations and costs associated with the ongoing licensing, maintenance, and support of the Electronic Data Warehouse from the Department of Personnel to OIT.

Restore prior year operating reduction: The appropriation restores General Fund operating expense appropriations that were reduced for FY 2010-11 and FY 2011-12.

Legal services spending authority increase: The appropriation provides an increase of \$35,000 reappropriated funds to purchase 463 additional hours of legal services from the Department of Law to align appropriations with prior year actual expenditures.

Communication services utilities increase: The appropriation provides an increase of \$18,766 reappropriated funds to align appropriations with prior year expenditures.

CBMS hospital provider fee true-up: The appropriation includes an appropriation of \$14,040 reappropriated funds to true-up appropriations with the actual need for adjustments to CBMS-supported hospital provider fee-funded programs.

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for state contributions for legal services.

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

Indirect cost assessment: The appropriation includes a net decrease in indirect cost assessments.

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services line items.

Staff transfer technical adjustment: The appropriation includes budget neutral actions to transfer four employees that were erroneously transferred to OIT during the statewide information technology consolidation back to their state agencies.

Leased space expansion: The appropriation includes budget neutral adjustments to expand OIT's current leased space footprint to accommodate needs of the Colorado Benefits Management System (CBMS) and other OIT consolidation projects.

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

Recent Legislation

2011 Session Bills

S.B. 11-037: Creates the "Veteran of World War II" special license plate to identify that the owner of the motor vehicle is a veteran of World War II. For FY 2011-12, appropriates \$2,960 cash funds from the Colorado State Titling and Registration Account to the Department of Revenue for the implementation of the bill. These moneys are reappropriated to the Governor's Office of Information Technology for computer programming services. For more information on S.B. 11-037, please see the "Recent Legislation" section in the Department of Revenue section of this document.

S.B. 11-076: For the 2011-12 state fiscal year only, reduces the employer contribution rate for the State and Judicial divisions of the Public Employees' Retirement Association (PERA) by 2.5 percent and increases the member contribution rate for these divisions by the same amount. In effect, continues the FY 2010-11 PERA contribution adjustments authorized through S.B. 10-146 for one additional year. Reduces the Department's total appropriation by \$1,785,283 total funds, of which \$100,336 is General Fund, \$4,054 is cash funds, \$1,601,444 is reappropriated funds, and \$79,449 is federal funds.

S.B. 11-102: Establishes a new voluntary donation line on income tax forms for the Families in Action for Mental Health Fund, which will go into a queue that is established in the bill that provides procedures for putting the voluntary donation line on the income tax forms when there are more than 14 such donation lines already on the tax form. For FY 2011-12, appropriates \$29,600 from the Fund to the Department of Revenue for programming of computer systems to implement the voluntary contribution line, and reappropriates those moneys to the Governor's Office of Information Technology for such services. For more information on S.B. 11-102, please see the "Recent Legislation" section in the Department of Revenue section of this document.

S.B. 11-109: Establishes a new voluntary donation line on income tax forms for the Public Education Fund, which will go into a queue that has been established for putting the voluntary donation line on the income tax forms when there are more than 14 such donation lines already on the tax form. For FY 2011-12, appropriates

\$29,600 from the Fund for programming of computer systems to implement the voluntary contribution line, and reappropriates those moneys to the Governor's Office of Information Technology for such services. For more information on S.B. 11-109, please see the "Recent Legislation" section in the Department of Revenue section of this document.

S.B. 11-159: Repeals and reenacts statute related to the distribution of 50.0 percent of the balance remaining in the Limited Gaming Fund that is allocated to the General Fund or other funds (known as the "State share") at the end of FY 2010-11 and each fiscal year thereafter. Specifically, the bill places the following provisions in statute:

- The first \$19.2 million of the "State share" shall be transferred to the General Fund;
- Any amount of the "State share" that is greater than \$19.2 million, but less than \$48.5 million, will be transferred as follows:
 - 50.0 percent to the Colorado Travel and Tourism Promotion Fund;
 - 18.0 percent to the Bioscience Discovery Evaluation Cash Fund;
 - 15.0 percent to the Local Government Limited Gaming Impact Fund;
 - 7.0 percent to the Innovative Higher Education Research Fund;
 - 5.0 percent to the New Jobs Incentives Cash Fund;
 - 4.0 percent to the Creative Industries Cash Fund for the purposes of the Council on Creative Industries; and
 - 1.0 percent to the Creative Industries Cash Fund for performance-based film incentives.
- Any amount of the "State share" that is greater than \$48.5 million will be transferred to the General Fund;
- Any moneys slated for transfer to programs that have been repealed or discontinued statutorily shall instead be transferred to the General Fund; and
- Appropriates \$15.9 million cash funds and 13.8 FTE to the Governor's Office for FY 2011-12.

S.B. 11-164: Transfers \$2.5 million from the Colorado Travel and Tourism Promotion Cash Fund to the General Fund on June 30, 2011. For additional information on this bill, see the "Recent Legislation" section for the Department of Labor and Employment.

S.B. 11-169: Continues a program in the Department of Regulatory Agencies that is set to repeal, effective July 1, 2011 that regulates individuals performing services within a physical therapist's scope of practice. Appropriates \$23,680 reappropriated funds to the Governor's Office of Information Technology for programming services in FY 2011-12. For more information on S.B. 11-169, please see the "Recent Legislation" section in the Department of Regulatory Agencies section of this document.

S.B. 11-176: Permits the accrual of earned time for inmates who have been housed in administrative segregation for at least 90 days, provided they meet the statutory criteria for doing so. Appropriates \$20,720 reappropriated funds to the Governor's Office of Information Technology for programming services in FY 2011-12. For more information on S.B. 11-176, please see the "Recent Legislation" section in the Department of Corrections section of this document.

S.B. 11-184: Establishes a tax amnesty program from October 1, 2011 to November 15, 2011 that allows taxpayers who owe taxes to the State to pay those taxes without penalty and at an interest rate set at one-half of the established rate. Appropriates \$23,680 reappropriated funds to the Governor's Office of Information

Technology for programming services in FY 2011-12. For more information on S.B. 11-184, please see the "Recent Legislation" section in the Department of Revenue section of this document.

S.B. 11-197: Establishes the "Girl Scout Centennial" special license plate. Appropriates \$2,960 cash funds from the Colorado State Titling and Registration Account to the Department of Revenue in FY 2011-12, and reappropriates those moneys to the Governor's Office of Information Technology for computer programming changes necessary to implement the license plate. For more information on S.B. 11-197, please see the "Recent Legislation" section in the Department of Revenue section of this document.

S.B. 11-209: General appropriations act for FY 2011-12.

S.B. 11-247: Repeals the Colorado Early Childhood Council Advisory Team (ECCAT) in the Office of the Lieutenant Governor and makes conforming amendments, including an appropriations reduction of \$77,034 reappropriated funds received from the Department of Human Services and 1.0 FTE in FY 2011-12 and a reduction of \$27,538 reappropriated funds in FY 2010-11.

H.B. 11-1002: Requires the Department of Transportation to develop and maintain a publicly accessible, searchable, online database of its revenue and expenditure data prior to July 1, 2012. Requires the new database to link to the state's existing Transparency Online Project (TOP) website and sets requirements for information to be included in the database. For FY 2011-12, appropriates \$54,538 reappropriated funds to the Governor's Office of Information Technology for computer programming services associated with this bill.

H.B. 11-1004: Exempts a vehicle that is used primarily for agriculture on a farm or ranch classified as agricultural land for property tax purposes and repeals the farm truck and tractor exemption from having to pay the motorist insurance identification fee. Appropriates \$22,200 cash funds from the Colorado State Titling and Registration Account to the Department of Revenue in FY 2011-12 for implementation of bill. These moneys are reappropriated to the Governor's Office of Information Technology for computer programming services.

H.B. 11-1043: Revises statutes concerning medical marijuana. Appropriates \$7,696 cash funds from the Medical Marijuana License Cash Fund to the Department of Revenue, Information Technology Division for reprogramming the Department's computers systems, and reappropriates those moneys to the Governor's Office of Information Technology for computer programming services. For more information on H.B. 11-1043, please see the "Recent Legislation" sections at the end of the Department of Revenue and the Department of Human Services.

H.B. 11-1045: Continues and expands the Colorado Innovation Investment Tax Credit Program and creates the framework for future expansion of the Program contingent on additional moneys being available to backfill lost income tax revenue and to pay related administrative expenses. For FY 2011-12, provides \$35,398 cash funds and 0.5 FTE to the Governor's Office of Economic Development and International Trade for program implementation.

H.B. 11-1071: Establishes a new voluntary donation line on income tax forms for the Roundup River Ranch Fund, which will go into a queue that has been established for putting the voluntary donation line on the income tax forms when there are more than 14 such donation lines already on the tax form. For FY 2011-12, appropriates \$29,600 from the Fund to the Department of Revenue for programming of computer systems to implement the voluntary contribution line, and reappropriates the moneys to the Governor's Office of Information Technology for such services.

H.B. 11-1097: Establishes a new voluntary donation line on income tax forms for the Goodwill Industries Fund, which will go into a queue that is established in the bill that provides procedures for putting the voluntary donation line on the income tax forms when there are more than 14 such donation lines already on the tax form. For FY 2011-12, appropriates \$29,600 from the Fund to the Department of Revenue for programming of computer systems to implement the voluntary contribution line, and reappropriates those moneys to the Governor's Office of Information Technology for such services.

H.B. 11-1157: Allows the owner of a diesel powered vehicle registered in a vehicle emissions program area, but primarily based outside of that area, to be exempt from the requirements of vehicles based in the program area. For FY 2011-12, appropriates \$6,000 cash funds from the Highway Users Tax Fund and \$592 cash funds from the Colorado State Titling and Registration Account to the Department of Revenue in FY 2011-12 for implementation. Of those amounts, \$592 is reappropriated to the Governor's Office of Information Technology for computer programming changes required for implementation.

H.B. 11-1163: Defines conditions under which the Department of Transportation may issue a "super-load" permit. Reappropriates \$740 to the Governor's Office of Information Technology in FY 2011-12 for programming services related to the implementation of the permit conditions. For more information on H.B. 11-1163, please see the "Recent Legislation" section in the Department of Transportation section of this document.

H.B. 11-1166: Establishes the "Type I Diabetes" special license plate. Appropriates \$2,960 cash funds from the Colorado State Titling and Registration Account to the Department of Revenue in FY 2011-12, and reappropriates those moneys to the Governor's Office of Information Technology for computer programming changes necessary to implement the license plate. For more information on H.B. 11-1166, please see the "Recent Legislation" section in the Department of Revenue section of this document.

H.B. 11-1216: Authorizes public and private sales of unique combinations of letters and numbers on license plates by a license plate auction group created in the Governor's Office to raise money by auctioning off numbers and to create a market for the sale of registration numbers. The moneys raised are to be used to aid persons with disabilities in obtaining benefits and to augment the General Fund. For FY 2011-12, appropriates \$2,960 cash funds from the Colorado State Titling and Registration System to the Department of Revenue to implement the bill. Those moneys are reappropriated to the Governor's Office for implementation of the bill. For more information on H.B. 11-1216, please see the "Recent Legislation" section in the Department of Human Services section of this document.

H.B. 11-1234: Creates a taxicab license plate which will be required of all vehicles engaged in the taxicab business and only those vehicles authorized to provide taxicab service. Specifies that the taxicab license plate is to be used for vehicles that are used as both a taxicab and luxury limousine. Appropriates \$8,880 cash funds from the Colorado State Titling and Registration Account and \$2,072 cash funds from the Licensing Services Cash Fund to the Department of Revenue in FY 2011-12 for programming changes to the Department's computer systems. These moneys are reappropriated to the Governor's Office of Information Technology. For more information on H.B. 11-1234, please see the "Recent Legislation" section in the Department of Revenue section of this document.

H.B. 11-1295: Establishes a new voluntary donation line on income tax forms for the Multiple Sclerosis Fund, which will go into a queue that is established in the bill that provides procedures for putting the voluntary donation line on the income tax forms when there are more than 14 such donation lines already on the tax form.

For FY 2011-12, appropriates \$29,600 from the Fund to the Department of Revenue for programming of computer systems to implement the voluntary contribution line, and reappropriates those moneys to the Governor's Office of Information Technology for such services.

H.B. 11-1298: Establishes the "Craig Hospital" special license plate to be sold to vehicle owners. Purchasers of the license plate must donate to Craig Hospital. Appropriates \$2,960 cash funds from the Colorado State Titling and Registration Account to the Department of Revenue in FY 2011-12, and reappropriates those moneys to the Governor's Office of Information Technology for computer programming changes necessary to implement the license plate. For more information on H.B. 11-1298, please see the "Recent Legislation" section in the Department of Revenue section of this document.

H.B. 11-1316: Establishes the Denver Nuggets and Colorado Avalanche special license plates to be sold to vehicle owners. Purchasers of either license plate must contribute to Kroenke Sports Charities. Appropriates \$2,960 cash funds from the Colorado State Titling and Registration Account to the Department of Revenue in FY 2011-12, and reappropriates those moneys to the Governor's Office of Information Technology for computer programming changes necessary to implement the license plate. For more information on H.B. 11-1316, please see the "Recent Legislation" section in the Department of Revenue section of this document.

2012 Session Bills

S.B. 12-044: Creates a Class B traffic infraction for persons who fail to pay the proper fare when riding on public transportation and abolishes criminal sanctions for the same offense. A person who has an outstanding judgment for the infraction is prohibited from obtaining or renewing a driver's license. Allows for the sealing of criminal records of persons previously convicted of the crime of theft of transit services by fare evasion. For FY 2011-12, reappropriates \$17,124 to the Governor's Office of Information Technology from the Department of Revenue for computer programming support. For more information on S.B. 12-044, please see the "Recent Legislation" section in the Department of Revenue section of this document.

H.B. 12-1023: Establishes the Fallen Heroes special license plate. In addition to paying the regular registration fees and special license plate fees, eligibility to purchase the license plate requires a \$50 donation to the Colorado Chapter of the Concerns of Police Survivors, Inc. Reappropriates \$20,720 to the Governor's Office of Information Technology from the Department of Revenue for computer programming support. For more information on H.B. 12-1023, please see the "Recent Legislation" section in the Department of Revenue section of this document.

H.B. 12-1038: Establishes multi-year registration for Class A vehicles (trailers). For FY 2011-12, reappropriates \$118,000 to the Governor's Office of Information Technology from the Department of Revenue for computer programming support and \$32,000 in FY 2012-13 for the same purpose. For more information on H.B. 12-1038, please see the "Recent Legislation" section in the Department of Revenue section of this document.

H.B. 12-1041: Creates an electronic death registration system to allow persons responsible for reporting death information to the Office of the State Registrar of Vital Statistics to do so electronically. For FY 2012-13, reappropriates \$78,940 from the Department of Public Health and Environment to the Governor's Office of Information Technology for information technology management costs. For more information on H.B. 12-1041, please see the "Recent Legislation" section in the Department of Public Health and Environment section of this document.

H.B. 12-1052: Requires the Department of Regulatory Agencies to request health care workforce data from certain health care professionals when receiving their initial or renewal license applications beginning on or before July 1, 2013. Reappropriates \$35,520 to the Governor's Office of Information Technology from the Department of Regulatory Agencies for the provision of programming services in FY 2012-13. For more information on H.B. 12-1052, please see the "Recent Legislation" section in the Department of Regulatory Agencies section of this document.

H.B. 12-1131: Establishes the Child Loss Awareness special license plate. Requires the payment of the regular registration fees and special license plates fee. Reappropriates \$20,720 to the Governor's Office of Information Technology from the Department of Revenue for computer programming support. For more information on H.B. 12-1131, please see the "Recent Legislation" section in the Department of Revenue section of this document.

H.B. 12-1153: Establishes the Distinguished Flying Cross special license plate. Those eligible to purchase the license plate shall have been awarded the Distinguished Flying Cross by a branch of the United States Military. Reappropriates \$3,396 to the Governor's Office of Information Technology from the Department of Revenue for computer programming support. For more information on H.B. 12-1153, please see the "Recent Legislation" section in the Department of Revenue section of this document.

H.B. 12-1162: Establishes the Desert Storm special license plate. Those eligible to purchase the license plate shall have served in the United States Military between the dates of August 2, 1990 and February 28, 1991. Reappropriates \$4,936 to the Governor's Office of Information Technology from the Department of Revenue for computer programming support. For more information on H.B. 12-1162, please see the "Recent Legislation" section in the Department of Revenue section of this document.

H.B. 12-1183: Supplemental appropriations to the Office for FY 2011-12.

H.B. 12-1223: Allows offenders in the Department of Corrections to receive additional earned time while in prison, while on parole, and while temporarily reincarcerated for a parole violation. Reappropriates \$100,640 to the Governor's Office of Information Technology from the Department of Corrections for computer programming support. For more information on H.B. 12-1223, please see the "Recent Legislation" section in the Department of Corrections section of this document.

H.B. 12-1246: Eliminates payroll date shift for certain General Fund employees. Increases appropriations to the Office of the Governor by \$1,895 General Fund.

H.B. 12-1275: Establishes the Colorado Wildlife Sporting special license plate. In addition to paying the regular registration fees and special license plate fees, requires the payment of an annual \$25 fee which is credited to the Wildlife Cash Fund. Reappropriates \$85,840 to the Governor's Office of Information Technology from the Department of Revenue for computer programming support. For more information on H.B. 12-1275, please see the "Recent Legislation" section in the Department of Revenue section of this document.

H.B. 12-1283: Consolidates Colorado's homeland security functions, personnel, and resources, enacted under Executive Order D 2011-030, into a new Division of Homeland Security and Emergency Management within the Department of Public Safety. For the Office of the Governor, eliminates the Governor's Office of Homeland Security and transfers the functions, personnel, and resources of the unit into the Division of Homeland Security

and Emergency Management within the Department of Public Safety, effective July 1, 2012. Reduces the appropriation to the Office of the Governor by \$10.2 million federal funds and 6.0 FTE in FY 2012-13. For additional information on H.B. 12-1283, see the "Recent Legislation" section in the Department of Public Safety section of this document.

HB 12-1286: Creates a loan guarantee program for film production activities, increases the amount of the existing performance-based film incentive from 10.0 percent to 20.0 percent of the total amount of the production company's qualified local expenditures, transfers \$3.0 million from the General Fund to the Colorado Office of Film, Television, and Media Operational Account for the performance-based film incentives program, and appropriates \$3.0 million cash funds from the Account to the Office for FY 2012-13.

H.B. 12-1295: Establishes the Colorado Rockies special license plate. In addition to paying the regular registration fees and special license plate fees, eligibility to purchase the license plate requires a \$52.80 donation to the Colorado Rockies Baseball Club Foundation. Reappropriates \$20,720 for FY 2012-13 to the Governor's Office of Information Technology from the Department of Revenue for computer programming services. For more information on H.B. 12-1295, please see the "Recent Legislation" section in the Department of Revenue section of this document.

H.B. 12-1302: Establishes the Flight for Life special license plate. In addition to paying the regular registration fees and special license plate fees, eligibility to purchase the license plate requires a \$25 donation to Flight for Life Colorado. Reappropriates \$20,720 for FY 2012-13 to the Governor's Office of Information Technology from the Department of Revenue for computer programming services. For more information on H.B. 12-1302, please see the "Recent Legislation" section in the Department of Revenue section of this document.

H.B. 12-1303: Enacts the Speech-Language Pathology Practice Act and requires that the Division of Registrations in the Department of Regulatory Agencies create a certification program for speech-language pathologists. Reappropriates \$1,184 to the Governor's Office of Information Technology from the Department of Regulatory Agencies for the provision of technical assistance for FY 2012-13. For more information on H.B. 12-1303, please see the "Recent Legislation" section in the Department of Regulatory Agencies section of this document.

H.B. 12-1310: Addresses criminal justice matters in several areas including drug offenses, sentencing, court proceedings, sex offenses, probation, and parole. Reappropriates \$11,840 to the Governor's Office of Information Technology from the Department of Corrections for the provision of programming services for FY 2012-13. For more information on H.B. 12-1310, please see the "Recent Legislation" section in the Department of Corrections section of this document.

H.B. 12-1314: Provides an exemption to the filing requirements for oil and gas severance taxpayers for persons who had less than \$250 withheld for taxes by a unit operator during a tax year and the amount withheld is at least equal to or greater than the amount of severance tax owed by that person. Reappropriates \$14,800 to the Governor's Office of Information Technology from the Department of Revenue for the provision of programming services for FY 2012-13. For more information on H.B. 12-1314, please see the "Recent Legislation" section in the Department of Revenue section of this document.

HB 12-1315: Renames the Governor's Energy Office as the Colorado Energy Office and redefines its mission from promoting renewable energy and energy efficiency to encouraging all sources of energy development. The bill makes the following transfers:

- \$1.6 million from the General Fund to the Clean and Renewable Energy Fund on July 1, 2012 and each July 1 through 2016; and
- \$1.5 million from the total gross receipts realized from the severance taxes imposed on minerals and mineral fuels to the Innovative Energy Fund on July 1, 2012 and each July 1 through 2016.

Appropriates the following:

- \$1.6 million cash funds from the Clean and Renewable Energy Fund and 10.4 FTE for the expenses of the Colorado Energy Office;
- \$0.6 million cash funds from the Clean and Renewable Energy Fund for weatherization services; and
- \$1.5 million cash funds from the Innovative Energy Fund and 10.3 FTE for the expenses of the Colorado Energy Office.

H.B. 12-1327: Concerns the regulation of tow truck drivers by the Department of Regulatory Agencies. Appropriates \$12,210 cash funds for FY 2012-13 for the purchase of computer center services from OIT related to the implementation of this bill.

H.B. 12-1335: General appropriations act for FY 2012-13.

H.B. 12-1336: Directs the Office of State Planning and Budgeting to contract for a Department of Corrections systemwide analysis by July 1, 2012. The Office is encouraged to convene an advisory group to assist in developing options based on the study. Using the results of the analysis, the Office and the Joint Budget Committee and any advisory group convened will identify, evaluate, and prioritize state and private contract prison-bed utilization options for five fiscal years beginning with fiscal year 2013-14. Appropriates \$350,000 General Fund to the Office of the Governor in FY 2012-13. For more information on H.B. 12-1336, please see the "Recent Legislation" section in the Department of Corrections section of this document.

HB 12-1339: Appropriates moneys for the Colorado Benefits Management System (CBMS) improvement and modernization project, and outlines the Governor's Office of Information Technology's reporting requirements for quarterly project status updates.

- Requires the Governor's Office of Information Technology to monitor the project and provide quarterly reports to the Joint Budget Committee;
- Defines the required elements to be included in each quarterly report to the Joint Budget Committee;
- Appropriates \$9.0 million (including \$5.7 million General Fund) for contracting and equipment expenditures associated with the project in FY 2011-12 and FY 2012-13 for the Governor's Office of Information Technology, the Department of Health Care Policy and Financing, and the Department of Human Services; and

CBMS Improvement and Modernization Project FY 2011-12 Appropriation By Agency						
Agency/Expense	Total	GF	CF	RF	FF	FTE
Governor's Office of Information Technology (OIT)						
Contract/Equipment Costs	\$8,950,260	\$0	\$0	\$8,950,260	\$0	0.0
Health Care Policy and Financing (HCPF)						
Transfer to DHS	3,654,755	1,820,992	8,521	0	1,825,242	0.0
Human Services (DHS)						
Contract/Equipment Costs	8,950,260	3,845,866	199,942	3,654,755	1,249,697	0.0
Total FY 2011-12*	\$8,950,260	\$5,666,858	\$208,463	n/a	\$3,074,939	0.0

*Reappropriated funds are not included in the total to avoid double counting. All reappropriated funds shown in the DHS are derived from HCPF and all reappropriated funds shown in OIT are derived from the DHS.

- Appropriates \$13.3 million (including \$7.0 General Fund) and 22.0 FTE for use in FY 2012-13 for the Governor's Office of Information Technology, the Department of Health Care Policy and Financing, and the Department of Human Services for contracting, operating, and personnel costs associated with the project.

CBMS Improvement and Modernization Project FY 2012-13 Appropriation By Agency						
Agency/Expense	Total	GF	CF	RF	FF	FTE
Governor's Office of Information Technology (OIT)						
Contract/Equipment Costs	\$12,279,762	\$0	\$0	\$12,279,762	\$0	0.0
Total OIT	12,279,762	0	0	12,279,762	0	0.0
Health Care Policy and Financing (HCPF)						
Personal Services	825,119	0	0	825,119	0	11.0
Operating Expenses	64,796	0	0	64,796	0	
Centrally Appropriated	107,740	0	0	107,740	0	0.0
Transfer to DHS	7,630,836	3,307,395	10,708	0	4,312,733	0.0
Total HCPF	8,628,491	3,307,395	10,708	997,655	4,312,733	11.0
Human Services (DHS)						
Personal Services	825,118	313,380	28,582	304,510	178,646	11.0
Operating Expenses	64,797	24,610	2,245	23,913	14,029	0.0
Centrally Appropriated	107,740	40,919	3,732	39,762	23,327	0.0
Contract/Equipment Costs	12,279,762	2,950,265	182,116	7,894,467	1,252,914	0.0
Transfer to HCPF	997,655	378,909	34,559	368,184	216,003	0.0
Total DHS	14,275,072	3,708,083	251,234	8,630,836	1,684,919	11.0
Total FY 2012-13*	\$13,275,072	\$7,015,478	\$261,942	n/a	\$5,997,652	22.0

*Reappropriated funds are not included in the total to avoid double counting. All reappropriated funds shown in the DHS are derived from HCPF and all reappropriated funds shown in OIT are derived from the DHS.

HB 12-1360: Indicates that on June 30, 2012, the State Treasurer shall transfer from the General Fund to the Colorado Economic Development Fund the lesser of \$4.0 million or the amount by which the June 2012 estimate of General Fund revenue prepared by the Office of State Planning and Budgeting for the 2011-12 fiscal year exceeds the March 2012 estimate of General Fund revenue prepared by the Office of State Planning and Budgeting for the 2011-12 fiscal year. Appropriates \$4.0 million from the Colorado Economic Development Fund to the Governor's Office of Economic Development for FY 2012-13 for economic development incentives for job creation.

S.B. 12S-001: Allows the owner of more than ten pieces of special mobile machinery to register those items at one time, at the option of both the owner and the county clerk. Reappropriates \$76,220 to the Governor's Office of Information Technology from the Department of Revenue for computer programming services. For more information on S.B. 12S-001, please see the "Recent Legislation" section in the Department of Revenue section of this document.

DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

The Department of Health Care Policy and Financing provides health care services to approximately 912,450 Colorado residents through four health care programs: (1) the State's Medicaid medical and mental health programs; (2) the Colorado Indigent Care program (CICP); (3) the Children's Basic Health Plan (CBHP); and (4) the Old Age Pension Medical program. The Medicaid, CICP, and CBHP programs are federal and state partnerships; therefore, the State receives approximately \$2.8 billion in federal matching funds for these programs. The Department transfers approximately 8.4 percent of its appropriation to other state agencies that administer programs eligible for Medicaid funding. The majority of this funding is transferred to the Department of Human Services.

The Department's budget is comprised of the following sections: (1) Executive Director's Office; (2) Medical Services Premiums; (3) Medicaid Mental Health Community Programs; (4) Indigent Care Program; (5) Other Medical Services; and (6) Department of Human Services Medicaid-Funded Programs.

Department Budget: Recent Appropriations

Funding Source	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
General Fund/1	\$1,151,038,412	\$1,278,711,042	\$1,698,937,482	\$1,857,115,475
Cash Funds	595,916,623	785,202,148	879,632,546	925,374,919
Reappropriated Funds	24,443,505	18,526,832	8,576,440	8,170,248
Federal Funds	<u>2,564,019,457</u>	<u>2,810,778,210</u>	<u>2,579,167,123</u>	<u>2,770,497,472</u>
Total Funds	\$4,335,417,997	\$4,893,218,232	\$5,166,313,591	\$5,561,158,114
Full Time Equiv. Staff	287.6	294.8	312.5	326.2

/1 Appropriations include General Fund Exempt.

General Factors Driving the Budget

Funding for this department in FY 2012-13 consists of 49.8 percent federal funds, 33.4 percent General Fund, 16.6 percent cash funds, and 0.1 percent reappropriated funds. Some of the most important factors driving the Department's budget are reviewed below.

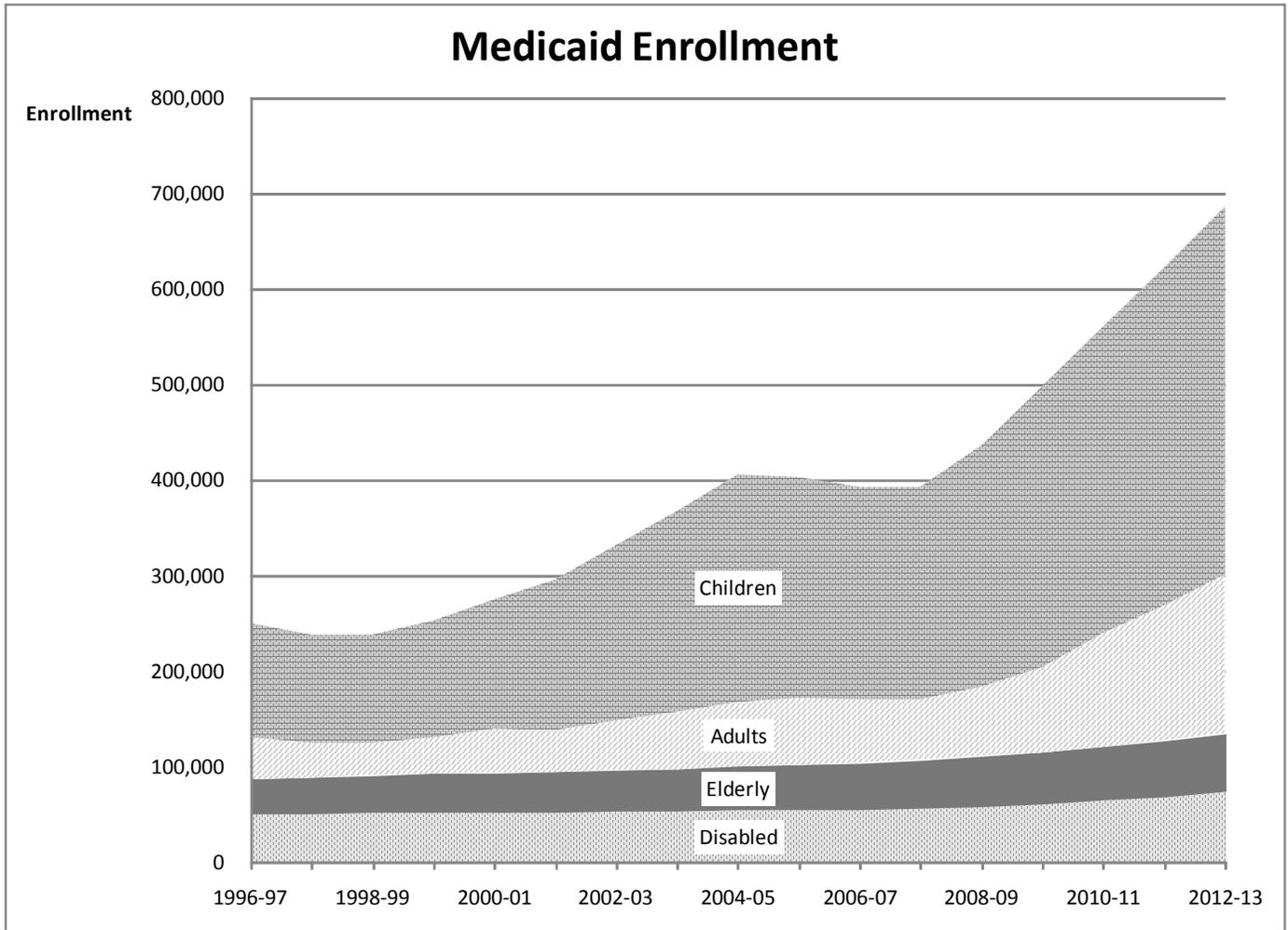
Medical Services Premiums

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.

Medicaid Caseload Growth

The following factors affect the number of clients participating in the Medicaid program: (1) general population growth; (2) policy changes at the state and federal level regarding who is eligible for services; and (3) economic cycles. The current Medicaid caseload forecast is 623,595 clients in FY 2011-12 and 687,473 clients in FY 2012-13.



Medical Cost Increases

In addition to increased costs due to caseload growth, the Medicaid budget grows as a result of higher medical costs and greater utilization of medical services. The average overall per capita cost for the Medicaid program is influenced by case mix, utilization of services, and the price of those services. Recently, the overall per capita cost for the program has decreased because the caseload growth for the program has mainly been for lower cost clients (children and their parents) rather than higher cost clients (the elderly and disabled). In addition, recent provider rate reductions have lowered the per capita costs per client. The following table shows the average medical costs per Medicaid client from FY 2008-09 through the forecast period for FY 2012-13.

	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Actual /1	FY 2011-12 Estimate /1	FY 2012-13 Appropriation
Medical Service Cost Per Capita /1	\$5,742.83	\$4,975.87	\$5,063.72	\$4,698.54	\$4,722.95
Annual Percent Change	1.1%	(13.4)%	1.8%	(7.2)%	0.5%

/1 Includes the costs for medical and long-term care services. Does not include supplemental hospital and nursing facility payments or other funding mechanism that are used to decrease the state obligation by increasing federal funding (these mechanism are referred to as "bottom-line financing").

Medicaid Mental Health Capitation

Medicaid mental health community services throughout Colorado are delivered through a managed care or "capitated" program. Under capitation, the State pays a regional entity - a Behavioral Health Organization (BHO) - a contracted amount (per member per month) for each Medicaid client eligible for mental health services in the entity's geographic area. The BHO is then required to provide appropriate mental health services to all Medicaid-eligible persons needing such services.

The rate paid to each BHO is based on each class of Medicaid client eligible for mental health services (*e.g.*, children in foster care, low-income children, elderly, disabled) in each geographic region. Under the capitated mental health system, changes in rates paid, and changes in overall Medicaid eligibility and case-mix (mix of types of clients within the population) are important drivers in overall state appropriations for mental health services. Capitation represents the bulk of the funding for Medicaid mental health community programs.

The following table provides information on the recent expenditures and caseload for Medicaid mental health capitation.

	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Estimate	FY 2012-13 Appropriation
Medicaid Mental Health Capitation Funding /1	\$215,860,937	\$223,368,053	\$249,352,665	\$275,145,214	\$312,580,712
Annual Dollar Change	\$19,849,904	\$7,507,116	\$25,984,612	\$25,792,549	\$37,435,498
Annual Percent Change	10.1%	3.5%	11.6%	10.3%	13.6%
Individuals Eligible for Medicaid Mental Health Services (Caseload) /2	417,750	479,185	540,419	602,140	664,441
Annual Caseload Change	44,193	61,435	61,234	61,721	62,301
Annual Percent Change	11.8%	14.7%	12.8%	11.4%	10.3%

/1 Does not include the fee-for-service payments.

/2 Not all Medicaid caseload aid categories are eligible for mental health services. The caseload reported in this table does not reflect the Partial Dual Eligible or non-citizen aid categories.

Indigent Care Program

The Safety Net Provider Payment, the Children's Hospital Clinic Based Indigent Care, and the Pediatric Speciality Hospital line items provide direct or indirect funding to hospitals and clinics that have uncompensated costs from treating approximately 225,906 under-insured or uninsured Coloradans through the Indigent Care Program (caseload is from FY 2010-11, the most recent year data is available). The Indigent Care Program is not an insurance program or an entitlement program. 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 for this program is from federal sources. State funds for the program come mainly through General Fund appropriations, certifying public expenditures at hospitals, and the Hospital Provider Fee Cash Fund.

Indigent Care Program Expenditures				
	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Appropriation	FY 2012-13 Appropriation
Safety Net Provider Payments	\$271,210,519	\$289,889,142	\$289,373,306	\$287,055,532
Clinic Based Indigent Care	27,759,956	6,119,760	6,119,760	6,119,760
Pediatric Specialty Hospital	14,909,166	14,755,860	11,799,938	11,799,938
Special Distribution (H.B. 10-1321, H.B. 10-1378, and S.B. 11-219)	<u>7,415,048</u>	<u>33,195,144</u>	<u>25,645,830</u>	<u>0</u>
Total	\$321,294,689	\$343,959,906	\$332,938,834	\$304,975,230
General Fund	17,132,118	7,667,611	8,959,849	8,959,849
Cash Funds & Reappropriated Funds	127,001,787	147,081,501	158,577,483	143,527,766
Federal Funds	177,160,784	189,210,794	165,401,502	152,487,615
Total funding percent change		7.1%	(3.2)%	(8.4)%

Comprehensive Primary Care Program

In November 2004, the voters passed Amendment 35 to the Colorado Constitution which increased the taxes on tobacco products in order to expand several health care programs, including the Comprehensive Primary Care program, which provides funding from tobacco tax dollars to qualifying providers with patient caseloads that are at least 50 percent uninsured, indigent, or enrolled in the Medicaid or Children's Basic Health Plan programs. The Colorado Constitution allows Amendment 35 tobacco tax moneys to be used for other health-related purposes if a two-thirds majority vote of the General Assembly passes a fiscal emergency resolution. Due to the budget situation in FY 2009-10 through FY 2011-12 the General Assembly passed emergency resolutions to transfer this funding to other programs and to offset General Fund needs. The chart below provides a six year history of the funding for this program.

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Appropriation	FY 2012-13 Appropriation
Primary Care Program	\$30,967,650	\$30,273,568	\$12,125,000	\$0	\$0	\$27,968,000

Children's Basic Health Plan

The Children's Basic Health Plan (CBHP) was implemented in 1997 to provide health care insurance to children from families with incomes at or below 185 percent of the federal poverty level (FPL). A 65 percent federal match is available for the program. Since its passage in 1997, a number of expansions to the program have occurred. In FY 2002-03, the program was expanded to include adult pregnant women up to 185 percent FPL. However, due to budget constraints in FY 2003-04, the adult prenatal program was suspended for the entire year and no new enrollment was accepted into the children's program beginning in November 2003. In FY 2004-05, the cap was lifted on the children's caseload and the adult prenatal program was reinstated.

Among other changes, H.B. 05-1262 increased eligibility for the CBHP for both children and women up to 200 percent of the FPL. During the 2007 legislative session, S.B. 07-097 expanded the program's eligibility to 205 percent FPL for FY 2007-08. During the 2008 legislative session, the program's eligibility was expanded to 225 percent FPL for children beginning in April 2009 and for pregnant women beginning in October 2009. Due to the decline in state revenue, S.B. 09-211 repealed the expansion to 225 percent FPL in FY 2008-09 and FY 2009-10. However, H.B. 09-1293 expanded CBHP to 250 percent FPL beginning in May 2010. The following tables provide five-years of funding and enrollment history for the CBHP medical and dental program.

	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Appropriation	FY 2012-13 Appropriation
Expenditures	\$129,725,968	\$178,428,421	\$177,284,054	\$184,868,299	\$182,543,053
Annual percent change	9.7%	37.5%	-0.6%	4.3%	-1.3%

	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Appropriation	FY 2012-13 Appropriation
Children Caseload	61,582	68,725	67,267	67,432	71,493
Percent Change from prior year	6.6%	11.6%	-2.1%	0.2%	6.0%
Adult Pregnant Women Average Monthly Caseload	1,665	1,561	1,741	1,869	1,957
Annual percent change	6.1%	(6.2)%	11.5%	7.4%	4.7%

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). A five-year funding history for the DHS Medicaid-funded programs is provided in the table below.

	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Appropriation	FY 2012-13 Appropriation
Expenditures/ Appropriations	\$398,390,163	\$415,140,344	\$438,883,396	\$434,841,323	\$454,896,013
Annual percent change	13.4%	4.2%	5.7%	(0.9)%	4.6%

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.

Summary of FY 2011-12 and FY 2012-13 Appropriations

Department of Health Care Policy and Financing						
	Total Funds	General Fund /1, 2	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Total Appropriation:	\$5,166,313,591	\$1,698,937,482	\$879,632,546	\$8,576,440	\$2,579,167,123	312.5
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	141,352,654	38,241,582	17,240,148	2,086,698	83,784,226	312.5
Medical Services Premiums	3,647,614,112	1,206,764,512	632,340,844	6,445,828	1,802,062,928	0.0
Medicaid Mental Health Community Programs	279,054,042	133,764,113	5,771,789	25,046	139,493,094	0.0
Indigent Care Program	523,147,643	39,091,650	196,215,294	0	287,840,699	0.0
Other Medical Services	140,303,817	64,972,589	27,010,155	0	48,321,073	0.0
Department of Human Services Medicaid-Funded Programs	434,841,323	216,103,036	1,054,316	18,868	217,665,103	0.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 11-209	5,086,626,060	1,778,737,640	780,942,590	7,535,223	2,519,410,607	312.2
SB 11-076	(1,630,244)	(714,347)	(56,118)	0	(859,779)	0.0
SB 11-125	31,054,411	30,000	15,497,206	0	15,527,205	0.0
SB 11-177	386,665	0	38,666	0	347,999	1.0
SB 11-210	(2,230,500)	(2,230,500)	0	0	0	0.0
SB 11-211	0	(33,000,000)	29,713,649	3,286,351	0	0.0
SB 11-212	0	(50,000,000)	50,000,000	0	0	0.0
SB 11-215	(8,865,830)	(4,432,915)	0	0	(4,432,915)	0.0
SB 11-216	(4,663,402)	(3,449,967)	(24,363)	(446,100)	(742,972)	(0.2)
SB 11-219	(2,607,170)	(15,775,670)	1,413,500	0	11,755,000	0.0
HB 11-1242	113,500	0	56,750	0	56,750	0.0
HB 12-1184	(7,901,075)	(22,462,053)	13,409,842	(1,868,305)	3,019,441	0.0
HB 12-1202	577,316	0	288,658	0	288,658	0.0
HB 12-1335	71,799,105	50,414,302	(11,656,355)	69,271	32,971,887	(0.5)
HB 12-1339	3,654,755	1,820,992	8,521	0	1,825,242	0.0
FY 2012-13 Total Appropriation:	\$5,561,158,114	\$1,857,115,475	\$925,374,919	\$8,170,248	\$2,770,497,472	326.2
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	144,010,325	38,736,003	17,740,127	3,066,557	84,467,638	326.2

Department of Health Care Policy and Financing

	Total Funds	General Fund /1, 2	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Medical Services Premiums	3,985,613,386	1,362,806,301	651,181,857	3,215,340	1,968,409,888	0.0
Medicaid Mental Health Community Programs	316,728,340	144,786,787	13,648,932	0	158,292,621	0.0
Indigent Care Program	521,062,876	31,188,804	216,462,809	0	273,411,263	0.0
Other Medical Services	138,847,174	55,112,338	26,010,155	0	57,724,681	0.0
Department of Human Services Medicaid-Funded Programs	454,896,013	224,485,242	331,039	1,888,351	228,191,381	0.0
<u>Breakdown of Total Appropriation by Bill</u>						
HB 12-1335	5,561,097,516	1,858,056,769	925,385,218	7,172,593	2,770,482,936	314.3
SB 12-060	(48,940)	0	(24,470)	0	(24,470)	0.1
SB 12-159	6,925	0	3,463	0	3,462	0.0
HB 12-1246	285,719	157,109	0	0	128,610	0.0
HB 12-1281	213,079	106,540	0	0	106,539	0.8
HB 12-1339	8,628,491	3,307,395	10,708	997,655	4,312,733	11.0
HB 12-1340	(9,024,676)	(4,512,338)	0	0	(4,512,338)	0.0
Increase/(Decrease)	\$394,844,523	\$158,177,993	\$45,742,373	(\$406,192)	\$191,330,349	13.7
Percentage Change	7.6%	9.3%	5.2%	(4.7)%	7.4%	4.4%

/1 Includes \$373,954,851 General Fund Exempt in FY 2011-12 and \$312,644,224 General Fund Exempt in FY 2012-13. See Division Detail for information on General Fund Exempt appropriations.

/2 Includes \$446,100 in FY 2011-12 and \$441,600 in FY 2012-13 that is exempt from the statutory limit on state General Fund appropriations pursuant to Section 24-22-117 (3), C.R.S.

Informational Funds: Beginning in FY 2012-13, the Long Bill and other legislation indicate when an amount is shown solely for informational purposes through a new "(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 2012-13 Appropriations containing an (I) notation	\$236,395,675	\$0	\$10,000,000	\$0	\$226,395,675

FY 2011-12 Appropriation - Mid-year Adjustment Highlights

The FY 2011-12 appropriation was modified during the 2012 Legislative Session to:

1. Increase total funds by a net \$72.0 million, including \$50.4 million General Fund, for enrollment and expenditure forecast adjustments as follows:
 - a. An increase of \$101.1 million total funds, including \$42.1 million General Fund, for Medicaid medical and long-term care services;
 - b. A net increase of \$2.7 million total funds, including \$6.0 million General Fund, for Medicaid mental health community programs;
 - c. An increase of \$2.4 million General Fund for the Medicare Modernization Act State Contribution Payment;
 - d. A decrease of \$29.6 million total funds, including \$10.1 million cash funds, for the Children's Basic Health Plan; and,
 - e. A decrease of \$4.6 million total funds, including \$2.3 million cash funds from certified public expenditures, for supplemental payments to hospitals participating in the Colorado Indigent Care Program.
2. Decrease total funds by \$32,000, including \$16,000 General Fund, and 0.5 FTE for delays in implementing S.B. 10-061 Hospice Room and Board Charges due to insufficient gifts, grants, and donations.

FY 2012-13 Appropriation Highlights

The FY 2012-13 appropriation:

1. Increases total funds by a net \$381.2 million, including \$88.2 million General Fund, for enrollment and expenditure forecast adjustments as follows:
 - a. An increase of \$347.8 million total funds, including \$84.5 million General Fund, for Medicaid medical and long-term care services;
 - b. An increase of \$37.7 million total funds, including \$11.0 million General Fund, for Medicaid mental health community programs;
 - c. A net increase of \$850,000 total funds, including a decrease of \$4.5 million General Fund, for the Children's Basic Health Plan;
 - d. A decrease of \$2.3 million total funds, including \$1.2 million cash funds from the Hospital Provider Fee, for supplemental payments to hospitals participating in the Colorado Indigent Care Program; and,
 - e. A decrease of \$2.9 million General Fund for the Medicare Modernization Act State Contribution Payment.
2. Increases General Fund \$81.2 million to backfill the expiration of one-time budget balancing actions in FY 2011-12, including tobacco tax financing and a nursing facility rate reduction.
3. Provides a net increase of \$1.4 million total funds, including \$2.4 million General Fund, to maintain current reimbursement rates for the Old Age Pension State Medical Program.

4. Offsets \$9.4 million General Fund with federal funds from bonus payments for meeting recruitment and retention goals for children in Medicaid and the Children's Basic Health Plan.
5. Refinances \$3.1 million General Fund with Children's Basic Health Plan Trust Fund cash funds.
6. Decreases total funds by \$5.7 million, including \$2.8 million General Fund, for the second year impact of a collection of Medicaid cost containment initiatives initially approved by the General Assembly as part of the supplemental bill.
7. Decreases total funds \$1.5 million, including \$385,000 General Fund, for increased enrollment fees and copayments in the Children's Basic Health Plan.
8. Decreases total funds by a net \$989,000, including \$461,000 General Fund, and provides an increase of 1.8 FTE for a fee-for-service reform initiative referred to as "gainsharing", which rewards providers with a share of the savings from better health outcomes.
9. Increases total funds \$14.9 million, including \$6.3 million General Fund, for Medicaid-funded programs operated by the Department of Human Services.

Detail of Appropriation by Administrative Section

Executive Director's Office

The appropriation for the Executive Director's Office contains the administrative funding for the Department. Specifically, this division's funding supports and the Department's personnel and operating expenses. In addition, this section contains funding for provider audits, eligibility determinations, client and provider services, utilization and quality reviews, and information technology contracts. 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 2011-12 Appropriation:						
SB 11-209	\$138,824,271	\$38,319,356	\$15,973,358	\$2,086,698	\$82,444,859	312.2
SB 11-076	(589,698)	(194,072)	(56,118)	0	(339,508)	0.0
SB 11-125	60,000	30,000	0	0	30,000	0.0
SB 11-177	53,470	26,735	0	0	26,735	1.0
SB 11-216	(24,363)	0	(24,363)	0	0	(0.2)
HB 11-1242	113,500	0	56,750	0	56,750	0.0
HB 12-1184	2,947,642	75,648	1,290,521	0	1,581,473	0.0

Executive Director's Office						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 12-1335	<u>(32,168)</u>	<u>(16,085)</u>	<u>0</u>	<u>0</u>	<u>(16,083)</u>	<u>(0.5)</u>
TOTAL	\$141,352,654	\$38,241,582	\$17,240,148	\$2,086,698	\$83,784,226	312.5
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$141,352,654	\$38,241,582	\$17,240,148	\$2,086,698	\$83,784,226	312.5
COFRS Modernization	1,006,098	329,397	173,190	2,052	501,459	0.0
Centrally appropriated line items	571,128	373,054	(54,671)	76,244	176,501	0.0
Restore state PERA contribution	508,844	166,362	56,119	0	286,363	0.0
Prior authorization reviews	250,000	62,500	0	0	187,500	0.0
Fee-for-service reform	150,010	75,005	0	0	75,005	1.8
Transfers to other departments	42,416	29,039	0	0	13,377	0.0
Indirect cost assessment	0	88,624	27,698	(67,879)	(48,443)	0.0
Fund source adjustment	0	12,200	0	(24,400)	12,200	0.0
Annualize prior year funding	(454,886)	(478,254)	317,394	0	(294,026)	0.0
Statewide IT common policy adjustments	(447,909)	(224,622)	0	671	(223,958)	0.0
Personal services base reduction	(212,478)	(76,530)	(19,751)	(4,484)	(111,713)	0.0
HB 12-1335	\$142,765,877	\$38,598,357	\$17,740,127	\$2,068,902	\$84,358,491	314.3
SB 12-060	5,216	2,608	0	0	2,608	0.1
HB 12-1246	28,498	28,498	0	0	0	0.0
HB 12-1281	213,079	106,540	0	0	106,539	0.8
HB 12-1339	<u>997,655</u>	<u>0</u>	<u>0</u>	<u>997,655</u>	<u>0</u>	<u>11.0</u>
TOTAL	\$144,010,325	\$38,736,003	\$17,740,127	\$3,066,557	\$84,467,638	326.2
Increase/(Decrease)	\$2,657,671	\$494,421	\$499,979	\$979,859	\$683,412	13.7
Percentage Change	1.9%	1.3%	2.9%	47.0%	0.8%	4.4%

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1184 and H.B. 12-1335 modified FY 2011-12 appropriations to:

- Account for a delay in implementing S.B. 10-061 Hospice Room and Board Charges;
- Match appropriations with actual administrative expenses associated with the Hospital Provider Fee;
- Increase funding for utilization review; and,
- Adjust estimated federal funding to align with changes in the federal match rate.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

COFRS Modernization: The appropriation includes an increase to fund the first two phases of a five-phase project to replace the statewide accounting system (COFRS) used by the Office of the State Controller to record all state revenues and expenditures.

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; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; and Capitol complex leased space.

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Prior authorization reviews: The appropriation includes an increase in the number of prior authorization reviews as a result of implementing a collection of cost containment and program efficiency initiatives proposed by the Department. These initiatives were first approved by the General Assembly in the FY 2011-12 supplemental bill, and this amount is the increase required for the full-year costs.

Fee-for-service reform: The appropriation includes funding to administer a new "gainsharing" initiative proposed by the Department. In the gainsharing system, the Department will assign clients to providers based on where they historically sought service and assign risk scores for each client developed by the Statewide Data Analytics Contractor. Expected baseline expenditures will be calculated for each client based on the Department's history with similar clients. If actual expenditures are less than the expected baseline, providers assigned to the client will get a share of the savings in the form of incentive payments. Administering the program requires 1.8 FTE (annualizing to 2.0 FTE in FY 2013-14). The FTE will be responsible for establishing the gainsharing methodology, attributing clients to providers, calculating the savings and incentive payments, procuring and maintaining contracts with the vendors for studies of the gainsharing programs, drafting and managing contracts with providers, and fielding questions and concerns from providers.

Transfers to other departments: The appropriation includes a net increase in transfers to other departments, primarily for the Department of Public Health and Environment for facility surveys and certifications.

Indirect cost assessment: The appropriation includes changes in fund sources to reflect the most recent indirect cost plan.

Fund source adjustment: The appropriation corrects a technical error in the fund sources for Personal Services.

Annualize prior year funding: The appropriation includes a net decrease to annualize prior year budget decisions, including the fiscal impact of H.B. 09-1293, S.B. 11-008, S.B. 11-217, S.B. 11-219, S.B. 11-250, and several budget actions implemented in the FY 2011-12 Long Bill.

Statewide IT common policy adjustments: The appropriation includes adjustments to line items appropriated for: purchase of services from the computer center; multiuse network payments; and management and administration of the Governor's Office of Information Technology (OIT).

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain Personal Services line items.

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 623,595 Medicaid clients in FY 2011-12. 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 /1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$3,521,401,973	\$1,288,480,270	\$495,061,484	\$3,101,708	\$1,734,758,511	0.0
SB 11-125	30,994,411	0	15,497,206	0	15,497,205	0.0
SB 11-177	333,195	(26,735)	38,666	0	321,264	0.0
SB 11-210	0	(2,230,500)	2,230,500	0	0	0.0
SB 11-211	0	(33,000,000)	29,713,649	3,286,351	0	0.0
SB 11-212	0	(50,000,000)	50,000,000	0	0	0.0
SB 11-215	(8,865,830)	(4,432,915)	0	0	(4,432,915)	0.0
SB 11-219	0	(15,775,670)	15,775,670	0	0	0.0
HB 12-1184	2,220,236	(18,323,616)	18,322,469	0	2,221,383	0.0
HB 12-1202	577,316	0	288,658	0	288,658	0.0
HB 12-1335	<u>100,952,811</u>	<u>42,073,678</u>	<u>5,412,542</u>	<u>57,769</u>	<u>53,408,822</u>	<u>0.0</u>
TOTAL	\$3,647,614,112	\$1,206,764,512	\$632,340,844	\$6,445,828	\$1,802,062,928	0.0
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$3,647,614,112	\$1,206,764,512	\$632,340,844	\$6,445,828	\$1,802,062,928	0.0
Enrollment/expenditure forecast	347,830,468	83,502,117	92,691,085	55,863	171,581,403	0.0

Medical Services Premiums						
	Total Funds	General Fund /1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Expiration of nursing facility rate reduction	8,865,830	4,432,915	0	0	4,432,915	0.0
Smoking cessation QuitLine	796,154	0	398,077	0	398,077	0.0
Expiration of one-time or short-duration financing	0	76,775,670	(73,489,319)	(3,286,351)	0	0.0
Medicaid budget reductions	(7,382,584)	(3,626,666)	(64,626)	0	(3,691,292)	0.0
Utilize supplemental payments for General Fund relief	(1,900,004)	8,484	(639,640)	0	(1,268,848)	0.0
Fee-for-service reform	(1,138,683)	(535,785)	(33,557)	0	(569,341)	0.0
HB 12-1335	\$3,994,685,293	\$1,367,321,247	\$651,202,864	\$3,215,340	\$1,972,945,842	0.0
SB 12-060	(54,156)	(2,608)	(24,470)	0	(27,078)	0.0
SB 12-159	6,925	0	3,463	0	3,462	0.0
HB 12-1340	<u>(9,024,676)</u>	<u>(4,512,338)</u>	<u>0</u>	<u>0</u>	<u>(4,512,338)</u>	<u>0.0</u>
TOTAL	\$3,985,613,386	\$1,362,806,301	\$651,181,857	\$3,215,340	\$1,968,409,888	0.0
Increase/(Decrease)	\$337,999,274	\$156,041,789	\$18,841,013	(\$3,230,488)	\$166,346,960	0.0
Percentage Change	9.3%	12.9%	3.0%	(50.1)%	9.2%	n/a

1/ Includes General Fund Exempt amounts related to the passage of Referendum C. Please see the table and explanation below.

General Fund Summary	Total General Fund	General Fund	General Fund Exempt
FY 2011-12 Appropriation	\$1,206,764,512	\$833,255,761	\$373,508,751
General Fund adjustments	<u>156,041,789</u>	<u>217,347,916</u>	<u>(61,306,127)</u>
FY 2012-13 Appropriation	\$1,362,806,301	\$1,050,603,677	\$312,202,624

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 cap¹, for that fiscal year. This revenue must be placed in the General Fund Exempt Account. The above table shows the amount of General Fund Exempt that is appropriated for FY 2011-12 and FY 2012-13 from the General Fund Exempt Account for the purposes of

¹ The "excess state revenues 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 changes.

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.

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1184 and H.B. 12-1335 modified FY 2011-12 appropriations to:

- Adjust the FY 2011-12 appropriation for the Medicaid medical and long-term care programs based on current caseload and cost forecasts;
- Reverse a pharmacy rate reduction; and
- Reduce appropriations to reflect cost-containment measures implemented by the Department by rule.

For information on H.B. 12-1202 (substantive 2012 session bill affecting FY 2011-12 appropriation), see the "Recent Legislation" section at the end of this department.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Enrollment/expenditure forecast: The appropriation includes a net increase based on the most recent forecast of enrollment and expenditures. Most of the increase is attributable to enrollment growth. The FY 2012-13 appropriation supports medical services for an estimated 687,473 Medicaid clients, up 63,878 clients (10.2 percent) from the final appropriated FY 2011-12 caseload. The largest enrollment growth is projected among children and adults, who typically have lower per capita costs than the elderly and disabled populations. Although the projected enrollment increases for the elderly and disabled are smaller, they contribute disproportionately to the overall increase in expenditures, due to the high expenditure per capita for these populations.

The series of tables below provide the projected enrollment, expenditures, and cost per capita for selected eligibility categories. The percent changes are not listed for the Buy-in for People with Disabilities or the Adults without Dependent Children categories because these expansions were recently added and the projections include factors related to the ramping up of services that make the trend data not comparable to the data for established eligibility categories. The FY 2012-13 data in the tables is based on appropriations in the Long Bill, and does not include other bills that may impact enrollment and expenditures.

Enrollment	FY 2010-11	FY 2011-12	FY 2012-13	Percent Change FY 12 to FY 13
	Actual	Projected	Long Bill	
Adults 65+	38,921	39,867	40,820	2.4%
Disabled 60-64	7,767	8,399	8,948	6.5%
Disabled <60	56,281	59,589	62,098	4.2%
Buy-in for People with Disabilities	0	58	2,208	N.A.
Parents 0%-AFDC income assistance	60,958	70,299	77,455	10.2%
Parents AFDC-60% federal poverty level (FPL)	20,154	24,050	26,498	10.2%
Parents 60%-100% FPL	27,166	35,406	42,381	19.7%
Adults without Dependent Children	0	1,667	10,000	N.A.
Breast and Cervical Cancer Treatment	531	610	679	11.3%
Children	302,381	336,582	367,649	9.2%

Enrollment	FY 2010-11	FY 2011-12	FY 2012-13	Percent Change FY 12 to FY 13
	Actual	Projected	Long Bill	
Foster Children	18,392	18,141	18,159	0.1%
Pregnant	7,868	7,472	7,546	1.0%
Emergency Care for Non-Citizens	3,213	2,659	2,529	-4.9%
Partial Dual Eligible (Medicare premium assistance)	17,090	18,796	20,503	9.1%
TOTAL	560,722	623,595	687,473	10.2%

Expenditures (including supplemental payments)	FY 2010-11	FY 2011-12	FY 2012-13	Percent Change FY 12 to FY 13
	Actual	Projected	Long Bill	
Adults 65+	\$859,971,334	\$983,864,119	\$1,015,050,729	3.2%
Disabled 60-64	150,963,522	171,640,849	183,126,151	6.7%
Disabled <60	943,370,577	1,047,916,324	1,103,171,414	5.3%
Buy-in for People with Disabilities	0	705,081	28,915,416	N.A.
Parents 0%-AFDC income assistance	298,860,409	305,612,580	330,437,500	8.1%
Parents AFDC-60% federal poverty level (FPL)	75,064,008	84,884,862	93,726,012	10.4%
Parents 60%-100% FPL	82,213,922	111,994,753	139,127,138	24.2%
Adults without Dependent Children	0	8,249,127	121,029,477	N.A.
Breast and Cervical Cancer Treatment	9,817,158	13,750,195	14,909,151	8.4%
Children	627,769,747	671,297,483	714,389,037	6.4%
Foster Children	81,811,588	88,740,212	89,587,884	1.0%
Pregnant	95,688,869	78,141,580	78,139,747	0.0%
Emergency Care for Non-Citizens	75,541,134	50,569,906	50,625,528	0.1%
Partial Dual Eligible (Medicare premium assistance)	24,322,916	30,247,043	34,091,703	12.7%
TOTAL	\$3,325,395,184	\$3,647,614,114	\$3,996,326,887	9.6%

Cost Per Capita	FY 2010-11	FY 2011-12	FY 2012-13	Percent Change FY 12 to FY 13
	Actual	Projected	Long Bill	
Adults 65+	\$22,095.30	\$24,678.66	\$24,866.50	0.8%
Disabled 60-64	19,436.53	20,435.87	20,465.60	0.1%
Disabled <60	16,761.79	17,585.73	17,765.01	1.0%
Buy-in for People with Disabilities	0.00	12,156.57	13,095.75	N.A.
Parents 0%-AFDC income assistance	4,902.73	4,347.32	4,266.19	-1.9%
Parents AFDC-60% federal poverty level (FPL)	3,724.52	3,529.52	3,537.10	0.2%
Parents 60%-100% FPL	3,026.35	3,163.16	3,282.77	3.8%
Adults without Dependent Children	0.00	4,948.49	12,102.95	N.A.
Breast and Cervical Cancer Treatment	18,488.06	22,541.30	21,957.51	-2.6%
Children	2,076.09	1,994.45	1,943.13	-2.6%
Foster Children	4,448.22	4,891.69	4,933.53	0.9%
Pregnant	12,161.78	10,457.92	10,355.12	-1.0%
Emergency Care for Non-Citizens	23,511.09	19,018.39	20,018.00	5.3%
Partial Dual Eligible (Medicare premium assistance)	1,423.23	1,609.23	1,662.77	3.3%
TOTAL cost per capita	\$5,930.56	\$5,849.33	\$5,813.07	-0.6%

Expiration of nursing facility rate reduction: The appropriation reflects the expiration of a one-time reduction in FY 2011-12 of 1.5 percent to the General Fund portion of per diem rates paid to Medicaid nursing facility providers.

Smoking cessation QuitLine: The appropriation includes an increase in funding from the Tobacco Education Programs Fund (tobacco tax moneys) used to match federal funds and pay for telephone-based smoking cessation coaching and nicotine replacement therapy for Medicaid clients. Previously the QuitLine services were paid for entirely from the Tobacco Education Programs Fund, but H.B. 12-1202 allowed the appropriation of some of the Tobacco Education Programs Fund to match federal Medicaid funds.

Expiration of one-time or short-duration financing: The appropriation reflects the expiration of several bills that provided one-time or short-duration financing to offset the need for General Fund in FY 2011-12.

One-time financing in FY 2011-12 that expires in FY 2012-13		
Bill	Fund Source	Amount
SB 11-212	Hospital Provider Fee	\$25,000,000
SB 11-211	Tobacco Education Programs Fund	17,758,594
	Prevention, Early Detection, and Treatment Fund	11,955,055
	Health Disparities Grant Program	3,286,351
SB 11-219	Primary Care Fund	15,775,670
HB 10-1380	Supplemental Old Age Pension	3,000,000
TOTAL		\$76,775,670

Medicaid budget reductions: The appropriation includes a total decrease of \$7,382,584, including \$3,626,666 General Fund, for a collection of cost containment initiatives proposed by the Department.

Utilize supplemental payments for General Fund relief: The appropriation continues a policy of withholding 10.0 percent of the federal funds earned through certifying public expenditures for inpatient and physician services in order to offset the need for General Fund.

Fee-for-service reform: The appropriation reflects projected savings associated with implementing a new "gainsharing" initiative proposed by the Department. In the gainsharing system, the Department will assign clients to providers based on where they historically sought service and assign risk scores for each client developed by the Statewide Data Analytics Contractor. Expected baseline expenditures will be calculated for each client based on the Department's history with similar clients. If actual expenditures are less than the expected baseline, providers assigned to the client will get a share of the savings in the form of incentive payments. The projected savings assume a 2.5 percent reduction in expenditures for generic drugs, hospital readmissions, outpatient hospital visits, and emergency department visits by clients assigned to Federally Qualified Health Centers (FQHCs) and Rural Health Centers (RHCs), and a 3.0 percent reduction in expenditures for psychotropic drug utilization by clients assigned to Behavioral Health Organizations (BHOs). The projected savings are net figures after the projected gainsharing incentive payments.

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

Medicaid Mental Health Community Programs

This division provides mental health services through the purchase of services from five regional Behavioral Health Organizations (BHOs), which manage service delivery for eligible Medicaid recipients in a capitated, risk-based model. The division also contains funding for Medicaid mental health fee-for-service programs for those services not covered within the capitation contracts and rates. The funding for this division is primarily

General Fund and federal funds. The major source of the cash funds is the Health Care Expansion Fund and hospital provider fee.

Medicaid Mental Health Community Programs						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$276,400,984	\$127,777,722	\$10,510,223	\$13,544	\$138,099,495	0.0
HB 12-1335	<u>2,653,058</u>	<u>5,986,391</u>	<u>(4,738,434)</u>	<u>11,502</u>	<u>1,393,599</u>	<u>0.0</u>
TOTAL	\$279,054,042	\$133,764,113	\$5,771,789	\$25,046	\$139,493,094	0.0
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$279,054,042	\$133,764,113	\$5,771,789	\$25,046	\$139,493,094	0.0
Medicaid mental health capitation forecast	37,674,298	11,022,674	7,877,143	(25,046)	18,799,527	0.0
HB 12-1335	<u>\$316,728,340</u>	<u>\$144,786,787</u>	<u>\$13,648,932</u>	<u>\$0</u>	<u>\$158,292,621</u>	<u>0.0</u>
TOTAL	\$316,728,340	\$144,786,787	\$13,648,932	\$0	\$158,292,621	0.0
Increase/(Decrease)	\$37,674,298	\$11,022,674	\$7,877,143	(\$25,046)	\$18,799,527	0.0
Percentage Change	13.5%	8.2%	136.5%	(100.0)%	13.5%	n/a

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1335 modified FY 2011-12 appropriations to:

- Adjust the FY 2011-12 appropriation for the Medicaid mental health community program based on current caseload and cost forecasts; and
- Correct a technical error in the forecast of the disabled population versus the buy-in disabled population.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

The appropriation increases the FY 2012-13 Long Bill appropriation by \$37.7 million total funds, including \$11.0 General Fund, over the FY 2011-12 Long Bill Supplemental appropriation. The increase is primarily due to a 10.4 percent increase in caseload over the FY 2011-12 revised appropriation. The table below summarizes caseload and capitation rates for aid categories for the FY 2011-12 revised appropriation and the FY 2012-13 Long Bill appropriation.

Final FY 2011-12 Revised Appropriation Compared to FY 2012-13 Long Bill Appropriation							
Eligible Medicaid Mental Health Caseload -- ONLY	FY 2011-12 Caseload	FY 2011-12 Est. Capitation Rate for Aid Category	FY 2011-12 Cost Estimate	FY 2012-13 Caseload	FY 2012-13 Capitation Rate for Aid Category	FY 2012-13 Cost Estimate	Cost Difference
Adults 65+	39,867	\$161.76	\$6,449,031	40,820	\$162.51	\$6,633,711	\$184,680
Disabled 60-64, Disabled <60, Buy-in for People with Disabilities	68,046	\$1,790.07	\$121,807,393	73,254	\$1,846.10	\$135,234,500	\$13,427,107
Parents 0%-AFDC income assistance, Parents AFDC-60% federal poverty level (FPL), Parents 60%-100% FPL	137,227	\$278.19	\$38,175,372	153,880	\$286.97	\$44,159,171	\$5,983,799
Adults without Dependent Children	1,667	\$894.63	\$1,491,341	10,000	\$944.30	\$9,443,024	\$7,951,683
Children	336,582	\$203.47	\$68,484,410	367,649	\$215.63	\$79,275,860	\$10,791,450
Foster Care Children	18,141	\$2,164.17	\$39,260,261	18,159	\$2,077.43	\$37,723,995	(\$1,536,266)
Breast and Cervical Cancer Treatment	610	\$273.72	\$166,968	679	\$286.75	\$194,702	\$27,734
Total Capitation Base	602,140	n/a	\$275,834,776	664,441	n/a	\$312,664,963	\$36,830,187
Technical Adjustments			(\$689,562)			(\$84,251)	\$605,311
Total Capitation			\$275,145,214			\$312,580,712	\$37,435,498
Total Fee-For-Service			\$3,908,827			\$4,147,628	\$238,801
Division Total			\$279,054,042			\$316,728,340	\$37,674,298

Indigent Care Program

This division contains funding for the following programs: (1) Safety Net Provider Payments; (2) Indigent Care Clinics; (3) Pediatric Specialty Hospital Payments; (4) Primary Care Program; (5) Medically Indigent Program; (6) Children's Basic Health Plan; (7) Hospital Provider Fee Payments; and (8) Comprehensive Primary and Preventative Care Grants. The first five programs provide funding for the Colorado Indigent Care Program (CICP) which partially reimburses health care providers for medical services provided to uninsured individuals with incomes up to 250.0 percent of the federal poverty level who do not qualify for Medicaid or the Children's Basic Health Plan. The CICP provides health care reimbursement for approximately 217,900 Coloradans at 45 participating hospitals and 16 participating clinics. Funding sources for these programs include the General Fund, cash funds that include moneys certified at public hospitals and the Primary Care Program Fund, and federal funds.

The Children's Basic Health Plan (CBHP) provides health care insurance for children and adult pregnant women with incomes up to 205.0 percent of federal poverty level. Pursuant to H.B. 09-1293, eligibility for the CBHP programs was increased to 250.0 percent of the federal poverty level beginning in May 2010. The

program is forecasted to serve 75,811 children and 2,391 adult pregnant women in FY 2011-12. Funding sources for this program include the CBHP Trust Fund, the Health Care Expansion Fund, the Hospital Provider Fee Cash Fund, and federal funds.

The Hospital Provider Fee Payment program allows local governments to assess fees on hospitals in order to maximize the amount of federal reimbursement available under the federal upper payment limits. The funding source for this program is local government fees assessed on participating hospitals and federal funds.

Indigent Care Program						
	Total Funds	General Fund /1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$579,063,502	\$42,680,218	\$230,142,352	\$446,100	\$305,794,832	0.0
SB 11-216	(4,639,039)	(3,449,967)	0	(446,100)	(742,972)	0.0
SB 11-219	(2,607,170)	0	(14,362,170)	0	11,755,000	0.0
HB 12-1184	(14,510,517)	(138,601)	(7,234,425)	0	(7,137,491)	0.0
HB 12-1335	<u>(34,159,133)</u>	<u>0</u>	<u>(12,330,463)</u>	<u>0</u>	<u>(21,828,670)</u>	<u>0.0</u>
TOTAL	\$523,147,643	\$39,091,650	\$196,215,294	\$0	\$287,840,699	0.0
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$523,147,643	\$39,091,650	\$196,215,294	\$0	\$287,840,699	0.0
Annualize prior year funding	1,919,657	0	13,672,114	0	(11,752,457)	0.0
Enrollment/expenditure forecast	849,842	(4,485,689)	4,813,739	0	521,792	0.0
Tobacco tax forecast	401,925	0	401,925	0	0	0.0
Federally mandated quality measures	236,671	82,835	0	0	153,836	0.0
CHP+ Trust financing	0	(3,115,264)	3,115,264	0	0	0.0
Colorado Indigent Care Program forecast	(2,317,774)	0	(1,158,887)	0	(1,158,887)	0.0
Expiration of FQHC/RHC rate adjustment	(1,650,176)	0	(577,562)	0	(1,072,614)	0.0
Cost sharing in CHP+	(1,524,912)	(384,728)	(19,078)	0	(1,121,106)	0.0
HB 12-1335	<u>\$521,062,876</u>	<u>\$31,188,804</u>	<u>\$216,462,809</u>	<u>\$0</u>	<u>\$273,411,263</u>	<u>0.0</u>
TOTAL	\$521,062,876	\$31,188,804	\$216,462,809	\$0	\$273,411,263	0.0
Increase/(Decrease)	(\$2,084,767)	(\$7,902,846)	\$20,247,515	\$0	(\$14,429,436)	0.0
Percentage Change	(0.4)%	(20.2)%	10.3%	n/a	(5.0)%	n/a

/1 This amount includes a General Fund Exempt appropriation. For FY 2011-12, the General Fund includes \$446,100 that is exempt from the statutory limit on state General Fund appropriations pursuant to Section 21, Article X of the State Constitution and Section 24-22-117 (1) (c) (I) (B), C.R.S. For FY 2012-13, the General Fund includes \$441,600 that is exempt from the statutory limit on state General Fund appropriations pursuant to Section 21, Article X of the State Constitution and Section 24-22-117 (1) (c) (I) (B), C.R.S.

General Fund Summary	Total General Fund	General Fund	General Fund Exempt
FY 2011-12 Adjusted Appropriation	\$39,091,650	\$38,645,550	\$446,100
General Fund adjustments	<u>(7,902,846)</u>	<u>(7,898,346)</u>	<u>(4,500)</u>
Total FY 2012-13 Long Bill Appropriation	\$31,188,804	\$30,747,204	\$441,600

General Fund Exempt

In November 2004, the Colorado voters passed Amendment 35 to the Colorado Constitution. Amendment 35 requires that 3.0 percent of the new tobacco tax be appropriated to the General Fund and the Old Age Pension Fund, and be distributed to the counties and cities. Because Amendment 35 moneys are exempt from the TABOR limit, the General Fund appropriations are categorized as General Fund Exempt. Pursuant to Section 24-22-117 (1) (c) (I) (B), C.R.S., 50.0 percent of the tobacco tax revenues appropriated to the General Fund must be appropriated to the Pediatric Specialty Hospital Fund.

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1184 and H.B. 12-1335 modified FY 2011-12 appropriations to:

- Adjust the appropriation for the Children's Basic Health Plan (CHP+) and Colorado Indigent Care Program (CICP) based on current caseload and cost forecasts;
- Increase funding for federally mandated rate increases for federally qualified health centers and rural health centers; and
- Reduce General Fund to reflect an increase in enrollment fees for CHP+.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Annualize prior year funding: The appropriation includes a net increase to annualize prior year budget decisions, including the fiscal impact of H.B. 09-1293, S.B. 11-008, S.B. 11-219, and S.B. 11-250.

Enrollment/expenditure forecast: The appropriation includes a net increase based on the most recent forecast of enrollment and expenditures. The series of tables below provide the projected enrollment, expenditures, and cost per capita for the different eligibility categories.

Enrollment	FY 2010-11 Actual	FY 2011-12 Projected	FY 2012-13 Long Bill	Percent Change FY 12 to FY 13
Children Medical	67,267	67,432	67,542	0.2%
Children Dental (same as Medical)	67,267	67,432	67,542	0.2%
Prenatal	1,741	1,869	1,360	-27.2%
TOTAL	69,008	69,301	68,902	-0.6%

Expenditure	FY 2010-11 Actual	FY 2011-12 Projected	FY 2012-13 Long Bill	Percent Change FY 12 to FY 13
Children Medical	\$141,195,482	\$144,658,514	\$149,276,290	3.2%
Children Dental	10,718,975	11,480,036	11,753,939	2.4%
Prenatal	25,369,597	28,729,749	21,512,824	-25.1%
TOTAL	\$177,284,054	\$184,868,299	\$182,543,053	-1.3%

Cost Per Capita	FY 2010-11	FY 2011-12	FY 2012-13	Percent Change FY 12 to FY 13
	Actual	Projected	Long Bill	
Children Medical	\$2,099.03	\$2,145.25	\$2,210.13	3.0%
Children Dental	159.35	170.25	174.02	2.2%
Prenatal	14,572.85	15,371.72	15,818.25	2.9%
TOTAL cost per capita	\$2,569.04	\$2,667.61	\$2,649.31	-0.7%

Tobacco tax forecast: The appropriation includes an adjustment for the most recent forecast of tobacco tax revenues available according to the statutory distribution formula for the Children's Basic Health Plan and the Primary Care Fund.

Federally mandated quality measures: The appropriation includes funding to survey five managed care organizations and the state's Managed Care Network more frequently, as required by federal legislation for the Children's Health Insurance Program. The funding would pay for administration, analysis, and reporting of the survey.

CHP+ Trust financing: The appropriation includes a fund source adjustment to spend down a balance in the Children's Basic Health Plan (CHP+) Trust Fund.

Colorado Indigent Care Program forecast: The appropriation reflects the most recent forecast of the available Hospital Provider Fee revenue, certified public expenditures, and matching federal funds allocated through the Colorado Indigent Care Program to reimburse providers for a portion of under-compensated and uncompensated care.

Expiration of FQHC/RHC rate adjustment: The appropriation reflects the expiration of one-time funding in FY 2011-12 for retroactive reimbursements to Federally Qualified Health Centers (FQHCs) and Rural Health Centers (RHCs) for certain services where the state's CHP+ rates were below levels required by federal law. For FY 2012-13 the Department will reduce rates for some services to CHP+ clients that were reimbursed at rates above the federal formula to ensure budget neutrality.

Cost sharing in CHP+: The appropriation includes increases in enrollment fees and copayments for clients of the Children's Basic Health Program (CHP+). The increase in enrollment fees was approved by the General Assembly through a mid-year appropriation adjustment. The table below summarizes the estimated average annual impact on out-of-pocket expenses per child in the CHP+ program, including the increase in enrollment fees.

Estimated Average Annual Cost Sharing per Child Per Year			
Population	Current Cost Sharing	Proposed Cost Sharing	Difference
Children from 100% to 150%	\$10.00	\$12.00	\$2.00
Children from 151% to 200%	\$56.00	\$79.00	\$23.00
Children from 201% to 250%	\$82.00	\$192.00	\$110.00

Other Medical Services

This section contains funding for programs not administered by the Department through the Medicaid or Indigent Care Programs. Six of the line items receive Medicaid funding but are administered by other state departments, commissions, or hospitals. Two of the line items relate to the Old Age Pension State-Only Medical Program. Finally, this section also includes the State Contribution Payment for the Medicare Part D Benefit. Funding sources for these programs include the General Fund, cash funds for certified expenditures at school districts and 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 2011-12 Appropriation:						
SB 11-209	\$139,828,218	\$68,074,667	\$29,240,655	\$0	\$42,512,896	0.0
SB 11-210	(2,230,500)	0	(2,230,500)	0	0	0.0
HB 12-1184	350,000	(5,458,177)	0	0	5,808,177	0.0
HB 12-1335	<u>2,356,099</u>	<u>2,356,099</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$140,303,817	\$64,972,589	\$27,010,155	\$0	\$48,321,073	0.0
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$140,303,817	\$64,972,589	\$27,010,155	\$0	\$48,321,073	0.0
Old Age Pension Health and Medical Program	1,400,000	2,400,000	(1,000,000)	0	0	0.0
Estimated Children's Health Insurance Program Reauthorization Act bonus payment	0	(9,403,608)	0	0	9,403,608	0.0
Medicare Modernization Act State Contribution Payment	(2,856,643)	(2,856,643)	0	0	0	0.0
HB 12-1335	<u>\$138,847,174</u>	<u>\$55,112,338</u>	<u>\$26,010,155</u>	<u>\$0</u>	<u>\$57,724,681</u>	<u>0.0</u>
TOTAL	\$138,847,174	\$55,112,338	\$26,010,155	\$0	\$57,724,681	0.0
Increase/(Decrease)	(\$1,456,643)	(\$9,860,251)	(\$1,000,000)	\$0	\$9,403,608	0.0
Percentage Change	(1.0)%	(15.2)%	(3.7)%	n/a	19.5%	n/a

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1184 and H.B. 12-1335 modified FY 2011-12 appropriations to:

- Apply federal bonus payments to offset the need for General Fund; and
- Reflect an updated forecast of the state's obligation under the Medicare Modernization Act.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Old Age Pension Health and Medical Program: The appropriation includes a net increase to maintain reimbursement rates at the FY 2010-11 levels. Senate Bill 11-210 phased out supplemental funding from sales and use taxes for this program with the assumption that the population eligible for the Old Age Pension (OAP) Health and Medical Program would decrease dramatically as Medicaid eligibility was expanded to include adults without dependent children up to 100 percent of the federal poverty guidelines (an expansion authorized by H.B. 09-1293 and financed with the Hospital Provider Fee). Since S.B. 11-210 was adopted, the planned Medicaid expansion has been reduced to adults without dependent children up to 10 percent of the federal poverty guidelines with a cap of 10,000 on the total number of people eligible. This means that the population eligible for the OAP Health and Medical Program will not decrease as dramatically as anticipated, and additional funding from the General Fund is required to maintain reimbursement rates.

Estimated Children's Health Insurance Program Reauthorization Act bonus paymentThe appropriation reflects application of bonus payments from the federal government for meeting outreach and retention performance goals for children in Medicaid and in the Children's Health Insurance Program (CHP+). This offsets the need for General Fund in the Medicare Modernization Act State Contribution Payment line item.

Medicare Modernization Act State Contribution Payment: The appropriation includes a net decrease for the state's obligation under the Medicare Modernization Act 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 the costs the federal legislation requires 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.

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, and 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 2011-12 Appropriation:						
SB 11-209	\$431,107,112	\$213,405,407	\$14,518	\$1,887,173	\$215,800,014	0.0
SB 11-076	(1,040,546)	(520,275)	0	0	(520,271)	0.0
HB 12-1184	1,091,564	1,382,693	1,031,277	(1,868,305)	545,899	0.0
HB 12-1335	28,438	14,219	0	0	14,219	0.0
HB 12-1339	<u>3,654,755</u>	<u>1,820,992</u>	<u>8,521</u>	<u>0</u>	<u>1,825,242</u>	<u>0.0</u>
TOTAL	\$434,841,323	\$216,103,036	\$1,054,316	\$18,868	\$217,665,103	0.0

Department of Human Services Medicaid-Funded Programs

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$434,841,323	\$216,103,036	\$1,054,316	\$18,868	\$217,665,103	0.0
<i>Program changes in the Department of Human Services with Medicaid impacts</i>						
Services for People with Disabilities	15,135,280	5,699,985	0	1,867,655	7,567,640	0.0
Executive Director's Office	1,829,017	914,509	0	0	914,508	0.0
Division of Youth Corrections	96,722	48,361	0	0	48,361	0.0
Office of Operations	87,021	43,510	0	0	43,511	0.0
Mental Health and Alcohol and Drug Abuse Services	70,595	35,298	0	0	35,297	0.0
Office of Self Sufficiency	740	370	0	0	370	0.0
Office of Information Technology Services	(5,019,608)	(1,779,266)	(733,985)	1,828	(2,508,185)	0.0
Division of Child Welfare	(33,134)	(16,567)	0	0	(16,567)	0.0
HB 12-1335	\$447,007,956	\$221,049,236	\$320,331	\$1,888,351	\$223,750,038	0.0
HB 12-1246	257,221	128,611	0	0	128,610	0.0
HB 12-1339	<u>7,630,836</u>	<u>3,307,395</u>	<u>10,708</u>	<u>0</u>	<u>4,312,733</u>	<u>0.0</u>
TOTAL	\$454,896,013	\$224,485,242	\$331,039	\$1,888,351	\$228,191,381	0.0
Increase/(Decrease)	\$20,054,690	\$8,382,206	(\$723,277)	\$1,869,483	\$10,526,278	0.0
Percentage Change	4.6%	3.9%	(68.6)%	9908.2%	4.8%	n/a

FY 2011-12 Appropriation - Mid-year Adjustments

House Bills 12-1184 and 12-1335 modified FY 2011-12 appropriations to:

- add \$2.0 million total funds, while reducing General Fund appropriations by \$42,000, for technical corrections to Colorado Benefits Management System funding;
- add \$1.1 million total funds, including \$0.6 million General Fund, for revenue adjustments at the mental health institutes;
- add \$0.2 million total funds, including \$0.1 million General Fund, for updated commitment population and case-mix projections for the Division of Youth Corrections and to reduce overcrowding in youth corrections facilities for the last quarter of FY 2011-12;
- reduce \$1.9 million total funds, while adding \$0.9 million General Fund, for technical adjustments to funding for the regional centers for people with developmental disabilities;
- reduce \$0.4 million, including \$0.2 million General Fund, for adjustments to funding for utilities for Department of Human Services facilities.

For information on H.B. 12-1339 (Colorado Benefits Management System), see the "Recent Legislation" section at the end of this department.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Program changes in the Department of Human Services with Medicaid impacts:

Services for People with Disabilities: The appropriation adds Medicaid funding for new community placements for people with developmental disabilities, annualizes new placements added for a part-year in FY 2011-12, and adds funding to align the FY 2012-13 base appropriation for Medicaid-funded community placements with FY 2011-12 projected expenditures. It also includes technical adjustments to Medicaid funding for the regional centers for people with developmental disabilities and an increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S., among other adjustments.

Executive Director's Office: The appropriation reflects the Medicaid impact of changes to centrally-appropriated line items in the Department of Human Services, including increased funding for health, life, and dental benefits, among other adjustments.

Division of Youth Corrections: The appropriation incorporates the Medicaid impact of changes to the number and type of contract placements for committed youth.

Office of Operations: The appropriation reflects the net impact of various adjustments to Medicaid funding in this division, including an increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Mental Health and Alcohol and Drug Abuse Services: The appropriation includes an increase to Medicaid funding for the mental health institutes, primarily due to an increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Office of Self Sufficiency: The appropriation reflects the Medicaid impact of an increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Information Technology Services: The appropriation reflects the net impact of various adjustments to Medicaid funding in this division, but the decrease primarily reflects annualizing the FY 2011-12 impact of H.B. 12-1339.

Division of Child Welfare: The decline in Medicaid funding primarily reflects eliminating FY 2011-12 leap-year funding.

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

Recent Legislation

2011 Session Bills

S.B. 11-076: For the 2011-12 state fiscal year only, reduces the employer contribution rate for the State and Judicial divisions of the Public Employees' Retirement Association (PERA) by 2.5 percent and increases the member contribution rate for these divisions by the same amount. In effect, continues the FY 2010-11 PERA contribution adjustments authorized through S.B. 10-146 for one additional year. Reduces the Department's total appropriation by \$1,630,244 total funds, of which \$714,347 is General Fund, \$56,118 is cash funds, and \$859,779 is federal funds.

S.B. 11-125: Beginning in FY 2011-12, this bill increases the provider fee assessed on nursing facilities \$7.75 to a cap of \$12.00 per non Medicare-resident day. The cap can be adjusted by inflation on an annual basis. The bill also reorders the priorities for the supplemental payments paid from the nursing facility fee to nursing facilities: (1) the administrative costs of the program; (2) payments for acuity or case-mix of the residents; and (3) payments to keep the General Fund growth under 3.0 percent. The bill increases appropriations to the Department by \$31,054,411. Of this amount, \$30,000 is General Fund, \$15,497,206 is cash funds from the Nursing Facility Cash Fund, and \$15,527,205 is federal funds.

S.B. 11-177: This bill extends the repeal date of the Teen Pregnancy and Dropout Prevention Program from July 1, 2011, to September 1, 2016. The bill also expands the requirements of the program to include better collaboration between state agencies and stakeholders. Pursuant to S.B. 11-177, providers are directed to survey participating at specific intervals and report required data elements to the Department. The bill increases appropriations to the Department by \$386,665 total funds. Of this amount, \$38,666 is local funds and \$347,999 is federal funds.

S.B. 11-209: General Appropriations Act for FY 2011-12.

S.B. 11-210: The bill provides that in FY 2011-12, \$2,230,500 million from the Tobacco Tax Cash fund shall be appropriated to fund the health-related costs of Old Age Pension (OAP) clients served through the Medicaid program. This appropriation replaces a \$2,230,500 cash fund appropriation from the Tobacco Tax Cash Fund to fund the health-related costs of OAP clients served through the Supplemental OAP Health and Medical Care Program.

The bill also transfers any fund balance in the Supplemental OAP Health and Medical Care Fund to the General Fund on June 30, 2012. Effective July 1, 2012 (FY 2012-13), the bill: (a) eliminates the annual transfer of \$2,850,000 sales tax revenue to the Supplemental OAP Health and Medical Care Fund; and (b) repeals the Supplemental OAP Health and Medical Care Fund and the Supplemental OAP Health and Medical Care Program.

S.B. 11-211: Senate Bill 11-211 is a companion bill to S.J.R. 11-009, which declares a state fiscal emergency and thus, pursuant to Section 20 of Article X of the State Constitution, allows Amendment 35 tobacco-tax revenues to be used for any health related purpose. This bill allows Amendment 35 tobacco-tax moneys that normally support grants and programs in the Department of Public Health and Environment to be used to offset General Fund appropriations in the Department of Health Care Policy and Financing (HCPF). Specifically, the bill appropriates \$33.0 million of Amendment 35 money to HCPF for Medical Services Premiums. Of this

amount, \$17.8 million is from the Tobacco Education Programs Fund, \$12.0 million is from the Prevention, Early Detection and Treatment Fund, and \$3.3 million is from the Health Disparities Grant Program Fund. These appropriations allow HCPF General Fund appropriations to be reduced by \$33.0 million. For more information on this bill, please see the Recent Legislation Section in the Department of Public Health and Environment.

S.B. 11-212: For FY 2011-12 and FY 2012-13, S.B. 11-212 authorizes the use of \$50.0 million and \$25.0 million, respectively, from the Hospital Provider Fee Cash Fund to offset General Fund expenditures in the Medicaid program.

S.B. 11-215: This bill reduces the per diem rates paid to class I nursing facilities by 1.5 percent. The bill also allows the Department to increase the supplemental Medicaid payments made to providers due to this reduction. This would allow the nursing facilities to use their provider fee to reduce the overall impact of the reduction. In FY 2011-12, a 1.5 percent per diem rate reduction to nursing facilities results in savings of \$8,865,830 total funds. Of this amount, \$4,432,915 is General Fund and \$4,432,915 is federal funds.

S.B. 11-216: The bill changes the distribution of master tobacco settlement moneys to decrease moneys provided to various cash-funded programs. Beginning in FY 2011-12, these moneys are redirected to the Children's Basic Health Plan (CBHP) Trust Fund to offset the program's General Fund costs. Specifically the bill does the following:

- reallocates an additional 3 percent of the Tier 1 distribution of master tobacco settlement moneys to the CBHP program instead of the Comprehensive Primary and Preventative Care Grant (CPPCG) program;
- reallocates an additional 1 percent of the Tier 2 distribution of master tobacco settlement moneys to the CBHP program instead of the Pediatric Specialty Hospital Fund;
- eliminates the transfer of moneys from the Tobacco Tax Cash Fund to the Pediatric Specialty Hospital Fund and redirects this money to the CBHP Trust Fund; and
- eliminates the CPPCG Fund and the Pediatric Specialty Hospital Fund, as these cash funds no longer have any sources of revenue.

In FY 2011-12, the bill reduces appropriations to the Department by \$4,663,402 total funds and 0.2 FTE. Of this amount, \$3,449,967 is General Fund, \$24,363 is cash funds, \$446,100 is reappropriated funds, and \$742,972 is federal funds.

S.B. 11-219: This bill makes several transfers between funds to increase the amount of federal moneys that can be drawn down and used to offset General Fund expenditures in the Medicaid program. Specifically, the bill authorizes the following amounts to be appropriated from tobacco tax revenues that would normally be credited to the Primary Care Fund:

- \$15,775,670 for health-related purposes, and to serve populations enrolled in the Children's Basic Health Plan and the Colorado Medical Assistance Program;
- \$21,510,000 to the Colorado Health Care Services Fund; and
- \$1,722,330 to the Primary Care Special Distribution Fund.

These transfers were only allowed because the General Assembly enacted S.J.R. 11-009, which declared a fiscal emergency to allow cigarette tax revenue to be used for any health related purpose.

S.J.R. 11-009: Declares a state fiscal emergency for FY 2011-12, which allows Amendment 35 tobacco-tax revenues to be used in that year for any health-related purpose. See the description of S.B. 11-211 for a list of related adjustments to appropriations (both in this Department and the Department of Public Health and Environment).

H.B. 11-1242: This bill requires the Department to study issues concerning the integrated delivery of mental and physical health. The Department, with input from behavior health organizations, community mental health centers, and other health care providers, is required to review existing regulations, reimbursement policies, barriers, and incentives that affect the integrated delivery of health care. The study is to be paid for with gifts, grants, and donations, and matching federal moneys. The Department is required to report its findings to the Joint Budget Committee and legislative committees. In FY 2011-12, the bill appropriates \$113,500 total funds to the Department. Of this amount, \$56,750 is cash funds from gifts, grants, and donations and \$56,750 is federal funds.

2012 Session Bills

S.B. 12-060: Allows counties to retain all fraud recoveries (rather than 50.0 percent) from cases initiated by a county department, county board, district attorney, or the Department of Health Care Policy and Financing on behalf of the county. Requires the Department of Health Care Policy and Financing and the Attorney General to submit annual reports to the legislature on client and provider fraud respectively. Appropriates for the Department of Health Care Policy and Financing, in FY 2012-13, \$5,216 (including \$2,608 General Fund and \$2,608 Federal Funds) and 0.1 FTE for administration, and reduces appropriations for medical services by \$54,156 (\$2,608 General Fund, \$24,470 cash funds from recoveries and recoupments, and \$27,078 federal funds).

S.B. 12-159: Makes changes to the process for evaluating children receiving long-term care services and supports through the Medicaid autism waiver program and program reporting requirements. Requires the Department to annually review available funding to determine if eligibility can be expanded, and to prioritize services for people on wait lists based on objective criteria. Appropriates \$6,925 (\$3,463 Colorado Autism Treatment Fund and \$3,462 federal funds) to the Department of Health Care Policy and Financing for Medical Service Premiums in FY 2012-13.

H.B. 12-1184: Supplemental appropriation to the Department of Health Care Policy and Financing to modify the FY 2011-12 appropriations contained in the FY 2011-12 Long Bill (S.B. 11-209).

H.B. 12-1202: Allows appropriations from the Tobacco Education Programs Fund to the Department of Health Care Policy and Financing to match federal funds for the Colorado QuitLine program operated by the Department of Public Health and Environment. Moves \$288,658 cash funds from the Tobacco Education Programs Fund out of the Department of Public Health and Environment and into the Department of Health Care Policy and Financing in FY 2011-12 to match \$288,658 federal funds, and then reappropriates the total \$577,316 to the Department of Public Health and Environment to operate the QuitLine program.

H.B. 12-1246: Reverses the payday shift for state employees who are paid on a biweekly basis. Appropriates \$285,719 to the Department for FY 2012-13, including \$157,109 General Fund and \$128,610 Federal Funds. For additional information, see the "Recent Legislation" section at the end of the Department of Personnel.

H.B. 12-1281: Creates the Medicaid Payment Reform and Innovation Pilot Program. Requires the Department of Health Care Policy and Financing to review proposals and select projects to pilot by July 1, 2013. Appropriates \$213,079, (\$106,540 General Fund and \$106,539 federal funds), and 0.8 FTE to the Department of Health Care Policy and Financing in FY 2012-13 to evaluate payment projects and for reporting requirements.

H.B. 12-1335: General Appropriations Act for FY 2012-13.

H.B. 12-1339: Establishes design criteria, details reporting requirements, and appropriates funding for the Colorado Benefits Management System (CBMS) improvement and modernization project. Appropriations for the Department of Health Care Policy and Financing include \$3.7 million in FY 2011-12 and \$8.6 million in FY 2012-13. For more detail about the bill and the appropriations see the description in the Department of Human Services section of this report.

H.B. 12-1340: For FY 2012-13, continues a 1.5 percent reduction in the General Fund portion of per diem rates paid to class I nursing facilities that was in place in FY 2010-11 and FY 2011-12. Allows the Department of Health Care Policy and Financing to increase the supplemental Medicaid payments made to nursing providers to offset this reduction. Reduces appropriations for Medical Service Premiums by \$9,024,676, including \$4,512,338 General Fund and \$4,512,338 federal funds.

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 the Department. The Commission is responsible for negotiating performance contracts with public higher education institutions. Financial aid programs also fall under the purview of CCHE. The executive director of CCHE is also 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.

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 graduate education and other educational services not covered by the stipends. 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.

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 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
General Fund/1	\$428,761,033	\$705,108,145	\$623,962,700	\$619,261,908
Cash Funds	1,433,870,516	1,614,730,367	1,720,379,975	1,851,045,974
Reappropriated Funds	362,747,643	643,769,858	550,656,940	544,570,013
Federal Funds	<u>402,284,178</u>	<u>49,455,658</u>	<u>19,014,815</u>	<u>19,113,229</u>
Total Funds	\$2,627,663,370	\$3,013,064,028	\$2,914,014,430	\$3,033,991,124
Full Time Equiv. Staff	20,954.9	21,397.0	21,490.8	21,458.9

/1 Includes General Fund Exempt.

General Factors Driving the Budget

Overview and Organization

The public higher education system serves roughly 210,000 students annually (note that total students is not equivalent to student FTE). Approximately 45.0 percent of the students attend 2-year and certificate institutions. These include state-operated community colleges, local district junior colleges that receive regional property tax revenues in addition to state funding, and area vocational schools that offer occupational certificates and serve both secondary and post-secondary students. Students attending institutions that offer baccalaureate and higher degrees are concentrated at the University of Colorado, Colorado State University, and Metropolitan State College of Denver.

The Colorado Commission on Higher Education (Commission) coordinates the higher education delivery system, including requests for state funding. The Commission has some regulatory authority over the public higher education institutions in areas such as role and mission, degree programs, the transfer of credits, and performance reporting. However, each institution has a governing board that makes policy and budget decisions for the institution.

The General Assembly has delegated significant budgetary control to the governing boards of the higher education institutions. The members of the governing boards are appointed by the Governor, except at the University of Colorado, which has an elected Board of Regents. Within broad parameters the governing boards are allowed to determine how to spend the revenue they earn, and they can retain unspent funds at the end of each fiscal year for future initiatives.

Individual versus Public Responsibility for Funding Higher Education

A key factor driving the budget for the Department of Higher Education is how much policy makers view paying for higher education as an individual versus public responsibility. Opinions vary on when the cost of higher education represents a hardship for students, and to what extent the state has an obligation, if any, to alleviate that hardship in order to provide opportunity and access for students seeking a higher education. There are no statutes, constitutional provisions, or federal guidelines requiring specific amounts of state funding per student.

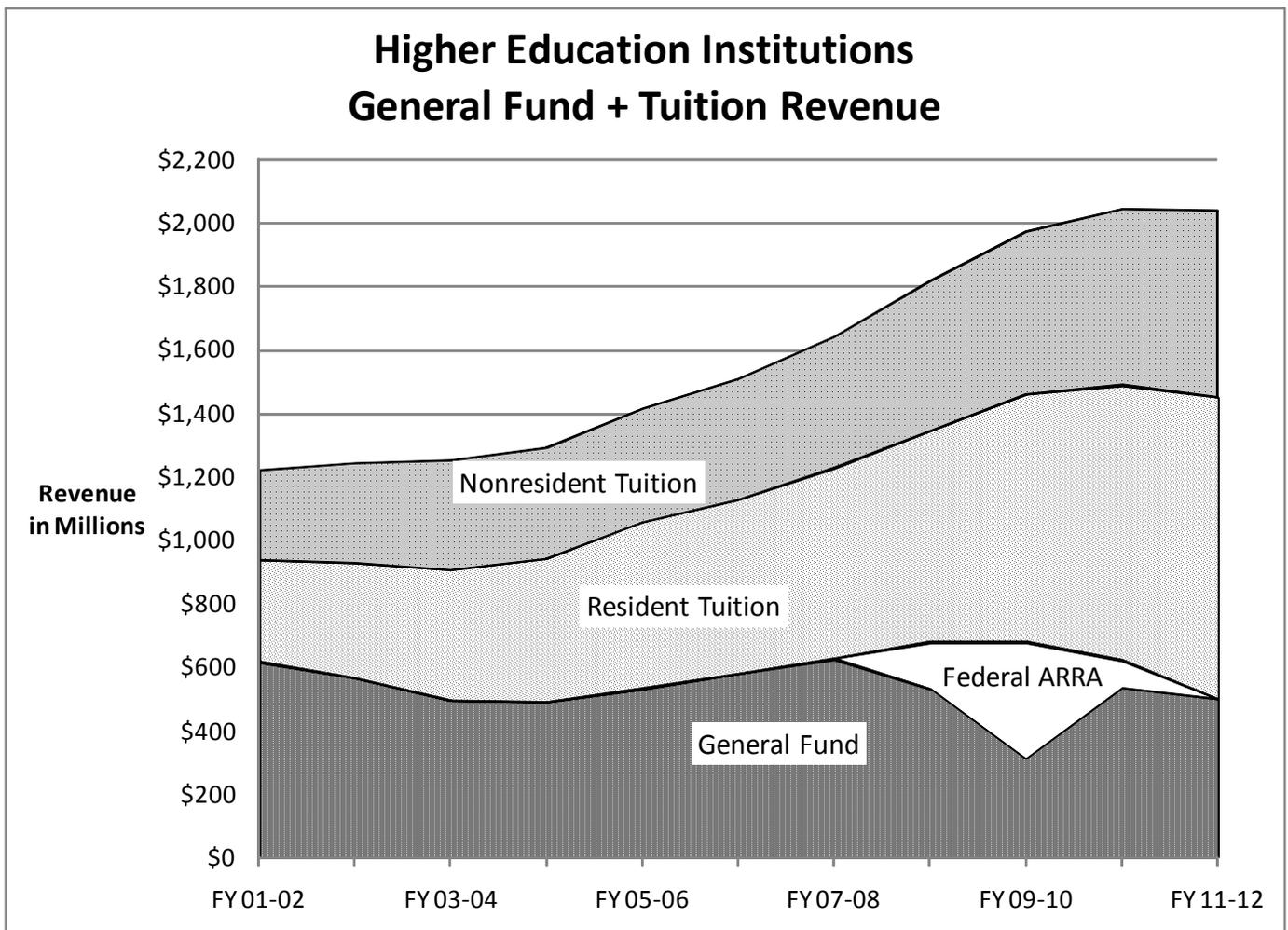
In addition to any state responsibility to provide opportunity and access, there are perceived public benefits from encouraging higher education. An educated populous may attract businesses and cultural resources to the community and is associated with higher wages, lower unemployment, and lower dependence on public resources. It may also be part of strategies to fill unmet needs in the community, such as nurses or teachers or engineers. Subsidizing higher education is frequently described as a form of economic development for the community.

Perceptions about the individual versus public responsibility for higher education can change based on the quality and level of education a student seeks. Students wanting more than just the basics may be expected to contribute more to the cost of their education, but this gets balanced against concerns about relegating low-income students to basic skills institutions. Students pursuing high demand degrees who are projected to earn significant amounts upon graduation may be expected to contribute more to their education, but this may get balanced against economic development goals of encouraging more students in a profession.

Impact of the Statewide Budget Outlook

Statewide General Fund revenues significantly impact higher education appropriations, as evidenced by the sharp declines in General Fund appropriations for higher education 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.

The following chart illustrates how federal ARRA funds and tuition augment General Fund revenues for the higher education institutions, and may provide a portion of the explanation for why higher education has historically been such a big part of budget balancing efforts in Colorado and other states during recessions. It should be noted that the chart does not include adjustments for changes in the number of students served, inflationary factors impacting the cost of providing services, or analysis of whether resources are being used optimally by the higher education institutions, and thus the chart is not intended to draw conclusions about the adequacy of General Fund and tuition resources. It is fair, however, to observe from the chart that increases in tuition and decreases in General Fund have transferred more of the burden for funding higher education from state tax revenues to students and their families.



The availability of alternative fund sources for higher education may partly explain the disproportionate reductions for higher education. During these years tuition charges increased significantly, and from FY 2008-09 through FY 2010-11 federal money available through the American Recovery and Reinvestment Act of 2009 (ARRA) was used to offset General Fund reductions.

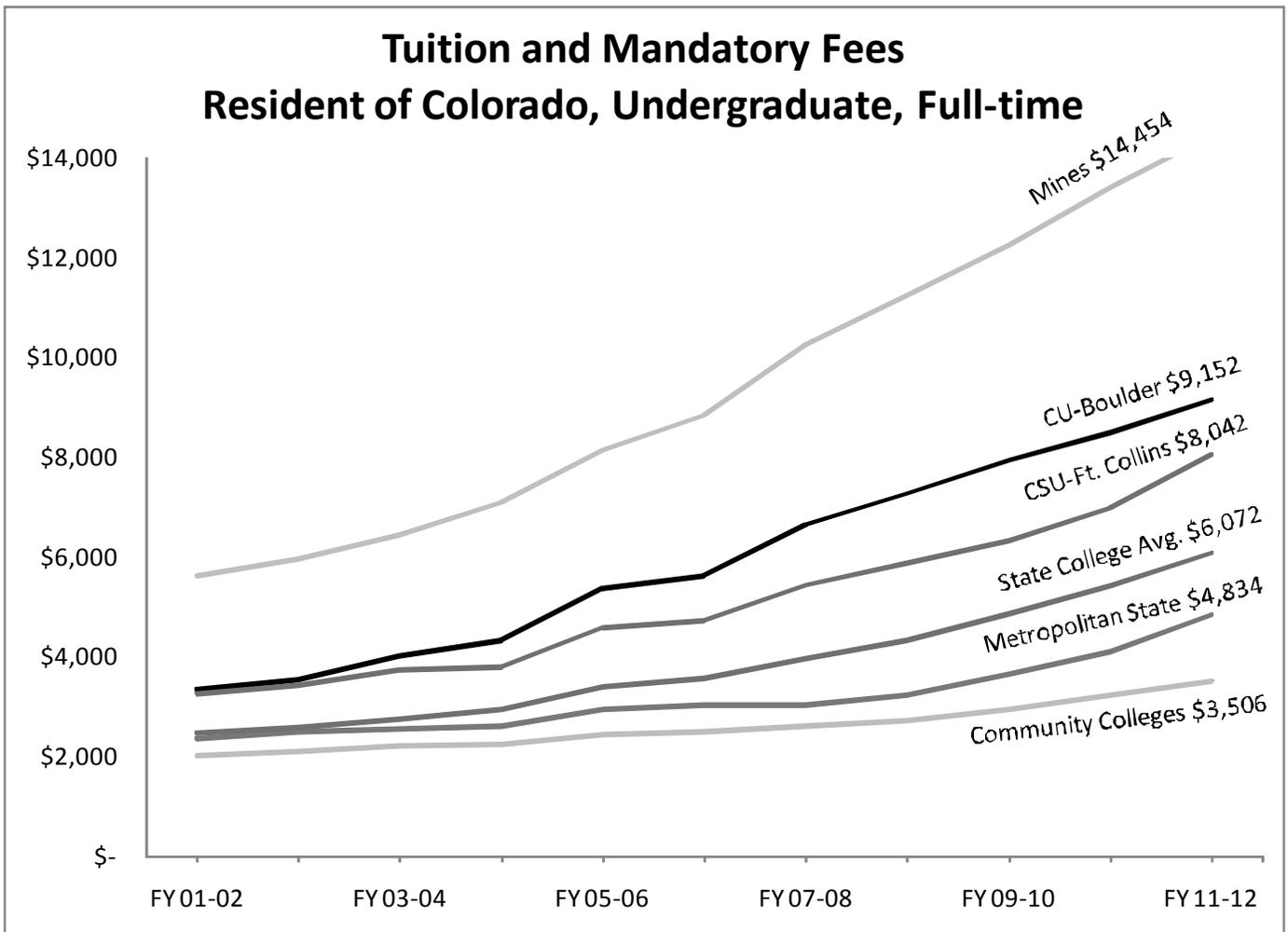
As a condition of accepting the ARRA federal funds for education, the federal government required states to maintain at least the FY 2005-06 General Fund appropriation level for higher education institutions through FY 2010-11. In FY 2009-10 Colorado qualified for a waiver from this maintenance of effort requirement, but not in FY 2010-11. This explains the sharp decrease and subsequent restoration of General Fund in FY 2009-10 and FY 2010-11

Tuition and Fees

Tuition and fee rates are a central consideration in discussions about access and affordability. Projected tuition and fee revenue for the governing boards influences legislative decisions about how much General Fund to appropriate for stipends and fee-for-service contracts.

Senate Bill 10-003 temporarily delegated tuition authority to higher education governing boards from FY 2011-12 through FY 2015-16 (five years). During this time frame, governing boards may increase resident undergraduate tuition rates up to 9.0 percent per year, and they may 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. When the provisions of S.B. 10-003 expire, the responsibility to set tuition spending authority reverts to the General Assembly [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.].

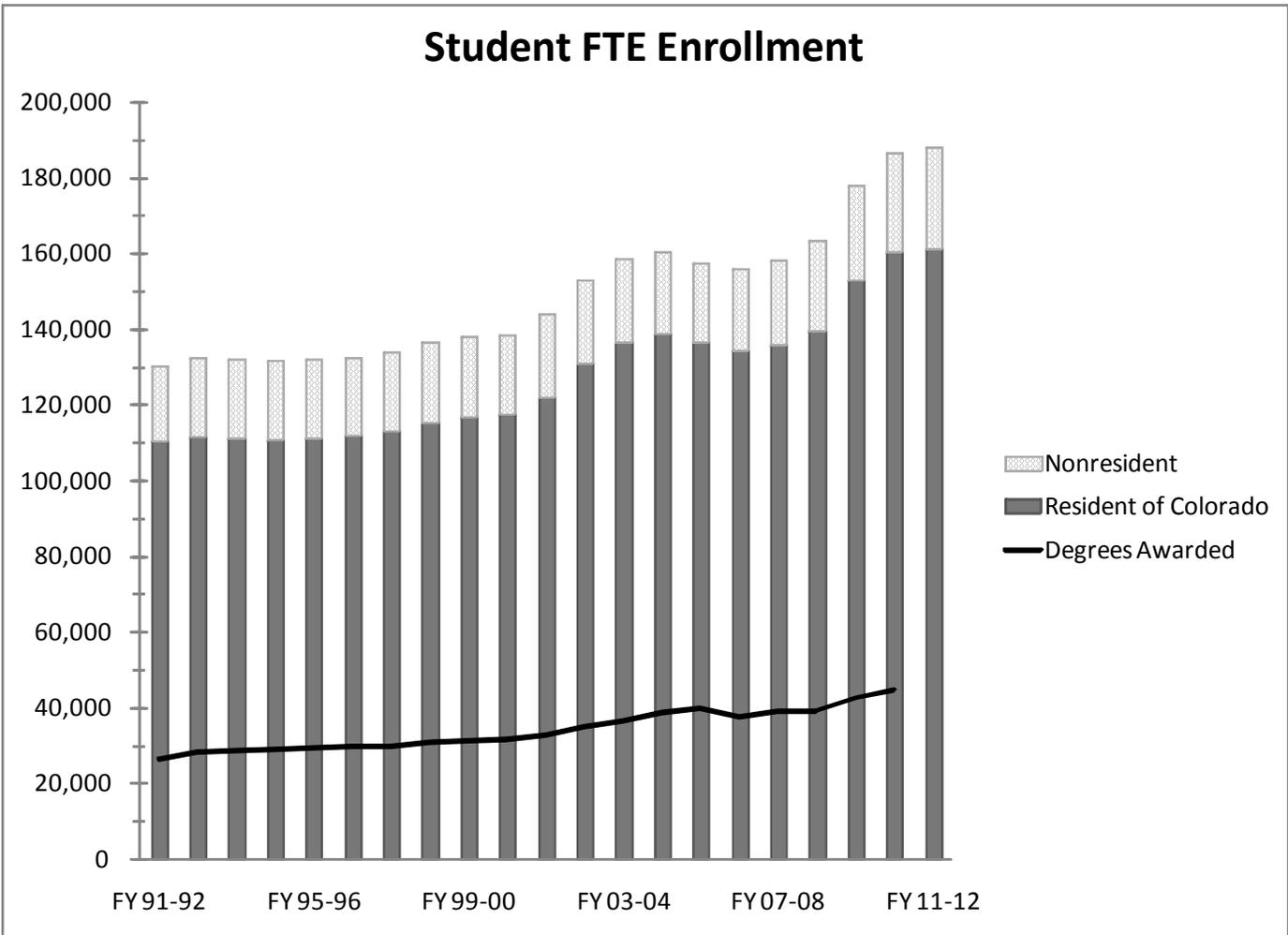
At the time of this publication, rates for the 2012-13 academic year had not yet been set by all governing boards, and so the chart below shows rates through FY 2011-12. All rates are for students who are full-time (30 credit hours per year), beginning their studies, Colorado resident, undergraduate, and taking liberal arts and sciences courses.



Enrollment

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

Enrollment tends to be counter-cyclical. In other words, when the economy slows, higher education enrollment grows more rapidly. The following chart reports student FTE over the last 20 years. 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 2009-10). This is an unduplicated count of graduates. The relatively modest enrollment growth in the 1990's and significant growth in the 2000's correlate closely with the economic circumstances of the state during those time frames.



Personnel

Higher education governing boards are allowed by statute to determine the number of employees they need, but the appropriations reflect estimates provided by the governing boards of the number of employees at their institutions, which for FY 2012-13 total 21,119.7 FTE. This doesn't include 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 (60 percent) is spent on instructional faculty. Of total personnel costs, roughly 23 percent are associated with classified staff where the salaries and benefits are defined by the state personnel system and policies of the General Assembly, and the other 77 percent are for exempt staff where the governing boards have control of compensation. The market for tenure-track faculty is national. Pressure to offer compensation to professors that is competitive with peer institutions in other states, and for some degree programs competitive with the private sector, is a significant factor in higher education institution expenditures.

College Opportunity Fund Program

Colorado uses a method of distributing higher education funding that is unique from other states. Instead of appropriating General Fund directly to the institutions for their day-to-day operations, the General Assembly appropriates money into a fund that provides stipends to eligible undergraduate students. In addition, the General Assembly appropriates money for differences in the cost of programs at each institution. This second

appropriation for cost differentials gets to the institutions through what are called fee-for-service contracts between the Commission and the governing boards.

It may be helpful to focus on the sum of stipends and fee-for-service contracts, rather than each separately. In practice, once stipends and fee-for-service contracts are paid to a higher education institution the institution makes no distinction between them. The sum of stipends and fee-for-service contracts is the state General Fund support provided to each institution for their operations.

The bill that authorized stipends and fee-for-service contracts (S.B. 04-189) also provided a mechanism for designating 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 General Fund appropriations for higher education in FY 2012-13, \$104.2 million (16.8 percent) are for financial aid. The majority of the money goes for need based aid and work study. There are also a number of smaller, special purpose financial aid programs. Financial aid funds are appropriated to the CCHE and then allocated to the institutions, including approximately \$6.5 million in FY 2011-12 for private institutions, based on formulas that consider financial need at the schools, total student enrollment, and program eligibility criteria.

The federal government also provides a significant amount of financial aid for students. The majority of federal grants come through the Pell program for the neediest students. Federal legislation recently increased the maximum Pell grant for a full-time student to \$5,550 in FY 2010-11, from \$4,731 in FY 2008-09. The legislation also expanded eligibility. In FY 2010-11, the average adjusted gross income of the families of dependent students receiving the full Pell award was \$19,501, compared to \$18,352 in FY 2009-10, and the average of students receiving any Pell award was \$31,187, compared to \$37,881 in FY 2009-10.

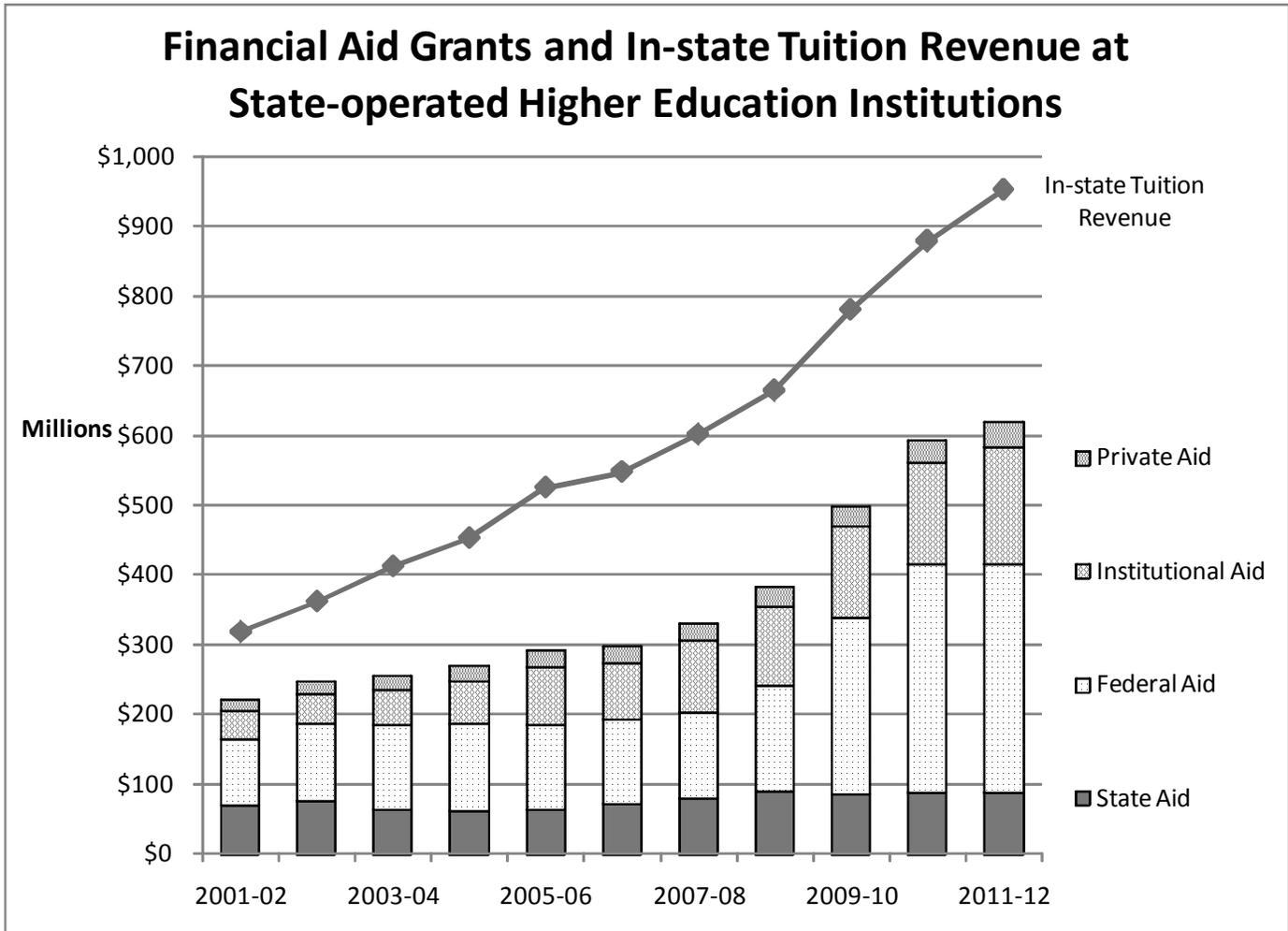
The federal government also provides low-interest guaranteed loans and tax credits and deductions for tuition. Sixty-seven percent of students completing a bachelor's degree in FY 2010-11 from public institutions graduated with the support of federal student loans, and the average amount of federal loans for people graduating with debt was \$23,268.

Another source of funding for financial aid is money set aside by the institutions. Some of the money comes from fundraising, but the majority comes from the operating budgets of the schools. There is significant variation in the amount of money available by institution based on differences in school policies and fundraising.

The following graph shows financial aid grants from various sources awarded to students attending state-operated higher education institutions. As an indication of the buying power of financial aid grants, the chart also provides information on total resident tuition revenues collected. However, it should be noted that financial aid is used for more than paying tuition. It also helps pay for expenses related to room, board, transportation, student fees, and learning materials. Depending on the institution, these other costs of attendance can dwarf the price of tuition. Also, the graph does not take into account changes in the economic

circumstances of the overall student population, including the number of students with financial need and the amount of need for those students.

Between FY 2008-09 and FY 2010-11 there were changes in the Pell eligibility criteria, an increase in the maximum Pell award, and increases in the number of low-income students qualifying for Pell awards. These changes account for the significant increase in federal funds granted in those fiscal years.



Summary of FY 2011-12 and FY 2012-13 Appropriations

Department of Higher Education						
	Total Funds	General Fund/1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Total Appropriation:	\$2,914,014,430	\$623,962,700	\$1,720,379,975	\$550,656,940	\$19,014,815	21,490.8
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Department Administrative Office	2,344,683	0	1,450,228	723,624	170,831	0.0
Colorado Commission on Higher Education	7,438,367	0	4,383,172	2,683,149	372,046	38.3
Colorado Commission on Higher Education Financial Aid	104,769,698	103,640,706	0	528,992	600,000	0.0
College Opportunity Fund Program	500,544,672	500,544,672	0	0	0	0.0
Governing Boards	2,187,348,478	0	1,685,507,075	501,841,403	0	21,119.7
Local District Junior College Grants	12,506,424	11,909,951	596,473	0	0	0.0
Division of Occupational Education	51,832,153	7,664,871	0	27,209,520	16,957,762	32.0
Auraria Higher Education Center	17,670,252	0	0	17,670,252	0	172.9
History Colorado	29,559,703	202,500	28,443,027	0	914,176	127.9
<u>Breakdown of Total Appropriation by Bill</u>						
SB 11-209	2,880,159,837	624,242,230	1,697,240,594	539,636,738	19,040,275	21,489.8
SB 11-052	0	0	0	0	0	2.0
SB 11-076	(199,811)	(41,484)	(132,867)	0	(25,460)	0.0
SB 11-159	2,051,000	0	2,051,000	0	0	0.0
HB 11-1155	(76,446)	(76,446)	0	0	0	(1.0)
HB 11-1281	(161,600)	(161,600)	0	0	0	0.0
HB 12-1185	11,020,231	0	29	11,020,202	0	0.0
HB 12-1335	21,221,219	0	21,221,219	0	0	0.0
FY 2012-13 Total Appropriation:	\$3,033,991,124	\$619,261,908	\$1,851,045,974	\$544,570,013	\$19,113,229	21,458.9
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Department Administrative Office	2,598,707	0	1,566,929	787,993	243,785	0.0
Colorado Commission on Higher Education	7,386,457	62,261	4,402,240	2,537,370	384,586	38.3
Colorado Commission on Higher Education Financial Aid	104,769,698	104,169,698	0	0	600,000	0.0
College Opportunity Fund Program	494,434,627	494,434,627	0	0	0	0.0

Department of Higher Education						
	Total Funds	General Fund/1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Governing Boards	2,310,909,989	0	1,815,178,631	495,731,358	0	21,084.3
Local District Junior College Grants	12,522,176	11,909,951	612,225	0	0	0.0
Division of Occupational Education	52,465,673	7,664,871	0	27,843,040	16,957,762	32.0
Auraria Higher Education Center	17,670,252	0	0	17,670,252	0	172.9
History Colorado	31,233,545	1,020,500	29,285,949	0	927,096	131.4
<u>Breakdown of Total Appropriation by Bill</u>						
HB 12-1335	3,034,535,714	619,571,953	1,850,970,474	544,880,058	19,113,229	21,494.3
HB 12-1155	75,500	0	75,500	0	0	0.0
HB 12-1283	(620,090)	(310,045)	0	(310,045)	0	(35.4)
Increase/(Decrease)	\$119,976,694	(\$4,700,792)	\$130,665,999	(\$6,086,927)	\$98,414	(31.9)
Percentage Change	4.1%	(0.8)%	7.6%	(1.1)%	0.5%	(0.1)%

/1 Includes \$316,066,667 General Fund Exempt in FY 2011-12 and \$257,100,000 General Fund Exempt in FY 2012-13. See division detail for more information.

Informational Funds: Beginning in FY 2012-13, the Long Bill and other legislation indicate when an amount is shown solely for informational purposes through a new "(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 2012-13 Appropriations containing an (I) notation	\$1,814,829,785	\$0	\$1,795,716,556	\$0	\$19,113,229

FY 2011-12 Appropriation - Mid-year Adjustment Highlights

The FY 2011-12 appropriation was modified during the 2012 Legislative Session to:

1. Increase the appropriation for Administrative Law Judge Services in order to account for a fund balance shortfall.
2. Change the appropriation to the Colorado School of Mines from a direct appropriation to a fee-for-service appropriation to comply with H.B. 11-1074.
3. Decrease the stipends for students attending state-operated institutions by \$9.3 million General Fund to reflect a projected decrease in the eligible population relative to the appropriated level, and increase the General Fund for fee-for-service contracts by a like amount to offset the decreased cost of the stipends.

4. Provide an additional \$37.3 million tuition spending authority and reduce spending authority for academic fees by \$16.1 million based on a more recent projection of revenue.
5. Increase the General Fund Exempt appropriation by \$89.3 million and reduce the General Fund appropriation by the same amount.

FY 2012-13 Appropriation Highlights

The FY 2012-13 appropriation:

1. Reduces state and federal support for the higher education institutions by \$5.8 million, or 1.1 percent, distributed according to a three-part formula developed by the Colorado Commission on Higher Education that considers each institution's share of total funding (including tuition), each institution's share of state and federal funding, and enrollment increases since FY 2005-06.
2. Provides \$0.8 million General Fund to the Cumbres and Toltec Scenic Railroad for track and passenger car rehabilitation.
3. Includes \$127.9 million additional cash funds for tuition to reflect projected revenue with a 9.0 percent increase in Colorado resident tuition rates and a 5.0 percent increase in nonresident tuition rates, and changes in the enrollment forecast. Pursuant to S.B. 10-003, higher education governing boards may increase resident undergraduate tuition rates by up to 9.0 percent without legislative review or approval and may increase resident undergraduate tuition rates by more than 9.0 percent if the Colorado Commission on Higher Education approves a financial accountability plan submitted by the governing board ensuring access and accountability.
4. Increases cash funds spending authority for academic fees by \$2.8 million based on projected enrollment and scheduled escalators in facility fees.
5. Provides \$1.1 million cash funds spending authority and 3.5 FTE to expand existing programs and for operational costs of the new History Colorado Center in Denver at Broadway and 12th Avenue.

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 the Historical Society. These centrally appropriated items include salary survey, risk management, leased space, health benefits, and other miscellaneous expenses. These expenses are not appropriated centrally for the other divisions within the Department. 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 2011-12 Appropriation:						
SB 11-209	\$2,344,654	\$0	\$1,450,199	\$723,624	\$170,831	0.0
HB 12-1185	<u>29</u>	<u>0</u>	<u>29</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$2,344,683	\$0	\$1,450,228	\$723,624	\$170,831	0.0
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$2,344,683	\$0	\$1,450,228	\$723,624	\$170,831	0.0
Centrally appropriated line items	243,293	0	135,902	37,295	70,096	0.0
COFRS modernization	39,319	0	19,614	16,847	2,858	0.0
Statewide IT common policy adjustments	(28,588)	0	(38,815)	10,227	0	0.0
HB 12-1335	<u>\$2,598,707</u>	<u>\$0</u>	<u>\$1,566,929</u>	<u>\$787,993</u>	<u>\$243,785</u>	<u>0.0</u>
TOTAL	\$2,598,707	\$0	\$1,566,929	\$787,993	\$243,785	0.0
Increase/(Decrease)	\$254,024	\$0	\$116,701	\$64,369	\$72,954	0.0
Percentage Change	10.8%	n/a	8.0%	8.9%	42.7%	n/a

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1185 increased the appropriation for Administrative Law Judge Services in order to account for the anticipated usage.

FY 2012-13 Appropriation - H.B. 12-1335 (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; worker's compensation; legal services; administrative law judges; and payment to risk management and property funds.

COFRS modernization: The appropriation includes an increase to fund the first two phases of a five-phase project to replace the statewide accounting system (COFRS) used by the Office of the State Controller to record all state revenues and expenditures.

Statewide IT common policy adjustments: The appropriation includes adjustments to line items appropriated for: purchase of services from the computer center and management and administration of the Governor's Office of Information Technology (OIT).

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 portions of waste tire fees and of 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 2011-12 Appropriation:						
SB 11-209	\$5,276,124	\$0	\$2,342,228	\$2,549,310	\$384,586	37.3
SB 11-052	251,769	0	0	251,769	0	2.0
SB 11-076	(64,080)	0	(10,056)	(41,484)	(12,540)	0.0
SB 11-159	2,051,000	0	2,051,000	0	0	0.0
HB 11-1155	<u>(76,446)</u>	<u>0</u>	<u>0</u>	<u>(76,446)</u>	<u>0</u>	<u>(1.0)</u>
TOTAL	\$7,438,367	\$0	\$4,383,172	\$2,683,149	\$372,046	38.3
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$7,438,367	\$0	\$4,383,172	\$2,683,149	\$372,046	38.3
Restore state PERA contribution	64,080	0	10,056	41,484	12,540	0.0
Indirect cost assessment	0	62,261	(66,488)	4,227	0	0.0
CCHE personal services reduction	(191,490)	0	0	(191,490)	0	0.0
HB 12-1335	\$7,310,957	\$62,261	\$4,326,740	\$2,537,370	\$384,586	38.3
HB 12-1155	<u>75,500</u>	<u>0</u>	<u>75,500</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$7,386,457	\$62,261	\$4,402,240	\$2,537,370	\$384,586	38.3
Increase/(Decrease)	(\$51,910)	\$62,261	\$19,068	(\$145,779)	\$12,540	0.0
Percentage Change	(0.7)%	n/a	0.4%	(5.4)%	3.4%	0.0%

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Indirect cost assessment: The appropriation includes a net decrease in indirect cost assessments.

CCHE personal services reduction: The appropriation reduces the personal services appropriation for the Department of Higher Education and the Colorado Commission on Higher Education administration by 10.0

percent. It also adjusts the source of funds for Need Based Grants based on available indirect cost recoveries in order to realize the General Fund savings.

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 administered by the Commission. The source of cash funds in FY 2010-11 is a one-time appropriation from the CollegeInvest Scholarship Trust Fund to refinance General Fund for need-based grants. The source of reappropriated funds is indirect cost recoveries.

Colorado Commission on Higher Education Financial Aid						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$105,183,067	\$103,920,236	\$0	\$662,831	\$600,000	0.0
SB 11-052	(251,769)	0	0	(251,769)	0	0.0
SB 11-076	0	(41,484)	0	41,484	0	0.0
HB 11-1155	0	(76,446)	0	76,446	0	0.0
HB 11-1281	<u>(161,600)</u>	<u>(161,600)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$104,769,698	\$103,640,706	\$0	\$528,992	\$600,000	0.0
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$104,769,698	\$103,640,706	\$0	\$528,992	\$600,000	0.0
Indirect cost assessment	0	678,998	0	(678,998)	0	0.0
Restore state PERA contribution	0	41,484	0	(41,484)	0	0.0
Native American students	0	0	0	0	0	0.0
CCHE personal services reduction	0	(191,490)	0	191,490	0	0.0
HB 12-1335	<u>\$104,769,698</u>	<u>\$104,169,698</u>	<u>\$0</u>	<u>\$0</u>	<u>\$600,000</u>	<u>0.0</u>
TOTAL	\$104,769,698	\$104,169,698	\$0	\$0	\$600,000	0.0
Increase/(Decrease)	\$0	\$528,992	\$0	(\$528,992)	\$0	0.0
Percentage Change	0.0%	0.5%	n/a	(100.0)%	0.0%	n/a

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Indirect cost assessment: The appropriation includes a net decrease in indirect cost assessments, which is offset by an increase in the General Fund appropriation.

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Native American students: The appropriation increases payments to Fort Lewis College for Native American student tuition waivers provided in FY 2011-12, pursuant to Section 23-52-105, C.R.S. It also adjusts the appropriations for Need Based Grants and Work Study to offset the need for General Fund.

CCHE personal services reduction: The appropriation reduces the personal services appropriation for Department of Higher Education and Colorado Commission on Higher Education administration by 10.0 percent. It also adjusts the source of funds for Need Based Grants based on available indirect cost recoveries in order to realize the General Fund savings.

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/1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$489,524,470	\$489,524,470	\$0	\$0	\$0	0.0
HB 12-1185	11,020,202	11,020,202	0	0	0	0.0
HB 12-1335	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$500,544,672	\$500,544,672	\$0	\$0	\$0	0.0
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$500,544,672	\$500,544,672	\$0	\$0	\$0	0.0
Fee-for-service contracts	(5,048,560)	(5,048,560)	0	0	0	0.0
Stipends State-operated institutions	(751,440)	(751,440)	0	0	0	0.0
HB 12-1335	\$494,744,672	\$494,744,672	\$0	\$0	\$0	0.0
HB 12-1283	<u>(310,045)</u>	<u>(310,045)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$494,434,627	\$494,434,627	\$0	\$0	\$0	0.0
Increase/(Decrease)	(\$6,110,045)	(\$6,110,045)	\$0	\$0	\$0	0.0
Percentage Change	(1.2)%	(1.2)%	n/a	n/a	n/a	n/a

/1 This amount includes a General Fund Exempt appropriation that is detailed in the following table.

General Fund Summary	Total General Fund	General Fund	General Fund Exempt
FY 2011-12 Appropriation	\$500,544,672	\$273,811,339	\$226,733,333
Stipend payments	<u>0</u>	<u>(89,333,334)</u>	<u>89,333,334</u>
FY 2011-12 Adjusted Appropriation	\$500,544,672	\$184,478,005	\$316,066,667
Fee-for-service contracts	(5,358,605)	(5,358,605)	0
Stipend payments	<u>(751,440)</u>	<u>58,215,227</u>	<u>(58,966,667)</u>
Total FY 2012-13 Long Bill Appropriation	\$494,434,627	\$237,334,627	\$257,100,000

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 cap¹, for that fiscal year. This revenue must be placed in the General Fund Exempt Account. The above table shows the amount of General Fund Exempt that is appropriated for FY 2011-12 and FY 2012-13 from the General Fund Exempt Account for higher education pursuant to Sections 24-77-103.6 (2) (b) and 24-77-104.5 (1) (b) (III), C.R.S.

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1185 changes the appropriation to the Colorado School of Mines from a direct appropriation to a fee-for-service appropriation to comply with H.B. 11-1074.

House Bill 12-1335 decreases the stipends for students attending state-operated institutions by \$9,346,500 General Fund to reflect a projected decrease in the eligible population relative to the appropriated level, and increases the General Fund for fee-for-service contracts by a like amount to offset the decreased cost of the stipends. The bill also increases the General Fund Exempt appropriation by \$89.3 million and reduces the General Fund appropriation by the same amount.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Fee-for-service contracts: The appropriation reduces state funding for the higher education institutions (including the Governing Boards, Local District Junior Colleges, and Area Vocational Schools) by \$5.0 million. The reduction is distributed according to a three-part formula developed by the Colorado Commission on Higher Education that considers each institution's share of total funding (including tuition), each institution's share of state funding, and enrollment increases since FY 2005-06. The amount for fee-for-service contracts represents the difference between the total targeted state funds in the CCHE distribution formula for each governing board and the projected stipends for each governing board. For more detail of the impact by institution, see the Governing Boards section.

¹ The "excess state revenues 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 changes.

Stipends State-operated institutions: The appropriation decreases funding based on a projected 0.3 percent decrease in the stipend-eligible student FTE (from 142,309 FTE to 141,905 FTE). For more detail of the impact by institution, see the Governing Boards section below.

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, fee-for-service contracts, and appropriated grants.

Governing Boards						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$2,166,127,259	\$11,020,202	\$1,664,285,856	\$490,821,201	\$0	21,119.7
HB 12-1185	0	(11,020,202)	0	11,020,202	0	0.0
HB 12-1335	<u>21,221,219</u>	<u>0</u>	<u>21,221,219</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$2,187,348,478	\$0	\$1,685,507,075	\$501,841,403	\$0	21,119.7
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$2,187,348,478	\$0	\$1,685,507,075	\$501,841,403	\$0	21,119.7
Tuition	127,881,497	0	127,881,497	0	0	0.0
Academic fees	2,812,524	0	2,812,524	0	0	0.0
State support	(5,800,000)	0	0	(5,800,000)	0	0.0
Tobacco	(623,527)	0	(623,527)	0	0	0.0
Limited gaming	(398,938)	0	(398,938)	0	0	0.0
HB 12-1335	\$2,311,220,034	\$0	\$1,815,178,631	\$496,041,403	\$0	21,119.7
HB 12-1283	<u>(310,045)</u>	<u>0</u>	<u>0</u>	<u>(310,045)</u>	<u>0</u>	<u>(35.4)</u>
TOTAL	\$2,310,909,989	\$0	\$1,815,178,631	\$495,731,358	\$0	21,084.3
Increase/(Decrease)	\$123,561,511	\$0	\$129,671,556	(\$6,110,045)	\$0	(35.4)
Percentage Change	5.6%	n/a	7.7%	(1.2)%	n/a	(0.2)%

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1185 changes the appropriation to the Colorado School of Mines from a direct appropriation to a fee-for-service appropriation to comply with H.B. 11-1074.

House Bill 12-1335 decreases the stipends for students attending state-operated institutions by \$9,346,500 General Fund to reflect a projected decrease in the eligible population relative to the appropriated level, and increases the General Fund for fee-for-service contracts by a like amount to offset the decreased cost of the stipends. Also, the bill provides an additional \$37.3 million in tuition spending authority and reduces spending authority for academic fees by \$16.1 million based on a more recent projection of revenue.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Tuition: The appropriation reflects the projected tuition if institutions increase Colorado resident tuition rates 9.0 percent and nonresident rates 5.0 percent. Pursuant to S.B. 10-003, higher education governing boards may increase resident undergraduate tuition rates by up to 9.0 percent without legislative review or approval, and may increase resident undergraduate tuition rates by more than 9.0 percent if the Colorado Commission on Higher Education approves a financial accountability plan submitted by the governing board ensuring access and accountability. There are no statutory limits on graduate and nonresident tuition rate increases.

	Tuition Spending Authority			FY 2011-12 Colorado Resident Undergraduate Full-time (30 credits)		
	FY 2011-12 Appropriation*	Projected Increases	FY 2012-13 Appropriation	Tuition	Mandatory Fees	Tuition & Fees
Adams	\$17,741,175	\$2,476,616	\$20,217,791	\$3,312	\$2,583	\$5,895
Mesa	46,709,630	7,179,296	53,888,926	\$5,780	\$768	\$6,548
Metro	74,261,932	6,403,375	80,665,307	\$3,809	\$1,025	\$4,834
Western	12,067,550	1,019,949	13,087,499	\$3,922	\$1,582	\$5,504
CSU System	277,547,796	22,614,129	300,161,925	\$6,307	\$1,735	\$8,042
Fort Lewis	32,961,565	1,824,946	34,786,511	\$4,048	\$1,544	\$5,592
CU Regents	698,675,307	53,220,913	751,896,220	\$7,672	\$1,480	\$9,152
Mines	85,356,822	7,891,747	93,248,569	\$12,585	\$1,869	\$14,454
UNC	79,623,428	7,400,639	87,024,067	\$5,300	\$1,324	\$6,624
Community Colleges	250,011,554	17,849,887	267,861,441	\$3,176	\$330	\$3,506
TOTAL	\$1,574,956,759	\$127,881,497	\$1,702,838,256			

* As adjusted by the supplemental add-on.

Academic fees: The appropriation reflects projected academic fees. Academic fees and academic facility fees are a subset of total fees charged by campuses. These fees directly support the academic mission of the institutions. Fees for auxiliary programs like housing, food services, parking, and student government are not appropriated in the Long Bill. The fee projections for Adams State College and Metropolitan State College of Denver and for the Community College of Denver within the Community College system reflect scheduled escalators on facility bond fees implemented in prior years. The remainder of the projected increases are attributable to enrollment.

Academic Fees				
	FY 2011-12 Appropriation*	FY 2012-13 Appropriation	Change	Percent
Adams	\$2,951,165	\$3,323,390	\$372,225	12.6%
Mesa	487,114	501,727	14,613	3.0%
Metro	11,491,744	11,324,551	(167,193)	-1.5%
Western	1,423,275	1,549,505	126,230	8.9%
CSU System	16,753,193	17,255,789	502,596	3.0%
Fort Lewis	1,096,815	1,151,656	54,841	5.0%
CU Regents	37,070,092	38,923,597	1,853,505	5.0%
Mines	4,203,414	4,203,414	0	0.0%
UNC	5,363,000	5,523,890	160,890	3.0%
Community Colleges	9,225,964	9,120,781	(105,183)	-1.1%
TOTAL	\$90,065,776	\$92,878,300	\$2,812,524	3.1%

* As adjusted by the supplemental add-on.

State support: The appropriation reduces state funding for the higher education institutions (including the Governing Boards, Local District Junior Colleges, and Area Vocational Schools) by \$5.8 million, or 1.1 percent. The reduction is distributed according to a three-part formula developed by the Colorado Commission on Higher Education that considers each institution's share of total funding (including tuition), each institution's share of state funding, and enrollment increases since FY 2005-06.

Institution	State Support			
	FY 2011-12*	FY 2012-13	Difference	Percent
Adams	<u>\$11,190,415</u>	<u>\$10,909,111</u>	<u>(\$281,304)</u>	<u>-2.5%</u>
Stipends	2,817,900	2,896,020	78,120	2.8%
Fee-for-service	8,372,515	8,013,091	(359,424)	-4.3%
Mesa	<u>18,500,575</u>	<u>18,630,850</u>	<u>130,275</u>	<u>0.7%</u>
Stipends	11,507,820	12,103,020	595,200	5.2%
Fee-for-service	6,992,755	6,527,830	(464,925)	-6.6%
Metro	<u>36,961,479</u>	<u>36,982,005</u>	<u>20,526</u>	<u>0.1%</u>
Stipends	31,253,580	31,220,100	(33,480)	-0.1%
Fee-for-service	5,707,899	5,761,905	54,006	0.9%
Western	<u>9,344,247</u>	<u>9,114,442</u>	<u>(229,805)</u>	<u>-2.5%</u>
Stipends	2,306,400	2,377,080	70,680	3.1%
Fee-for-service	7,037,847	6,737,362	(300,485)	-4.3%
CSU System	<u>106,476,533</u>	<u>103,979,597</u>	<u>(2,496,936)</u>	<u>-2.3%</u>
Stipends	39,238,560	39,471,060	232,500	0.6%
Fee-for-service	67,237,973	64,508,537	(2,729,436)	-4.1%
Fort Lewis	<u>9,323,117</u>	<u>9,058,839</u>	<u>(264,278)</u>	<u>-2.8%</u>
Stipends	4,274,280	4,162,680	(111,600)	-2.6%
Fee-for-service	5,048,837	4,896,159	(152,678)	-3.0%
CU Regents	<u>145,775,732</u>	<u>141,171,344</u>	<u>(4,604,388)</u>	<u>-3.2%</u>
Stipends	50,789,160	50,805,900	16,740	0.0%
Fee-for-service	94,986,572	90,365,444	(4,621,128)	-4.9%
Mines	<u>16,254,242</u>	<u>15,772,582</u>	<u>(481,660)</u>	<u>-3.0%</u>
Stipends	5,001,540	4,910,400	(91,140)	-1.8%
Fee-for-service	11,252,702	10,862,182	(390,520)	-3.5%
UNC	<u>32,806,606</u>	<u>31,857,095</u>	<u>(949,511)</u>	<u>-2.9%</u>
Stipends	15,004,620	14,971,140	(33,480)	-0.2%
Fee-for-service	17,801,986	16,885,955	(916,031)	-5.1%
Community Colleges	<u>112,832,926</u>	<u>116,190,007</u>	<u>3,357,081</u>	<u>3.0%</u>
Stipends	102,500,880	101,025,900	(1,474,980)	-1.4%

State Support				
Institution	FY 2011-12*	FY 2012-13	Difference	Percent
Fee-for-service	10,332,046	15,164,107	4,832,061	46.8%
Governing Boards	<u>\$499,465,872</u>	<u>\$493,665,872</u>	<u>(\$5,800,000)</u>	<u>-1.2%</u>
Stipends	264,694,740	263,943,300	(751,440)	-0.3%
Fee-for-service	234,771,132	229,722,572	(5,048,560)	-2.2%
Local District Junior Colleges	<u>\$11,909,951</u>	<u>\$11,909,951</u>	<u>\$0</u>	<u>0.0%</u>
Direct grants	11,909,951	11,909,951	0	0.0%
Area Vocational Schools	<u>\$7,664,871</u>	<u>\$7,664,871</u>	<u>\$0</u>	<u>0.0%</u>
Direct grants	7,664,871	7,664,871	0	0.0%
Higher Education Institutions	<u>\$519,040,694</u>	<u>\$513,240,694</u>	<u>(\$5,800,000)</u>	<u>-1.1%</u>
Stipends	264,694,740	263,943,300	(751,440)	-0.3%
Fee-for-service/direct grants	254,345,954	249,297,394	(5,048,560)	-2.0%

* As adjusted by the supplemental add-on.

Tobacco: The appropriation reflects the projection of tobacco revenues distributed by statute to the University of Colorado Health Sciences Center.

Limited gaming: The appropriation includes an estimate of the limited gaming funds that will be distributed to higher education institutions with a two-year mission pursuant to Section 12-47.1-701.5 (3) (c) (I), C.R.S.

Estimated Allocation of Amendment 50 Moneys by Governing Board			
Institution	Estimated Eligible FTE	Percentage of Total	FY12-13 Projected Allocation
Arapahoe	5,800	8.5%	524,506
Colorado Northwestern	654	1.0%	59,143
Aurora	4,550	6.7%	411,466
Denver	7,597	11.2%	687,013
Front Range	12,814	18.8%	1,158,797
Lamar	592	0.9%	53,536
Morgan	1,092	1.6%	98,752
Northeastern	1,420	2.1%	128,414
Otero	1,090	1.6%	98,571
Pikes Peak	10,170	15.0%	919,694
Pueblo	4,896	7.2%	442,755
Red Rocks	6,245	9.2%	564,748
Trinidad State	<u>1,392</u>	<u>2.0%</u>	<u>125,881</u>
Community Colleges	58,312	85.7%	5,273,276
Aims	3,670	5.4%	331,886
Colorado Mountain College	<u>3,100</u>	<u>4.6%</u>	<u>280,339</u>
Local District Total	6,770	10.0%	612,225
Adams State College	240	0.4%	21,704
Colorado Mesa University	<u>2,697</u>	<u>4.0%</u>	<u>243,895</u>
Total	68,019	100.0%	6,151,100

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 and the source of federal funds is the American Recovery and Reinvestment Act of 2009.

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 2011-12 Appropriation:						
SB 11-209	<u>\$12,506,424</u>	<u>\$11,909,951</u>	<u>\$596,473</u>	<u>\$0</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$12,506,424	\$11,909,951	\$596,473	\$0	\$0	0.0
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$12,506,424	\$11,909,951	\$596,473	\$0	\$0	0.0
Limited gaming	15,752	0	15,752	0	0	0.0
HB 12-1335	<u>\$12,522,176</u>	<u>\$11,909,951</u>	<u>\$612,225</u>	<u>\$0</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$12,522,176	\$11,909,951	\$612,225	\$0	\$0	0.0
Increase/(Decrease)	\$15,752	\$0	\$15,752	\$0	\$0	0.0
Percentage Change	0.1%	0.0%	2.6%	n/a	n/a	n/a

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Limited gaming: The appropriation includes an estimate of the limited gaming funds that will be distributed to higher education institutions with a two-year mission pursuant to Section 12-47.1-701.5 (3) (c) (I), 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, and indirect cost recoveries. The federal funds are from the American Recovery and Reinvestment Act, 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 2011-12 Appropriation:						
SB 11-209	<u>\$51,832,153</u>	<u>\$7,664,871</u>	<u>\$0</u>	<u>\$27,209,520</u>	<u>\$16,957,762</u>	<u>32.0</u>
TOTAL	\$51,832,153	\$7,664,871	\$0	\$27,209,520	\$16,957,762	32.0
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$51,832,153	\$7,664,871	\$0	\$27,209,520	\$16,957,762	32.0
Career and Technical Education	633,520	0	0	633,520	0	0.0
HB 12-1335	\$52,465,673	\$7,664,871	\$0	\$27,843,040	\$16,957,762	32.0
TOTAL	\$52,465,673	\$7,664,871	\$0	\$27,843,040	\$16,957,762	32.0
Increase/(Decrease)	\$633,520	\$0	\$0	\$633,520	\$0	0.0
Percentage Change	1.2%	0.0%	n/a	2.3%	0.0%	0.0%

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Career and Technical Education: The appropriation includes a \$633,520, or 2.7 percent, increase in the transfer from the Department of Education to secondary career and technical education programs. The reappropriated funds originate as General Fund or State Education Funds in the Department of Education.

Auraria Higher Education Center

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

Auraria Higher Education Center						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	<u>\$17,670,252</u>	<u>\$0</u>	<u>\$0</u>	<u>\$17,670,252</u>	<u>\$0</u>	<u>172.9</u>
TOTAL	\$17,670,252	\$0	\$0	\$17,670,252	\$0	172.9
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$17,670,252	\$0	\$0	\$17,670,252	\$0	172.9

Auraria Higher Education Center						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 12-1335	<u>\$17,670,252</u>	<u>\$0</u>	<u>\$0</u>	<u>\$17,670,252</u>	<u>\$0</u>	<u>172.9</u>
TOTAL	\$17,670,252	\$0	\$0	\$17,670,252	\$0	172.9
Increase/(Decrease)	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	n/a	n/a	0.0%	n/a	0.0%

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 2011-12 Appropriation:						
SB 11-209	\$29,695,434	\$202,500	\$28,565,838	\$0	\$927,096	127.9
SB 11-076	<u>(135,731)</u>	<u>0</u>	<u>(122,811)</u>	<u>0</u>	<u>(12,920)</u>	<u>0.0</u>
TOTAL	<u>\$29,559,703</u>	<u>\$202,500</u>	<u>\$28,443,027</u>	<u>\$0</u>	<u>\$914,176</u>	<u>127.9</u>
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$29,559,703	\$202,500	\$28,443,027	\$0	\$914,176	127.9
Cumbres and Toltec rehabilitation	1,668,000	818,000	850,000	0	0	0.0
Operations for new museum	1,087,130	0	1,087,130	0	0	3.5
Restore state PERA contribution	135,731	0	122,811	0	12,920	0.0
Centrally appropriated line items	1,352	0	1,352	0	0	0.0
Gaming cities distribution	(1,157,211)	0	(1,157,211)	0	0	0.0
Personal services base reduction	(52,752)	0	(52,752)	0	0	0.0
Annualize prior year funding	(8,408)	0	(8,408)	0	0	0.0
HB 12-1335	<u>\$31,233,545</u>	<u>\$1,020,500</u>	<u>\$29,285,949</u>	<u>\$0</u>	<u>\$927,096</u>	<u>131.4</u>
TOTAL	<u>\$31,233,545</u>	<u>\$1,020,500</u>	<u>\$29,285,949</u>	<u>\$0</u>	<u>\$927,096</u>	<u>131.4</u>

History Colorado						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Increase/(Decrease)	\$1,673,842	\$818,000	\$842,922	\$0	\$12,920	3.5
Percentage Change	5.7%	404.0%	3.0%	n/a	1.4%	2.7%

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Cumbres and Toltec rehabilitation: The appropriation includes funding to continue the upgrade of the Cumbres and Toltec Scenic Railroad's 69-mile track and rail bed. The appropriation also funds the rehabilitation of the fleet of 24 passenger cars.

Operations for new museum: The appropriation provides cash funds spending authority and FTE for operational costs of the new History Colorado Center in Denver at Broadway and 12th Avenue.

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Centrally appropriated line items: The appropriation includes adjustments to vehicle lease payments.

Gaming cities distribution: The appropriation reflects anticipated distributions to gaming cities for historic preservation based on projected gaming revenues and the constitutional distribution formula.

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services lines.

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

Recent Legislation

2011 Session Bills

S.B. 11-052: Extends the deadline for developing a systemwide master plan for higher education until September 1, 2012, adds new goals to be addressed in the master plan, and provides direction regarding the process for developing the master plan. Requires the Colorado Commission on Higher Education to develop a performance-based funding plan by December 1, 2013. Appropriates \$251,769 General Fund and 2.0 FTE to the Department of Higher Education in FY 2011-12.

S.B. 11-076: For FY 2011-12 only, reduces the employer contribution rate for the State and Judicial divisions of the Public Employees' Retirement Association (PERA) by 2.5 percent and increases the member contribution rate for these divisions by the same amount. In effect, continues the FY 2010-11 PERA contribution adjustments authorized through S.B. 10-146 for one additional year. Reduces the Department's total

appropriation by \$199,811 total funds, of which \$41,484 is General Fund, \$132,867 is cash funds, and \$25,460 is federal funds.

S.B. 11-159: Repeals and reenacts statute related to the distribution of 50.0 percent of the balance remaining in the Limited Gaming Fund that is allocated to the General Fund or other funds (known as the "State share") at the end of FY 2010-11 and each fiscal year thereafter. For more information, see the bill description in the Governor's Office section of this report.

S.B. 11-209: General appropriations act for FY 2011-12.

H.B. 11-1155: Allows the Lieutenant Governor to concurrently serve as the head of a department and be compensated for the performance of additional duties and functions. Reduces appropriations for the Department of Higher Education by \$37,367 General Fund and 0.5 FTE in FY 2010-11 and \$76,446 General Fund and 1.0 FTE in FY 2011-12 to reflect the appointment of the Lieutenant Governor as the executive director for the Department of Higher Education.

H.B. 11-1281: Consolidates the Department of Higher Education's Nursing Teacher Loan Forgiveness Program into the Health Service Corps, a loan forgiveness program for health professionals that is operated by the Department of Public Health and Environment's Primary Care Office. Allows the Department of Higher Education to administer remaining obligations of the Nursing Teacher Loan Forgiveness Program until they are paid and retains a \$227,000 balance in the Nursing Teacher Loan Forgiveness Fund (Fund) for this purpose. At the end of FY 2010-11, transfers any Fund balance in excess of \$227,000 to the General Fund. Eliminates a \$161,600 General Fund appropriation to the Department of Higher Education for the Nursing Teacher Loan Forgiveness Program that is contained in the FY 2011-12 Long Bill. For more information, see the bill description in the Department of Public Health and Environment section of this report.

2012 Session Bills

H.B. 12-1155: Specifies the minimum indicators of a student's academic performance that institutions of higher education use to determine the eligibility of first-time freshman and transfer students. Modifies the policies that the Colorado Commission on Higher Education (CCHE) establishes by which state institutions of higher education offer remedial education and ensures that the policies align with admissions policies. Requires the Department of Higher Education to share the annual enrollment report with the Department of Education, in addition to other education policy makers. Clarifies the CCHE's authority in defining an institution's role and mission. Modifies and clarifies the way in which the State regulates private institutions of higher education (private colleges), including for-profit proprietary schools, non-profit schools, career and technical colleges, and seminaries and religious training institutions. Appropriates \$75,500 cash funds (from fees paid by private colleges and universities) to the Department of Higher Education.

H.B. 12-1185: Supplemental appropriation to modify appropriations to the Department of Higher Education for FY 2011-12.

H.B. 12-1283: Consolidates Colorado's homeland security functions, personnel, and resources, enacted under Executive Order D 2011-030, into a new Division of Homeland Security and Emergency Management within the Department of Public Safety. Transfers \$310,045 and 35.4 FTE from the Colorado State University state forest service to the Division of Fire Safety in the Department of Public Safety. For more information, see the bill description in the Department of Public Safety section of this report.

H.B. 12-1335: General appropriations act for FY 2012-13. Also includes a supplemental adjustment to modify appropriations to the Department of Higher Education included in the FY 2011-12 Long Bill (S.B. 11-209).

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 persons with developmental disabilities, and contracts for the supervision and treatment of delinquent juveniles.

Department Budget: Recent Appropriations

Funding Source	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
General Fund	\$651,948,502	\$623,196,849	\$619,593,123	\$642,011,487
Cash Funds	351,463,783	341,382,102	329,545,321	336,871,969
Reappropriated Funds	438,101,302	469,989,726	455,037,280	475,870,742
Federal Funds	<u>703,213,520</u>	<u>704,693,428</u>	<u>649,001,182</u>	<u>616,568,241</u>
Total Funds	\$2,144,727,107	\$2,139,262,105	\$2,053,176,906	\$2,071,322,439
Full Time Equiv. Staff	5,491.1	5,177.4	4,849.6	4,878.6

General Factors Driving the Budget

Department funding in FY 2012-13 consists of 31.0 percent General Fund, 16.3 percent cash funds, 23.0 percent reappropriated funds, and 29.8 percent federal funds. Some of the most important factors driving the budget are reviewed below.

Employee Salaries and Benefits

Consistent with statewide policy, the Department of Human Services receives appropriations for staff salaries, health, life, and dental benefits, and the Public Employees' Retirement Association (PERA) pension fund. Funding for staff salaries and benefits 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 salaries and benefits typically drive major annual funding increases, although this growth has been limited in recent years by statewide revenue restrictions.

Consistent with statewide policy, the Department budget increased in FY 2012-13 due to the following factors:

- For FY 2012-13 employees contribute 2.5 percent less of their salaries to the Public Employees Retirement Association (PERA) pension fund than in FY 2011-12, while the employer PERA contribution increases. This reflects the expiration of S.B. 11-076, which increased the employee share in FY 2011-12. In the Department of Human Services, this change drives an increase of \$5.2 million total funds for FY 2012-13, including \$3.0 million General Fund, for FY 2012-13.
- Increases for staff benefits, including increases of \$2.6 million for workers compensation contributions, \$2.0 million for line items that support the long-term solvency of the Public Employees Retirement Association, and \$1.7 million for employee health, life, and dental benefits.

However:

- No funding was provided for staff salary increases for FY 2012-13. In FY 2008-09 (the last year in which salary increases were budgeted), the Department was appropriated \$13.4 million total funds, including \$9.3 million General Fund, for salary survey and performance pay awards.
- Some personal services line items were reduced to account for savings due to position vacancies and potentially lower salaries for some newly hired staff. Reductions of 1.0 percent were applied to all personal services line items except those with less than 20.0 FTE and those that fund 24-hour staff at institutional facilities. This provided FY 2012-13 Department savings of \$4.0 million total funds, including \$2.7 million General Fund, which are expected to be ongoing.

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.

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10*	FY 2010-11*	FY 2011-12	FY 2012-13
Provider Rate Increase/(Decrease)	3.3%	1.5%	1.5%	see note	(2.0)% to (2.5)%	0.0%	0.0%

*Some developmental disability providers were reduced by 2.5 percent and some youth corrections providers were reduced by 2.0 percent mid-year in FY 2009-10. Reductions for these providers were continued at this level in FY 2010-11 while providers not previously cut were reduced 2.0 percent.

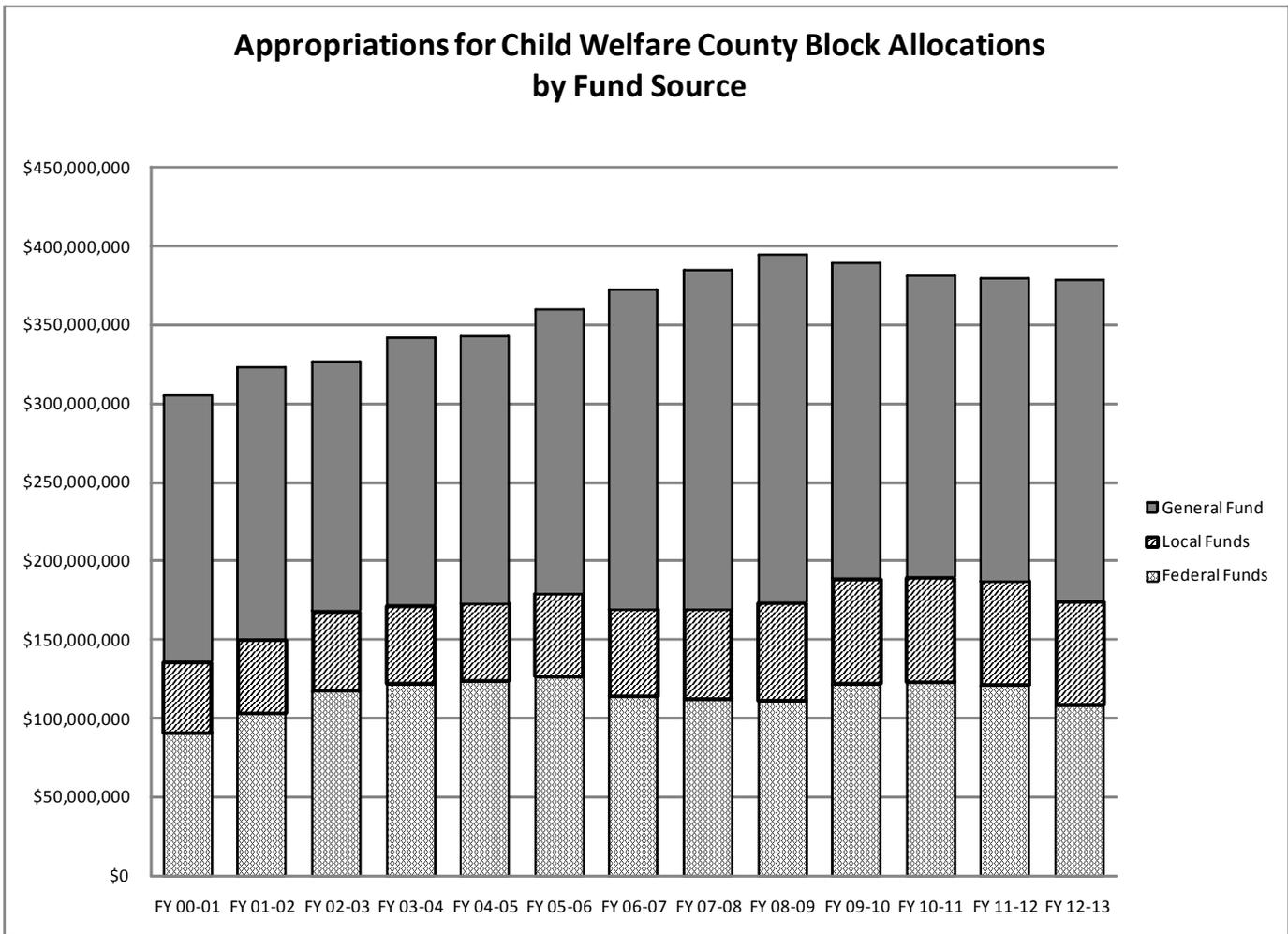
Fiscal year 2012-13 provider rates were continued at FY 2010-11 and FY 2011-12 levels with no statewide or department-wide increases or decreases. The current flat rates follow rate reductions implemented in FY 2009-10 and FY 2010-11. During FY 2009-10, mid-year rate reductions were applied to Medicaid developmental disability providers (2.5 percent) and to youth corrections contract placements (2.0 percent). These cuts were continued in FY 2010-11, and rates for other community providers not affected in FY 2009-10 were reduced by 2.0 percent for FY 2010-11. The full-year impact of these reductions was \$24.3 million, including \$6.8 million General Fund and \$14.4 million Medicaid reappropriated funds (Medicaid funds typically originate as

50 percent General Fund and 50 percent federal funds in the Department of Health Care Policy and Financing). As a result, on average, rates in effect from FY 2010-11 through FY 2012-13 are 0.5 to 1.0 percent below FY 2007-08 levels.

Child Welfare Services

County departments of 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 2012-13 (\$401.5 million) consist of 52.5 percent General Fund, 29.7 percent federal funds, and 17.8 percent county funds and various cash fund sources.¹ The vast majority of funds appropriated for child welfare (over 97 percent) are made available to county departments as "block allocations" for the provision of child welfare services.

The chart below provides the history of appropriations for county block allocations (appropriations for Child Welfare Services and Family and Children's Programs line items) by fund source.



Counties are required to cover 20 percent of most child welfare costs, and this share is included in county child welfare allocations. In addition, 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

¹General Fund and federal funds amounts include Medicaid funds appropriated in the Department of Health Care Policy and Financing that are transferred to the Department of Human Services.

(TANF) block grant funds or county tax revenue. Historically, total spending by counties exceeded state allocations by 3-5 percent per year. However, since FY 2008-09, counties have reduced spending more rapidly than the State has reduced child welfare allocations. In net, county expenditures for FY 2010-11 fell below allocations, and a similar pattern is expected for FY 2011-12.

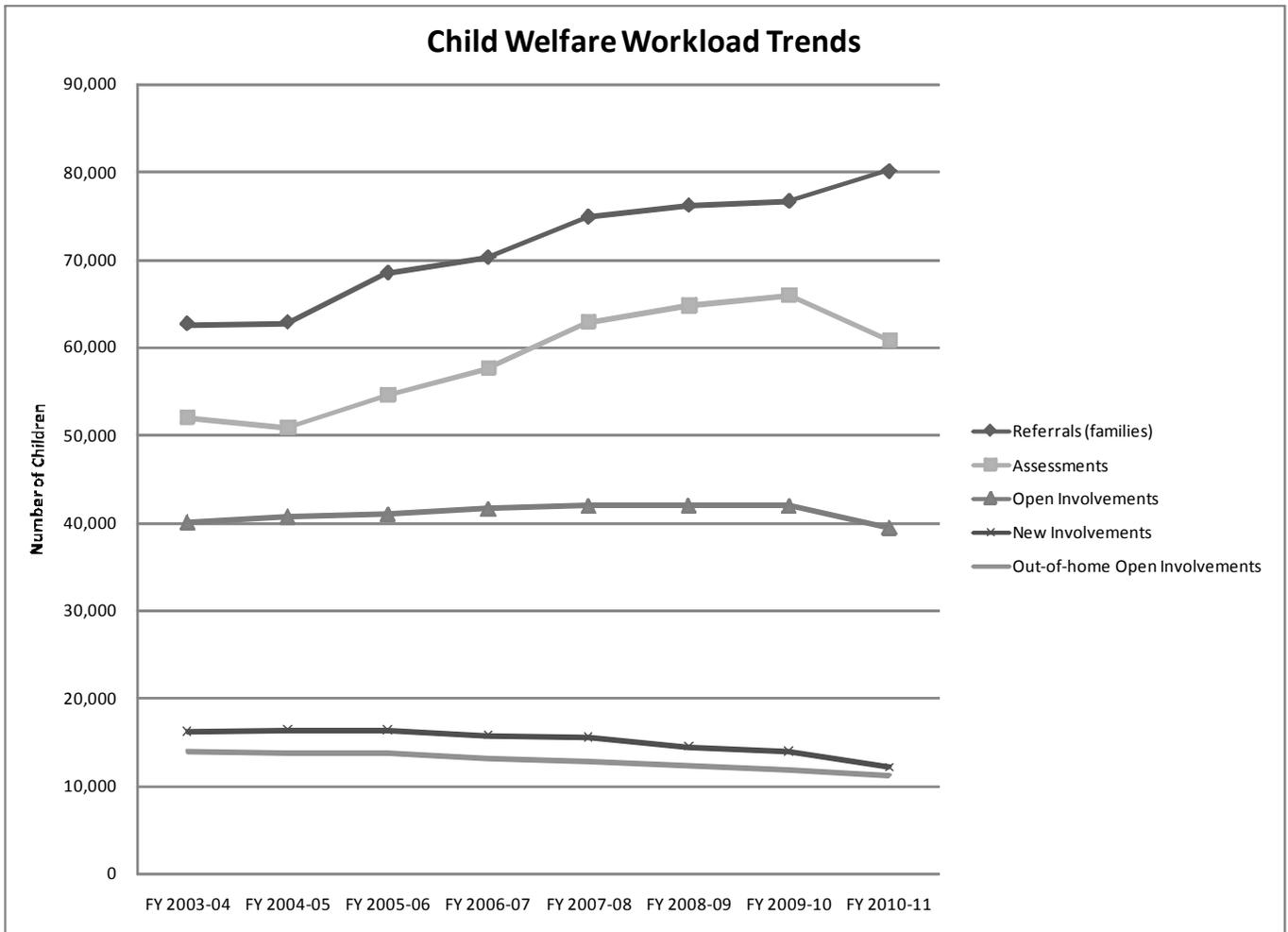
Counties have been able to contract spending for child welfare services because they have considerable control over their child welfare expenditures. Over the last several years, counties have made significant changes in how they respond to allegations of abuse and neglect and the kinds of services they 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 sharply, but the number of open child welfare cases, new child welfare involvements, out-of-home placements, and (as of FY 2010-11) the number of child welfare assessments (investigations) have all declined. Thus, the percentage of reports of abuse or neglect that result in county intervention through the child welfare system has declined substantially. There is no evidence that this is leading to worse outcomes for children, and it appears likely that these workload trends will continue based on new approaches for responding to allegations of abuse and neglect. It is still uncertain how these workload trends will affect future state, county, and federal funding levels.

Services for People with Developmental Disabilities

Community and Home-Based Services Waivers

Services for people with developmental disabilities are long-term (typically for the individual's life time), and different from the standard medical services funded through Medicaid because Colorado negotiates with the federal government for these three specific waiver programs. This enables Colorado to provide selective services to individuals with developmental disabilities for longer durations than would be possible under the standard Medicaid program, and to limit the number of individuals served. Colorado's three waiver programs for individuals with development disabilities are:

1. Adult Comprehensive Services which are residential services, and the associated support services, for adults who require intensive, around the clock care.
2. Supported Living Services which are services are for adults who do not require residential care, and live independently or with family members. Supported living services are intended to provide support to the individual which enables them to continue to live in the community.
3. Children's Extensive Support Services which are support services for families with a child (or children) who requires a high level of daily supervision. These services enable the family to keep the child (children) in the family home.

The majority of the Division's funding is for these waiver programs. The following three tables provide information on the historical funding, number of placements, and average cost per placement for each of the waiver programs. Appropriated placements (abbreviated as Approp. Placements in the table) are the number of full-time placements the General Assembly has provided funding for (similar to how an FTE does not necessarily equal one employee). This number does not equal the number of unduplicated adults/children served by each waiver program.

Adult Comprehensive Waiver Expenditures, Placements, and Average Cost per Placement						
	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Approp	FY 2012-13 Approp
Waiver Cost	\$202,902,597	\$252,339,448	\$255,829,750	\$304,569,950	\$294,416,214	\$303,205,654
Number of Approp. Placements	3,872	3,872	4,230	4,287	4,169	4,268
Average Cost per Placement	\$52,403	\$65,170	\$60,480	\$71,045	\$70,620	\$71,047

Supported Living Services Waiver Expenditures, Placements, and Average Cost per Placement						
	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Approp	FY 2012-13 Approp
Waiver Cost	\$46,431,137	\$53,934,755	\$44,974,958	\$45,391,603	\$41,530,106	\$44,117,306
Number of Approp. Placements	3,584	3,584	3,940	3,955	3,990	4,050
Average Cost per Placement	\$12,955	\$15,049	\$11,415	\$11,477	\$10,409	\$10,892

Children's Extensive Support Waiver Expenditures, Placements, and Average Cost per Placement						
	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Approp	FY 2012-13 Approp
Waiver Cost	\$5,756,235	\$6,913,410	\$7,158,025	\$7,956,073	\$7,873,966	\$7,530,361
Number of Approp. Placements	395	395	393	393	393	393
Average Cost per Placement	\$14,573	\$17,502	\$18,214	\$20,244	\$20,036	\$19,161

The FY 2012-13 Long Bill contains funding for a total of 173 new comprehensive and supported-living services waivers. The majority of these new placements will go to individuals aging out of foster care or off of the children's extensive support waivers. The following table provides additional details on the distribution and cost of these new placements.

Summary of New Placements Added to the Developmental Disabilities Waivers for FY 2012-13						
Waiver Type	Service Area	Number of Full Year Resources	Avg. Cost per Resource	Months in FY 2012-13	Total FY 2012-13 Cost	FY 2012-13 Net GF
Adult Comp.	Youth transitioning out of foster care into comprehensive services	46	\$79,037	7.1	\$2,151,124	\$1,075,562
Supported Living	Youth aging off of the HCBS-CES waiver to the SLS waiver	50	15,242	6.0	431,857	215,929
Adult Comp.	Emergency comprehensive resources	47	79,037	6.8	1,857,370	928,685
Supported Living	SLS resources for high-risk individuals on the SLS waiting list	30	15,242	6.0	228,630	114,315
	Target case management for new resources	173	2,137	6.5	200,327	100,164
Total					\$4,869,308	\$2,434,654

Two Colorado population trends are contributing to an increase in demand for, and cost of, waiver programs. The first trend is the continued growth in Colorado's general population, which is increasing the number of individuals eligible for waiver services, thus increasing the size of the waiting list. The second trend is the aging of Colorado's Baby Boomer population. This population tends to represent a large portion of the care givers for population of adult children with developmental disabilities either receiving no waiver services or services through the supported-living waiver. As these parents/care givers age, the need for more comprehensive care for these adult children increases. This need is driving an increase in the demand for supported living services and residential services.

In addition, the quality of services and care provided to individuals with developmental disabilities has improved, allowing these individuals to live longer. The increased life-span of adults with developmental disabilities increases the cost of waiver service and limits the number of placements available each year.

Despite annual increases by the General Assembly to support additional placements, the funding for waiver services has not matched the increase in demand. This has resulted in a continuing growth of the waiting list for developmental disabilities waiver services as outlined in the following table.

Summary of the December 30, 2011 Service for People with Disabilities Waiting List		
	Unduplicated Count	High Risk Individuals
Adult Services Waiting List		
Not Currently Receiving Any Services - HCBS-DD	904	266
Currently in HCBS-SLS, waiting for HCBS-DD	594	200
Total Count for HCBS-DD	1,498	466
Total Count for SLS	410	77
Total Unduplicated Adult Services (HCBS-DD and HCBS-SLS)	1,908	543
Children and Family Support Services		
Waiting for HCBS-CES	415	
Waiting for Family Support Services	5,430	
Unduplicated HCBS-CES and Family Support Services	5,845	

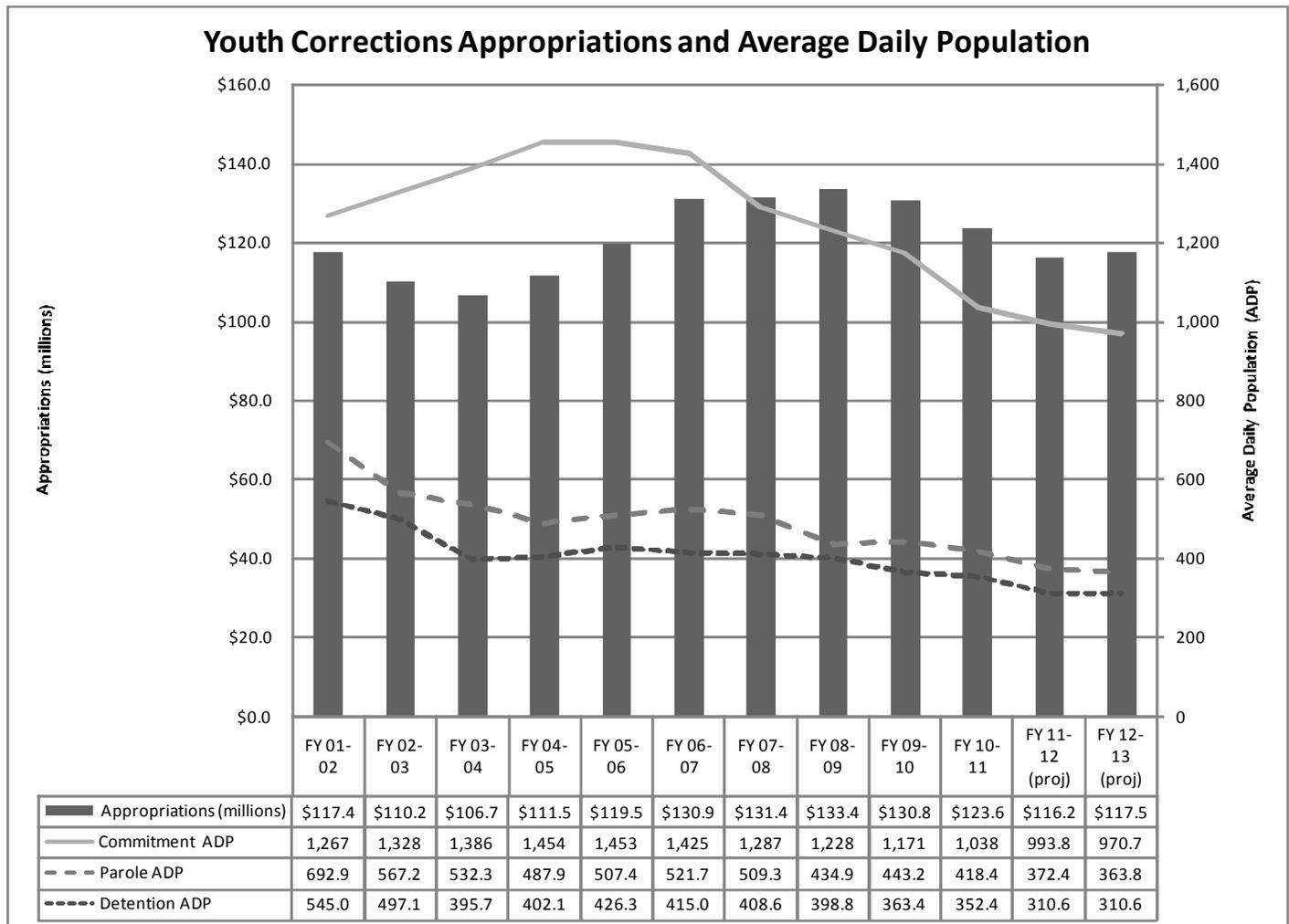
Division of Youth Corrections

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. However, as shown in the chart below, funding increases and declines have not always aligned with population changes.

1. 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.
2. 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.
3. 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.

4. For FY 2012-13, the General Assembly increased funding to enable the Division to eliminate overcrowding in state facilities and to address some staffing coverage issues, although the population served is projected to continue to decline.



Notes: Commitment population projections are based on the average of the Legislative Council Staff and Department of Public Safety Division of Criminal Justice December 2011 projections. Parole population projections are based on the Legislative Council Staff December 2011 projection. Detention population projections are based on year-to-date data through April 2012, with the same level assumed for FY 2012-13.

The Mental Health Institutes

The Department of Human Services operates two State Mental Health Institutes providing inpatient hospitalization for individuals with serious mental illness. The Colorado Mental Health Institute at Fort Logan (Fort Logan), located in southwest Denver County, is organized into a series of adult treatment divisions with 94 total beds. The Colorado Mental Health Institute at Pueblo (CMHIP) is organized into five treatment divisions (adolescent, adult, geriatric, co-occurring mental illness and substance use disorders, and forensics) with 439 total beds. Of the 439 beds at CMHIP, 295 are for forensic patients placed in the legal custody of the Department by the courts for competency evaluations and restoration to competency services. The forensics treatment division also provides services to individuals found not guilty by reason of insanity (NGRI). The forensics treatment division is formally known as the Institute for Forensic Psychiatry (IFP).

The Mental Health Institutes play an important role in the continuum of care in the mental health system in Colorado. Over time, the Institutes have moved away from housing mentally ill patients to providing active treatment in a secure setting with the goal of reintegrating severely mentally ill individuals back into the community. The majority of the patients are currently referred to the Institutes by Community Mental Health Centers (CMHCs) when the patient is too unstable for community services to be effective. The Institutes, therefore, have become the provider of short-term secure stabilization services to the State's most severely mentally ill citizens.

Mental Health Institutes					
	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Approp.	FY 2012-13 Approp.
Institute Budget (total funds)	\$97,979,967	\$95,438,279	\$91,366,006	\$89,720,960	\$92,999,255
FTE (staff)	1,247.8	1,194.5	1,187.5	1,152.4	1,168.1
Ft. Logan Avg. Daily Census (patients)	143	113	98	90	n/a
CMHIP Avg. Daily Census (patients)	<u>402</u>	<u>402</u>	<u>400</u>	<u>399</u>	<u>n/a</u>
Total Avg. Daily Census	545	515	498	489	n/a
Change in Funding	n/a	(2.6)%	(4.3)%	(1.8)%	3.7%
Change in FTE	n/a	(4.3)%	(0.6)%	(3.0)%	1.4%
Change in Census	n/a	(5.5)%	(3.4)%	(1.8)%	n/a

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, Child Care, 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.

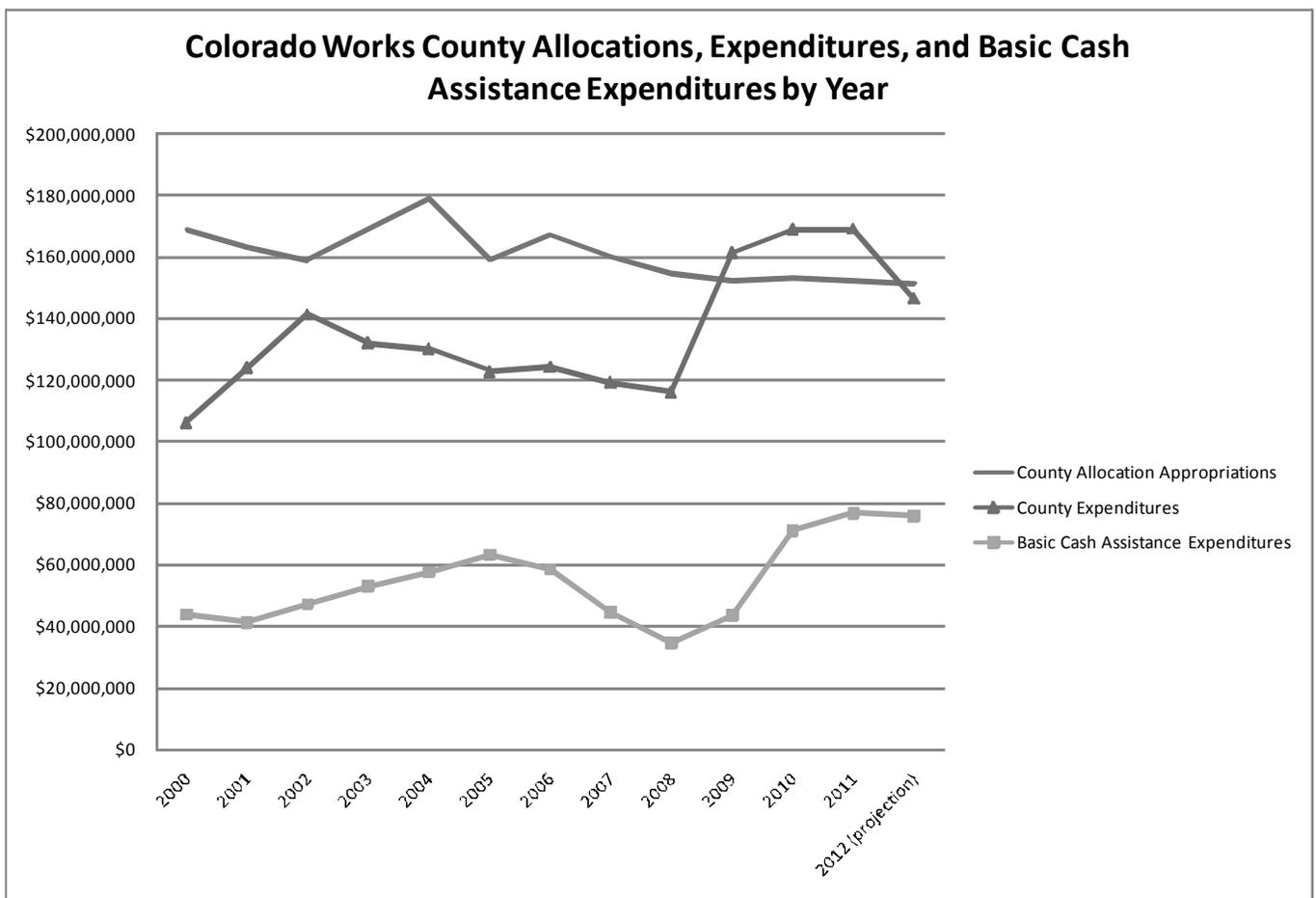
Colorado Works and the Temporary Assistance to Needy Families Block Grant

The Colorado Works Program implements the federal Temporary Assistance for Needy Families (TANF) block grant program. 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. In Colorado, the majority of the TANF block grant funds received each year (\$128.2 million of the of the \$147.9 million received in FY 2011-12) is 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.

- Most recently, Colorado has experienced a \$13.6 million cut to federal funding starting in FY 2011-12, due to the failure of Congress to reauthorize the federal TANF Supplemental Grant. This has resulted in budget cuts to various TANF-supported programs starting FY 2011-12 and FY 2012-13. In addition, temporary FY

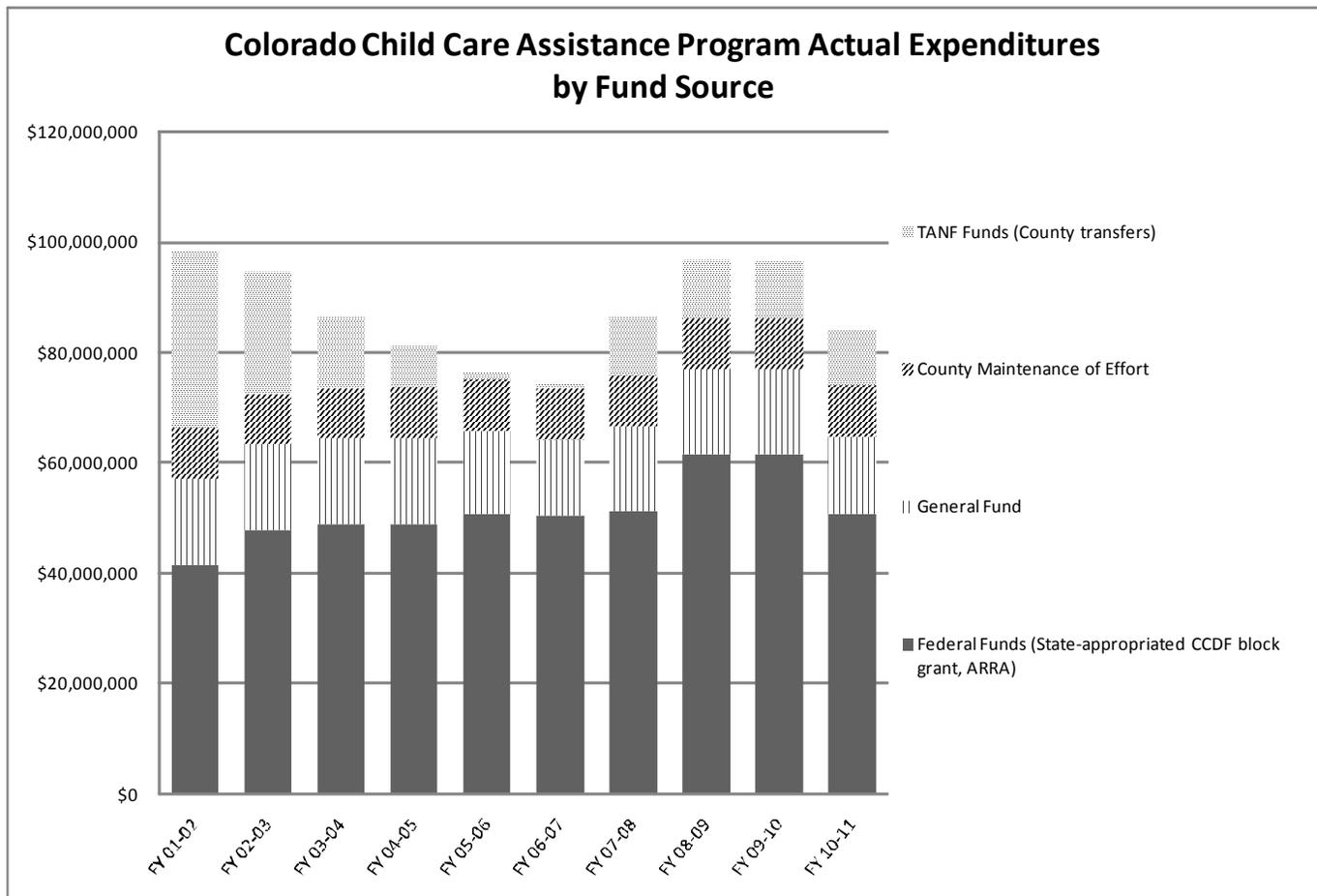
2009-10 increases in TANF available under the American Recovery and Reinvestment Act of 2009 (ARRA) were not continued.

- Although federal and state funding available for the Colorado Works program has been flat or declining, the demand for Colorado Works basic cash assistance climbed sharply starting in FY 2008-09. As of late FY 2011-12, demand remained high due to the lingering effects of the recession.
- From FY 2008-09 through FY 2010-11, counties increased spending on the Colorado Works program in response to the increased demand, relying on county-controlled TANF reserves to support higher spending levels. Starting in FY 2011-12, county spending for Colorado Works contracted in response to reduced federal funding. As the demand for basic cash assistance did not decline in FY 2011-12, cuts have been taken to other parts of county Colorado Works programs.
- In light of state General Fund revenue shortfalls, starting in FY 2009-10, the General Assembly began to refinance some General Fund appropriations for child welfare services with TANF funds from state-controlled TANF reserves. As of FY 2011-12 \$22.5 million in the Division of Child Welfare had been refinanced with TANF funds. However, as state-controlled TANF reserves have been spent down and Colorado's federal TANF allocation has been cut, the General Assembly has begun to reverse this pattern. In FY 2012-13, only \$6.0 million of the Child Welfare appropriation is comprised of TANF funds, and these remaining funds are anticipated to be 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 major driver of overall program expenditures. County spending began to decline in FY 2010-11, as one-time federal funding of over \$10 million per year that was available in FY 2008-09 and FY 2009-10 under ARRA was no longer available, and counties were under financial pressure to use their TANF funds on basic cash assistance and other recession-related Colorado Works program costs. Spending is projected to continue to fall in FY 2011-12 due to the combined impact of county policy changes designed to avoid child care overexpenditures and the new Child Care Automated Tracking System (CHATS), which was implemented in FY 2010-11. This system, which uses a "swipe card" rather than provider reports to create a record of attendance at each child care center, was expected to reduce county expenditures by \$5 to \$10 million per year associated with reduced fraud and improper payments.

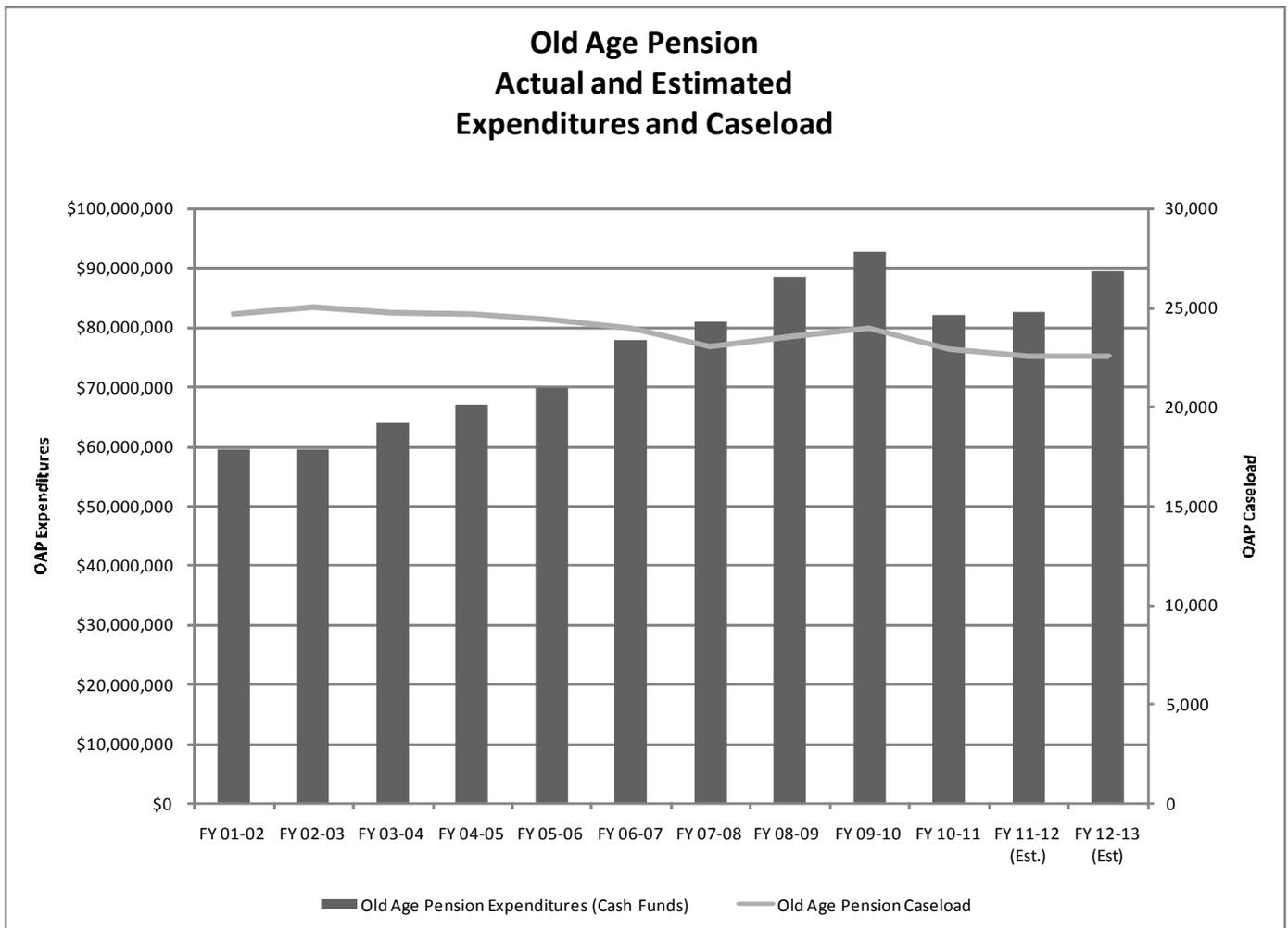


Old Age Pension Program

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.

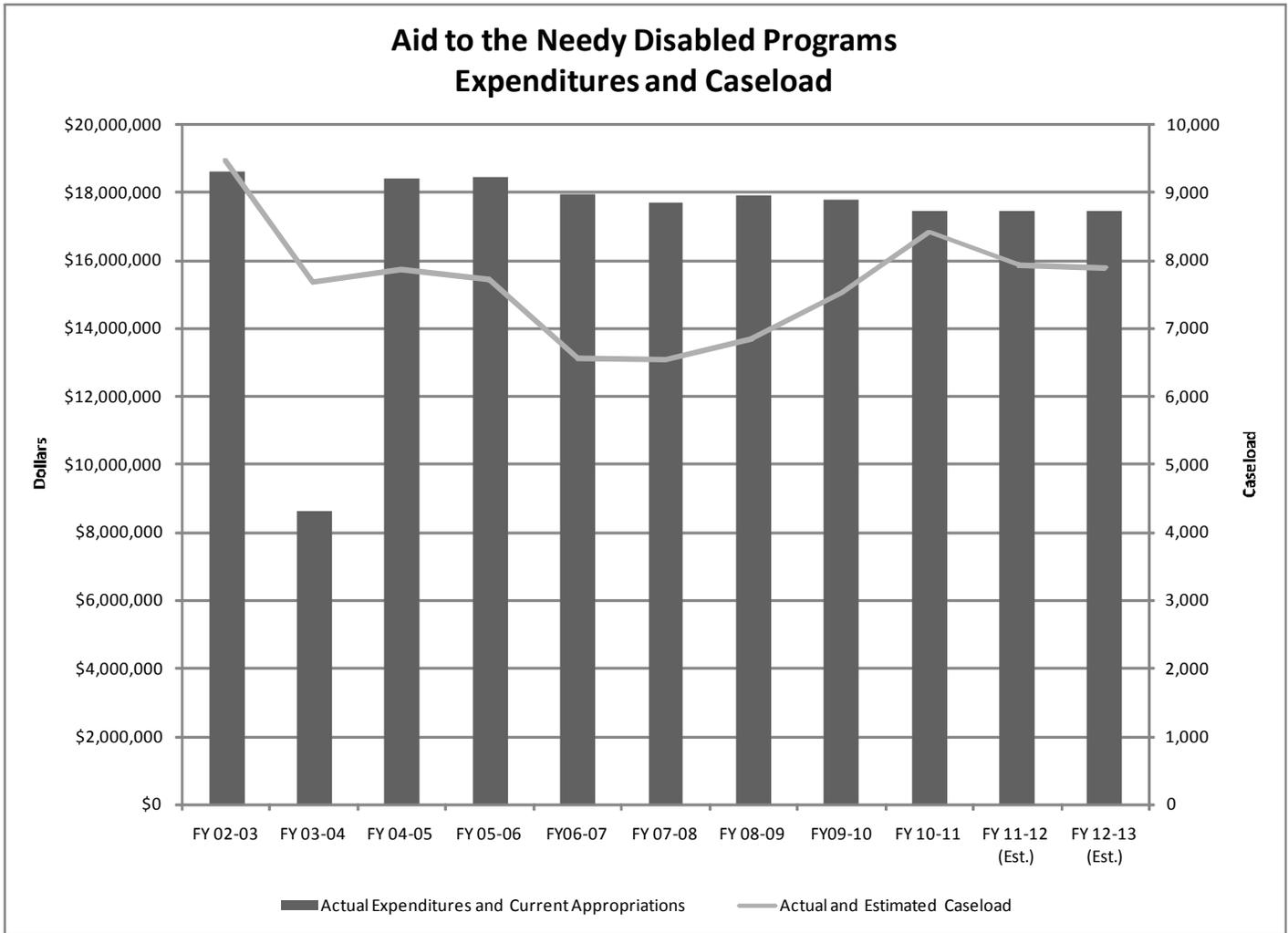
Increases in expenditures through FY 2008-09 were driven primarily by cost-of-living increases approved by the State Board of Human Services, while the caseload remained flat or declining between 24,000 and 23,000. Between January 2009 and June 2012, no cost-of-living increases were approved, and expenditures 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, however, the General Assembly has encouraged the State Board of Human Services to provide a cost of living increase of 3.7 percent effective July 1, 2012, and has set aside \$6,695,581 in anticipated tax revenue for this purpose.



Aid to the Needy Disabled and Home Care Allowance Programs

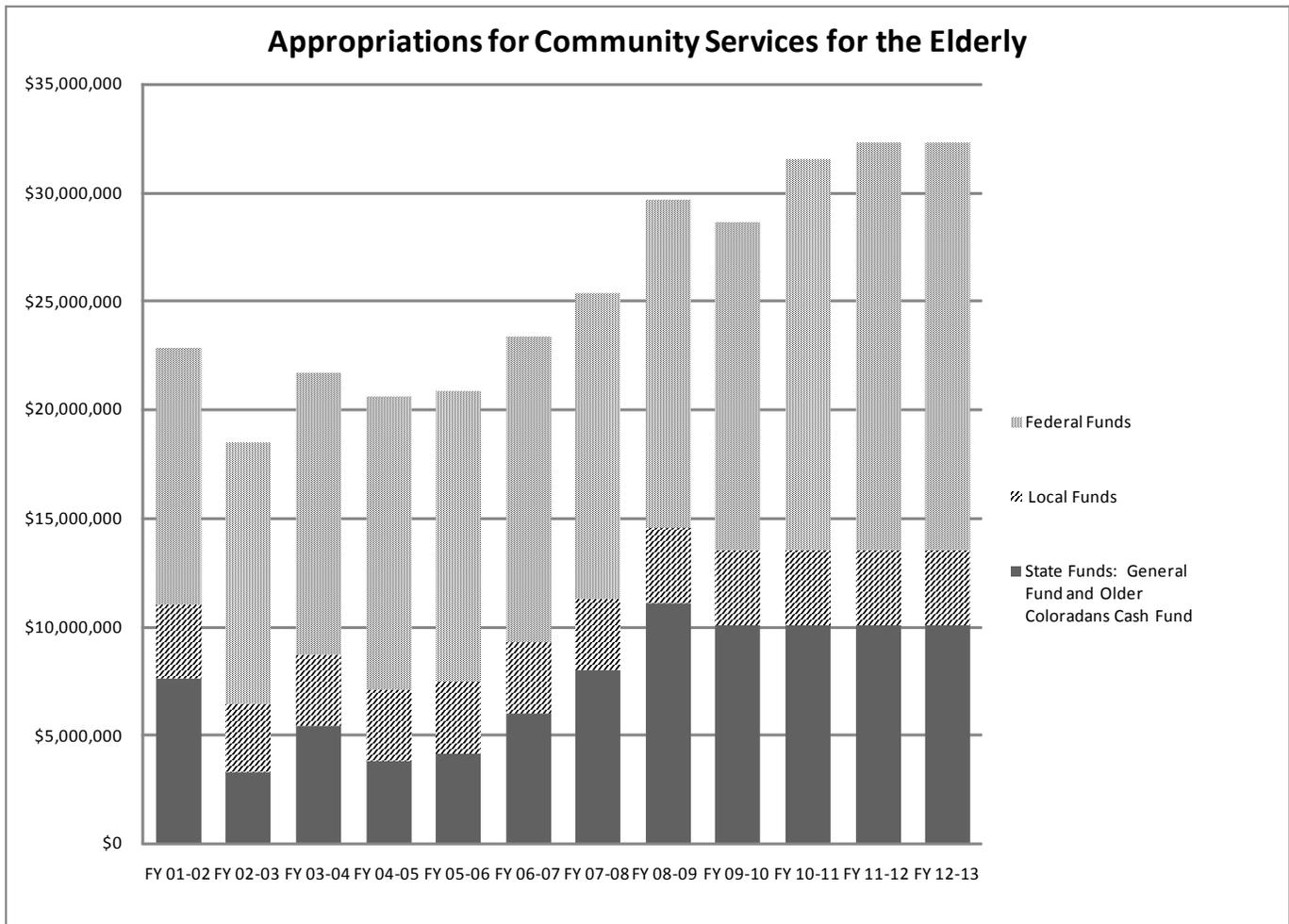
The Aid to the Needy Disabled (AND) and Home Care Allowance (HCA) programs provide cash assistance for low income individuals with disabilities. For some beneficiaries, these funds supplement federal Supplemental Security Income (SSI) payments. Other beneficiaries either do not qualify for federal SSI or have pending applications for federal SSI. Funding for these programs is comprised of General Fund, county match, 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

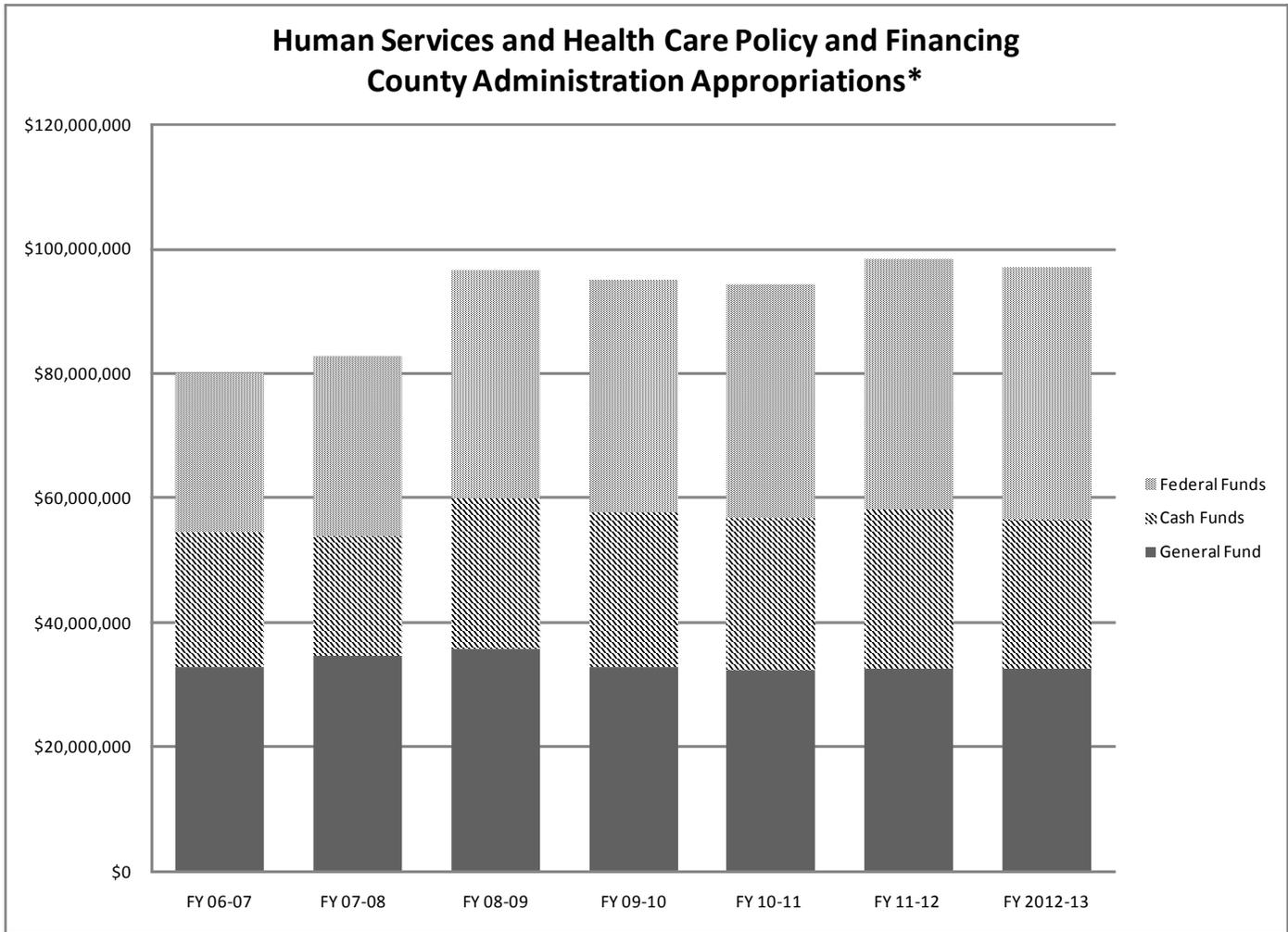
The State distributes state and federal funds to Area Agencies on Aging, which provide a variety of community services for the elderly such as transportation, congregate meals, "meals on wheels", and in-home support services. Funding levels are adjusted based on available federal and state funding. Funding from state sources increased significantly through FY 2008-09 based on statutory changes to increase funding from the Older Coloradans Cash Fund, which originates as state sales and excise taxes. More recently, state and local funding has remained relatively flat, while total funding increased through FY 2011-12 based on additional federal funds available. For FY 2012-13, reductions in federal funding are likely based on budget sequestration pursuant to the Budget Control Act of 2011. However, related changes are not yet reflected in the Long Bill due to uncertainty about the impacts.



County Administration

The majority of public welfare programs in Colorado are state-supervised and county administered. The County Administration Division includes funding for eligibility determination for the Supplemental Nutrition Assistance Program (food stamps) and some other benefits programs, 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.

Recent changes to state funding have often transferred funds among line items within the County Administration section, to other Department of Human Services sections, and to the Department of Health Care Policy and Financing to draw down additional federal dollars without increasing total General Fund support. The table below combines appropriations for county administration from the Departments of Human Services and Health Care Policy and Financing, as both departments' appropriations primarily support eligibility determination by county staff using the Colorado Benefits Management System. As reflected, appropriations for county administration have essentially been held flat since FY 2008-09, despite large increases in public assistance caseloads.



*This chart reflects funding for the Department of Human Services County Administration section (\$62.9 million in FY 2012-13) and the Department of Health Care Policy and Financing County Administration line item (\$34.0 million in FY 2012-13). It excludes county administration appropriations in other sections of the Department of Human Services.

Information Technology Systems

The Department makes significant expenditures to support the large information technology systems required to manage social services programs in Colorado. These systems include: the County Financial Management System (CFMS), which tracks county expenditures for social services; Colorado Trails, which provides case management and tracking for the Division of Youth Corrections and county and state child welfare services workers; and the Colorado Benefits Management System (CBMS).

CBMS became operational in September 2004, and replaced six different systems used by county staff to determine eligibility for financial, medical, and nutritional benefits. The system is involved in the distribution of over \$2 billion in benefits to over 500,000 individual clients annually. Each month, CBMS is used to process approximately 30,000 new client applications and 40,000 client reauthorizations. In addition to these client-side functions, CBMS communicates with over 100 external systems. The external systems with which CBMS communicates include other state systems, systems operated by other states, and federal systems. House Bill 12-1339 (Becker/Lambert) provides \$23.2 million total funds (including \$7.6 million General Fund) and

11.0 FTE in additional appropriations allocated between FY 2011-12 and FY 2012-13 for major CBMS system improvements.

Summary of FY 2011-12 and FY 2012-13 Appropriations

Department of Human Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Total Appropriation:	\$2,053,176,906	\$619,593,123	\$329,545,321	\$455,037,280	\$649,001,182	4,849.6
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	65,898,349	36,622,638	2,642,684	15,982,138	10,650,889	140.5
Office of Information Technology Services	64,277,250	24,630,993	1,709,330	15,629,966	22,306,961	0.0
Office of Operations	39,039,284	22,716,795	2,625,643	9,170,407	4,526,439	441.9
County Administration	64,757,619	22,237,964	19,062,746	0	23,456,909	0.0
Division of Child Welfare	401,595,378	191,356,886	71,244,644	14,459,476	124,534,372	57.0
Division of Child Care	87,568,054	15,715,862	9,960,653	0	61,891,539	66.4
Office of Self Sufficiency	311,383,578	5,708,127	27,641,659	33,211	278,000,581	246.2
Mental Health and Alcohol and Drug Abuse Services	197,446,884	128,396,100	18,211,570	13,210,040	37,629,174	1,214.3
Services for People with Disabilities	558,794,895	36,784,145	74,177,533	383,166,582	64,666,635	1,693.8
Adult Assistance Programs	146,258,465	24,857,534	102,178,463	105,209	19,117,259	28.5
Division of Youth Corrections	116,157,150	110,566,079	90,396	3,280,251	2,220,424	961.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 11-209	2,091,045,838	618,764,498	331,395,230	450,969,434	689,916,676	4,883.8
SB 11-076	(5,248,580)	(3,034,793)	(204,655)	(1,196,670)	(812,462)	0.0
SB 11-217	(1,078,828)	(1,078,828)	0	0	0	(8.3)
SB 11-226	(3,250,000)	0	(3,250,000)	0	0	0.0
HB 11-1043	0	0	0	0	0	14.5
HB 11-1145	19,311	0	19,311	0	0	0.4
HB 11-1230	(20,101,143)	0	0	0	(20,101,143)	(19.5)
HB 12-1177	0	0	0	0	0	0.0
HB 12-1186	(11,692,802)	1,110,599	1,385,493	1,581,323	(15,770,217)	(21.3)
HB 12-1335	(5,467,150)	(14,219)	0	28,438	(5,481,369)	0.0
HB 12-1339	8,950,260	3,845,866	199,942	3,654,755	1,249,697	0.0

Department of Human Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Total Appropriation:	\$2,071,322,439	\$642,011,487	\$336,871,969	\$475,870,742	\$616,568,241	4,878.6
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	73,591,126	40,517,235	3,487,631	18,289,378	11,296,882	139.5
Office of Information Technology Services	72,685,412	26,028,764	2,085,452	19,214,724	25,356,472	11.0
Office of Operations	40,192,890	23,090,644	3,208,611	9,317,279	4,576,356	441.9
County Administration	62,930,385	22,237,964	17,235,512	0	23,456,909	0.0
Division of Child Welfare	401,527,017	203,614,951	71,520,310	14,426,342	111,965,414	57.0
Division of Child Care	88,225,116	15,844,908	9,973,446	0	62,406,762	66.4
Office of Self Sufficiency	298,956,977	5,376,412	29,314,308	33,951	264,232,306	245.2
Mental Health and Alcohol and Drug Abuse Services	198,450,750	131,449,804	16,864,329	14,700,625	35,435,992	1,230.0
Services for People with Disabilities	564,123,175	36,837,310	74,353,954	396,503,988	56,427,923	1,721.3
Adult Assistance Programs	153,028,560	25,151,219	108,736,885	1,800	19,138,656	28.5
Division of Youth Corrections	117,611,031	111,862,276	91,531	3,382,655	2,274,569	937.8
<u>Breakdown of Total Appropriation by Bill</u>						
HB 12-1335	2,048,892,375	637,576,480	330,720,504	465,712,069	614,883,322	4,866.1
HB 12-1063	2,500	0	2,500	0	0	0.0
HB 12-1226	5,650	0	5,650	0	0	0.0
HB 12-1246	984,145	726,924	0	257,221	0	0.0
HB 12-1310	0	0	(1,270,616)	1,270,616	0	0.0
HB 12-1326	6,695,581	0	6,695,581	0	0	0.0
HB 12-1339	14,275,072	3,708,083	251,234	8,630,836	1,684,919	11.0
HB 12-1342	467,116	0	467,116	0	0	1.5
Increase/(Decrease)	\$18,145,533	\$22,418,364	\$7,326,648	\$20,833,462	(\$32,432,941)	29.0
Percentage Change	0.9%	3.6%	2.2%	4.6%	(5.0)%	0.6%

Informational Funds: Beginning in FY 2012-13, the Long Bill and other legislation indicate when an amount is shown solely for informational purposes through a new "(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 2012-13 Appropriations containing an (I) notation	\$499,295,503	\$0	\$224,590,090	\$1,330,200	\$273,375,213

FY 2011-12 Appropriation - Mid-year Adjustment Highlights

The FY 2011-12 appropriation was modified during the 2012 Legislative Session to:

Office of Self Sufficiency

1. Reduce \$15.6 million federal funds to reflect the status of county Temporary Assistance for Needy Families (TANF) reserves as of September 30, 2011.
2. Reduce \$5.5 million federal TANF funds used to reimburse counties for some prior year Colorado Works county maintenance of effort (MOE) cash funds expenditures.

Mental Health and Alcohol and Drug Abuse Services

3. Add \$2.2 million General Fund and 3.2 FTE to the Colorado Mental Health Institutes at Pueblo and Fort Logan to increase staff-to-patient ratios and provide funding for pharmaceuticals.

Division of Youth Corrections

4. Add \$2.2 million, including \$2.1 million General Fund for updated population and case-mix projections for the Division of Youth Corrections commitment population.
5. Add \$0.7 million total funds, including \$0.6 million General Fund to eliminate state-operated facility overcrowding in the Division of Youth Corrections during the last quarter of FY 2011-12. The Division's FY 2011-12 budget was based on the assumption that state facilities would operate at 110 percent of design capacity. This adjustment provides an increase for the additional contract placements that would result from operating state facilities at 100 percent of design capacity for the last quarter of the year. This increase is offset by a \$0.6 million General Fund reduction for the Child Care Assistance Program, based on projected FY 2011-12 program reversions.
6. Reduce 24.5 FTE and reallocate associated funding within the Division of Youth Corrections, based on capacity realignment within the Division that includes the mid-year closure of the 20-bed Sol Vista facility and a 20-bed pod at the Marvin Foote facility and an associated increase in purchased contract placements.

FY 2012-13 Appropriation Highlights

The FY 2012-13 appropriation:

Executive Director's Office, Office of Information Technology Services, Office of Operations

1. Adds \$7.5 million total funds, including \$3.8 million General Fund, for centrally-appropriated line items in the Executive Director's Office and the Office of Operations including appropriations for employee benefits. Also adds \$1.3 million total funds, including \$0.2 million General Fund, for statewide information technology common policies.

2. Increases \$1.3 million total funds, including \$0.3 million General Fund, to create a system to scan and store documents in the Colorado Benefits Management System (CBMS) database and index each file for retrieval.
3. Adds \$1.5 million total funds, including \$0.8 million General Fund, for the first two phases of a five-phase project to replace the statewide accounting system (COFRS) used by the Office of the State Controller to record all state revenues and expenditures.

County Administration

4. Reduces \$1.9 million cash funds to reflect revenue anticipated to be available from the state and county shares of child support enforcement recoveries.
5. Redirects \$0.4 million from County Incentive Payments to refinance General Fund otherwise required for state Child Support Enforcement activities.

Division of Child Welfare

6. Restores \$12.5 million General Fund in the Division of Child Welfare and reduces \$12.5 million Temporary Assistance for Needy Families (TANF) federal funds, thereby eliminating a temporary prior-year General Fund refinance.
7. Replaces \$5.0 million federal TANF funds with \$5.0 million federal Social Services Block Grant funds, in light of reductions in available TANF funding, the need for TANF long-term reserve solvency, and the temporary availability of additional federal Social Services Block Grant funds.

Division of Child Care

8. Restores \$0.6 million General Fund temporarily reduced in FY 2011-12 due to projected reversions.
9. Refinances \$0.5 million General Fund for the Colorado Child Care Assistance Program with federal Child Care Development Funds.

Office of Self Sufficiency

10. Reduces a net \$7.1 million in funds shown for informational purposes. This includes a net decrease of \$10.1 million total funds for the Low-income Energy Assistance Program (LEAP), partially offset by an increase of \$3.0 million federal funds for Disability Determination Services. The net LEAP decrease is comprised of a decrease of \$12.3 million federal funds, partially offset by an increase of \$2.2 million cash funds from the Operational Account of the Severance Tax Trust Fund.
11. Reduces \$3.4 million federal funds and 1.0 FTE to align appropriations from the federal Temporary Assistance for Needy Families (TANF) block grant with available revenue, in light of federal cuts to Colorado's TANF allocation. Fiscal year 2012-13 TANF appropriations are largely based on FY 2011-12 appropriations less restrictions imposed by the Executive Branch. The appropriation includes the following federal funds reductions in this section, in addition to the continuation of a FY 2011-12 \$5.5 million mid-year reduction to federal TANF funds:
 - \$1,500,000 for the Low-income Energy Assistance Program
 - \$1,000,000 for the County Block Grant Support Fund
 - \$514,778 for Colorado Works County Block Grants

- \$114,000 for Colorado Works County Training
- \$100,000 for the Colorado Works Program Maintenance Fund
- \$100,000 for Refugee Assistance
- \$70,000 for Colorado Works Administration
- \$30,000 for the Domestic Abuse Program
- \$20,007 for the Workforce Development Council

12. Refinances \$0.4 million General Fund for Child Support Enforcement with a portion of the state's share of child support enforcement recoveries.

Mental Health and Alcohol and Drug Abuse Services

13. Increases \$1.2 million General Fund and 15.7 FTE as part of an initiative to improve staff-to-patient ratios at the Colorado Mental Health Institutes that began in FY 2011-12.
14. Reduces \$0.2 million cash funds due to a decrease in available tobacco settlement revenue for mental health and substance use disorder programs.

Services for People with Disabilities

15. Adds \$4.9 million Medicaid reappropriated funds for new comprehensive and support living waiver resources.
16. Adds \$4.9 million Medicaid reappropriated funds to align the FY 2012-13 appropriation with the projected FY 2011-12 waiver expenditures.
17. Adds \$3.2 million Medicaid reappropriated funds for the full year funding costs of new developmental disabilities home and community based waivers added in FY 2011-12.
18. Adds \$1.9 million reappropriated funds for the restoration of the Regional Center provider fee that was suspended for one fiscal year in FY 2011-12.
19. Reduces \$7.1 million total funds, of which \$1.5 million is reappropriated and \$5.5 million is federal matching funds to the Division of Vocational Rehabilitation to reflect anticipated funds from school districts in FY 2012-13.
20. Reduces \$2.3 million federal funds related to an adjustment for the anticipated revenue to the State Veterans Nursing Homes.
21. Reduces \$466,000 cash funds and 1.5 FTE to the Work Therapy Program due to lack of statutory spending authority. (Funding for the Work Therapy Program is restored through separate JBC Budget Package legislation, H.B. 12-1342.)

Adult Assistance

22. Pursuant to H.B. 12-1326, adds \$6.7 million cash funds for Old Age Pension Cash Assistance to reflect the assumption that the State Board of Human Services will provide a cost-of-living increase for the Old Age Pension Program effective July 1, 2012, based on funds set aside by the General Assembly and the desire of the General Assembly as reflected in this bill.

Division of Youth Corrections

23. Adds \$1.9 million total funds, including \$1.8 million General Fund, to annualize the impact of a Long Bill supplemental which eliminates the budget assumption that state facilities will operate at 110 percent of design capacity. The full year impact of this change is \$2.6 million, including \$2.4 million General Fund.
24. Adds \$0.6 million General Fund and 14.0 FTE to help to address the discrepancy between appropriated FTE and the FTE required to cover 24-hour critical posts, taking into consideration actual work hours available per FTE.
25. Reduces \$1.4 million, including \$1.3 million General Fund, for the contract beds required based on a FY 2012-13 commitment caseload estimate of 970.7 average daily placements. This figure is based on an average of the Legislative Council Staff and Department of Public Safety, Division of Criminal Justice December 2011 youth corrections commitment forecasts.
26. Reduces \$1.0 million General Fund to annualize the fiscal impact of closing 40 state-operated beds in FY 2011-12 (the 20-bed Sol Vista facility in Pueblo and a 20 bed pod at the Marvin Foote facility in Denver) and replacing these beds with purchased contract placements. The full year impact of this change is a reduction of \$1.5 million General Fund, including associated adjustments for centrally-appropriated items.

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;
- the Colorado Commission for Individuals Who are Blind or Visually Impaired;
- 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 2011-12 Appropriation:						
SB 11-209	\$65,939,542	\$36,547,784	\$2,656,699	\$16,011,345	\$10,723,714	140.5
SB 11-076	(220,447)	(86,487)	(16,759)	(29,207)	(87,994)	0.0
SB 11-217	(92,260)	(92,260)	0	0	0	0.0
HB 12-1186	<u>271,514</u>	<u>253,601</u>	<u>2,744</u>	<u>0</u>	<u>15,169</u>	<u>0.0</u>
TOTAL	\$65,898,349	\$36,622,638	\$2,642,684	\$15,982,138	\$10,650,889	140.5
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$65,898,349	\$36,622,638	\$2,642,684	\$15,982,138	\$10,650,889	140.5
Centrally appropriated line items	7,721,876	3,918,385	834,461	2,225,942	743,088	0.0
Restore state PERA contribution	220,447	86,487	16,759	29,207	87,994	0.0
Operating adjustments	132,447	129,147	0	3,300	0	0.0
Legal auxiliary services	107,387	0	0	107,387	0	0.0
Annualize prior year funding	(299,249)	(281,336)	(2,744)	0	(15,169)	0.0
Informational funds adjustment	(134,104)	0	0	0	(134,104)	0.0
Sunset Commission for Individuals who are Blind or Visually Impaired	(112,067)	0	0	(112,067)	0	(1.0)
Personal services base reduction	(83,788)	(35,139)	(3,529)	(9,304)	(35,816)	0.0
HB 12-1335	\$73,451,298	\$40,440,182	\$3,487,631	\$18,226,603	\$11,296,882	139.5
HB 12-1246	<u>139,828</u>	<u>77,053</u>	<u>0</u>	<u>62,775</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$73,591,126	\$40,517,235	\$3,487,631	\$18,289,378	\$11,296,882	139.5
Increase/(Decrease)	\$7,692,777	\$3,894,597	\$844,947	\$2,307,240	\$645,993	(1.0)
Percentage Change	11.7%	10.6%	32.0%	14.4%	6.1%	(0.7)%

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1186 includes an increase of \$ \$270,000 total funds (including \$250,000 General Fund) primarily due to an increase in staffing at the Colorado Mental Health Institute at Pueblo and the Colorado Mental Health Institute at Fort Logan.

FY 2012-13 Appropriation - H.B. 12-1335 (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; shift differential; workers' compensation; legal services; administrative law judges; and payments to risk management and property funds.

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Operating adjustments: The appropriation restores General Fund operating expense appropriations that were reduced for FY 2010-11 and FY 2011-12.

Legal auxiliary services: The appropriation includes an increase of \$107,387 reappropriated funds from the Disabled Telephone Users Fund to increase funding for the provision of legal interpreter services to individuals who are deaf or hard of hearing and involved with the state court system.

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

Informational funds adjustment: The appropriation includes a decrease of \$134,104 federal funds reflected in the Long Bill for informational purposes only.

Sunset Commission for Individuals who are Blind or Visually Impaired: The appropriation eliminates the funding for the Commission for Individuals who are Blind or Visually Impaired because no legislation has been passed to continue the Commission past the statutory sunset date of July 1, 2012.

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services line items.

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 de-centralized 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.

In FY 2010-11, all information technology staff in OITS were transferred to the Governor's Office of Information Technology (OIT) as part of the statewide consolidation of information technology staff resources. Services provided by OIT staff to the Department are now billed back to the Department through line items in this Division.

Office of Information Technology Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$53,834,887	\$20,984,449	\$1,547,043	\$9,997,765	\$21,305,630	0.0
HB 12-1186	1,492,103	(199,322)	(37,655)	1,977,446	(248,366)	0.0
HB 12-1339	<u>8,950,260</u>	<u>3,845,866</u>	<u>199,942</u>	<u>3,654,755</u>	<u>1,249,697</u>	<u>0.0</u>
TOTAL	\$64,277,250	\$24,630,993	\$1,709,330	\$15,629,966	\$22,306,961	0.0
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$64,277,250	\$24,630,993	\$1,709,330	\$15,629,966	\$22,306,961	0.0
COFRS modernization	1,577,831	814,729	251,033	0	512,069	0.0
Statewide IT common policy adjustments	1,414,043	322,567	16,321	(96,645)	1,171,800	0.0
CBMS electronic document system	1,257,600	303,065	43,576	464,126	446,833	0.0
Operating adjustments	90,061	45,514	2,712	22,594	19,241	0.0
CBMS hospital provider fee true-up	28,080	0	0	28,080	0	0.0
Annualize prior year funding	(10,185,611)	(3,777,610)	(187,058)	(5,446,182)	(774,761)	0.0
Personal services base reduction	(48,914)	(18,577)	(1,696)	(18,051)	(10,590)	0.0
HB 12-1335	\$58,410,340	\$22,320,681	\$1,834,218	\$10,583,888	\$23,671,553	0.0
HB 12-1339	<u>14,275,072</u>	<u>3,708,083</u>	<u>251,234</u>	<u>8,630,836</u>	<u>1,684,919</u>	<u>11.0</u>
TOTAL	\$72,685,412	\$26,028,764	\$2,085,452	\$19,214,724	\$25,356,472	11.0
Increase/(Decrease)	\$8,408,162	\$1,397,771	\$376,122	\$3,584,758	\$3,049,511	11.0
Percentage Change	13.1%	5.7%	22.0%	22.9%	13.7%	n/a

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1186 appropriations to:

- add \$26,000 federal funds to begin development of child care provider web-based portal;
- refinance \$800,000 total funds (including \$200,000 General Fund) for the operating expenses of the Colorado Benefits Management System with reappropriated funds from the Department of Health Care Policy and Financing; and

- correct a series of technical errors contained in the FY 2011-12 Long Bill appropriation.

For information on H.B. 12-1339 (substantive 2012 session bill affecting FY 2011-12 appropriation), see the "Recent Legislation" section at the end of this department.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

COFRS modernization: The appropriation includes an increase to fund the first two phases of a five-phase project to replace the statewide accounting system (COFRS) used by the Office of the State Controller to record all state revenues and expenditures.

Statewide IT common policy adjustments: The appropriation includes adjustments to line items appropriated for: purchase of services from the computer center; multiuse network payments; management and administration of the Governor's Office of Information Technology (OIT); and communication services payments.

CBMS electronic document system: The appropriation includes an appropriation of \$1.3 million total funds (including \$0.3 million General Fund) to create a system to scan and store documents in the CBMS database and index each file for retrieval.

Operating adjustments: The appropriation restores General Fund operating expense appropriations that were reduced for FY 2010-11 and FY 2011-12.

CBMS hospital provider fee true-up: The appropriation includes an appropriation of \$14,040 reappropriated funds to true-up appropriations with the actual need for adjustments to CBMS-supported hospital provider fee-funded programs.

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

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services line items.

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 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 2011-12 Appropriation:						
SB 11-209	\$39,827,555	\$22,865,911	\$2,667,915	\$9,682,009	\$4,611,720	442.4
SB 11-076	(511,681)	(286,243)	(36,780)	(143,549)	(45,109)	0.0
SB 11-1230	(29,315)	0	0	0	(29,315)	(0.5)
HB 12-1186	<u>(247,275)</u>	<u>137,127</u>	<u>(5,492)</u>	<u>(368,053)</u>	<u>(10,857)</u>	<u>0.0</u>
TOTAL	\$39,039,284	\$22,716,795	\$2,625,643	\$9,170,407	\$4,526,439	441.9
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$39,039,284	\$22,716,795	\$2,625,643	\$9,170,407	\$4,526,439	441.9
Buildings and grounds cash fund adjustment	554,596	0	554,596	0	0	0.0
Restore state PERA contribution	511,681	286,243	36,780	143,549	45,109	0.0
Operating adjustments	137,882	116,636	0	21,246	0	0.0
Annualize prior year funding	72,275	37,873	5,492	18,053	10,857	0.0
Centrally appropriated line items	40,252	24,097	311	15,239	605	0.0
Division of Vocational Rehabilitation leased vehicles	16,416	3,497	0	0	12,919	0.0
Personal services base reduction	(219,115)	(124,201)	(14,211)	(61,130)	(19,573)	0.0
HB 12-1335	\$40,153,271	\$23,060,940	\$3,208,611	\$9,307,364	\$4,576,356	441.9
HB 12-1246	<u>39,619</u>	<u>29,704</u>	<u>0</u>	<u>9,915</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$40,192,890	\$23,090,644	\$3,208,611	\$9,317,279	\$4,576,356	441.9
Increase/(Decrease)	\$1,153,606	\$373,849	\$582,968	\$146,872	\$49,917	0.0
Percentage Change	3.0%	1.6%	22.2%	1.6%	1.1%	0.0%

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1186 includes a decrease of \$247,275 (including an increase of \$137,127 General Fund) primarily due to the refinance of utility expenses and mid-year billing adjustments for leased vehicles used by the department.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Buildings and grounds cash fund adjustment: The appropriation includes an increase of \$0.6 million cash funds to reflect projected revenues used for projects, staff, and expenses (upkeep and maintenance) for current leases held by the Department throughout the state.

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Operating adjustments: The appropriation restores General Fund operating expense appropriations that were reduced for FY 2010-11 and FY 2011-12.

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

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for vehicle lease payments and Capitol complex leased space.

Division of Vocational Rehabilitation leased vehicles: The appropriation includes an appropriation of \$16,416 total funds (including \$3,497 General Fund) in the Office of Operations to lease four State vehicles from the Department of Personnel. The appropriation in the Office is offset by an equal reduction in appropriations in the Services for People with Disabilities Division due to decreased reimbursement costs for employee personal vehicle mileage.

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services line.

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

County Administration

This section contains appropriations for 64 county departments of social services to administer the following programs:

- Supplemental Nutrition Assistance Program (formerly called food stamps);
- Adult Cash Assistance Programs (except Old Age Pension);
- Adult Protection;
- Low Income Energy Assistance; and
- Child Support Enforcement.

Counties also administer the Colorado Works Program and the state's child welfare and child care assistance programs; however, associated administrative funding is currently appropriated as part of the Works Program (in the Office of Self Sufficiency), and in the Divisions of Child Welfare and Child Care, respectively. The County Administration section 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 2011-12 Appropriation:						
SB 11-209	\$64,757,619	\$22,237,964	\$19,062,746	\$0	\$23,456,909	0.0
HB 12-1335	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	\$64,757,619	\$22,237,964	\$19,062,746	\$0	\$23,456,909	0.0
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$64,757,619	\$22,237,964	\$19,062,746	\$0	\$23,456,909	0.0
Annualize prior year funding	447,440	0	447,440	0	0	0.0
Reflect anticipated revenue	(1,909,414)	0	(1,909,414)	0	0	0.0
Reduce County Incentive Payments to facilitate General Fund refinance	(365,260)	0	(365,260)	0	0	0.0
HB 12-1335	<u>\$62,930,385</u>	<u>\$22,237,964</u>	<u>\$17,235,512</u>	<u>\$0</u>	<u>\$23,456,909</u>	<u>0.0</u>
TOTAL	\$62,930,385	\$22,237,964	\$17,235,512	\$0	\$23,456,909	0.0
Increase/(Decrease)	(\$1,827,234)	\$0	(\$1,827,234)	\$0	\$0	0.0
Percentage Change	(2.8)%	0.0%	(9.6)%	n/a	0.0%	n/a

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1335 modified a FY 2011-12 Long Bill footnote that specifies the use of the state's share of child support enforcement recoveries. The change allowed more funds to be redirected to counties for County Incentive Payments in FY 2011-12.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Annualize prior year funding: The appropriation restores funds for County Incentive Payments that had been temporarily redirected to statewide child support enforcement initiatives.

Reflect anticipated revenue: The appropriation reduces County Incentive Payments by \$1,106,101 cash funds and reduces the County Share of Offsetting Revenues by \$803,313 cash funds to align appropriations with projected revenue from the state and county shares of child support enforcement recoveries.

Reduce County Incentive Payments to facilitate General Fund refinance: The appropriation reduces County Incentive Payments and redirects these funds to the Office of Self Sufficiency, Child Support Enforcement section to offset General Fund otherwise required.

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. Over 97 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 2010-11, 39,403 children were served in open child welfare cases. Reappropriated funds reflect Medicaid funds transferred from the Department of Health Care Policy and Financing. Cash funds include county tax revenues, excess federal Title IV-E reimbursements to counties that are deposited to a cash fund, docket fee revenues, and grants and donations. 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 2011-12 Appropriation:						
SB 11-209	\$401,678,447	\$191,413,825	\$71,244,644	\$14,462,197	\$124,557,781	57.0
SB 11-076	(83,069)	(56,939)	0	(2,721)	(23,409)	0.0
HB 12-1186	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$401,595,378	\$191,356,886	\$71,244,644	\$14,459,476	\$124,534,372	57.0
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$401,595,378	\$191,356,886	\$71,244,644	\$14,459,476	\$124,534,372	57.0
Excess Federal Title IV-E Revenue	350,000	0	350,000	0	0	0.0
Restore state PERA Contribution	83,069	56,939	0	2,721	23,409	0.0
Operating adjustments	22,210	21,564	0	646	0	0.0
Eliminate General Fund refinance	0	12,500,000	0	0	(12,500,000)	0.0
Refinance TANF federal funds with Social Services Block Grant federal funds	0	0	0	0	0	0.0
Eliminate leap year funding	(492,709)	(297,338)	(74,334)	(35,266)	(85,771)	0.0
Personal services base reduction	(30,931)	(23,100)	0	(1,235)	(6,596)	0.0
HB 12-1335	<u>\$401,527,017</u>	<u>\$203,614,951</u>	<u>\$71,520,310</u>	<u>\$14,426,342</u>	<u>\$111,965,414</u>	<u>57.0</u>
TOTAL	\$401,527,017	\$203,614,951	\$71,520,310	\$14,426,342	\$111,965,414	57.0

Division of Child Welfare						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Increase/(Decrease)	(\$68,361)	\$12,258,065	\$275,666	(\$33,134)	(\$12,568,958)	0.0
Percentage Change	0.0%	6.4%	0.4%	(0.2)%	(10.1)%	0.0%

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1186 added a footnote authorizing the Department to hold out up to \$500,000 total funds from the Child Welfare Services line item for activities designed to maximize receipt of federal Title IV-E funds.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Excess Federal Title IV-E Revenue: The appropriation includes an adjustment for the estimated amount of revenue projected to be available in the Excess Federal Title IV-E Cash Fund in FY 2012-13.

Restore state PERA Contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Operating adjustments: The appropriation restores General Fund operating expense appropriations that were reduced for FY 2010-11 and FY 2011-12.

Eliminate General Fund refinance: The appropriation eliminates the temporary refinance of \$12.5 million General Fund with federal Temporary Assistance for Needy Families (TANF) block grant funds. This includes \$9.5 million refinanced in FY 2008-09 for Family and Children's Programs and \$3.0 million refinanced in FY 2009-10 for Child Welfare Services.

Refinance TANF federal funds with Social Services Block Grant federal funds: The appropriation replaces \$5.0 million federal TANF funds with \$5.0 million federal Social Services Block Grant (SSBG) funds, in light of reductions in available TANF funding, the need for TANF long-term reserve solvency, and the temporary availability of additional federal Social Services Block Grant funds. In FY 2013-14, when the SSBG funds will no longer be available, \$11.0 million federal TANF funds in the Division of Child Welfare are anticipated to be replaced with \$11.0 million General Fund.

Eliminate leap year funding: The appropriation eliminates funding provided for an additional one day of services in FY 2011-12 due to the leap year.

Personal services base reduction: The appropriation includes a 1.0 percent reduction for certain personal services line items.

Division of Child Care

This division 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. An estimated 18,750 children per month received CCCAP assistance in FY 2011-12. In addition, this division is responsible for licensing and monitoring child care facilities and for administering various child care grant programs. An estimated 6,682 child care homes and facilities will be licensed by the Division in FY 2012-13. Cash funds sources shown reflect county tax revenues and fees and fines paid by child care facilities. Federal fund sources primarily reflect Child Care Development Funds.

Division of Child Care						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$88,233,980	\$16,350,229	\$9,954,135	\$0	\$61,929,616	66.0
SB 11-076	(91,689)	(40,819)	(12,793)	0	(38,077)	0.0
HB 11-1145	19,311	0	19,311	0	0	0.4
HB 12-1335	<u>(593,548)</u>	<u>(593,548)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$87,568,054	\$15,715,862	\$9,960,653	\$0	\$61,891,539	66.4
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$87,568,054	\$15,715,862	\$9,960,653	\$0	\$61,891,539	66.4
Annualize Long Bill Supplemental	593,548	593,548	0	0	0	0.0
Restore state PERA contribution	91,689	40,819	12,793	0	38,077	0.0
Operating adjustments	13,130	13,130	0	0	0	0.0
CCCAP General Fund refinance	0	(500,000)	0	0	500,000	0.0
Personal services base reduction	(42,060)	(19,206)	0	0	(22,854)	0.0
HB 12-1335	\$88,224,361	\$15,844,153	\$9,973,446	\$0	\$62,406,762	66.4
HB 12-1246	<u>755</u>	<u>755</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$88,225,116	\$15,844,908	\$9,973,446	\$0	\$62,406,762	66.4
Increase/(Decrease)	\$657,062	\$129,046	\$12,793	\$0	\$515,223	0.0
Percentage Change	0.8%	0.8%	0.1%	n/a	0.8%	0.0%

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1335 reduced the General Fund appropriation for the Colorado Child Care Assistance Program due to projected FY 2011-12 program reversions.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Annualize Long Bill Supplemental: The appropriation restores funding for the Colorado Child Care Assistance Program that was temporarily reduced by H.B. 12-1335.

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a).

Operating adjustments: The appropriation restores General Fund operating expense appropriations that were reduced for FY 2010-11 and FY 2011-12.

CCCAP General Fund refinance: The appropriation provides for a temporary refinance of General Fund appropriations for the Colorado Child Care Assistance Program with federal Child Care Development Funds.

Personal services base reduction: The appropriation includes a 1.0 percent reduction for certain personal services line items.

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

Office of Self Sufficiency

This section contains appropriations for cash assistance programs for specific populations, including the Colorado Works program, the Low-income Energy Assistance Program (LEAP), child support enforcement, and disability determination programs. Funding changes for each of these programs are described in the relevant subsections below.

Office of Self Sufficiency						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$336,091,949	\$5,751,782	\$30,900,225	\$33,951	\$299,405,991	246.2
SB 11-076	(343,243)	(43,655)	(8,566)	(740)	(290,282)	0.0
SB 11-226	(3,250,000)	0	(3,250,000)	0	0	0.0
HB 12-1186	(15,590,402)	0	0	0	(15,590,402)	0.0
HB 12-1335	<u>(5,524,726)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(5,524,726)</u>	<u>0.0</u>
TOTAL	\$311,383,578	\$5,708,127	\$27,641,659	\$33,211	\$278,000,581	246.2
FY 2012-13 Appropriation:						
HB 12-1335	<u>\$298,956,977</u>	<u>\$5,376,412</u>	<u>\$29,314,308</u>	<u>\$33,951</u>	<u>\$264,232,306</u>	<u>245.2</u>
TOTAL	\$298,956,977	\$5,376,412	\$29,314,308	\$33,951	\$264,232,306	245.2

Office of Self Sufficiency						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Increase/(Decrease)	(\$12,426,601)	(\$331,715)	\$1,672,649	\$740	(\$13,768,275)	(1.0)
Percentage Change	(4.0)%	(5.8)%	6.1%	2.2%	(5.0)%	(0.4)%

Administration

This subsection of the Office of Self Sufficiency includes the State's share of administrative funding for self sufficiency programs. The primary federal funds source is Temporary Assistance for Needy Families (TANF) funds.

<i>Administration</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$1,770,332	\$778,159	\$0	\$0	\$992,173	22.0
SB 11-076	<u>(32,881)</u>	<u>(13,808)</u>	<u>0</u>	<u>0</u>	<u>(19,073)</u>	<u>0.0</u>
TOTAL	\$1,737,451	\$764,351	\$0	\$0	\$973,100	22.0
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$1,737,451	\$764,351	\$0	\$0	\$973,100	22.0
Restore state PERA contribution	32,881	13,808	0	0	19,073	0.0
Operating adjustments	1,960	1,960	0	0	0	0.0
Personal services base reduction	(16,310)	(6,987)	0	0	(9,323)	0.0
HB 12-1335	<u>\$1,755,982</u>	<u>\$773,132</u>	<u>\$0</u>	<u>\$0</u>	<u>\$982,850</u>	<u>22.0</u>
TOTAL	\$1,755,982	\$773,132	\$0	\$0	\$982,850	22.0
Increase/(Decrease)	\$18,531	\$8,781	\$0	\$0	\$9,750	0.0
Percentage Change	1.1%	1.1%	n/a	n/a	1.0%	0.0%

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Restore state PERA contributions: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Operating adjustments: The appropriation restores General Fund operating expense appropriations that were reduced for FY 2010-11 and FY 2011-12.

Personal services base reduction: The appropriation includes a 1.0 percent reduction for certain personal services line items.

Colorado Works Program

This subsection of the Office of Self Sufficiency provides funding for the Colorado Works Program. This is a state-supervised, county-administered program, through which counties provide cash and other benefits and services intended to promote sustainable employment for low income families with children. Counties are projected to provide basic cash assistance for an average monthly caseload of 16,000 families in FY 2012-13

The primary source of funding for Colorado Works is federal Temporary Assistance for Needy Families (TANF) funds. Cash funds sources for this division include county tax revenues, as well as the state and county shares of retained child support collections and refunds. Counties are authorized to retain a balance in their TANF accounts at the end of each fiscal year of up to 40.0 percent of their annual Colorado Works allocation

<i>Colorado Works Program</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$218,496,381	\$18,000	\$23,994,787	\$0	\$194,483,594	23.7
SB 11-076	(37,775)	0	(4,277)	0	(33,498)	0.0
HB 12-1186	(15,590,402)	0	0	0	(15,590,402)	0.0
HB 12-1335	<u>(5,524,726)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(5,524,726)</u>	<u>0.0</u>
TOTAL	\$197,343,478	\$18,000	\$23,990,510	\$0	\$173,334,968	23.7
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$197,343,478	\$18,000	\$23,990,510	\$0	\$173,334,968	23.7
Restore state PERA contribution	37,775	0	4,277	0	33,498	0.0
Domestic Abuse Program Fund	30,000	0	30,000	0	0	0.0
TANF Long-term Reserve solvency	(1,937,727)	0	(88,942)	0	(1,848,785)	(1.0)
Annualize prior year funding	(518,000)	(18,000)	0	0	(500,000)	0.0
Reflect anticipated revenue	(384,361)	0	(384,361)	0	0	0.0
HB 12-1335	<u>\$194,571,165</u>	<u>\$0</u>	<u>\$23,551,484</u>	<u>\$0</u>	<u>\$171,019,681</u>	<u>22.7</u>
TOTAL	\$194,571,165	\$0	\$23,551,484	\$0	\$171,019,681	22.7
Increase/(Decrease)	(\$2,772,313)	(\$18,000)	(\$439,026)	\$0	(\$2,315,287)	(1.0)
Percentage Change	(1.4)%	(100.0)%	(1.8)%	n/a	(1.3)%	(4.2)%

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1186 modified FY 2011-12 appropriations to reflect the amount of county TANF reserves as of September 30, 2011.

House Bill 12-1335 eliminated an appropriation of \$5,524,726 federal Temporary Assistance for Needy Families (TANF) funds used to reimburse counties for some prior year Colorado Works county maintenance of effort (MOE) cash funds expenditures. Previously, the State provided this reimbursement when it was notified by federal authorities that Colorado's TANF MOE had been reduced for a prior year. In lieu of this, the State will reduce the required county share for Colorado Works County Block Grants in FY 2012-13 if it is notified in FY 2011-12 that Colorado's TANF MOE has been reduced for a prior year.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Domestic Abuse Program Fund: The appropriation increases funding from reserves in the Domestic Abuse Program Fund to offset federal funds reductions to domestic abuse programs that result from the TANF Long-term Reserve Solvency reduction.

TANF Long-term Reserve solvency: The appropriation includes decreases to align appropriations from the federal Temporary Assistance for Needy Families (TANF) block grant with available revenue, in light of federal cuts to Colorado's TANF funding. Total appropriations for FY 2012-13 are largely based on FY 2011-12 TANF appropriations less FY 2011-12 restrictions imposed by the Executive Branch. The appropriation includes the following federal funds reductions in this section: \$1,000,000 for the County Block Grant Support Fund, \$514,778 for County Block Grants, \$114,000 for County Training, \$70,000 for Colorado Works Administration, \$30,000 for the Domestic Abuse Program, \$20,007 for the Workforce Development Council, and \$100,000 for the Colorado Works Program Maintenance Fund. In addition to the federal funds reductions, the appropriation includes a reduction of \$88,942 in the local cash funds contribution for County Block Grants, related to the reduction in the TANF. The appropriation also *continues* the \$5.5 million mid-year FY 2011-12 reduction to TANF appropriations in H.B. 12-1335 (described above under FY 2011-12 Mid-year Adjustments).

Annualize prior year funding: The appropriation eliminates funding for the Promoting Responsible Fatherhood Grant, based on the federal grant ending during FY 2011-12.

Reflect anticipated revenue: The appropriation reduces funding for County Block Grants from the state's share of recoveries to align the appropriation with revenue anticipated to be received.

Special Purpose Welfare Programs

This subsection of the Office of Self Sufficiency contains appropriations for cash assistance programs for specific purposes, such as energy assistance, food stamp job search, food distribution, telephone assistance, income tax offset, and refugee assistance. This section also includes funding for Systematic Alien Verification for Eligibility (SAVE) and the Electronic Benefits Transfer Service (EBTS) systems.

Cash funds sources include: fees paid by agencies participating in the food distribution program, county matching funds, funds from Energy Outreach Colorado for energy assistance, other local funds, and in-kind donations. Reappropriated funds include transfers from the Department of Health Care Policy and Financing for SAVE services. Federal funds are from the Office of Energy Assistance, the U.S. Department of Agriculture, the Temporary Assistance to Needy Families block grant, and various other sources.

<i>Special Purpose Welfare Programs</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$86,439,064	\$1,303,024	\$6,031,499	\$33,951	\$79,070,590	37.4
SB 11-076	(42,532)	(9,038)	(4,289)	(740)	(28,465)	0.0
SB 11-226	<u>(3,250,000)</u>	<u>0</u>	<u>(3,250,000)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$83,146,532	\$1,293,986	\$2,777,210	\$33,211	\$79,042,125	37.4
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$83,146,532	\$1,293,986	\$2,777,210	\$33,211	\$79,042,125	37.4
Restore Severance Tax for energy assistance	2,150,000	0	2,150,000	0	0	0.0
Restore state PERA contributions	42,532	9,038	4,289	740	28,465	0.0
Low Income Telephone Assistance Program	39,566	0	39,566	0	0	0.0
Energy assistance informational funds adjustment	(12,256,962)	0	0	0	(12,256,962)	0.0
TANF Long-term Reserve solvency	(1,600,000)	0	0	0	(1,600,000)	0.0
HB 12-1335	<u>\$71,521,668</u>	<u>\$1,303,024</u>	<u>\$4,971,065</u>	<u>\$33,951</u>	<u>\$65,213,628</u>	<u>37.4</u>
TOTAL	\$71,521,668	\$1,303,024	\$4,971,065	\$33,951	\$65,213,628	37.4
Increase/(Decrease)	(\$11,624,864)	\$9,038	\$2,193,855	\$740	(\$13,828,497)	0.0
Percentage Change	(14.0)%	0.7%	79.0%	2.2%	(17.5)%	0.0%

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Restore Severance Tax for energy assistance: The appropriation reflects, for informational purposes, the restoration of funding for the Low Income Energy Assistance Program (LEAP) from the Operational Account of the Severance Tax Trust Fund. This funding was eliminated in FY 2010-11 and FY 2011-12 pursuant to S.B. 11-226. A total of \$3,250,000 would be restored if projected revenue to the Operational Account were sufficient to support statutory allocations. The lower figure shown is based on Severance Tax revenue projections.

Restore state PERA contributions: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Low-income Telephone Assistance Program: The appropriation increases funding for administration of the Low-income Telephone Assistance Program (LITAP) and redirects 0.4 FTE from the Low-income Energy Assistance Program line item to address issues raised in a State Auditor's Office performance audit of LITAP.

Energy assistance informational funds adjustment: The appropriation includes a decrease to more accurately reflect funding available for the Low-income Energy Assistance Program (LEAP). The reduction is based on the federal Low-income Home Energy Assistance federal block grant anticipated to be received for FY 2011-12.

TANF Long-term Reserve solvency: The appropriation includes decreases to align appropriations from the federal Temporary Assistance for Needy Families (TANF) block grant with available revenue, in light of federal cuts to Colorado's TANF funding. Appropriations for FY 2012-13 are based on FY 2011-12 TANF appropriations less FY 2011-12 restrictions imposed by the Executive Branch due to reductions in available federal funds. The appropriation includes the following federal funds reductions in this section: \$1,500,000 for the Low-income Energy Assistance Program and \$100,000 for Refugee Assistance.

Child Support Enforcement

This subsection of the Office of Self Sufficiency contains appropriations for the computer system used by county staff to establish paternity, locate absent parents, manage child support enforcement caseloads, and track collection efforts, and for the personnel and operating costs of several related administrative programs. An estimated \$326 million in child support payments will be collected through county child support enforcement programs in FY 2011-12. Cash funds are from the Family Support Registry Fund and from retained child support collections and fraud refunds. Federal funds are from Title IV-D of the Social Security Act.

<i>Child Support Enforcement</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$12,484,034	\$3,652,599	\$873,939	\$0	\$7,957,496	41.4
SB 11-076	(61,202)	(20,809)	0	0	(40,393)	0.0
TOTAL	\$12,422,832	\$3,631,790	\$873,939	\$0	\$7,917,103	41.4
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$12,422,832	\$3,631,790	\$873,939	\$0	\$7,917,103	41.4
Restore state PERA contribution	61,202	20,809	0	0	40,393	0.0
Operating adjustments	53,847	18,308	0	0	35,539	0.0
Refinance General Fund with recoveries	0	(365,260)	365,260	0	0	0.0
Annualize prior year funding	(1,316,000)	0	(447,440)	0	(868,560)	0.0

<i>Child Support Enforcement</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Personal services base reduction	(15,857)	(5,391)	0	0	(10,466)	0.0
HB 12-1335	<u>\$11,206,024</u>	<u>\$3,300,256</u>	<u>\$791,759</u>	<u>\$0</u>	<u>\$7,114,009</u>	<u>41.4</u>
TOTAL	\$11,206,024	\$3,300,256	\$791,759	\$0	\$7,114,009	41.4
Increase/(Decrease)	(\$1,216,808)	(\$331,534)	(\$82,180)	\$0	(\$803,094)	0.0
Percentage Change	(9.8)%	(9.1)%	(9.4)%	n/a	(10.1)%	0.0%

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Operating adjustments: The appropriation restores General Fund operating expense appropriations that were reduced for FY 2010-11 and FY 2011-12.

Refinance General Fund with recoveries: The appropriation refinances General Fund in this section with cash funds by redirecting a portion of the state share of child support recoveries from the County Incentives line item in the County Administration section.

Annualize prior year funding: The appropriation eliminates a temporary prior-year increase for various statewide child support enforcement initiatives. These initiatives were financed by redirecting a portion of the state share of child support recoveries from the County Incentive Payments line item in the County Administration section.

Personal services base reduction: The appropriation includes a 1.0 percent reduction for certain personal services line items.

Disability Determination Services

This subsection of the Office of Self Sufficiency provides medical disability decisions to the federal Social Security Administration for Colorado residents applying for federal Social Security Disability Insurance and Supplemental Security Income programs. Federal funding for this program is from the Social Security Administration.

<i>Disability Determination Services</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$16,902,138	\$0	\$0	\$0	\$16,902,138	121.7

<i>Disability Determination Services</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 11-076	(168,853)	0	0	0	(168,853)	0.0
TOTAL	\$16,733,285	\$0	\$0	\$0	\$16,733,285	121.7
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$16,733,285	\$0	\$0	\$0	\$16,733,285	121.7
Informational funds adjustment	3,000,000	0	0	0	3,000,000	0.0
Restore PERA contributions	168,853	0	0	0	168,853	0.0
HB 12-1335	<u>\$19,902,138</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$19,902,138</u>	<u>121.7</u>
TOTAL	\$19,902,138	\$0	\$0	\$0	\$19,902,138	121.7
Increase/(Decrease)	\$3,168,853	\$0	\$0	\$0	\$3,168,853	0.0
Percentage Change	18.9%	n/a	n/a	n/a	18.9%	0.0%

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Informational funds adjustment: The appropriation reflects, for informational purposes, estimated federal expenditures for this program, based on recent-year actual expenditures.

Restore PERA contributions: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Mental Health and Alcohol and Drug Abuse Services

This Division non-Medicaid community mental health services, the mental health institutes, and the Alcohol and Drug Abuse Division. Funding changes for each of these programs are described in the relevant subsections below.

Mental Health and Alcohol and Drug Abuse Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$217,087,976	\$130,710,571	\$16,901,187	\$11,707,268	\$57,768,950	1,215.6
SB 11-076	(1,534,049)	(1,235,447)	(115,513)	(115,141)	(67,948)	0.0
HB 11-1043	0	0	0	0	0	14.5
HB 11-1230	(20,071,828)	0	0	0	(20,071,828)	(19.0)
HB 12-1186	<u>1,964,785</u>	<u>(1,079,024)</u>	<u>1,425,896</u>	<u>1,617,913</u>	<u>0</u>	<u>3.2</u>

Mental Health and Alcohol and Drug Abuse Services

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
TOTAL	\$197,446,884	\$128,396,100	\$18,211,570	\$13,210,040	\$37,629,174	1,214.3
FY 2012-13 Appropriation:						
HB 12-1335	\$197,911,192	\$130,910,246	\$18,134,945	\$13,430,009	\$35,435,992	1,230.0
HB 12-1246	539,558	539,558	0	0	0	0.0
HB 12-1310	<u>0</u>	<u>0</u>	<u>(1,270,616)</u>	<u>1,270,616</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$198,450,750	\$131,449,804	\$16,864,329	\$14,700,625	\$35,435,992	1,230.0
Increase/(Decrease)	\$1,003,866	\$3,053,704	(\$1,347,241)	\$1,490,585	(\$2,193,182)	15.7
Percentage Change	0.5%	2.4%	(7.4)%	11.3%	(5.8)%	1.3%

Administration

The Administration section contains appropriations for the administration of behavioral health programs for adults and children. The cash funds in this section are from the State's tobacco settlement moneys and patient revenues collected by the State's two mental health institutes. The reappropriated funds are Medicaid dollars transferred from the Department of Health Care Policy and Financing. The primary sources of federal funds are the Substance Abuse Prevention and Treatment Block Grant and the Mental Health Services Block Grant.

Administration

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$28,078,957	\$1,245,737	\$358,672	\$833,548	\$25,641,000	80.9
SB 11-076	(109,985)	(23,034)	(6,286)	(12,717)	(67,948)	0.0
HB 11-1230	<u>(20,071,828)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(20,071,828)</u>	<u>(19.0)</u>
TOTAL	\$7,897,144	\$1,222,703	\$352,386	\$820,831	\$5,501,224	61.9
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$7,897,144	\$1,222,703	\$352,386	\$820,831	\$5,501,224	61.9
Restore state PERA contribution	87,570	23,034	6,286	12,717	45,533	0.0
Annualize prior year funding	22,415	0	0	0	22,415	0.0
Operating adjustments	1,806	1,364	0	442	0	0.0
Personal services base reduction	(43,250)	(13,494)	(3,683)	(7,450)	(18,623)	0.0

<i>Administration</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Tobacco settlement revenue adjustment	(7,541)	0	(7,541)	0	0	0.0
HB 12-1335	\$7,958,144	\$1,233,607	\$347,448	\$826,540	\$5,550,549	61.9
HB 12-1246	<u>370</u>	<u>370</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$7,958,514	\$1,233,977	\$347,448	\$826,540	\$5,550,549	61.9
Increase/(Decrease)	\$61,370	\$11,274	(\$4,938)	\$5,709	\$49,325	0.0
Percentage Change	0.8%	0.9%	(1.4)%	0.7%	0.9%	0.0%

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

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

Operating adjustments: The appropriation restores General Fund operating expense appropriations that were reduced for FY 2010-11 and FY 2011-12.

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services line items.

Tobacco settlement revenue adjustment: The appropriation reflects a decrease in the amount of tobacco litigation settlement dollars that the state is anticipated to receive for FY 2012-13.

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

Mental Health Community Programs

This section funds mental health services for the medically indigent population, which is defined as individuals with an income is less than 300.0 percent of the federal poverty level, who are not eligible for Medicaid, and who do not receive mental health services from any other system. These services are delivered primarily by community mental health centers, and serve approximately 12,500 indigent, mentally ill clients per year. In FY 2011-12 and FY 2012-13, the average annual cost per client is approximately \$3,100. Cash funds sources include tobacco settlement moneys and local funds from treatment providers. The reappropriated funds are primarily Medicaid funds that are transferred from the Department of Health Care Policy and Financing. The majority of the federal funds are from the Mental Health Services Block Grant.

<i>Mental Health Community Programs</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$50,892,467	\$39,979,488	\$4,400,661	\$278,749	\$6,233,569	0.0
TOTAL	\$50,892,467	\$39,979,488	\$4,400,661	\$278,749	\$6,233,569	0.0
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$50,892,467	\$39,979,488	\$4,400,661	\$278,749	\$6,233,569	0.0
Tobacco settlement revenue adjustment	(146,693)	0	(146,693)	0	0	0.0
HB 12-1335	\$50,745,774	\$39,979,488	\$4,253,968	\$278,749	\$6,233,569	0.0
TOTAL	\$50,745,774	\$39,979,488	\$4,253,968	\$278,749	\$6,233,569	0.0
Increase/(Decrease)	(\$146,693)	\$0	(\$146,693)	\$0	\$0	0.0
Percentage Change	(0.3)%	0.0%	(3.3)%	0.0%	0.0%	n/a

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Tobacco settlement revenue adjustment: The appropriation reflects a decrease in the amount of tobacco litigation settlement dollars that the state is anticipated to receive for FY 2012-13.

Mental Health Institutes

The Department of Human Services operates two State mental health institutes providing inpatient hospitalization for individuals with serious mental illnesses. The Colorado Mental Health Institute at Fort Logan (Fort Logan), located in southwest Denver, has an adult treatment division with 94 total beds. The Colorado Mental Health Institute at Pueblo (CMHIP) is organized into five treatment divisions (adolescent, adult, geriatric, co-occurring mental illness and substance abuse disorders, and forensics) with 439 total beds. Of the 439 beds at CMHIP, 295 are for forensic patients placed in the legal custody of the Department by the courts for competency evaluations and restoration to competency services. The forensics treatment division also provides services to individuals found not guilty by reason of insanity. The forensics treatment division is formally known as the Institute for Forensic Psychiatry (IFP).

<i>Mental Health Institutes</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$88,180,239	\$73,968,286	\$7,682,061	\$6,529,892	\$0	1,134.7
SB 11-076	(1,424,064)	(1,212,413)	(109,227)	(102,424)	0	0.0

<i>Mental Health Institutes</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 11-1043	1,000,000	1,000,000	0	0	0	14.5
HB 12-1186	<u>1,964,785</u>	<u>(1,079,024)</u>	<u>1,425,896</u>	<u>1,617,913</u>	<u>0</u>	<u>3.2</u>
TOTAL	\$89,720,960	\$72,676,849	\$8,998,730	\$8,045,381	\$0	1,152.4
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$89,720,960	\$72,676,849	\$8,998,730	\$8,045,381	\$0	1,152.4
Restore state PERA contribution	1,424,064	1,212,413	109,227	102,424	0	0.0
Annualize prior year funding	1,217,395	1,217,395	0	0	0	15.7
Operating adjustments	93,796	73,434	0	20,362	0	0.0
Facility school transfer	3,852	0	0	3,852	0	0.0
HB 12-1335	\$92,460,067	\$75,180,091	\$9,107,957	\$8,172,019	\$0	1,168.1
HB 12-1246	<u>539,188</u>	<u>539,188</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$92,999,255	\$75,719,279	\$9,107,957	\$8,172,019	\$0	1,168.1
Increase/(Decrease)	\$3,278,295	\$3,042,430	\$109,227	\$126,638	\$0	15.7
Percentage Change	3.7%	4.2%	1.2%	1.6%	n/a	1.4%

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1186 modified FY 2011-12 appropriations to:

- add \$2.2 million General Fund and 3.2 FTE to the Colorado Mental Health Institutes at Pueblo and Fort Logan to increase staff-to-patient ratios and provide funding for pharmaceuticals; and
- refinance \$3.0 million General Fund at the Colorado Mental Health Institutes at Pueblo and Fort Logan with cash funds and reappropriated funds.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

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

Operating adjustments: The appropriation restores General Fund operating expense appropriations that were reduced for FY 2010-11 and FY 2011-12.

Facility school transfer: The appropriation includes \$3,852 reappropriated funds transferred from the Department of Education to support the educational program at the Colorado Mental Health Institute at Pueblo for youth in the adolescent treatment unit.

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

Alcohol and Drug Abuse Division

This section contains appropriations for alcohol and drug abuse prevention, intervention, and treatment services. Treatment, prevention, and detoxification services are provided primarily through six managed care service organizations, each of which is responsible for managing the provision of services within a specific geographic area. Cash fund sources include moneys in the Drug Offender Surcharge Fund, the Law Enforcement Assistance Fund, and the Persistent Drunk Driver Cash Fund. The Substance Abuse Prevention and Treatment Block Grant is the primary source of federal funds.

<i>Alcohol and Drug Abuse Division</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	<u>\$47,486,313</u>	<u>\$14,517,060</u>	<u>\$4,459,793</u>	<u>\$2,615,079</u>	<u>\$25,894,381</u>	<u>0.0</u>
TOTAL	\$47,486,313	\$14,517,060	\$4,459,793	\$2,615,079	\$25,894,381	0.0
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$47,486,313	\$14,517,060	\$4,459,793	\$2,615,079	\$25,894,381	0.0
Informational funds adjustment	(2,438,007)	0	0	(195,500)	(2,242,507)	0.0
Limited gaming tax revenue adjustment	(86,778)	0	0	(86,778)	0	0.0
Tobacco settlement revenue adjustment	(34,221)	0	(34,221)	0	0	0.0
HB 12-1335	\$44,927,307	\$14,517,060	\$4,425,572	\$2,332,801	\$23,651,874	0.0
HB 12-1310	<u>0</u>	<u>0</u>	<u>(1,270,616)</u>	<u>1,270,616</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$44,927,307	\$14,517,060	\$3,154,956	\$3,603,417	\$23,651,874	0.0
Increase/(Decrease)	(\$2,559,006)	\$0	(\$1,304,837)	\$988,338	(\$2,242,507)	0.0
Percentage Change	(5.4)%	0.0%	(29.3)%	37.8%	(8.7)%	n/a

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Informational funds adjustment: The appropriation includes a decrease of \$2.2 million federal funds and \$0.2 million reappropriated funds reflected in the Long Bill for informational purposes only.

Limited gaming tax revenue adjustment: The appropriation includes a decrease of \$86,778 reappropriated funds transferred from the Department of Local Affairs for gambling addiction counseling services. The decrease is due to a decline in total limited gaming tax revenue.

Tobacco settlement revenue adjustment: The appropriation reflects a decrease in the amount of tobacco litigation settlement dollars that the state is anticipated to receive for FY 2012-13.

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

Co-occurring Behavioral Health Services

This section was created in H.B. 10-1284 to fund mental health and substance abuse services for juveniles and adults at risk of becoming or currently involved in the criminal justice system. Reappropriated funds are transferred from the Judicial Department for substance use disorder offender services.

<i>Co-occurring Behavioral Health Services</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$2,450,000	\$1,000,000	\$0	\$1,450,000	\$0	0.0
HB 11-1043	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$1,450,000	\$0	\$0	\$1,450,000	\$0	0.0
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$1,450,000	\$0	\$0	\$1,450,000	\$0	0.0
Offender treatment services (H.B. 10-1352)	369,900	0	0	369,900	0	0.0
HB 12-1335	<u>\$1,819,900</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,819,900</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$1,819,900	\$0	\$0	\$1,819,900	\$0	0.0
Increase/(Decrease)	\$369,900	\$0	\$0	\$369,900	\$0	0.0
Percentage Change	25.5%	n/a	n/a	25.5%	n/a	n/a

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Offender treatment services (H.B. 10-1352): The appropriation includes an increase of \$369,900 reappropriated funds transferred from the Judicial Department for treatment services for offenders in jail.

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.

Services for People with Disabilities						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriations						
SB 11-209	\$561,877,683	\$36,853,990	\$74,182,277	\$385,932,296	\$64,909,120	1,693.8
SB 11-076	(1,215,133)	(69,845)	(4,744)	(898,059)	(242,485)	0.0
HB 12-1186	<u>(1,867,655)</u>	<u>0</u>	<u>0</u>	<u>(1,867,655)</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$558,794,895	\$36,784,145	\$74,177,533	\$383,166,582	\$64,666,635	1,693.8
FY 2012-13 Appropriations						
HB 12-1335	\$563,464,024	\$36,832,306	\$73,884,338	\$396,319,457	\$56,427,923	1,719.8
HB 12-1063	2,500	0	2,500	0	0	0.0
HB 12-1246	189,535	5,004	0	184,531	0	0.0
HB 12-1342	<u>467,116</u>	<u>0</u>	<u>467,116</u>	<u>0</u>	<u>0</u>	<u>1.5</u>
TOTAL	\$564,123,175	\$36,837,310	\$74,353,954	\$396,503,988	\$56,427,923	1,721.3
Increase/(Decrease)	\$5,328,280	\$53,165	\$176,421	\$13,337,406	(\$8,238,712)	27.5
Percentage Change	1.0%	0.1%	0.2%	3.5%	(12.7)%	1.6%

Community Services for People with Developmental Disabilities

This subdivision provides funding for the three home and community based waivers for individuals with developmental disabilities. Services available through these waivers are provided by private, community-based providers to a majority of the developmental disabled waiver population. The remaining developmental disabled population is served by the state operated Regional Centers, which are funded in the next subdivision.

Nonprofit Community Centered Boards (CCBs) are designated as the point of entry for individuals with developmental disabilities seeking waiver services. CCBs are responsible for determining eligibility, providing case management, service coordination in their service region, and delivery of services through either direct means or through the purchase of services from non-CCB providers. 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.

Community Services for People with Developmental Disabilities

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$404,002,824	\$30,205,030	\$34,311,235	\$331,636,367	\$7,850,192	42.5
SB 11-076	<u>(56,353)</u>	<u>(5,703)</u>	<u>0</u>	<u>(50,650)</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$403,946,471	\$30,199,327	\$34,311,235	\$331,585,717	\$7,850,192	42.5
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$403,946,471	\$30,199,327	\$34,311,235	\$331,585,717	\$7,850,192	42.5
Funding for new resources	4,869,219	0	0	4,869,219	0	0.0
Adjustment to waiver funding to align FY 2012-13 base appropriation with FY 2011-12 projected expenditures	4,861,362	0	0	4,861,362	0	0.0
Annualize funding for FY 2011-12 new resources	3,248,006	0	0	3,248,006	0	0.0
Restore state PERA contribution	56,353	5,703	0	50,650	0	0.0
Informational funds adjustment	(819,978)	0	0	0	(819,978)	0.0
Eliminate FY 2011-12 leap year adjustment	(707,335)	0	0	(707,335)	0	0.0
Operating adjustment	(481,488)	0	0	(481,488)	0	0.0
Personal services base reduction	(29,401)	(2,287)	(822)	(26,292)	0	0.0
HB 12-1335	\$414,943,209	\$30,202,743	\$34,310,413	\$343,399,839	\$7,030,214	42.5
HB 12-1246	<u>3,458</u>	<u>150</u>	<u>0</u>	<u>3,308</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$414,946,667	\$30,202,893	\$34,310,413	\$343,403,147	\$7,030,214	42.5
Increase/(Decrease)	\$11,000,196	\$3,566	(\$822)	\$11,817,430	(\$819,978)	0
Percentage Change	2.7%	0.0%	0.0%	3.6%	(10.4)%	0

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Funding for new resources: The appropriation includes an increase of \$4,869,219 Medicaid reappropriated funds to fund 173 new resources and associated case management for part of FY 2012-13. The increase includes \$4,008,494 Medicaid reappropriated funds for 93 new comprehensive resources, \$660,487 Medicaid reappropriated funds for 80 new supported living services resources, and \$200,327 for associated case management.

Adjustment to waiver funding to align FY 2012-13 base appropriation with FY 2011-12 projected expenditures: The appropriation includes an increase of \$4,861,362 Medicaid reappropriated funds to align

the FY 2012-13 base appropriation (i.e. the FY 2012-13 appropriation prior to additional funding for new resources) with the FY 2011-12 projected waiver expenditures.

Annualize funding for FY 2011-12 new resources: The appropriation includes an increase of \$3,248,006 Medicaid reappropriated funds for the full year funding of the 131 resources added in FY 2011-12.

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Informational funds adjustment: The appropriation includes a reduction of \$819,978 federal funds reflected in the Long Bill for informational purposes only.

Eliminate FY 2011-12 leap year adjustment: The appropriation eliminates funding provided for an additional one day of services in FY 2011-12 due to the leap year.

Operating adjustment: The appropriation includes a decrease of \$481,411 reappropriated funds to account for the funds not received from the Division of Vocational Rehabilitation.

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services line items.

Regional Centers for People with Developmental Disabilities

This subdivision provides funding for the state operated Regional Centers. 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.

<i>Regional Centers for People with Developmental Disabilities</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$49,822,243	\$85,809	\$2,060,389	\$47,676,045	\$0	887.6
SB 11-076	(848,165)	(1,920)	0	(846,245)	0	0.0
HB 12-1186	<u>(1,867,655)</u>	<u>0</u>	<u>0</u>	<u>(1,867,655)</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$47,106,423	\$83,889	\$2,060,389	\$44,962,145	\$0	887.6
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$47,106,423	\$83,889	\$2,060,389	\$44,962,145	\$0	887.6
Annualize prior year funding	1,867,655	0	0	1,867,655	0	0.0

Regional Centers for People with Developmental Disabilities

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Restore state PERA contribution	848,165	1,920	0	846,245	0	0.0
Operating adjustment	125,770	0	0	125,770	0	0.0
HB 12-1335	\$49,948,013	\$85,809	\$2,060,389	\$47,801,815	\$0	887.6
HB 12-1246	<u>181,223</u>	<u>0</u>	<u>0</u>	<u>181,223</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$50,129,236	\$85,809	\$2,060,389	\$47,983,038	\$0	887.6
Increase/(Decrease)	\$3,022,813	\$1,920	\$0	\$3,020,893	\$0	0.0
Percentage Change	6.4%	2.3%	0.0%	6.7%	n/a	0.0%

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1194 modified FY 2011-12 appropriations to reduce \$1.9 million reappropriated funds for the FY 2011-12 suspension of the Regional Center provider fee.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Annualize prior year funding: The appropriation includes an increase of \$1,867,655 Medicaid reappropriated funds to restore the Intermediate Care Facility provider fee that was eliminated through the FY 2011-12 supplemental process.

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Operating adjustment: The appropriation includes an increase of \$125,770 Medicaid reappropriated funds to restore an operating expenses reduction taken in FY 2010-11.

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. Created in H.B. 12-1342, the Work Therapy Cash Fund is the funding source for this subdivision, and 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.

<i>Work Therapy Program</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	<u>\$467,116</u>	<u>\$0</u>	<u>\$467,116</u>	<u>\$0</u>	<u>\$0</u>	<u>1.5</u>
TOTAL	\$467,116	\$0	\$467,116	\$0	\$0	1.5
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$467,116	\$0	\$467,116	\$0	\$0	1.5
Statutory correction	(467,116)	0	(467,116)	0	0	(1.5)
HB 12-1335	\$0	\$0	\$0	\$0	\$0	0.0
HB 12-1342	<u>467,116</u>	<u>0</u>	<u>467,116</u>	<u>0</u>	<u>0</u>	<u>1.5</u>
TOTAL	\$467,116	\$0	\$467,116	\$0	\$0	1.5
Increase/(Decrease)	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	n/a	0.0%	n/a	n/a	0.0%

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Statutory correction: The appropriation eliminates funding for the Work Therapy Program due to a lack of statutory authority creating the Work Therapy Cash Fund. House Bill 12-1342 creates the Work Therapy Cash Fund and includes the FY 2012-13 appropriation for the Work Therapy Program.

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

Division of Vocational Rehabilitation

This subdivision 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 forty-three 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 and grants to independent living centers working to enable individuals with disabilities to live independently, and to programs that provide assistant 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 matched 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.

<i>Division of Vocational Rehabilitation</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$58,480,353	\$5,577,021	\$4,085,320	\$6,619,884	\$42,198,128	231.2
SB 11-076	<u>(310,615)</u>	<u>(62,222)</u>	<u>(4,744)</u>	<u>(1,164)</u>	<u>(242,485)</u>	<u>0.0</u>
TOTAL	\$58,169,738	\$5,514,799	\$4,080,576	\$6,618,720	\$41,955,643	231.2
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$58,169,738	\$5,514,799	\$4,080,576	\$6,618,720	\$41,955,643	231.2
Restore state PERA contribution	310,615	62,222	4,744	1,164	242,485	0.0
Informational funds adjustment	289,483	0	0	0	289,483	0.0
Operating adjustment	38,452	8,201	0	0	30,251	0.0
Funding source adjustment	(7,066,479)	0	0	(1,502,081)	(5,564,398)	0.0
Personal services base reduction	(129,302)	(27,598)	0	0	(101,704)	0.0
HB 12-1335	\$51,612,507	\$5,557,624	\$4,085,320	\$5,117,803	\$36,851,760	231.2
HB 12-1246	<u>4,854</u>	<u>4,854</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$51,617,361	\$5,562,478	\$4,085,320	\$5,117,803	\$36,851,760	231.2
Increase/(Decrease)	(\$6,552,377)	\$47,679	\$4,744	(\$1,500,917)	(\$5,103,883)	0.0
Percentage Change	(11.3)%	0.9%	0.1%	(22.7)%	(12.2)%	0.0%

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employee's Retirement Association (PERA) pursuant to Section 24-51-201 (1.7) (a), C.R.S.

Informational funds adjustment: The appropriation includes an increase of \$289,483 federal funds reflected in the Long Bill for informational purposes only.

Operating adjustments: The appropriation includes an increase of \$38,452 total funds for various operating adjustments, of which \$15,317 is General Fund restore a FY 2010-11 operating expenses reduction.

Funding source adjustment: The appropriation includes a reduction of \$1,502,081 reappropriated funds to reflect the FY 2012-13 anticipated funds from the Department of Education for the School to Work Alliance Program and to eliminate the unused reappropriated funds from the Community Colleges. It also includes an associated reduction of \$5,564,398 federal funds to reflect an associated decrease of matching federal funds.

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services line items.

Homelake Domiciliary and State and Veterans Nursing Homes

The Department of Human Services operates five state veterans nursing homes and one domiciliary (assisted living facility) located throughout the State. Federal authorities authorize grants of up to 65.0 percent of total costs for the construction of state veterans nursing homes and provide per-diem operating payments for veterans. In return the State must agree that: (1) a minimum of 75.0 percent of residents will be veterans and the remaining 25.0 percent will include spouses or parents whose children died while serving; (2) the facility will remain a veterans home for a minimum of 20 years; and (3) the facility will maintain Veterans Administration (VA) certification. To maintain such certification the facility must submit to various federal audits and surveys demonstrating compliance with VA rules. If any of these requirements are not met, the State is required to repay the VA construction funding.

Cash funds are from the Central Fund for State Nursing Homes, which is continuously appropriated, and federal funds. The appropriation in this subdivision is shown for informational purposes only. The nursing homes and domiciliary operate as an enterprise. Nonetheless, they are reflected in the Long Bill because they are state owned, employ significant numbers of state FTE, and present a significant financial liability to the State should they fail to comply with VA requirements.

<i>Homelake Domiciliary and State and Veterans Nursing Homes</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$49,105,147	\$986,130	\$33,258,217	\$0	\$14,860,800	531.0
TOTAL	\$49,105,147	\$986,130	\$33,258,217	\$0	\$14,860,800	531.0
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$49,105,147	\$986,130	\$33,258,217	\$0	\$14,860,800	531.0
Informational funds adjustment	(2,144,852)	0	169,999	0	(2,314,851)	27.5
HB 12-1335	\$46,960,295	\$986,130	\$33,428,216	\$0	\$12,545,949	558.5
HB 12-1099	2,500	0	2,500	0	0	0.0
TOTAL	\$46,962,795	\$986,130	\$33,430,716	\$0	\$12,545,949	558.5
Increase/(Decrease)	(\$2,142,352)	\$0	\$172,499	\$0	(\$2,314,851)	27.5
Percentage Change	(4.4)%	0.0%	0.5%	n/a	(15.6)%	5.2%

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Informational funds adjustment: The appropriation includes a net reduction of \$2,144,852 total funds, including an increase of \$169,999 cash funds and an increase of 27.5 FTE. The appropriation for the State Veterans Nursing Homes have continuous spending authority pursuant to Article 12 of Title 26, C.R.S., and are reflected in the Long Bill for informational purposes only.

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. Funding changes for each program area are described in the relevant subsections below.

Adult Assistance Programs						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$146,282,453	\$24,861,299	\$102,186,828	\$105,750	\$19,128,576	28.5
SB 11-076	(23,988)	(3,765)	(8,365)	(541)	(11,317)	0.0
HB 12-1177	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$146,258,465	\$24,857,534	\$102,178,463	\$105,209	\$19,117,259	28.5
FY 2012-13 Appropriation:						
HB 12-1335	\$146,327,329	\$25,151,219	\$102,035,654	\$1,800	\$19,138,656	28.5
HB 12-1226	5,650	0	5,650	0	0	0.0
HB 12-1326	<u>6,695,581</u>	<u>0</u>	<u>6,695,581</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$153,028,560	\$25,151,219	\$108,736,885	\$1,800	\$19,138,656	28.5
Increase/(Decrease)	\$6,770,095	\$293,685	\$6,558,422	(\$103,409)	\$21,397	0.0
Percentage Change	4.6%	1.2%	6.4%	(98.3)%	0.1%	0.0%

Administration

This subsection of Adult Assistance Programs includes funding and staffing for management of all programs within Adult Assistance and for oversight of programs within the Other Grant Programs subsection. Reappropriated and federal funds are from various sources, including indirect cost recoveries.

<i>Administration</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$584,225	\$102,311	\$0	\$103,950	\$377,964	6.0
SB 11-076	<u>(3,048)</u>	<u>(539)</u>	<u>0</u>	<u>(541)</u>	<u>(1,968)</u>	<u>0.0</u>
TOTAL	\$581,177	\$101,772	\$0	\$103,409	\$375,996	6.0
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$581,177	\$101,772	\$0	\$103,409	\$375,996	6.0
Restore state PERA contribution	3,048	539	0	541	1,968	0.0
Fund source adjustment	0	0	103,950	(103,950)	0	0.0
HB 12-1335	<u>\$584,225</u>	<u>\$102,311</u>	<u>\$103,950</u>	<u>\$0</u>	<u>\$377,964</u>	<u>6.0</u>
TOTAL	\$584,225	\$102,311	\$103,950	\$0	\$377,964	6.0
Increase/(Decrease)	\$3,048	\$539	\$103,950	(\$103,409)	\$1,968	0.0
Percentage Change	0.5%	0.5%	n/a	(100.0)%	0.5%	0.0%

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Fund source adjustment: The appropriation includes a technical correction to correctly classify funds from recoveries as cash funds, rather than reappropriated funds.

Old Age Pension Program

This subsection of Adult Assistance Programs, authorized by the Colorado Constitution, provides cash assistance, up to a maximum of \$699 per person per month in FY 2011-12, to eligible individuals age 60 and older. The projected FY 2012-13 average monthly caseload for the program is 22,566. Revenue for the Old Age Pension Fund (OAP) is generated through 85.0 percent of license fees, liquor and excise taxes. Revenue that is not used for the OAP Program "spills over" into the General Fund. As funding for the OAP is continuously appropriated by the Colorado Constitution, the budget reflects anticipated program expenditures for informational purposes only.

<i>Old Age Pension Program</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$82,711,628	\$0	\$82,711,628	\$0	\$0	14.0
SB 11-076	<u>(8,365)</u>	<u>0</u>	<u>(8,365)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$82,703,263	\$0	\$82,703,263	\$0	\$0	14.0
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$82,703,263	\$0	\$82,703,263	\$0	\$0	14.0
OAP caseload and average payment projection	86,933	0	86,933	0	0	0.0
Restore state PERA contribution	8,365	0	8,365	0	0	0.0
HB 12-1335	\$82,798,561	\$0	\$82,798,561	\$0	\$0	14.0
HB 12-1326	<u>\$6,695,581</u>		<u>\$6,695,581</u>	<u>\$0</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$89,494,142	\$0	\$89,494,142	\$0	\$0	14.0
Increase/(Decrease)	\$6,790,879	\$0	\$6,790,879	\$0	\$0	0.0
Percentage Change	8.2%	n/a	8.2%	n/a	n/a	0.0%

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

OAP caseload and average payment projection: The Long Bill appropriation includes an increase for the projected caseload and average payment per case. This amount does not assume a cost-of-living increase. (Additional funding is included in H.B. 12-1326 for a cost-of-living increase that would raise the maximum OAP payment to \$725 per month effective July 1, 2012, assuming an increase is approved by the State Board of Human Services.)

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

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

Other Grant Programs

This subsection of Adult Assistance Programs contains appropriations for programs providing cash assistance to disabled individuals and individuals needing assistance with the activities of daily living. These programs include the Aid to the Needy Disabled (AND) and Home Care Allowance programs, among others. Some of these programs provide supplementary funding for individuals who qualify for federal Supplemental Security Income (SSI) income assistance, while others serve those ineligible for federal SSI assistance or whose federal

application is pending. The AND-State Only program (the largest of the AND programs) is projected to serve an average monthly caseload of 6,860 and to provide an average monthly payment per person of \$175 in FY 2012-13. Cash funds sources include county matching funds and interim assistance reimbursements from the federal government for individuals who become eligible for SSI.

<i>Other Grant Programs</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$30,700,980	\$23,037,047	\$7,663,933	\$0	\$0	0.0
HB 12-1177	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$30,700,980	\$23,037,047	\$7,663,933	\$0	\$0	0.0
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$30,700,980	\$23,037,047	\$7,663,933	\$0	\$0	0.0
Annualize prior year funding	(42,057)	0	(42,057)	0	0	0.0
HB 12-1335	<u>\$30,658,923</u>	<u>\$23,037,047</u>	<u>\$7,621,876</u>	<u>\$0</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$30,658,923	\$23,037,047	\$7,621,876	\$0	\$0	0.0
Increase/(Decrease)	(\$42,057)	\$0	(\$42,057)	\$0	\$0	0.0
Percentage Change	(0.1)%	0.0%	(0.5)%	n/a	n/a	n/a

FY 2011-12 Appropriation - Mid-year Adjustments

For information on H.B. 12-1177 (Home Care Allowance Grant Program), see the "Recent Legislation" section at the end of this department.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Annualize prior year funding: The appropriation annualizes changes included in H.B. 12-1177 (Home Care Allowance Grant Program), including reflecting the bill's impact on the local funds contribution to the Home Care Allowance program.

Community Services for the Elderly

This subsection of Adult Assistance Programs includes appropriations for programs associated with the federal Older Americans Act, including the Older Coloradans Program. These programs are administered by 16 Area Agencies on Aging located throughout the State. Services include supportive services, senior centers, nutrition services, in-home services for persons with incomes above the eligibility thresholds for Medicaid, and disease prevention and health promotion services. The cash funds sources are the Older Coloradans Cash Fund and

local funds. The Older Coloradans Cash Fund is derived from excise and sales tax revenues which are credited to the Fund in lieu of the General Fund. The federal funds are from Older Americans Act grants.

<i>Community Services for the Elderly</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$32,285,620	\$1,721,941	\$11,811,267	\$1,800	\$18,750,612	8.5
SB 11-076	<u>(12,575)</u>	<u>(3,226)</u>	<u>0</u>	<u>0</u>	<u>(9,349)</u>	<u>0.0</u>
TOTAL	\$32,273,045	\$1,718,715	\$11,811,267	\$1,800	\$18,741,263	8.5
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$32,273,045	\$1,718,715	\$11,811,267	\$1,800	\$18,741,263	8.5
Restore state PERA contribution	12,575	3,226	0	0	9,349	0.0
Eliminate temporary General Fund refinance	0	300,000	(300,000)	0	0	0.0
Fund source adjustment	0	(10,080)	0	0	10,080	0.0
HB 12-1335	\$32,285,620	\$2,011,861	\$11,511,267	\$1,800	\$18,760,692	8.5
HB 12-1226	<u>\$5,650</u>	<u>\$0</u>	<u>\$5,650</u>	<u>\$0</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$32,291,270	\$2,011,861	\$11,516,917	\$1,800	\$18,760,692	8.5
Increase/(Decrease)	\$18,225	\$293,146	(\$294,350)	\$0	\$19,429	0.0
Percentage Change	0.1%	17.1%	(2.5)%	0.0%	0.1%	0.0%

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Eliminate temporary General Fund refinance: The appropriation eliminates a prior year refinance of General Fund with Older Coloradans Cash Fund reserves.

Fund source adjustment: The appropriation includes an increase in federal funds offset by a decrease in General Fund to comply with the federally-established match rate for Older Americans Act Programs administration.

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

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 program that provides alternatives to detention and/or commitment. The Division maintains secure institutional centers and augments this capacity with contracts for community placements, staff secure placements, and detention placements. Reappropriated funds include amounts transferred from the Department of Education for the school breakfast and lunch program and Medicaid funds transferred from the Department of Health Care Policy and Financing, among other sources.

Division of Youth Corrections						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$115,433,747	\$110,186,694	\$91,531	\$3,036,853	\$2,118,669	993.8
SB 11-076	(1,225,281)	(1,211,593)	(1,135)	(6,712)	(5,841)	0.0
SB 11-217	(986,568)	(986,568)	0	0	0	(8.3)
HB 12-1186	2,284,128	1,998,217		221,672	64,239	(24.5)
HB 12-1335	<u>651,124</u>	<u>579,329</u>	<u>0</u>	<u>28,438</u>	<u>43,357</u>	<u>0.0</u>
TOTAL	\$116,157,150	\$110,566,079	\$90,396	\$3,280,251	\$2,220,424	961.0
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$116,157,150	\$110,566,079	\$90,396	\$3,280,251	\$2,220,424	961.0
Annualize eliminate facility overcrowding	1,925,161	1,797,713	0	84,329	43,119	0.0
Restore state PERA contribution	1,225,281	1,211,593	1,135	6,712	5,841	0.0
Annualize increase in contract placements due to closing 40 state-operated beds	1,138,043	1,030,379	0	75,081	32,583	0.0
Increase critical post staffing coverage	620,648	620,648	0	0	0	14.0
Restore prior year operating reduction	70,992	70,992	0	0	0	0.0
Annualize closure of 40 state-operated beds	(1,978,069)	(1,978,069)	0	0	0	(35.5)
Caseload adjustment	(1,374,523)	(1,289,349)	0	(60,416)	(24,758)	0.0
Annualize S.B. 11-217 (detention bed cap)	(100,432)	(100,432)	0	0	0	(1.7)
Eliminate FY 2011-12 leap year adjustment	(80,602)	(74,660)	0	(3,302)	(2,640)	0.0
Personal services base reduction	(67,468)	(67,468)	0	0	0	0.0
HB 12-1335	\$117,536,181	\$111,787,426	\$91,531	\$3,382,655	\$2,274,569	937.8
HB 12-1246	<u>74,850</u>	<u>74,850</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>

Division of Youth Corrections						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
TOTAL	\$117,611,031	\$111,862,276	\$91,531	\$3,382,655	\$2,274,569	937.8
Increase/(Decrease)	\$1,453,881	\$1,296,197	\$1,135	\$102,404	\$54,145	(23.2)
Percentage Change	1.3%	1.2%	1.3%	3.1%	2.4%	(2.4)%

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1186:

- added funding for purchase of contract placements, based on the average of the Legislative Council Staff and Department of Public Safety, Division of Criminal Justice December 2011 commitment population projections and changes in the client case-mix.
- reduced FTE and moved funds among line items associated with Division capacity realignment that closed the Sol Vista facility and a pod at the Marvin Foote facility and increased the number of purchased contract placements.

House Bill 12-1335 provided an increase to eliminate state-operated facility overcrowding during the last quarter of FY 2011-12. The Division's original FY 2011-12 budget was based on the assumption that state facilities would operate at 110 percent of design capacity. This mid-year adjustment provided an increase for the additional contract placements that would result from operating state facilities at 100 percent of design capacity for the last quarter of the year.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Annualize eliminate facility overcrowding: The appropriation annualizes the impact of a mid-year adjustment and eliminates the budget assumption that state facilities will operate at 110 percent of design capacity during FY 2012-13. The full year impact of this change is \$2.6 million, including \$2.4 million General Fund.

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Annualize increase in contract placements due to closing 40 state-operated beds: The appropriation annualizes mid-year adjustments that increased the number of contract placements based on the closure of 40 state-operated beds in mid-FY 2011-12. The full year impact of this change is \$2.7 million, including \$2.5 million General Fund.

Increase critical post staffing coverage: The appropriation adds 14.0 FTE and associated funding to help to address the discrepancy between appropriated FTE and the FTE required to cover 24-hour critical posts, taking into consideration actual work hours available per FTE.

Restore prior year operating reduction: The appropriation restores General Fund operating expense appropriations that were reduced for FY 2010-11 and FY 2011-12.

Annualize closure of 40 state-operated beds: The appropriation annualizes mid-year adjustments associated with closing 40 state-operated beds, including the 20-bed Sol Vista facility in Pueblo and a 20 bed pod at the Marvin Foote facility in Denver. The full year impact of this change is \$4.0 million General Fund, including \$0.5 million for centrally-appropriated items.

Caseload adjustment: The appropriation reflects the contract beds required based on an FY 2012-13 commitment caseload estimate of 970.7 average daily placements. This figure is based on average of the Legislative Council Staff and Department of Public Safety, Division of Criminal Justice December 2011 youth corrections commitment forecasts.

Annualize S.B. 11-217 (detention bed cap): The appropriation includes adjustments related to prior year legislation which reduced the detention bed cap from 479 to 422 effective FY 2011-12.

Eliminate FY 2011-12 leap year adjustment: The appropriation eliminates funding provided for an additional one day of services in FY 2011-12 due to the leap year.

Personal services base reduction: The appropriation includes a 1.0 percent reduction for certain personal services line items.

Recent Legislation

2011 Session Bills

S.B. 11-076: For the 2011-12 state fiscal year only, reduces the employer contribution rate for the State and Judicial divisions of the Public Employees' Retirement Association (PERA) by 2.5 percent and increases the member contribution rate for these divisions by the same amount. In effect, continues the FY 2010-11 PERA contribution adjustments authorized through S.B. 10-146 for one additional year. Reduces the Department's total appropriation by \$5,248,580 total funds, of which \$3,034,793 is General Fund, \$204,655 is cash funds, \$1,196,670 is reappropriated funds, and \$812,462 is federal funds.

S.B. 11-124: Beginning in FY 2010-11, the bill changes the cap on Temporary Assistance to Needy Families (TANF) reserves that may be retained by counties to 40 percent of the county block grant at the end of the fiscal year, except for counties with block grants of less than \$200,000 per year, which may maintain a reserve of up to \$100,000. (The reserve cap was previously 40 percent for FY 2010-11 and 30 percent for FY 2011-12.) In addition, authorizes the Works Allocation Committee (WAC) to transfer unspent county reserves in excess of the reserve cap to other counties based on the criteria determined by the WAC and outlines criteria for prioritizing and implementing such transfers. Provides an appropriation of \$685,772 federal TANF funds for Colorado Works county allocations for FY 2010-11, to restore amounts previously reverted to the control of the Department of Human Services.

S.B. 11-209: General appropriations act for FY 2011-12.

S.B. 11-217: Reduces the juvenile detention bed cap for the Division of Youth Corrections in the Department of Human Services from 479 beds to 422 beds beginning in FY 2011-12. Reduces the appropriation to the Department for FY 2011-12 by \$1,078,828 General Fund and 8.3 FTE, including a reduction of \$986,568 General Fund for the Division of Youth Corrections and \$92,260 for centrally-appropriated line items. This is expected to annualize to a reduction of \$1,087,000 General Fund and 10.0 FTE to the Division of Youth Corrections in FY 2012-13.

S.B. 11-226: Requires the state treasurer to transfer amounts from various cash funds to the General Fund for purposes of augmenting the General Fund for FY 2010-11 and FY 2011-12. Includes the following adjustments in the Department of Human Services and for additional information on this bill, see the "Recent Legislation" section for the Department of Education.

- Transfers any unexpended and unencumbered moneys remaining in the Child Welfare Action Committee (CWAC) Cash Fund to the General Fund, effective July 1, 2011 (\$155,104). Funding in the CWAC Cash Fund is derived from funds that the Department of Human Services would have reverted to the General Fund at the end of FY 2007-08 but that were instead deposited to the CWAC Cash Fund pursuant to H.B. 08-1404. The CWAC completed its work in 2010.
- Transfers \$3.25 million from the Low Income Energy Assistance Fund to the General Fund in FY 2010-11 (June 30, 2011) and again in FY 2011-12 (January 5, 2012). Amounts in the Low Income Energy Assistance Fund derive from statutory transfers from the Operational Account of the Severance Tax Trust Fund. Also reduces the informational appropriations in the Long Bill for the Low Income Energy Assistance Program by \$3,250,000 million cash funds, respectively, in FY 2010-11 and FY 2011-12, consistent with the transfers from the Low Income Energy Assistance Fund to the General Fund.

S.B. 11-228: Changes how funds for county tax base relief are distributed to qualified counties when appropriations are insufficient to fully fund a county tax base relief funding tier. Previously, allocations were prorated on the basis of total claims submitted in proportion to moneys available. As modified, amounts are allocated so that each eligible county has the same proportion of the county's obligations paid through the combination of its available property tax revenue and county tax base relief appropriations.

H.B. 11-1043: Clarifies a number of provisions in the Colorado Medical Marijuana Code for licensure, licensee operations, sales and use taxes, access to records, patients, physicians and caregivers, research and development, and disposition of marijuana. For FY 2011-12, reduces General Fund appropriations by \$1,000,000 for co-occurring behavioral health services and increases General Fund appropriations by \$1,000,000 and 14.5 FTE for the Colorado Mental Health Institute at Pueblo's Circle Treatment Program. Additionally, the bill appropriates \$7,696 for FY 2011-12 to the Department of Revenue's Information Technology Division and reappropriates the amount to the Governor's Office of Information Technology for programming services.

H.B. 11-1145: Requires all child care workers hired on or after August 10, 2011 to have a fingerprint-based criminal history record check through both the Federal Bureau of Investigation (FBI) and the Colorado Bureau of Investigation. For FY 2011-12, includes an appropriation of \$19,311 cash funds from the Child Care Licensing Cash Fund and 0.4 FTE for the Division of Child Care in the Department of Human Services for staff to review the results of the additional background checks and to issue clearance letters to child care facilities. Also for FY 2011-12, appropriates \$151,800 cash funds, derived from fees paid by child care workers, to the Department of Public Safety for pass-through to the FBI to complete the additional background checks.

H.B. 11-1196: Increases county flexibility in funding for family services.

- Allows counties to provide family preservation services based on a report of suspected abuse or neglect (rather than a finding of abuse or neglect) if the county determines that the family, without appropriate intervention services, may become involved in the child welfare, mental health, and juvenile justice systems. Requires such expenditures be considered when determining the annual child welfare funding allocation to counties.
- Allows county departments of social services to draw down additional federal funding, subject to state approval and other conditions, for expenditures for qualified social services provided by other organizations and the administrative costs of certifying such expenditures as eligible for federal reimbursement. Allows the Department of Human Services to retain five percent of any federal funds received by a county under these provisions.

H.B. 11-1230: Consolidates housing assistance programs in the Department of Human Services into the Department of Local Affairs. The bill specifies that the consolidation is to occur no later than July 1, 2011. The bill transfers \$20,101,143 federal funds and 19.5 FTE from the Department of Human Services to the Department of Local Affairs.

2012 Session Bills

S.B. 12-099: Expands the population that may be served in the Ridge View Youth Services Center (a state-owned, privately operated youth corrections facility) to include youth who are in the temporary custody of county departments of social services.

H.B. 12-1028: Extends the funding from the Operational Account of the Severance Tax Trust Fund used for providing low-income energy-related assistance (LEAP) through direct bill payment assistance and home energy-efficiency improvements through FY 2018-19 at a level of \$13 million annually. (Previously, this provision extended only through FY 2012-13.) Of this total, 25 percent (\$3.25 million) is allocated to the LEAP program in the Department of Human Services.

H.B. 12-1063: Establishes the Homelake Military Veterans Cemetery which consists of the existing cemetery at the Colorado State Veterans Center in Homelake and the adjacent portion of the campus available for cemetery expansion. Requires the Department to maintain the cemetery, and allows for the use of contractors. Requires the Department to establish rules and to set a fee to reserve burial plots, with reservations open to all veterans and family members eligible for burial at the cemetery. Creates the Homelake Military Veterans Cemetery Fund (Fund), and appropriate \$2,500 cash funds from the Fund for FY 2012-13.

H.B. 12-1177: Creates the Home Care Allowance (HCA) Grant Program in the Department of Human Services. The grant program is to assist certain people who previously were receiving both regular HCA assistance and certain Medicaid waiver home- and -community-based services (HCBS), but who dropped HCA assistance when required to choose between the two programs as a result of House Bill 10-1146, which prohibited simultaneous enrollment in both HCA and HCBS. Includes an appropriation to reallocate \$469,612 General Fund to the Home Care Allowance Grant Program from the Home Care Allowance program for FY 2011-12 (net \$0 change). The fiscal impact of the bill for FY 2012-13, included in the Long Bill, is to reallocate \$799,086 General Fund to the Home Care Allowance Grant Program from the Home Care Allowance

program and to make an associated reduction to the Home Care Allowance Program of \$42,057 local cash funds.

H.B. 12-1139: Changes the presumption in current law that juveniles who are charged as adults, a process known as direct filing, be detained pending a trial in an adult jail facility. Under the bill, such juvenile defendants are required to be held in a juvenile facility unless a judge determines, after a hearing, that the appropriate place of confinement is an adult jail. This change is projected to increase the number of juveniles in Division of Youth Corrections (DYC) detention facilities awaiting trial and may result in up to 50 new juveniles detained in DYC facilities at a time. Such new detention placements are anticipated to fit within the current DYC detention bed cap of 422.

H.B. 12-1186: Supplemental appropriations to modify the Department's FY 2011-12 appropriations.

H.B. 12-1226: Adds a surcharge to persons who are convicted of statutorily defined crimes against an at-risk adult or at-risk juvenile and directs 95 percent of revenue to the Crimes Against At-Risk Persons Surcharge Fund and 5 percent to the Judicial Stabilization Cash Fund. Moneys in the Crimes Against At-Risk Persons Surcharge Fund are to be appropriated each year to the Department of Human Services for distribution to a non-profit organization serving as a fiscal agent. The fiscal agent is to award moneys to programs selected by a statewide coalition of nonprofit or not-for-profit organizations that focus on the needs of caregivers of at-risk adults or at-risk juveniles. For FY 2012-13, appropriates \$5,650 from the Crimes Against At-Risk Persons Surcharge Fund to the Department of Human Services for this purpose.

H.B. 12-1246: Eliminates payroll date shift for certain General Fund employees. Increases appropriations to the Department by \$984,145 total funds (including \$726,924 General Fund). For additional information on this bill, see the "Recent Legislation" section in the Department of Personnel.

H.B. 12-1271: Raises the minimum age at which juveniles charged with certain crimes may be prosecuted as adults ("direct filed") from age 14 to age 16. Also limits the offenses for which a juvenile can be direct filed to class 1 or class 2 felonies; violent sex offenses; and crimes of violence and certain sex offenses committed by prior felony offenders. This change is projected to result in a reduction in costs in the Department of Corrections for Youthful Offender Services (YOS) and an increase in costs in the Department of Human Services for the Division of Youth Corrections (DYC), beginning in FY 2013-14, as reflected in the table below.

H.B. 12-1271 Fiscal Impact On Department of Corrections and Department of Human Services					
Fiscal Year	YOS (DOC) Bed Impact	YOS (DOC) Operating Cost	DYC (DHS) Bed Impact	DYC (DHS) Operating Cost	Total Cost
FY 2012-13	0.0	\$0	0.0	\$0	\$0
FY 2013-14	(3.0)	(\$185,616)	3.0	\$177,876	(\$7,740)
FY 2014-15	(6.0)	(371,232)	6.0	355,752	(15,480)
FY 2015-16	(9.0)	(556,848)	9.0	533,628	(23,220)
FY 2016-17	(12.0)	(742,464)	12.0	711,504	(30,960)
Total		(\$1,856,160)		\$1,778,760	(\$77,400)

H.B. 12-1310: Addresses criminal justice matters in several areas including drug offenses, sentencing, court proceedings, sex offenses, probation, and parole. For the Department of Human Services, the bill makes a technical change to eliminate the direct appropriation of cash funds for treatment and detoxification services and short-term intensive residential remediation treatment (STIRRT) to the Department and instead reappropriates the same moneys from the Judicial Department. For more information on H.B. 12-1310, please see the "Recent Legislation" section in the Department of Corrections section of this document.

H.B. 12-1326: Makes the following changes concerning assistance to the elderly: (1) encourages the State Board of Human Services to raise the standard allowance under the Old Age Pension Program from \$699 per month to \$725 per month; (2) allows seniors who are eligible for Medicaid, but not for Medicaid long-term care services, to receive services under the Dental Assistance Program in the Department of Public Health and Environment (DPHE); and (3) transfers funds to the Senior Services Account in the Older Coloradans Cash Fund equal to the amount that funding reflected in the Long Bill for informational purposes for the Senior Homestead Exemption exceeds the actual amount claimed. Increases General Fund appropriations in the DPHE by \$3,022,800 in FY 2012-13 to fund dental services for eligible seniors. Increases cash fund appropriations for the Department of Human Services shown for informational purposes by \$6,695,581 to cover the estimated costs of the Old Age Pension stipend increase encouraged by the bill.

H.B. 12-1335: General appropriations act for FY 2012-13.

HB 12-1339: Appropriates moneys for the Colorado Benefits Management System (CBMS) improvement and modernization project, and outlines the Governor's Office of Information Technology's reporting requirements for quarterly project status updates.

- Requires the Governor's Office of Information Technology to monitor the project and provide quarterly reports to the Joint Budget Committee;
- Defines the required elements to be included in each quarterly report to the Joint Budget Committee;
- Appropriates \$9.0 million (including \$5.7 million General Fund) for contracting and equipment expenditures associated with the project in FY 2011-12 and FY 2012-13 for the Governor's Office of Information Technology, the Department of Health Care Policy and Financing, and the Department of Human Services; and;

CBMS Improvement and Modernization Project FY 2011-12 Appropriation By Agency						
Agency/Expense	Total	GF	CF	RF	FF	FTE
Governor's Office of Information Technology (OIT)						
Contract/Equipment Costs	\$8,950,260	\$0	\$0	\$8,950,260	\$0	0.0
Health Care Policy and Financing (HCPF)						
Transfer to DHS	3,654,755	1,820,992	8,521	0	1,825,242	0.0
Human Services (DHS)						
Contract/Equipment Costs	8,950,260	3,845,866	199,942	3,654,755	1,249,697	0.0
Total FY 2011-12	\$8,950,260	\$5,666,858	\$208,463	n/a	\$3,074,939	0.0

CBMS Improvement and Modernization Project FY 2011-12 Appropriation By Agency						
Agency/Expense	Total	GF	CF	RF	FF	FTE
Appropriation*						

*Reappropriated funds are not included in the total to avoid double counting. All reappropriated funds shown in the DHS are derived from HCPF and all reappropriated funds shown in OIT are derived from the DHS.

- Appropriates \$13.3 million (including \$7.0 million General Fund) and 22.0 FTE for use in FY 2012-13 for the Governor's Office of Information Technology, the Department of Health Care Policy and Financing, and the Department of Human Services for contracting, operating, and personnel costs associated with the project.

CBMS Improvement and Modernization Project FY 2012-13 Appropriation By Agency						
Agency/Expense	Total	GF	CF	RF	FF	FTE
Governor's Office of Information Technology (OIT)						
Contract/Equipment Costs	\$12,279,762	\$0	\$0	\$12,279,762	\$0	0.0
Total OIT	12,279,762	0	0	12,279,762	0	0.0
Health Care Policy and Financing (HCPF)						
Personal Services	825,119	0	0	825,119	0	11.0
Operating Expenses	64,796	0	0	64,796	0	
Centrally Appropriated	107,740	0	0	107,740	0	0.0
Transfer to DHS	7,630,836	3,307,395	10,708	0	4,312,733	0.0
Total HCPF	8,628,491	3,307,395	10,708	997,655	4,312,733	11.0
Human Services (DHS)						
Personal Services	825,118	313,380	28,582	304,510	178,646	11.0
Operating Expenses	64,797	24,610	2,245	23,913	14,029	0.0
Centrally Appropriated	107,740	40,919	3,732	39,762	23,327	0.0
Contract/Equipment Costs	12,279,762	2,950,265	182,116	7,894,467	1,252,914	0.0
Transfer to HCPF	997,655	378,909	34,559	368,184	216,003	0.0
Total DHS	14,275,072	3,708,083	251,234	8,630,836	1,684,919	11.0
Total FY 2012-13 Appropriation*	\$13,275,072	\$7,015,478	\$261,942	n/a	\$5,997,652	22.0

*Reappropriated funds are not included in the total to avoid double counting. All reappropriated funds shown in the DHS are derived from HCPF and all reappropriated funds shown in OIT are derived from the DHS.

H.B. 12-1341: Repeals the Colorado Works Statewide Strategic Use Fund (SSUF) in the Department of Human Services and transfers unexpended and unencumbered federal Temporary Assistance for Needy Families funds in the SSUF to the Colorado Long-term Works Reserve which is expected to result in the

transfer of \$1,009,363 federal funds from the SSUF to the Colorado Long-term Works Reserve on December 30, 2012.

H.B. 12-1342: Creates the Work Therapy Program and Work Therapy Cash Fund. Appropriates \$467,116 cash funds from the Fund and 1.5 FTE to the Department for FY 2012-13.

JUDICIAL DEPARTMENT¹

The Colorado Constitution vests the judicial power of the State in the Judicial Department, which consists of the Supreme Court, the Court of Appeals, district courts, the Denver probate and juvenile courts, county courts, and municipal courts. All of these courts are funded by the State, with the exception of municipal courts and Denver's county court, which are funded by their respective governments. In addition to funding for courts, this department administers funding for probation services, which are provided through each judicial district. These services include supervising juvenile and adult offenders who are sentenced to probation, preparing presentence investigation reports for the courts, and providing victim notification and assistance.

The justices of the Supreme Court select a Chief Justice to serve as the executive head of the Department and appoint a State Court Administrator to oversee the administration of the Department and provide administrative and technical support to the courts and probation.

The Judicial Department also includes four 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. These cases are first assigned to the OSPD, and then referred to the OADC if the OSPD has an ethical conflict of interest. The *Office of the Child's Representative* provides legal services to children entitled to legal representation at state expense. Finally, the *Independent Ethics Commission* hears complaints and issues findings and advisory opinions on ethics-related matters that arise concerning public officers, members of the General Assembly, local government officials, or government employees.

Department Budget: Recent Appropriations

Funding Source	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
General Fund	\$323,814,931	\$327,054,402	\$338,455,642	\$352,087,442
Cash Funds	105,630,825	108,141,846	114,437,763	132,827,681
Reappropriated Funds	7,718,876	8,572,957	15,599,598	19,113,030
Federal Funds	<u>4,430,420</u>	<u>6,814,742</u>	<u>5,210,298</u>	<u>4,425,000</u>
Total Funds	\$441,595,052	\$450,583,947	\$473,703,301	\$508,453,153
Full Time Equiv. Staff	3,947.8	4,047.4	4,174.7	4,267.6

¹ Pursuant to Article V, Section 32, of the Colorado Constitution, "the general appropriation bill shall embrace nothing but appropriations for the expense of the executive, legislative and judicial departments of the state...". Thus, the annual Long Bill includes a section entitled the "Judicial Department" rather than the "Judicial Branch". While this state agency is in fact a separate branch of government, this document refers to it as a department, consistent with the constitutional provisions concerning the Long Bill.

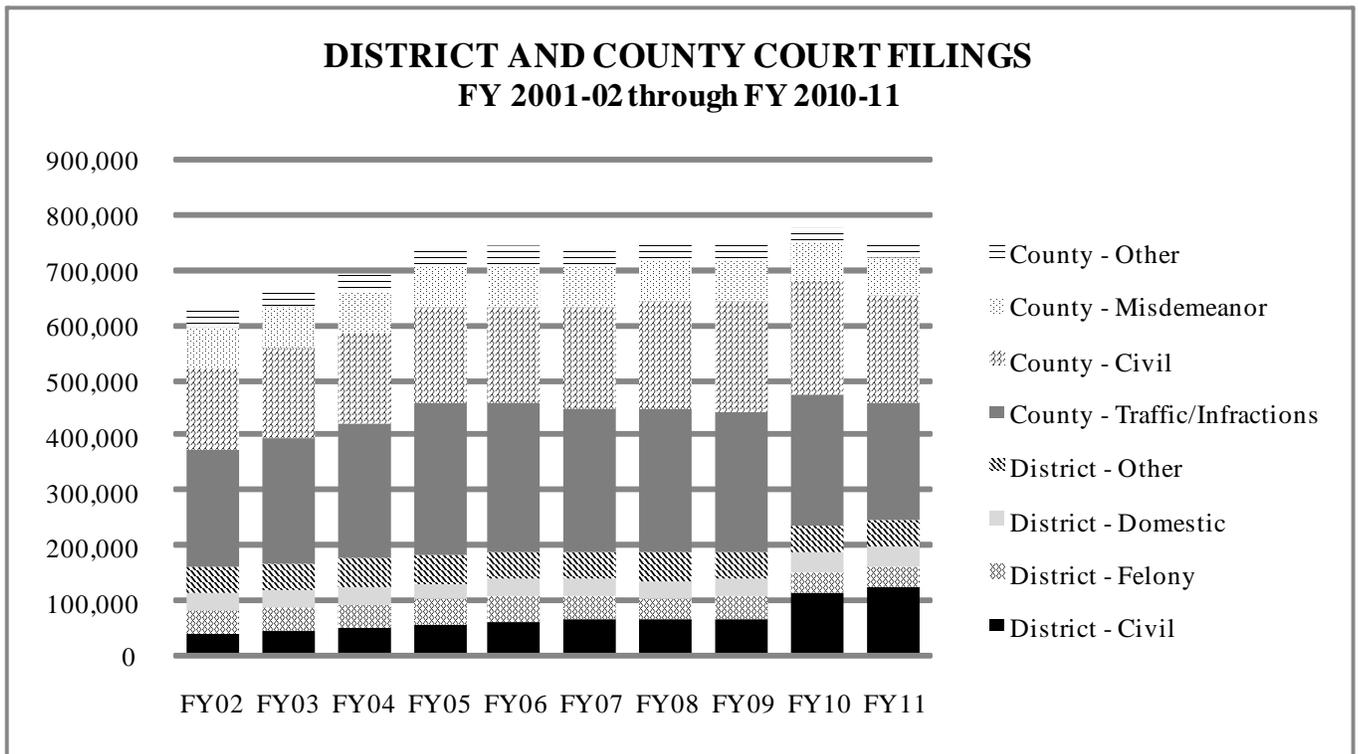
General Factors Driving the Budget

Fiscal year 2012-13 funding for this department consists of 69.2 percent General Fund, 26.1 percent cash funds, 3.8 percent reappropriated funds, and 0.9 percent federal funds. Cash funds primarily include: various 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, magistrates, probation officers, attorneys, 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 population changes, changes in the State's economic climate (which affect both the crime rate and the proportion of clients eligible for state-funded legal representation), and 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 2010-11, approximately 757,000 cases were filed in the state court system, including 505,234 (66.7 percent) in county courts, 247,696 (32.7 percent) in district courts, 2,742 in the Court of Appeals, and 1,387 in the Supreme Court. The graph below depicts the number of cases filed annually in county and district courts since FY 2001-02.



The total number of county and district case filings has increased by 25.3 percent over the last ten years (with a compound annual growth rate of 2.3 percent), with the most significant growth occurring from FY 2001-02 through FY 2004-05. At the district court level, the most significant increase has occurred in civil cases, and in particular cases concerning foreclosures and tax liens. The number of district court civil cases filed has more

than tripled over the last ten years, and these cases now account for 50.9 percent of cases filed². Similarly, the number of county court civil cases has increased by more than 60,000 (43.1 percent) over the last ten years, and these cases now account for 39.6 percent of cases filed.

In response to these caseload increases, the General Assembly periodically increases the number of judges within the state court system. Most recently, H.B. 07-1054 added 43 judges over a three-year period for the court of appeals, district courts, and county courts. The addition of 43 judges has required funding for the judges, the associated court support staff, and additional staff required by the Office of the State Public Defender and the Attorney General. House Bill 07-1054 was thus estimated to require a total increase of 307.2 FTE from FY 2007-08 through FY 2009-10. Funding was provided for the first two fiscal years to add 28 judgeships, as scheduled. In light of the state revenue shortfall, the remaining 15 judgeships were delayed until 2011 and 2012.

Caseload Impacts Unique to Independent Agencies

The three independent agencies that provide legal representation are affected in different ways by changes in the number of cases filed, based on the clients they are charged with representing. Each agency is discussed below.

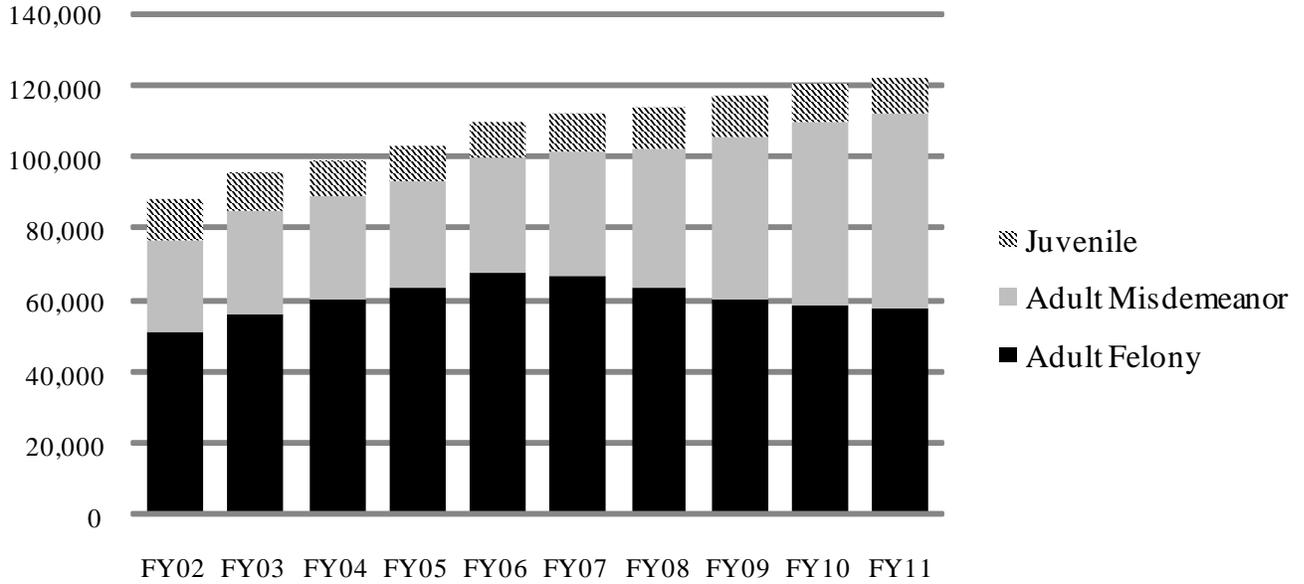
The *Office of the State Public Defender (OSPD)* represents criminal defendants who have inadequate resources to pay for their own defense. The OSPD's caseload is affected by the number and types of cases filed, as well as the proportion of clients who are eligible for state-funded representation. As 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. Thus, the number of felony cases is the primary factor driving OSPD staffing needs.

As illustrated in the graph on the following page, the total number of cases requiring public defender involvement has increased annually since FY 2001-02. From FY 2001-02 through FY 2005-06, the number of felony cases increased by more than 16,000 (31.7 percent). Since FY 2005-06, however, the number of felony cases has declined (by about 9,500), while the number of adult misdemeanor cases has increased by 69.1 percent (from about 32,100 to 54,300).

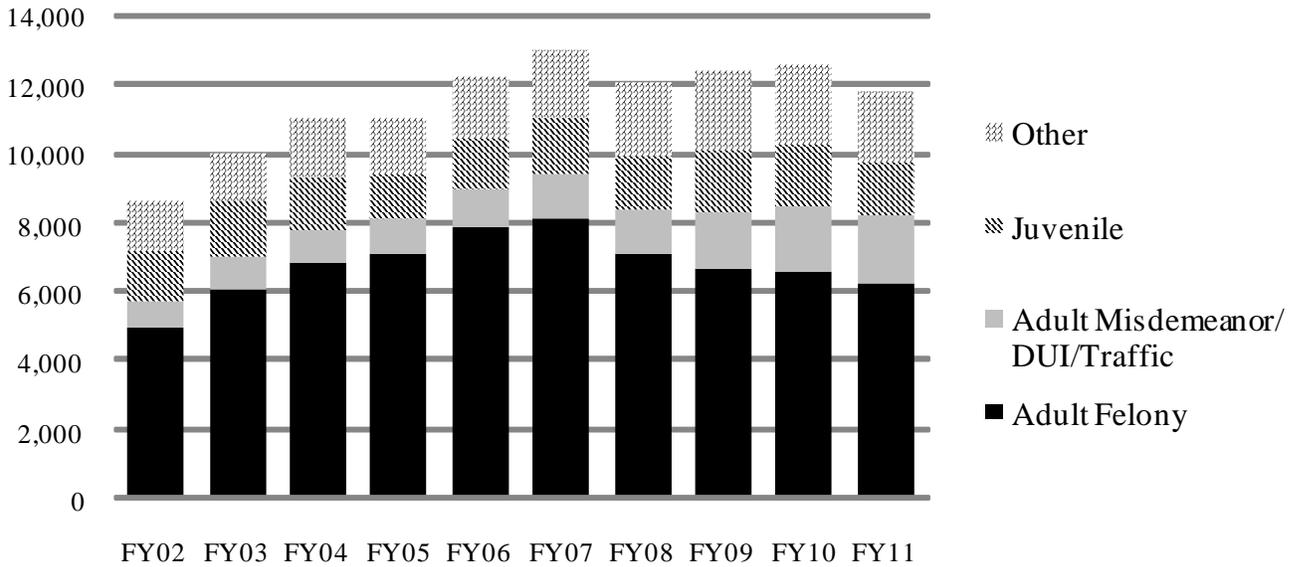
The *Office of the Alternate Defense Counsel (OADC)* contracts with private attorneys to represent indigent defendants in cases where the OSPD has an ethical conflict of interest in providing legal representation. Similar to the OSPD, certain types of cases (*e.g.*, death penalty cases) are more expensive than others; these cases require more hours of attorney time and a higher hourly rate. As illustrated in the graph on the following page, the OADC's overall caseload is more variable than that of the OSPD. The growth in the OADC caseload from FY 2001-02 through FY 2006-07 was primarily driven by increases in the number of felony cases. However, in each of the last four fiscal years the number of felony cases has declined, and the overall number of OADC cases declined in FY 2010-11.

² Please note that while the number of foreclosure cases has continued to increase steadily, the FY 2009-10 increase in civil cases relates to distraint warrants (tax lien cases). The Department indicates, however, that the court workload associated with reviewing tax lien cases and sending approved judgements is minimal.

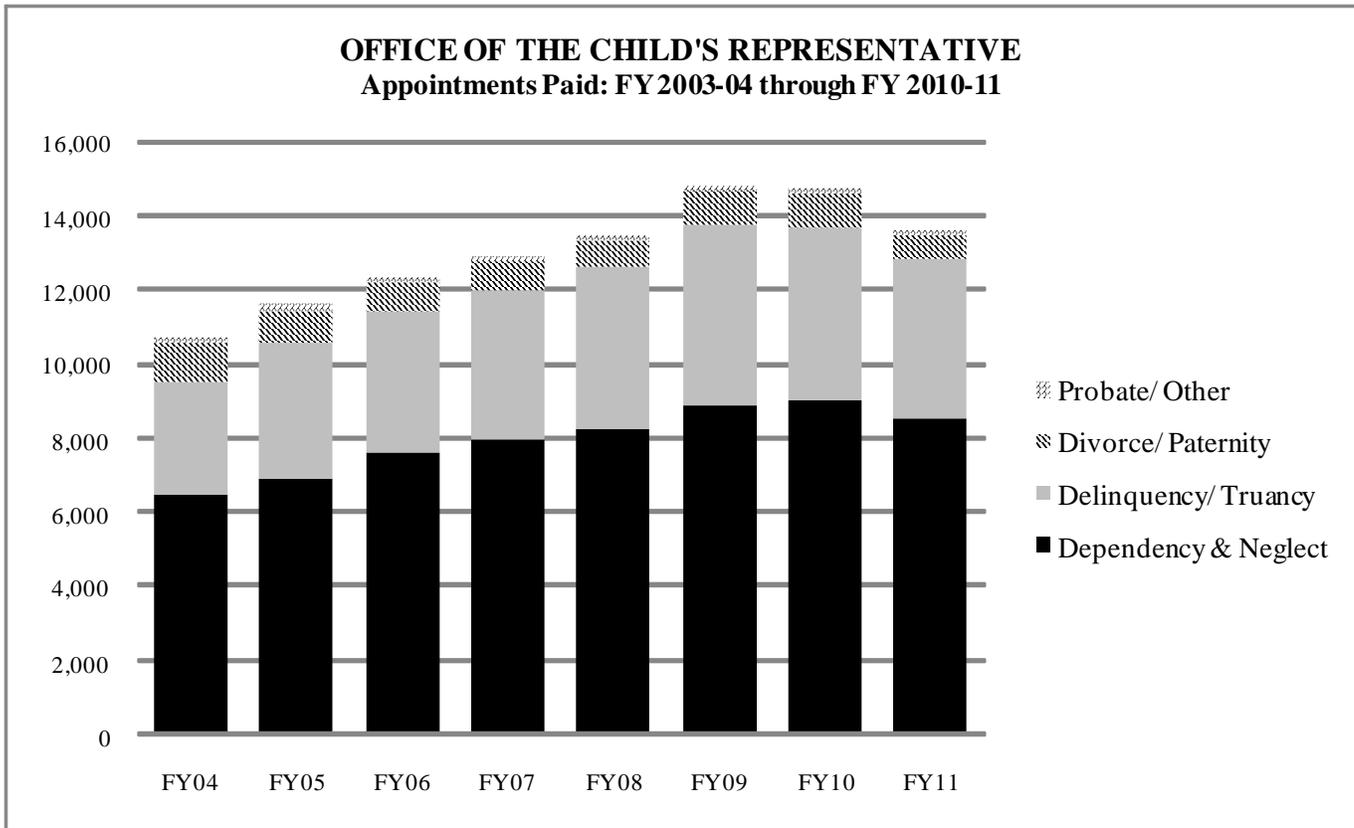
OFFICE OF THE STATE PUBLIC DEFENDER
Active Cases: FY 2001-02 through FY 2010-11



OFFICE OF THE ALTERNATE DEFENSE COUNSEL
Cases Paid: FY 2001-02 through FY 2010-11



The *Office of the Child's Representative (OCR)* has been 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's expenditures are primarily driven by the number of cases involving abuse or neglect, as these account for the most court appointments and require the most attorney time (other than probate cases). As illustrated in the graph below, the overall number of appointments paid has declined in the last two fiscal years³.



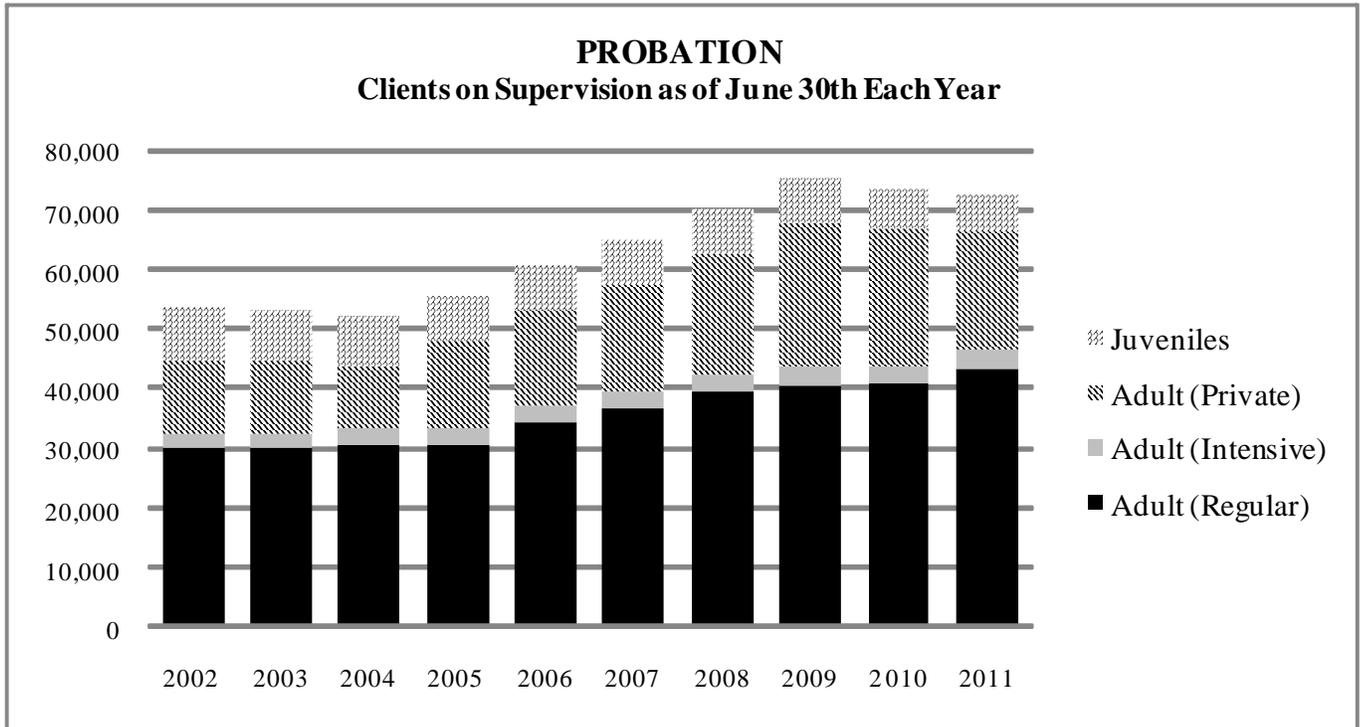
Probation and Related Services Caseload

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 1,200 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 the length of required supervision. The number of offenders sentenced to probation increased significantly from June 2004 to June 2009. Specifically, the number of adult offenders increased by nearly 24,000 (54.2 percent); this increase was mitigated by a 13.2 percent decrease in the number

³ The OCR was established in 2000 and began overseeing the provision of legal representation in FY 2001-02. The graphic provides data beginning in FY 2003-04; this was the first fiscal year in which the OCR implemented a rate structure that involves paying an hourly rate for work done throughout the life of a case, rather than a flat per-case fee. In addition, a Chief Justice Directive was issued in 2004 (CJD 04-06) which established specific requirements for guardian ad litem performance in dependency and neglect cases.

of juvenile offenders. While more than half of the growth in adult offenders was related to offenders who are supervised by private providers, the number of adult offenders supervised by state staff increased by about 10,300 (30.5 percent). The following graph depicts changes in the numbers of adults and juveniles on supervision since 2002. Overall, the number of juvenile and adult offenders who are supervised by state staff increased from 41,764 in June 2002 to 52,884 in June 2011 (26.6 percent). As this number grows, so does the need for probation officers and support staff to adequately supervise offenders.



Summary of FY 2011-12 and FY 2012-13 Appropriations

Judicial Department						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Total Appropriation:	\$473,703,301	\$338,455,642	\$114,437,763	\$15,599,598	\$5,210,298	4,174.7
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Supreme Court/Court of Appeals	19,062,796	9,932,823	9,079,973	50,000	0	194.2
Courts Administration	104,395,464	47,359,123	52,944,238	3,306,805	785,298	335.8
Trial Courts	139,213,724	107,102,366	29,086,358	1,400,000	1,625,000	1,764.6
Probation and Related Services	108,728,435	72,124,968	22,960,674	10,842,793	2,800,000	1,194.4
Office of the State Public Defender	61,222,066	60,875,546	346,520	0	0	650.3
Office of the Alternate Defense Counsel	22,354,455	22,334,455	20,000	0	0	7.5

Judicial Department						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Office of the Child's Representative	18,503,878	18,503,878	0	0	0	26.9
Independent Ethics Commission	222,483	222,483	0	0	0	1.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 11-209	479,194,207	344,850,999	114,388,078	14,744,832	5,210,298	4,172.7
SB 11-076	(6,132,185)	(5,260,421)	(870,420)	(1,344)	0	0.0
HB 11-1300	653,000	653,000	0	0	0	6.0
HB 12-1187	806,386	(413,719)	920,105	300,000	0	(4.0)
HB 12-1335	(818,107)	(1,374,217)	0	556,110	0	0.0
FY 2012-13 Total Appropriation:	\$508,453,153	\$352,087,442	\$132,827,681	\$19,113,030	\$4,425,000	4,267.6
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Supreme Court/Court of Appeals	20,535,352	10,242,962	10,292,390	0	0	208.5
Courts Administration	119,149,331	51,607,972	64,365,431	3,175,928	0	345.8
Trial Courts	144,008,319	109,992,195	30,991,124	1,400,000	1,625,000	1,808.1
Probation and Related Services	119,853,384	75,605,806	26,910,476	14,537,102	2,800,000	1,213.4
Office of the State Public Defender	62,998,015	62,749,755	248,260	0	0	656.4
Office of the Alternate Defense Counsel	22,560,446	22,540,446	20,000	0	0	7.5
Office of the Child's Representative	19,123,343	19,123,343	0	0	0	26.9
Independent Ethics Commission	224,963	224,963	0	0	0	1.0
<u>Breakdown of Total Appropriation by Bill</u>						
HB 12-1335	502,529,529	352,071,327	129,120,172	16,913,030	4,425,000	4,266.6
HB 12-1246	16,115	16,115	0	0	0	0.0
HB 12-1310	5,907,509	0	3,707,509	2,200,000	0	1.0
Increase/(Decrease)	\$34,749,852	\$13,631,800	\$18,389,918	\$3,513,432	(\$785,298)	92.9
Percentage Change	7.3%	4.0%	16.1%	22.5%	(15.1)%	2.2%

Informational Funds: Beginning in FY 2012-13, the Long Bill and other legislation indicate when an amount is shown solely for informational purposes through a new "(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 2012-13 Appropriations containing an (I) notation	\$41,935,000	\$0	\$37,510,000	\$0	\$4,425,000

FY 2011-12 Appropriation - Mid-year Adjustment Highlights

The FY 2011-12 appropriation was modified during the 2012 Legislative Session to:

1. Provide \$0.8 million cash funds to begin replacing information technology (IT) equipment that is necessary to maintain the reliability and efficiency of the Department's IT infrastructure.
2. Increase the General Fund appropriation to the Drug Offender Surcharge Fund by \$0.5 million to increase treatment services available to adult offenders who are on diversion, on probation, on parole, in community corrections, or in jail. An associated increase of \$0.6 million reappropriated funds is provided to allow the Department to allocate all available funds to other state agencies and to provide treatment services to offenders on probation.
3. Reduce General Fund appropriations by \$1.9 million to reflect a decrease in projected expenditures, including: a reduction of \$1.0 million for the Office of the Child's Representative for court appointed counsel expenses; and a reduction of \$0.9 million for the Office of the Alternate Defense Counsel for conflict of interest contracts and mandated costs.
4. Temporarily reduce by \$0.5 million and 4.0 FTE the FY 2011-12 appropriation that was included in H.B. 11-1300 for the resolution of conservation easement tax credit dispute cases. Several of these cases have been delayed due to one case that is pending before the Court of Appeals.

FY 2012-13 Appropriation Highlights

The FY 2012-13 appropriation:

1. Restores \$6.1 million (including \$5.3 million General Fund) to reflect a 2.5 percent increase in the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.
2. Adds \$5.2 million (including \$4.9 million General Fund) for centrally appropriated line items, primarily for employee insurance and retirement benefits.
3. Adds \$4.0 million cash funds and 2.0 FTE for the operations of the new Ralph L. Carr Colorado Judicial Center, offset by the elimination of a \$0.3 million General Fund appropriation for security services.

4. Increases the General Fund appropriation to the Drug Offender Surcharge Fund by \$1.0 million to increase treatment services available to adult offenders who are on diversion, on probation, on parole, in community corrections, or in jail. Includes an associated increase of \$1.0 million reappropriated funds to allow the Department to allocate all available funds to other state agencies and to provide treatment services to offenders on probation.
5. Provides a total of \$1.4 million cash funds, representing an increase of \$0.9 million when compared to FY 2011-12, for courthouse and probation facility furnishings and infrastructure in various judicial districts.
6. Provides \$1.4 million (including \$0.3 million General Fund) to increase the minimum salary for two administrative job classes in the courts and probation to make compensation comparable to similar Executive Branch job classes.
7. Adds \$1.3 million cash funds and 21.5 FTE to address recommendations made by the Office of the State Auditor concerning increased monitoring, supervision, investigation, and follow-up in protective proceeding cases involving guardians and conservators.
8. Adds \$1.2 million (including \$1.1 million General Fund) for 19.0 FTE to reduce the caseload for probation officers who supervise sex offenders.
9. Adds \$1.2 million cash funds and 14.3 FTE to better reflect funds that are collected and expended for the regulation of the practice of law.
10. Provides \$1.1 million General Fund to fund the first two phases of a five-phase project to replace the statewide accounting system (COFRS) used by the Office of the State Controller to record all state revenues and expenditures.
11. Adds \$1.0 million and 14.1 FTE (including \$0.4 million General Fund) for the delayed implementation of the final two judgeships authorized by H.B. 07-1054.
12. Provides \$0.8 million cash funds for an enhanced education and training program for judges. This increase is offset by the elimination of \$0.2 million General Fund that is currently used for judge training.
13. Adds \$0.8 million cash funds and 12.0 FTE to enhance services for self-represented (called "*pro se*") parties in court cases, including adding case managers within judicial districts to support and coordinate services for *pro se* litigants.
14. Adds \$0.8 million cash funds to maintain existing staffing levels in adult drug and sobriety courts, and reflects a \$0.8 million decrease in federal grant funds available for problem-solving courts.
15. Adds \$0.7 million cash funds and 4.0 FTE for the continued operations of the Department's public access system and the development and implementation of the Department's e-filing system.
16. Reinstates \$0.4 million General Fund and 4.0 FTE that were appropriated through H.B. 11-1300 for the resolution of conservation easement tax credit dispute cases.

17. Adds \$0.4 million General Fund for statewide IT common policy adjustments.
18. Adds \$0.4 million General Fund for treatment and services for offenders participating in veterans trauma courts.
19. Refinances the Senior Judge Program, replacing the existing \$1.5 million General Fund appropriation with a \$1.5 million cash funds appropriation from the Judicial Stabilization Cash Fund.
20. Includes base personal services reductions totaling \$1.1 million (including \$1.0 million General Fund).
21. Adds a total of 91.9 FTE, including the following types of changes (some of which are referenced above):
 - An increase of 33.5 FTE to improve or enhance existing programs (court oversight of guardians and conservators, and improved services for self-represented parties);
 - An increase of 30.6 FTE based on prior year legislation and budget actions, including: 14.1 FTE for continued implementation of H.B. 07-1054; 11.0 FTE state funded positions to maintain problem-solving court staff who are currently supported by a federal grant; 4.0 FTE for continued operation of the public access system and development of an in-house e-filing system; and 1.5 FTE state funded positions to maintain public defender staff who are currently supported by a grant;
 - An increase of 20.0 FTE related to population changes, including: 19.0 FTE to reduce the caseloads for probation officers who supervise sex offenders; and 1.0 FTE for the Office of the State Public Defender to represent a growing number of offenders in the Denver Sobriety Court;
 - The restoration of 4.0 FTE that were appropriated through H.B. 11-1300; and
 - A net increase of 1.8 FTE that are included for informational purposes, including: an increase of 14.3 FTE to better reflect funds that are collected and expended for the regulation of the practice of law; a decrease of 11.0 FTE in problem-solving courts that are supported by a federal grant; and a decrease of 1.5 FTE public defender staff who will no longer be supported by a grant for the Denver Sobriety Court.

Detail of Appropriation by Administrative Section

Supreme Court/Court of Appeals

This section provides funding for the Colorado Supreme Court and the Colorado Appeals Court. 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. Requests to review Court of Appeals decisions constitute the majority of the Supreme Court's filings. The Supreme Court also has direct appellate jurisdiction over cases in which a statute has been held to be

unconstitutional, cases involving the Public Utilities Commission, writs of habeas corpus⁴, cases involving adjudication of water rights, summary proceedings initiated under the Elections Code, and prosecutorial appeals concerning search and seizure questions in pending criminal proceedings. 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 judgements 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 eight-year terms.

Cash fund sources primarily include annual attorney registration fees, law examination application fees, appellate court filing fees, and various 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 2011-12 Appropriation:						
SB 11-209	\$19,415,223	\$10,260,577	\$9,104,646	\$50,000	\$0	194.2
SB 11-076	<u>(352,427)</u>	<u>(327,754)</u>	<u>(24,673)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$19,062,796	\$9,932,823	\$9,079,973	\$50,000	\$0	194.2
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$19,062,796	\$9,932,823	\$9,079,973	\$50,000	\$0	194.2
Reflect continuously appropriated funds	1,190,000	0	1,190,000	0	0	14.3
Restore state PERA contribution	352,427	327,754	24,673	0	0	0.0
Eliminate temporary appropriation	(50,000)	0	0	(50,000)	0	0.0
Personal services base reduction	(35,986)	(33,730)	(2,256)	0	0	0.0
HB 12-1335	\$20,519,237	\$10,226,847	\$10,292,390	\$0	\$0	208.5
HB 12-1246	<u>16,115</u>	<u>16,115</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$20,535,352	\$10,242,962	\$10,292,390	\$0	\$0	208.5

⁴ A writ of habeas corpus is a judicial mandate to a prison official ordering that an inmate be brought to court so it can be determined whether or not that person is imprisoned lawfully and whether or not he or she should be released from custody.

Supreme Court/Court of Appeals						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Increase/(Decrease)	\$1,472,556	\$310,139	\$1,212,417	(\$50,000)	\$0	14.3
Percentage Change	7.7%	3.1%	13.4%	(100.0)%	n/a	7.4%

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Reflect continuously appropriated funds: The appropriation increases cash funds appropriations to better reflect funds that are collected and expended for the regulation of the practice of law.

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Eliminate temporary appropriation: The appropriation eliminates funding received from the Department of Law to implement a plan to share library resources.

Personal services base reduction: The appropriation includes a 0.5 percent reduction to certain personal services lines.

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

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. The Courts Administration section of the budget is comprised of four subsections:

- The *Administration and Technology* subsection includes funding and staff associated with central administration of the state judicial system, including information technology systems.
- The *Central Appropriations* subsection includes funding related to employee benefits, leased space, and services purchased from other agencies such as legal and technology services.
- The *Centrally Administered Programs* subsection includes funding supporting specific functions, grant programs, and distributions that are administered by the State Court Administrator's Office.
- The *Ralph L. Carr Colorado Judicial Center* subsection includes funding related to the operations of the new Judicial Center, which is scheduled to be completed in early 2013.

Courts Administration						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$103,848,696	\$47,854,310	\$52,200,939	\$3,008,149	\$785,298	335.8
SB 11-076	(523,239)	(345,089)	(176,806)	(1,344)	0	0.0
HB 11-1300	62,529	62,529	0	0	0	0.0
HB 12-1187	<u>1,007,478</u>	<u>(212,627)</u>	<u>920,105</u>	<u>300,000</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$104,395,464	\$47,359,123	\$52,944,238	\$3,306,805	\$785,298	335.8
FY 2012-13 Appropriation:						
HB 12-1335	\$119,135,548	\$51,607,972	\$64,447,429	\$3,080,147	\$0	344.8
HB 12-1310	<u>13,783</u>	<u>0</u>	<u>(81,998)</u>	<u>95,781</u>	<u>0</u>	<u>1.0</u>
TOTAL	\$119,149,331	\$51,607,972	\$64,365,431	\$3,175,928	\$0	345.8
Increase/(Decrease)	\$14,753,867	\$4,248,849	\$11,421,193	(\$130,877)	(\$785,298)	10.0
Percentage Change	14.1%	9.0%	21.6%	(4.0)%	(100.0)%	3.0%

Administration and Technology

This subsection funds the activities of the State Court Administrator's Office, including the following central administrative functions: accounting and budgeting; human resources; facilities management; procurement; information technology services; public information; and legal services. Cash funds are primarily from the Judicial Department Information Technology Cash Fund and various fees and cost recoveries. Reappropriated funds are from departmental indirect cost recoveries.

<i>Administration and Technology</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$22,736,551	\$12,921,871	\$7,760,894	\$2,050,612	\$3,174	190.4
SB 11-076	(348,343)	(306,934)	(41,409)	0	0	0.0
HB 12-1187	<u>942,000</u>	<u>(158,000)</u>	<u>800,000</u>	<u>300,000</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$23,330,208	\$12,456,937	\$8,519,485	\$2,350,612	\$3,174	190.4

Administration and Technology

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$23,330,208	\$12,456,937	\$8,519,485	\$2,350,612	\$3,174	190.4
Annualize funding for new IT systems	697,308	0	697,308	0	0	4.0
Restore state PERA contribution	348,343	306,934	41,409	0	0	0.0
Oversight related to protective proceedings	210,667	0	210,667	0	0	3.0
IT equipment replacement	60,000	0	60,000	0	0	0.0
Reverse fund source adjustment	0	(597,793)	597,793	0	0	0.0
Eliminate funding for building security	(296,870)	(296,870)	0	0	0	0.0
Judicial education and training	(186,036)	(186,036)	0	0	0	(2.0)
Personal services base reduction	(81,059)	(69,678)	(11,381)	0	0	0.0
Indirect cost assessment	(70,002)	228,002	(66,828)	(228,002)	(3,174)	0.0
HB 12-1335	\$24,012,559	\$11,841,496	\$10,048,453	\$2,122,610	\$0	195.4
HB 12-1310	<u>91,078</u>	<u>0</u>	<u>0</u>	<u>91,078</u>	<u>0</u>	<u>1.0</u>
TOTAL	\$24,103,637	\$11,841,496	\$10,048,453	\$2,213,688	\$0	196.4
Increase/(Decrease)	\$773,429	(\$615,441)	\$1,528,968	(\$136,924)	(\$3,174)	6.0
Percentage Change	3.3%	(4.9)%	17.9%	(5.8)%	(100.0)%	3.2%

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1187 modified FY 2011-12 appropriations to:

- add \$800,000 cash funds to begin replacing four servers and three storage controller units; and
- adjust appropriations of General Fund and reappropriated funds to reflect higher than anticipated indirect cost recoveries.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Annualize funding for new IT systems: The appropriation provides additional funding for the continued operations of the Department’s public access system (Colorado State Courts - Data Access) and for the development and implementation of the Department’s e-filing system (Integrated Colorado Courts E-filing System or "ICCES").

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State’s contribution to the Public Employees’ Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Oversight related to protective proceedings: The appropriation provides \$210,667 cash funds from the Judicial Stabilization Cash Fund and 3.0 FTE to address recommendations made by the Office of the State Auditor concerning increased monitoring, supervision, investigation, and follow-up in protective proceeding cases involving guardians and conservators.

IT equipment replacement: The appropriation provides the second of two appropriations to allow the Department to replace four servers and three storage controller units. The FY 2012-13 appropriation of \$860,000 represents an increase of \$60,000 compared to the FY 2011-12 appropriation.

Reverse fund source adjustment: The appropriation refinances a \$597,793 General Fund appropriation that was provided for FY 2011-12 to enhance the judicial network infrastructure and support. For FY 2012-13 and subsequent fiscal years, this appropriation will come from the Judicial Department Information Technology Cash Fund.

Eliminate funding for building security: The appropriation eliminates the General Fund appropriation in this subsection for security services provided by the State Patrol. This appropriation is replaced by a cash funds appropriation in the Ralph L. Carr Colorado Judicial Center subsection, below.

Judicial education and training: The appropriation transfers existing funding related to judicial education and training to the Courts Administration, Centrally Administered Programs section.

Personal services base reduction: The appropriation includes a 0.5 percent reduction to certain personal services lines.

Indirect cost assessment: The appropriation includes a net decrease in indirect cost assessments.

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

Central Appropriations

This Long Bill group includes various centrally appropriated line items. The sources of cash funds include the Judicial Stabilization Cash Fund, the Offender Services Fund, the Judicial Department Information Technology Cash Fund, the Fines Collection Cash Fund, the Drug Offender Surcharge Fund (to be replaced by the Correctional Treatment Cash Fund in FY 2012-13), the Alcohol and Drug Driving Safety Program Fund, the State Commission on Judicial Performance Cash Fund, and employee parking fees.

<i>Central Appropriations</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$33,467,723	\$29,558,321	\$3,909,402	\$0	\$0	0.0
HB 12-1187	<u>(2,098)</u>	<u>(2,098)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$33,465,625	\$29,556,223	\$3,909,402	\$0	\$0	0.0

<i>Central Appropriations</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$33,465,625	\$29,556,223	\$3,909,402	\$0	\$0	0.0
Centrally appropriated line items	4,822,446	4,474,935	347,511	0	0	0.0
Compensation realignment	1,352,600	309,680	1,042,920	0	0	0.0
COFRS modernization	1,056,857	1,056,857	0	0	0	0.0
Statewide IT common policy adjustments	418,851	418,851	0	0	0	0.0
H.B. 07-1054 (new judges)	84,357	84,357	0	0	0	0.0
HB 12-1335	\$41,200,736	\$35,900,903	\$5,299,833	\$0	\$0	0.0
HB 12-1310	<u>(81,998)</u>	<u>0</u>	<u>(81,998)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$41,118,738	\$35,900,903	\$5,217,835	\$0	\$0	0.0
Increase/(Decrease)	\$7,653,113	\$6,344,680	\$1,308,433	\$0	\$0	0.0
Percentage Change	22.9%	21.5%	33.5%	n/a	n/a	n/a

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line item appropriations 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; vehicle lease payments; workers' compensation; legal services; payments to risk management and property funds; and leased space.

Compensation realignment: The appropriation includes funding to increase the minimum salary for two administrative job classes in the courts and probation to make compensation comparable with similar Executive Branch job classes. The General Fund portion of the funding provided for this purpose is offset by the refinance of the Senior Judge Program (see further discussion in Centrally Administered Programs subsection).

COFRS modernization: The appropriation includes an increase to fund the first two phases of a five-phase project to replace the statewide accounting system (COFRS) used by the Office of the State Controller to record all state revenues and expenditures.

Statewide IT common policy adjustments: The appropriation includes adjustments to line items appropriated for: purchase of services from the computer center; multiuse network payments; and communication services payments.

H.B. 07-1054 (new judges): The appropriation includes funding for benefits for the 9.0 FTE that will be added July 1, 2012, when the final two judgeships authorized by H.B. 07-1054 are filled (see further discussion in Trial Courts section).

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

Centrally Administered Programs

This Long Bill group includes various programs that are administered by the State Court Administrator's Office for the benefit of the courts and probation, as well as administrative functions.

Significant sources of cash funds include the following: surcharges that are credited to local Victims and Witnesses Assistance and Law Enforcement (VALE) funds and local Crime Victim Compensation funds; time payment and late penalty fees credited to the Judicial Collection Enhancement Fund; felony conviction 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; 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 2011-12 Appropriation:						
SB 11-209	\$47,644,422	\$5,374,118	\$40,530,643	\$957,537	\$782,124	145.4
SB 11-076	(174,896)	(38,155)	(135,397)	(1,344)	0	0.0
HB 11-1300	62,529	62,529	0	0	0	0.0
HB 12-1187	<u>(52,529)</u>	<u>(52,529)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$47,479,526	\$5,345,963	\$40,395,246	\$956,193	\$782,124	145.4
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$47,479,526	\$5,345,963	\$40,395,246	\$956,193	\$782,124	145.4
Courthouse capital/ infrastructure maintenance	1,170,860	(10,000)	1,180,860	0	0	0.0
Judicial education and training	1,069,536	0	1,069,536	0	0	2.0
Restore state PERA contribution	174,896	38,155	135,397	1,344	0	0.0
Refinance Senior Judge Program	0	(1,500,000)	1,500,000	0	0	0.0
Maintain problem-solving courts	0	0	782,124	0	(782,124)	0.0
Cash funds available for grant program	(46,570)	0	(46,570)	0	0	0.0

<i>Centrally Administered Programs</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Personal services base reduction	(37,604)	(8,545)	(29,059)	0	0	0.0
Funding for biennial public awareness poll	(30,000)	0	(30,000)	0	0	0.0
HB 12-1335	\$49,780,644	\$3,865,573	\$44,957,534	\$957,537	\$0	147.4
HB 12-1310	<u>4,703</u>	<u>0</u>	<u>0</u>	<u>4,703</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$49,785,347	\$3,865,573	\$44,957,534	\$962,240	\$0	147.4
Increase/(Decrease)	\$2,305,821	(\$1,480,390)	\$4,562,288	\$6,047	(\$782,124)	2.0
Percentage Change	4.9%	(27.7)%	11.3%	0.6%	(100.0)%	1.4%

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1187 eliminated a portion of a FY 2011-12 appropriation that was included in H.B. 11-1300 for conservation easement tax credit cases that proceed through state district courts. Several of these cases have been delayed due to one case that is pending before the Court of Appeals.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Courthouse capital/ infrastructure maintenance: The appropriation provides a total of \$1,654,386 cash funds from the Judicial Stabilization Cash Fund for capital outlay, including: \$1,378,000 to furnish new and remodeled court facilities; \$130,593 for staff added to increase oversight of guardians and conservators (see further discussion in Trial Courts section); \$89,357 for additional probation officers (see further discussion in Probation and Related Services section); and \$56,436 for new *pro se* case managers (see further discussion in Trial Courts section). This increase is offset by the elimination of \$483,526 in one-time funding provided for capital outlay in FY 2011-12.

Judicial education and training: The appropriation establishes a new line item in this section to provide \$1,069,536 cash funds from the Judicial Stabilization Cash Fund and 2.0 FTE for an enhanced education and training program for judges and justices. This appropriation includes \$585,500 in new resources, along with \$298,000 transferred from the Trial Courts section and \$186,036 and 2.0 FTE transferred from the Courts Administration section.

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Refinance Senior Judge Program: The appropriation eliminates General Fund support for the Senior Judge Program and substitutes a cash fund appropriation from the Judicial Stabilization Cash Fund.

Maintain problem-solving courts: The appropriation reflects the annualization of a FY 2011-12 budget decision to provide cash funds from the Judicial Stabilization Cash Fund to maintain existing staffing levels in adult drug and sobriety courts. The appropriation also reflects a decrease in federal grant funds available for problem-solving courts.

Cash funds available for grant program: The appropriation reflects a reduction in the amount of cash funds available for grants to organizations that provide civil legal services to indigent clients who are victims of family violence.

Personal services base reduction: The appropriation includes a 0.5 percent reduction to certain personal services lines.

Funding for biennial public awareness poll: The appropriation eliminates the cash funds appropriation for the biennial public awareness poll concerning the judicial performance evaluation system, consistent with S.B. 08-054.

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 group includes funding related to the operations of the new Judicial Center, which is scheduled to be completed in early 2013.

<i>Ralph L. Carr Colorado Judicial Center</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
HB 12-1187	<u>\$120,105</u>	<u>\$0</u>	<u>\$120,105</u>	<u>\$0</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$120,105	\$0	\$120,105	\$0	\$0	0.0
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$120,105	\$0	\$120,105	\$0	\$0	0.0
Operation of Judicial Center	4,021,504	0	4,021,504	0	0	2.0
HB 12-1335	<u>\$4,141,609</u>	<u>\$0</u>	<u>\$4,141,609</u>	<u>\$0</u>	<u>\$0</u>	<u>2.0</u>
TOTAL	\$4,141,609	\$0	\$4,141,609	\$0	\$0	2.0
Increase/(Decrease)	\$4,021,504	\$0	\$4,021,504	\$0	\$0	2.0
Percentage Change	3,348.3%	n/a	3,348.3%	n/a	n/a	n/a

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1187 established this new subsection in the Long Bill, and provided cash funds spending authority to allow the Department to pay a vendor to manage and maintain the parking garage structure associated with the new Judicial Center.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Operation of Judicial Center: The appropriation from the Justice Center Cash Fund covers anticipated FY 2012-13 expenditures for the new Judicial Center, including the following:

- \$2,072,700 for contract services (including the parking garage structure);
- \$1,000,000 for controlled maintenance;
- \$559,693 for State Patrol security services;
- \$270,000 for utilities; and
- \$239,216 and 2.0 FTE for a building manager and a building engineer.

The FY 2012-13 appropriation represents an increase of \$4,021,504 compared to the FY 2011-12 appropriation.

Trial Courts

This section provides funding for the state trial courts, which include district courts in 22 judicial districts, water courts, and county courts.

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. In FY 2010-11, 246,740 cases were filed at the district court level (excluding water cases). The General Assembly establishes judicial districts and the number of judges for each district in statute; these judges serve renewable six-year terms.

The General Assembly established seven state *water divisions* 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 in their respective divisions. In FY 2010-11, 956 cases were filed in water courts.

County courts handle 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. In FY 2010-11, 505,234 cases were filed at the county court level.

Significant cash fund sources include docket fees credited to the Judicial Stabilization Cash Fund, various fees and cost recovery charges paid by court system users, and grants. Reappropriated funds include federal 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 2011-12 Appropriation:						
SB 11-209	\$141,691,563	\$109,120,147	\$29,546,416	\$1,400,000	\$1,625,000	1,762.6
SB 11-076	(2,618,310)	(2,158,252)	(460,058)	0	0	0.0
HB 11-1300	590,471	590,471	0	0	0	6.0
HB 12-1187	<u>(450,000)</u>	<u>(450,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(4.0)</u>
TOTAL	\$139,213,724	\$107,102,366	\$29,086,358	\$1,400,000	\$1,625,000	1,764.6
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$139,213,724	\$107,102,366	\$29,086,358	\$1,400,000	\$1,625,000	1,764.6
Restore state PERA contribution	2,618,310	2,158,252	460,058	0	0	0.0
Oversight related to protective proceedings	1,006,990	0	1,006,990	0	0	18.5
<i>Pro Se</i> case managers	748,623	0	748,623	0	0	12.0
H.B. 07-1054 (new judges)	585,580	0	585,580	0	0	9.0
Reverse mid-year funding reduction (H.B. 11-1300)	450,000	450,000	0	0	0	4.0
Increase funding for district attorney mandated costs	65,955	50,955	15,000	0	0	0.0
Reverse fund source adjustment	0	597,793	(597,793)	0	0	0.0
Personal services base reduction	(382,863)	(312,923)	(69,940)	0	0	0.0
Judicial education and training	(298,000)	(54,248)	(243,752)	0	0	0.0
HB 12-1335	<u>\$144,008,319</u>	<u>\$109,992,195</u>	<u>\$30,991,124</u>	<u>\$1,400,000</u>	<u>\$1,625,000</u>	<u>1,808.1</u>
TOTAL	\$144,008,319	\$109,992,195	\$30,991,124	\$1,400,000	\$1,625,000	1,808.1
Increase/(Decrease)	\$4,794,595	\$2,889,829	\$1,904,766	\$0	\$0	43.5
Percentage Change	3.4%	2.7%	6.5%	0.0%	0.0%	2.5%

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1187 temporarily reduced a FY 2011-12 appropriation that was included in H.B. 11-1300 for conservation easement tax credit cases that proceed through state district courts. Several of these cases have been delayed due to one case that is pending before the Court of Appeals.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Oversight related to protective proceedings: The appropriation provides \$1,006,990 cash funds from the Judicial Stabilization Cash Fund and 18.5 FTE to address recommendations made by the Office of the State Auditor concerning increased monitoring, supervision, investigation, and follow-up in protective proceeding cases involving guardians and conservators.

Pro Se Case Managers: The appropriation includes \$748,623 cash funds from the Judicial Stabilization Cash Fund and 12.0 FTE to enhance services for self-represented (called "*pro se*") parties in court cases, including adding case managers within judicial districts to support and coordinate services for *pro se* litigants.

H.B. 07-1054 (new judges): The appropriation includes \$585,580 cash funds from the Judicial Stabilization Cash Fund and 9.0 FTE for the delayed implementation of the final two judgeships authorized by H.B. 07-1054. Specifically, the appropriation provides 12 months of funding for judges and staff for the 6th judicial district court (Archuleta, La Plata, and San Juan counties) and the Jefferson county court.

Reverse mid-year funding reduction (H.B. 11-1300): The appropriation reinstates funding that was appropriated through H.B. 11-1300 for the resolution of conservation easement tax credit dispute cases.

Increase funding for district attorney mandated costs: The appropriation increases funding for district attorneys' reimbursable mandated costs.

Reverse fund source adjustment: The appropriation reverses a temporary fund source adjustment that was approved for FY 2011-12. This adjustment reduced General Fund appropriations for trial court programs by \$597,793 and increased the cash fund appropriation from the Judicial Stabilization Cash Fund by the same amount in order to offset the cost of increasing the bandwidth of the Judicial network infrastructure and adding network support staff (these costs were reflected in the Administration and Technology subsection, above).

Personal services base reduction: The appropriation includes a 0.5 percent reduction to certain personal services lines.

Judicial education and training: The appropriation transfers existing funding related to judicial education and training to the Courts Administration, Centrally Administered Programs section.

Probation and Related Services

This section provides funding for probation and related services. Persons convicted of certain offenses are eligible to apply to the court for probation. The court may grant a defendant probation if it determines that probation would be just and serve the best interests of the public and the defendant. The offender serves the sentence in the community under the supervision of a probation officer, subject to conditions imposed by the court. The length of probation is at the discretion of the court and may exceed the maximum period of incarceration authorized for the offense of which the defendant is convicted, except that it cannot exceed five years for any misdemeanor or petty offense.

Managed by the Chief Probation Officer in each judicial district, about 1,200 state employees prepare assessments and provide pre-sentence investigation services to the courts, supervise 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. Adult and juvenile offenders are supervised in accordance with conditions imposed by the courts. A breach of any imposed condition may result in revocation or modification of probation, or incarceration of the offender. As of June 30, 2011, 66,814 adults and 6,062 juveniles who were sentenced to probation were under supervision.

Cash fund sources include: the Offender Services Fund, the Alcohol and Drug Driving Safety Program Fund, the Drug Offender Surcharge Fund (to be replaced by the Correctional Treatment Cash Fund in FY 2012-13), the Sex Offender Surcharge Fund, the Offender Identification Fund, and various fees, cost recoveries, and grants. Sources of reappropriated funds include 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 2011-12 Appropriation:						
SB 11-209	\$109,279,116	\$73,022,876	\$23,169,557	\$10,286,683	\$2,800,000	1,194.4
SB 11-076	(1,606,791)	(1,397,908)	(208,883)	0	0	0.0
HB 12-1335	<u>1,056,110</u>	<u>500,000</u>	<u>0</u>	<u>556,110</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$108,728,435	\$72,124,968	\$22,960,674	\$10,842,793	\$2,800,000	1,194.4
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$108,728,435	\$72,124,968	\$22,960,674	\$10,842,793	\$2,800,000	1,194.4
Offender treatment services (H.B. 10-1352)	2,000,172	1,000,082	0	1,000,090	0	0.0
Restore state PERA contribution	1,606,791	1,397,908	208,883	0	0	0.0
Sex offender supervision probation officers	1,114,721	1,114,721	0	0	0	19.0
Spending authority for S.B. 91-094	590,000	0	0	590,000	0	0.0
Veterans trauma courts	367,197	367,197	0	0	0	0.0
Personal services base reduction	(354,580)	(305,992)	(48,588)	0	0	0.0
Day reporting services	(93,078)	(93,078)	0	0	0	0.0
HB 12-1335	\$113,959,658	\$75,605,806	\$23,120,969	\$12,432,883	\$2,800,000	1,213.4
HB 12-1310	<u>5,893,726</u>	<u>0</u>	<u>3,789,507</u>	<u>2,104,219</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$119,853,384	\$75,605,806	\$26,910,476	\$14,537,102	\$2,800,000	1,213.4

Probation and Related Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Increase/(Decrease)	\$11,124,949	\$3,480,838	\$3,949,802	\$3,694,309	\$0	19.0
Percentage Change	10.2%	4.8%	17.2%	34.1%	0.0%	1.6%

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1335 increased the FY 2011-12 General Fund appropriation to the Drug Offender Surcharge Fund to increase treatment services available to adult offenders who are on diversion, on probation, on parole, in community corrections, or in jail. The act also includes an associated increase in reappropriated funds to allow the Department to allocate all available funds to other state agencies and to provide treatment services to offenders on probation.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Offender treatment services (H.B. 10-1352): The appropriation includes a further increase in the General Fund appropriation to the Drug Offender Surcharge Fund in FY 2012-13 to increase treatment services available to adult offenders who are on diversion, on probation, on parole, in community corrections, or in jail. The appropriation also includes an associated increase in reappropriated funds to allow the Department to allocate these funds to other state agencies and to provide treatment services to offenders on probation.

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State’s contribution to the Public Employees’ Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Sex offender supervision probation officers: The appropriation provides funding to add 19.0 FTE to: (a) restore a 1:25 ratio of probation officers to offenders in the Sex Offender Intensive Supervision Program; and (b) reduce the average caseload for probation officers who supervise sex offenders who are on "regular" supervision to an average of 40 to 45 per officer. The General Fund portion of the funding provided for this purpose is offset by the refinance of the Senior Judge Program (see further discussion in Centrally Administered Programs subsection).

Spending authority for S.B. 91-094: The appropriation authorizes the Judicial Department to receive and spend an additional \$590,000 (a total of \$2,496,837) of the moneys appropriated to the Department of Human Services for the provision of service alternatives to placing juveniles in the physical custody of the Division of Youth Corrections (S.B. 91-094 programs).

Veterans trauma courts: The appropriation adds funding for treatment and services for offenders participating in veterans trauma courts.

Personal services base reduction: The appropriation includes a 0.5 percent reduction to certain personal services lines.

Day reporting services: The appropriation reduces the General Fund appropriation for day reporting services by \$93,078 (23.7 percent) based on actual expenditures in the last two fiscal years.

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 within the Judicial Department that provides legal representation for indigent defendants who are facing the possibility of incarceration. The OSPD provides representation through state employees who are located around the state. The OSPD is comprised of a central administrative office, an appellate office, and 21 regional trial offices. During FY 2010-11, the OSPD handled a total of 122,949 cases. 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 2011-12 Appropriation:						
SB 11-209	\$61,938,317	\$61,591,797	\$346,520	\$0	\$0	650.3
SB 11-076	(969,823)	(969,823)	0	0	0	0.0
HB 12-1187	<u>253,572</u>	<u>253,572</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$61,222,066	\$60,875,546	\$346,520	\$0	\$0	650.3
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$61,222,066	\$60,875,546	\$346,520	\$0	\$0	650.3
Restore state PERA contribution	969,823	969,823	0	0	0	0.0
H.B. 07-1054 (new judges)	282,079	282,079	0	0	0	5.1
Centrally appropriated line items	275,032	275,032	0	0	0	0.0
Provide staff for Denver Sobriety Court	187,966	187,966	0	0	0	2.5
Reverse FY 2010-11 mid-year reduction	150,859	150,859	0	0	0	0.0
Annualize prior year funding	121,736	121,736	0	0	0	0.0
Attorney registration fees	100,935	100,935	0	0	0	0.0
Personal services base reduction	(214,221)	(214,221)	0	0	0	0.0
Reduction in grant funding	(98,260)	0	(98,260)	0	0	(1.5)
HB 12-1335	<u>\$62,998,015</u>	<u>\$62,749,755</u>	<u>\$248,260</u>	<u>\$0</u>	<u>\$0</u>	<u>656.4</u>
TOTAL	\$62,998,015	\$62,749,755	\$248,260	\$0	\$0	656.4
Increase/(Decrease)	\$1,775,949	\$1,874,209	(\$98,260)	\$0	\$0	6.1
Percentage Change	2.9%	3.1%	(28.4)%	n/a	n/a	0.9%

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1187 modified FY 2011-12 appropriations, primarily to add funding for higher than anticipated mandated costs such as transcripts and expert witnesses.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

H.B. 07-1054 (new judges): The appropriation adds funding and staff for the final two judgeships that will be filled July 1, 2012 pursuant to H.B. 07-1054.

Centrally appropriated line items: The appropriation includes adjustments to the following line items that are centrally appropriated in most departments, but which also appear within each independent agency in this department: state contributions for health, life, and dental benefits; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; vehicle lease payments; and leased space.

Provide staff for Denver Sobriety Court: The appropriation adds funding and staff for the OSPD to represent offenders in the Denver Sobriety Court.

Reverse FY 2010-11 mid-year reduction: The appropriation restores a mid-year reduction in funding for FY 2010-11 for operating expenses.

Annualize prior year funding: The appropriation adds \$164,650 General Fund to provide a full 12 months of funding for the staff that were added in FY 2011-12 pursuant to H.B. 07-1054, and decreases funding for operating expenses by \$42,914 General Fund to recognize a full 12 months of savings associated with the FY 2011-12 budget request to add some leased vehicles and reduce mileage reimbursement expenses.

Attorney registration fees: The appropriation provides funding to cover the cost of annual attorney registration fees for OSPD staff.

Personal services base reduction: The appropriation includes a 0.5 percent reduction to certain personal services lines.

Reduction in grant funding: The appropriation reflects an anticipated reduction in grant funding.

Office of the Alternate Defense Counsel

The Office of the Alternate Defense Counsel (OADC) is an independent agency within the Judicial Department that provides legal representation for indigent defendants in criminal and juvenile delinquency cases in which the Office of the State Public Defender has an ethical conflict of interest. The OADC provides legal representation by contracting with licensed attorneys and investigators. In FY 2010-11, the OADC handled 11,878 cases. Cash funds are from training fees.

Office of the Alternate Defense Counsel						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$23,248,059	\$23,228,059	\$20,000	\$0	\$0	7.5
SB 11-076	(15,385)	(15,385)	0	0	0	0.0
HB 12-1187	(4,664)	(4,664)	0	0	0	0.0
HB 12-1335	<u>(873,555)</u>	<u>(873,555)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$22,354,455	\$22,334,455	\$20,000	\$0	\$0	7.5
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$22,354,455	\$22,334,455	\$20,000	\$0	\$0	7.5
Conflict of interest contracts and mandated costs	173,108	173,108	0	0	0	0.0
Centrally appropriated line items	17,498	17,498	0	0	0	0.0
Restore state PERA contribution	15,385	15,385	0	0	0	0.0
HB 12-1335	<u>\$22,560,446</u>	<u>\$22,540,446</u>	<u>\$20,000</u>	<u>\$0</u>	<u>\$0</u>	<u>7.5</u>
TOTAL	\$22,560,446	\$22,540,446	\$20,000	\$0	\$0	7.5
Increase/(Decrease)	\$205,991	\$205,991	\$0	\$0	\$0	0.0
Percentage Change	0.9%	0.9%	0.0%	n/a	n/a	0.0%

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1335 and H.B. 12-1187 modified FY 2011-12 appropriations, primarily to reduce funding for conflict of interest contracts and mandated costs due to lower than anticipated number of cases, a redistribution of felony case types, and anticipated cost efficiencies.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Conflict of interest contracts and mandated costs: The appropriation includes funding to account for a projected increase in the number of cases and the average cost per case, compared to the revised estimates for FY 2011-12.

Centrally appropriated line items: The appropriation includes adjustments to the following line items that are centrally appropriated in most departments, but which also appear within each independent agency in this department: state contributions for health, life, and dental benefits; short-term disability; and supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund.

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State’s contribution to the Public Employees’ Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Office of the Child's Representative

The Office of the Child's Representative (OCR) is an independent agency within the Judicial Department that is responsible for ensuring the provision of uniform, high-quality legal representation and non-legal advocacy to children involved in judicial proceedings. Generally, this involves 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 the 4th Judicial District (El Paso county only), the OCR employs attorneys to provide guardian ad litem services through a centralized office rather than through contracted services. In FY 2010-11, the OCR handled 13,656 appointments.

Office of the Child's Representative						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$19,546,722	\$19,546,722	\$0	\$0	\$0	26.9
SB 11-076	(42,182)	(42,182)	0	0	0	0.0
HB 12-1335	<u>(1,000,662)</u>	<u>(1,000,662)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$18,503,878	\$18,503,878	\$0	\$0	\$0	26.9
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$18,503,878	\$18,503,878	\$0	\$0	\$0	26.9
Court appointed counsel	491,002	491,002	0	0	0	0.0
Centrally appropriated line items	49,630	49,630	0	0	0	0.0
Restore CASA grants	45,000	45,000	0	0	0	0.0
Restore state PERA contribution	42,182	42,182	0	0	0	0.0
Personal services base reduction	(8,349)	(8,349)	0	0	0	0.0
HB 12-1335	<u>\$19,123,343</u>	<u>\$19,123,343</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>26.9</u>
TOTAL	\$19,123,343	\$19,123,343	\$0	\$0	\$0	26.9
Increase/(Decrease)	\$619,465	\$619,465	\$0	\$0	\$0	0.0
Percentage Change	3.3%	3.3%	n/a	n/a	n/a	0.0%

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1335 modified FY 2011-12 appropriations to reduce funding for court appointed counsel expenses due to a lower than anticipated number of cases requiring appointments.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Court appointed counsel: The appropriation includes funding to account for a projected increase in the number of cases and the average cost per case, compared to the revised estimates for FY 2011-12. The FY 2012-13 appropriation is based on actual contract expenditures incurred in FY 2010-11.

Centrally appropriated line items: The appropriation includes adjustments to the following line items that are centrally appropriated in most departments, but which also appear within each independent agency in this department: state contributions for health, life, and dental benefits; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; and leased space.

Restore CASA grants: The appropriation restores state funding for court-appointed special advocate (CASA) programs to \$520,000.

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Personal services base reduction: The appropriation includes a 0.5 percent reduction to certain personal services lines.

Independent Ethics Commission

The Independent Ethics Commission (IEC) is a five-member body established through a constitutional amendment that was approved by voters in 2006. The purpose of the IEC is to provide advice and guidance on ethics-related matters concerning public officers, members of the General Assembly, local government officials, and government employees. The IEC hears complaints, issues findings, assesses penalties and sanctions where appropriate, and issues advisory opinions. The IEC members serve without compensation but are reimbursed for actual and necessary expenses incurred. Originally established within the Office of Administrative Courts in the Department of Personnel, the Commission was transferred to and established as an independent agency within the Judicial Department through H.B. 10-1404.

Independent Ethics Commission						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$226,511	\$226,511	\$0	\$0	\$0	1.0
SB 11-076	(4,028)	(4,028)	0	0	0	0.0
TOTAL	\$222,483	\$222,483	\$0	\$0	\$0	1.0

Independent Ethics Commission						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$222,483	\$222,483	\$0	\$0	\$0	1.0
Restore state PERA contribution	4,028	4,028	0	0	0	0.0
Centrally appropriated line items	(1,548)	(1,548)	0	0	0	0.0
HB 12-1335	<u>\$224,963</u>	<u>\$224,963</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>1.0</u>
TOTAL	<u>\$224,963</u>	<u>\$224,963</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>1.0</u>
Increase/(Decrease)	\$2,480	\$2,480	\$0	\$0	\$0	0.0
Percentage Change	1.1%	1.1%	n/a	n/a	n/a	0.0%

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Centrally appropriated line items: The appropriation includes adjustments to the following line items that are centrally appropriated in most departments, but which also appear within each independent agency in this department: state contributions for health, life, and dental benefits; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; and legal services.

Recent Legislation

2011 Session Bills

S.B. 11-028: Modifies the allocation of judgeships that were added through H.B. 07-1054, reducing the total number of district court judgeships allocated to the First Judicial District (Gilpin, Jefferson) from 15 to 14 and increasing the total number of district court judgeships allocated to the Seventh Judicial District (Delta, Gunnison, Hinsdale, Montrose, Ouray, and San Miguel counties) from four to five.

S.B. 11-076: For the 2011-12 state fiscal year only, reduces the employer contribution rate for the State and Judicial divisions of the Public Employees' Retirement Association (PERA) by 2.5 percent and increases the member contribution rate for these divisions by the same amount. In effect, continues the FY 2010-11 PERA contribution adjustments authorized through S.B. 10-146 for one additional year. Reduces the Department's appropriation by a total of \$6,132,185, including \$5,260,421 General Fund, \$870,420 cash funds, and \$1,344 reappropriated funds.

S.B. 11-164: Transfers \$672,725 from the Drug Offender Treatment Fund to the General Fund on June 30, 2011. For additional information see the corresponding bill description in the "Recent Legislation" section of the Department of Labor and Employment.

S.B. 11-209: General appropriations act for FY 2011-12.

H.B. 11-1076: Clarifies the applicability of time payment fees (which are imposed when fees, costs, and fines assessed in the judicial process are not paid in full on the date of assessment) to all criminal cases, including traffic infractions, petty offenses and cases involving the payment of restitution. Provides for annual reassessment of the time payment fee if payments have not been satisfied. The bill is anticipated to increase revenues to the Judicial Collection Enhancement Fund. As existing spending authority from the Fund exceeds the amount of available revenues, the additional revenues resulting from this bill can be spent under existing appropriations.

H.B. 11-1200: Requires a substance abuse assessment to be performed as part of the probation intake process when an individual has been sentenced to be supervised by probation services and the court has waived a presentence investigation. This bill is anticipated to increase revenues to the Drug Offender Surcharge Cash Fund. As existing spending authority from the Fund exceeds the amount of available revenues, the additional revenues resulting from this bill can be spent under existing appropriations.

H.B. 11-1300: Authorizes a new expedited method for resolving disputed claims over conservation easement state income tax credits. Appropriates \$653,000 General Fund and 6.0 FTE to the Judicial Department for FY 2011-12 to hear cases related to a notice of deficiency, disallowance, or rejection from the Department of Revenue regarding a claimed tax credit on conservation easements. For additional information see the corresponding bill description in the "Recent Legislation" section of the Department of Revenue.

2012 Session Bills

H.B. 12-1073: Modifies the allocation of judgeships that were added through H.B. 07-1054, reducing the total number of district court judgeships allocated to the First Judicial District (Gilpin, Jefferson) from 14 to 13 and increasing the total number of district court judgeships allocated to the Sixth Judicial District (La Plata, San Juan, and Archuleta counties) from three to four.

H.B. 12-1187: Supplemental appropriation to the Judicial Department to modify FY 2011-12 appropriations included in the FY 2011-12 Long Bill (S.B. 11-209) and H.B. 11-1300.

H.B. 12-1246: Reverses the annual pay date shift as it applies to state employees paid on a biweekly basis. Appropriates \$16,115 General Fund to the Judicial Department for FY 2012-13. For additional information see the corresponding bill description in the "Recent Legislation" section of the Department of Personnel.

H.B. 12-1310: Makes a number of changes to state criminal law, as summarized below.

- *Drug Treatment Fund Consolidation.* Consolidates the major state funding sources for substance abuse treatment (including the Drug Offender Surcharge Fund and the Drug Offender Treatment Fund) into a newly created Correctional Treatment Cash Fund. Replaces the State Drug Offender Treatment Board and the Interagency Task Force on Treatment with the newly created Correctional Treatment Board, and expands the membership requirements for each judicial district's drug offender treatment board.

Requires the Correctional Treatment Board to prepare an annual treatment plan that the Judicial Department will include in its annual presentation to the Joint Budget Committee.

- *Aggravated Juvenile Offenders.* When a juvenile is adjudicated a delinquent for either murder in the first or second degree and adjudicated an aggravated juvenile offender or convicted of a crime of violence, allows the court to sentence the juvenile consecutively or concurrently for all adjudicated offenses arising from the petition. Establishes a ten year period of mandatory parole for an aggravated juvenile offender who was adjudicated a delinquent for first degree murder. Requires the court to order a psychological evaluation and risk assessment before the hearing on the offender's further placement at age 21 to determine if the juvenile is a danger to himself or herself or others. As part of the hearing, requires the court to reconsider the length of the remaining sentence. Adds placement options, including a correctional facility, the youthful offender system, a community corrections program, or adult parole.
- *Bath Salts as Controlled Substances.* Defines "cathinones" and establishes criminal penalties for possession of cathinones and for distributing, manufacturing, dispensing, or selling cathinones. Establishes that any person or entity that sells a product that is labeled as a "bath salt" or any other trademark and contains any amount of a cathinone commits a deceptive trade practice and is subject to a civil penalty.
- *Criminal Proceedings.* Addresses several areas of statute governing criminal proceedings, including changes and clarifications concerning: sentencing; court proceedings; the collection of court fines, fees, costs, restitution, and surcharges; the preparation of presentence reports; eligibility for probation; and the types of parole hearings that a release hearing officer may conduct. Expands the information that the Judicial Department is to include in its annual report regarding the state's pretrial services programs. Clarifies that the court cannot charge a probationer for the costs of returning the probationer to Colorado, but requires a probationer who wishes to transfer his or her probation to another state to pay a \$100 filing fee that is deposited into the newly created Interstate Compact Probation Transfer Cash Fund to cover the costs associated with returning probationers to Colorado. Allows the interest earned on moneys in the Sex Offender Surcharge Fund to remain in the Fund rather than being credited to the General Fund.
- *Penalties for Drug Offenses.* Directs the Colorado Commission on Criminal and Juvenile Justice (Commission), using empirical analysis and evidence-based data and research, to consider the development of a comprehensive drug sentencing scheme for all drug crimes. Specifies items that the sentencing scheme is to consider. Requires the Commission to provide a written report of its recommendations for a comprehensive drug sentencing scheme to the Judiciary Committees by December 15, 2012.

Includes several appropriation clauses affecting multiple departments, as detailed in the following table. Sections 40 and 41 of the act adjust appropriations in the FY 2012-13 Long Bill (H.B. 12-1335) to reflect the consolidation of drug treatment funding originally made available pursuant to S.B. 03-318 and H.B. 10-1352. Section 42 of the act appropriates moneys to the Department of Corrections and the Governor's Office to implement provisions concerning juvenile offenders. Section 43 of the act appropriates moneys to the Judicial Department from the Interstate Compact Probation Transfer Cash Fund to cover the costs associated with returning probationers to Colorado.

House Bill 12-1310: FY 2012-13 Appropriations and Long Bill Adjustments

Department/ Line item/ Purpose	Amount	Fund Source
Sections 40 and 41: Drug Treatment Fund Consolidation		
Department of Corrections		
<i>Inmate Programs, Drug and Alcohol Treatment Subprogram</i>		
Drug Offender Surcharge Program	(\$995,127)	Cash Funds (CF) - Drug Offender Surcharge Fund (DOSF)
Contract Services	(250,000)	CF - DOSF
<i>Community Services, Parole Subprogram</i>		
Contract Services	(1,757,100)	Reappropriated Funds (RF) - Transfer from Judicial (from DOSF per H.B. 10-1352)
Services and activities authorized by Sections 18-19-103 (5) (c) and (d), C.R.S. [S.B. 12-104]	<u>3,002,227</u>	RF - Transfer from Judicial (from Correctional Treatment Cash Fund or CTCF)
Subtotal - Corrections	0	
Department of Human Services		
<i>Mental Health and Alcohol and Drug Abuse Services, Alcohol and Drug Abuse Division, Treatment Services</i>		
Treatment and Detoxification Contracts	(887,300)	CF - DOSF
Short-term Intensive Residential Remediation and Treatment (STIRRT)	(383,316)	CF - DOSF
<i>Mental Health and Alcohol and Drug Abuse Services, Co-occurring Behavioral Health Services</i>		
Substance Use Disorder Offender Services (H.B. 10-1352)	(1,819,900)	RF - Transfer from Judicial (from DOSF per H.B. 10-1352)
Services and activities authorized by Sections 18-19-103 (5) (c) and (d), C.R.S.	<u>3,090,516</u>	RF - Transfer from Judicial (from CTCF)
Subtotal - Human Services	0	
Judicial Department		
<i>Courts Administration, Administration and Technology</i>		
General Courts Administration	91,078	RF - CTCF (GF credited to Fund)
	1.0 FTE	
<i>Courts Administration, Central Appropriations</i>		
Various centrally appropriated line items	(81,998)	CF - DOSF
<i>Courts Administration, Centrally Administered Programs</i>		
Courthouse Capital/Infrastructure Maintenance	4,703	RF - CTCF (GF credited to Fund)
<i>Probation and Related Services</i>		
Probation Programs	(702,114)	CF - DOSF
Offender Treatment and Services	(1,010,006)	CF - DOSF
Offender Treatment and Services	(7,656,200)	RF - DOSF (GF credited to fund)
S.B. 03-318 Community Treatment Funding	(2,200,000)	General Fund (GF)
H.B. 10-1352 Appropriation to Drug Offender Surcharge Fund	(7,656,200)	GF
Appropriation to Correctional Treatment Cash Fund	9,856,200	GF

House Bill 12-1310: FY 2012-13 Appropriations and Long Bill Adjustments

Department/ Line item/ Purpose	Amount	Fund Source
Services and activities authorized by Sections 18-19-103 (5) (c) and (d), C.R.S.	5,407,877	CF - CTCF (fee revenue)
Services and activities authorized by Sections 18-19-103 (5) (c) and (d), C.R.S.	<u>9,760,419</u>	RF - CTCF (GF credited to Fund)
Subtotal - Judicial	5,813,759 1.0 FTE	
Department of Public Safety		
<i>Executive Director's Office, Administration</i>		
Various centrally appropriated line items	(10,793)	CF - DOSF
<i>Division of Criminal Justice, Administration</i>		
DCJ Administrative Services	(84,803)	CF - DOSF
DCJ Administrative Services	(37,964)	GF
	(0.5 FTE)	
Indirect Cost Assessment	(8,401)	CF - DOSF
<i>Division of Criminal Justice, Community Corrections</i>		
Community Corrections Placement	(994,019)	CF - DOSF
Treatment for Substance Abuse and Co-occurring Disorders	(1,568,750)	RF - Transfer from Judicial (from DOSF per H.B. 10-1352)
Services and activities authorized by Sections 18-19-103 (5) (c) and (d), C.R.S.	<u>2,666,766</u>	RF - Transfer from Judicial (from CTCF)
Subtotal - Public Safety	(37,964) (0.5 FTE)	GF
Section 42: Juvenile Offenders		
Department of Corrections		
Purchase of computer center services	11,840	GF
Governor - Lieutenant Governor - State Planning and Budgeting		
<i>Office of Information Technology</i>	11,840	RF - Transfer from Corrections
Section 43: Criminal Proceedings		
Judicial Department		
<i>Probation and Related Services</i>	93,750	CF - Interstate Compact Probation Transfer Cash Fund
Totals	<u>\$5,893,225</u> (26,124) 93,750 5,825,599 0.5 FTE	Total Funds General Fund Cash Funds Reappropriated Funds

H.B. 12-1335: General appropriations act for FY 2012-13. Also includes supplemental adjustments to modify appropriations to the Judicial Department included in the FY 2011-12 Long Bill (S.B. 11-209).

DEPARTMENT OF LABOR AND EMPLOYMENT

The Department is divided into five divisions:

1. The Executive Director's Office is responsible for providing common services to all divisions including human resources and accounting.
2. The Division of Employment and Training is responsible for the administration and monitoring the integrity of Colorado's unemployment insurance programs, administration of the workforce development programs and state run one-stop centers, and research and analysis on Colorado's employment trends.
3. The Division of Labor is responsible for ensuring employer compliance with state and federal employment laws.
4. 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.
5. The Division of Workers' Compensation is responsible for enforcing workers' compensation laws and for the administration of the Major Medical Insurance and Subsequent Injury Funds.

Department Budget: Recent Appropriations

Funding Source	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
General Fund	\$0	\$0	\$0	\$0
Cash Funds	60,585,018	59,639,210	60,912,916	60,488,778
Reappropriated Funds	12,832,151	1,695,272	752,426	651,881
Federal Funds	<u>103,611,625</u>	<u>95,589,102</u>	<u>96,532,825</u>	<u>96,976,002</u>
Total Funds	\$177,028,794	\$156,923,584	\$158,198,167	\$158,116,661
Full Time Equiv. Staff	1,123.7	1,047.0	1,046.8	1,006.3

General Factors Driving the Budget

Funding for this department consists of 38.3 percent cash funds, 0.4 percent reappropriated funds, and 61.3 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

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 \$500 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 21.8 percent of the Department's total FY 2012-13 appropriation. Approximately 78.8 percent of the UI Programs appropriation is federal funds. The overall administrative costs of Colorado's UI Programs have increased from FY 2005-06 to FY 2012-13. Decreased availability of federal funds has resulted in state cash funds funding a larger percentage of the administrative costs, as outlined in the following table:

Comparison of UI Program Administrative Expenses FY 2005-06 to FY 2012-13			
Fiscal Year	Total Appropriation	Cash Funds	Federal Funds
FY 2005-06*	\$33,746,054	\$6,316,112	\$27,429,942
FY 2012-13	34,698,482	7,364,002	27,334,480
Dollar Change	\$952,428	\$1,047,890	(\$95,462)
Percent Change	2.8%	16.6%	(0.3)%

*Note the FY 2005-06 cash funds appropriation includes what was classified as cash funds exempt in FY 2005-06 but would be classified as cash funds in FY 2012-13.

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 less benefits being paid and a build up of the fund balance. During challenging economic times, the number of claims and benefits paid increases, resulting in a related decrease in the balance of the UITF. The following table outlines annual benefit payment amounts and the associated UITF balance from FY 2008-09 to FY 2012-13:

UI Benefit Payments for FY 2008-09 to FY 2012-13				
Fiscal Year	Benefit Payments	Change from Previous Year	Ending Trust Fund Balance	Change from Previous Year
FY 2008-09 Actual	\$1,053,793,289	n/a	\$368,770,714	n/a
FY 2009-10 Actual	1,086,726,558	32,933,269	(182,904,013)	(551,674,727)
FY 2010-11 Actual	718,876,245	(367,850,313)	(691,406,458)	(508,502,445)
FY 2011-12 Actual*	606,531,633	(112,344,612)	(67,983,041)	623,423,417
FY 2012-13 Projected	536,255,551	(70,276,082)	(49,475,050)	18,507,991

*As of June 2012.

During FY 2009-10 the UITF became insolvent which resulted in Colorado borrowing funds from the federal Unemployment Trust Fund. Borrowed funds are maintained by the federal government in a separate account, other than the UITF. As of June 2012, the outstanding balance on borrowed funds is approximately \$68.0 million. Pursuant to H.B. 12S-1002 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 amount and interest owed on the federal debt. If a bond is used to pay the

federal debt employers would be required to make payments on the bond principle amount, interest, and administration costs.

Federal Funding Levels for Workforce Development Programs

Workforce development programs are funded primarily 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 account for 37.4 percent of the total funding for the Department. Workforce Development programs benefitted from additional federal funds made available from FY 2008-09 through FY 2010-11 by the American Recovery and Reinvestment Act.

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 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.

Summary of FY 2011-12 and FY 2012-13 Appropriations

Department of Labor and Employment						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Total Appropriation:	\$158,198,167	\$0	\$60,912,916	\$752,426	\$96,532,825	1,046.8
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	33,491,563	0	15,921,445	160,894	17,409,224	99.9
Division of Employment and Training	96,478,283	0	17,452,644	572,016	78,453,623	746.8
Division of Labor	1,147,311	0	1,147,311	0	0	15.0
Division of Oil and Public Safety	5,252,202	0	4,562,708	19,516	669,978	67.0
Division of Workers' Compensation	21,828,808	0	21,828,808	0	0	118.1
<u>Breakdown of Total Appropriation by Bill</u>						
SB 11-209	159,621,368	0	61,312,749	756,026	97,552,593	1,046.8
SB 11-076	(1,631,728)	0	(610,007)	(3,600)	(1,018,121)	0.0
HB 11-1288	62,900	0	62,900	0	0	0.0
HB 12-1188	145,627	0	147,274	0	(1,647)	0.0

Department of Labor and Employment

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Total Appropriation:	\$158,116,661	\$0	\$60,488,778	\$651,881	\$96,976,002	1,006.3
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	35,674,725	0	17,370,813	157,006	18,146,906	99.9
Division of Employment and Training	96,040,992	0	17,445,760	475,557	78,119,675	706.3
Division of Labor	1,171,056	0	1,171,056	0	0	15.0
Division of Oil and Public Safety	5,358,218	0	4,629,479	19,318	709,421	67.0
Division of Workers' Compensation	19,871,670	0	19,871,670	0	0	118.1
<u>Breakdown of Total Appropriation by Bill</u>						
HB 12-1335	158,069,463	0	60,441,580	651,881	96,976,002	1,006.3
HB 12-1272	47,198	0	47,198	0	0	0.0
Increase/(Decrease)	(\$81,506)	\$0	(\$424,138)	(\$100,545)	\$443,177	(40.5)
Percentage Change	(0.1)%	n/a	(0.7)%	(13.4)%	0.5%	(3.9)%

Informational Funds: Beginning in FY 2012-13, the Long Bill and other legislation indicate when an amount is shown solely for informational purposes through a new "(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 2012-13 Appropriations containing an (I) notation	\$105,166,765	\$0	\$8,190,763	\$0	\$96,976,002

FY 2011-12 Appropriation - Mid-year Adjustment Highlights

The FY 2011-12 appropriation was modified during the 2012 Legislative Session to make several minor common policy adjustments.

FY 2012-13 Appropriation Highlights

The FY 2012-13 appropriation:

1. Increases \$1.6 million total funds for the restoration of the FY 2011-12 State PERA contribution reduction of 2.5 percent.
2. Increases \$0.6 million total funds for centrally appropriated line items including an increase to employee benefits.

3. Increases \$56,700 total funds for the final year of funding of the Division of Oil and Public Safety enterprise database development.
4. Reduces \$2.3 million cash funds from the Division of Worker's Compensation to more accurately reflect expenditures.
5. Reduces \$0.5 million total funds for a 1.0 percent reduction to certain personal services line items.
6. Eliminates 40.5 vacant FTE to more accurately reflect FTE usage.

Detail of Appropriation by Administrative Section

Executive Director's Office

The Executive Director's 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.

Funding for this division is 48.7 percent cash funds, 0.4 percent reappropriated funds, and 50.9 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 2011-12 Appropriation:						
SB 11-209	\$33,648,949	\$0	\$15,981,450	\$160,894	\$17,506,605	99.9
SB 11-076	(151,808)	0	(56,074)	0	(95,734)	0.0
HB 12-1188	<u>(5,578)</u>	<u>0</u>	<u>(3,931)</u>	<u>0</u>	<u>(1,647)</u>	<u>0.0</u>
TOTAL	\$33,491,563	\$0	\$15,921,445	\$160,894	\$17,409,224	99.9
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$33,491,563	\$0	\$15,921,445	\$160,894	\$17,409,224	99.9
Statewide IT common policy adjustments	873,549	0	710,060	0	163,489	0.0
Centrally appropriated line items	597,487	0	483,594	0	113,893	0.0
COFRS modernization	476,256	0	185,370	0	290,886	0.0
Restore state PERA contribution	151,808	0	56,074	0	95,734	0.0
Indirect cost assessment	150,373	0	50,696	0	99,677	0.0
Annualize prior year funding	3,178	0	3,931	(2,400)	1,647	0.0

Executive Director's Office						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Personal services base reduction	(69,489)	0	(40,357)	(1,488)	(27,644)	0.0
HB 12-1335	<u>\$35,674,725</u>	<u>\$0</u>	<u>\$17,370,813</u>	<u>\$157,006</u>	<u>\$18,146,906</u>	<u>99.9</u>
TOTAL	\$35,674,725	\$0	\$17,370,813	\$157,006	\$18,146,906	99.9
Increase/(Decrease)	\$2,183,162	\$0	\$1,449,368	(\$3,888)	\$737,682	0.0
Percentage Change	6.5%	n/a	9.1%	(2.4)%	4.2%	0.0%

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1188 modified FY 2011-12 appropriations to make several minor common policy adjustments.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Statewide IT common policy adjustments: The appropriation includes adjustments to line items appropriated for: purchase of services from the computer center; multiuse network payments; and management and administration of the Governor's Office of Information Technology (OIT).

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; shift differential; vehicle lease payments; workers' compensation; legal services; payment to risk management and property funds; and Capitol complex leased space.

COFRS Modernization: The appropriation includes an increase to fund the first two phases of a five-phase project to replace the statewide accounting system (COFRS) used by the Office of the State Controller to record all state revenues and expenditures.

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Indirect cost assessment: The appropriation includes a net increase in indirect cost assessments.

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

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services line items.

Division of Employment and Training

The Division of Employment and Training administers three subdivisions: Unemployment Insurance Programs, Employment and Training Programs, and Labor Market Information.

Division of Employment and Training						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$97,613,731	\$0	\$17,692,833	\$575,616	\$79,345,282	746.8
SB 11-076	(1,198,348)	0	(303,089)	(3,600)	(891,659)	0.0
HB 11-1288	<u>62,900</u>	<u>0</u>	<u>62,900</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$96,478,283	\$0	\$17,452,644	\$572,016	\$78,453,623	746.8
FY 2012-13 Appropriation:						
HB 12-1335	\$95,993,794	\$0	\$17,398,562	\$475,557	\$78,119,675	706.3
HB 12-1272	<u>47,198</u>	<u>0</u>	<u>47,198</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$96,040,992	\$0	\$17,445,760	\$475,557	\$78,119,675	706.3
Increase/(Decrease)	(\$437,291)	\$0	(\$6,884)	(\$96,459)	(\$333,948)	(40.5)
Percentage Change	(0.5)%	n/a	0.0%	(16.9)%	(0.4)%	(5.4)%

Unemployment Insurance Programs

Unemployment insurance programs (UI Programs) provide up to 73 weeks of 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. Federal funds make up 78.8 percent and cash funds comprise 21.2 percent of funding for these programs. The Employment Support Fund is the primary source of cash funds.

<i>Unemployment Insurance Programs</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$35,560,324	\$0	\$7,534,519	\$0	\$28,025,805	469.6
SB 11-076	(776,336)	0	(181,376)	0	(594,960)	0.0
HB 11-1288	<u>62,900</u>	<u>0</u>	<u>62,900</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$34,846,888	\$0	\$7,416,043	\$0	\$27,430,845	469.6

Unemployment Insurance Programs

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$34,846,888	\$0	\$7,416,043	\$0	\$27,430,845	469.6
Restore state PERA contribution	772,158	0	177,198	0	594,960	0.0
Annualize prior year funding	(725,848)	0	(225,848)	0	(500,000)	(2.5)
Personal services base reduction	(241,914)	0	(50,589)	0	(191,325)	0.0
HB 12-1335	\$34,651,284	\$0	\$7,316,804	\$0	\$27,334,480	469.6
HB 12-1272	<u>47,198</u>	<u>0</u>	<u>47,198</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$34,698,482	\$0	\$7,364,002	\$0	\$27,334,480	469.6
Increase/(Decrease)	(\$148,406)	\$0	(\$52,041)	\$0	(\$96,365)	0.0
Percentage Change	(0.4)%	n/a	(0.7)%	n/a	(0.4)%	0.0%

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Annualize prior year funding: The appropriation includes adjustments related to prior year legislation and budget actions

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services line items.

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

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.

<i>Employment and Training Programs</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$60,012,177	\$0	\$10,146,805	\$575,616	\$49,289,756	246.9
SB 11-076	<u>(378,039)</u>	<u>0</u>	<u>(121,713)</u>	<u>(3,600)</u>	<u>(252,726)</u>	<u>0.0</u>
TOTAL	\$59,634,138	\$0	\$10,025,092	\$572,016	\$49,037,030	246.9
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$59,634,138	\$0	\$10,025,092	\$572,016	\$49,037,030	246.9
Restore state PERA contribution	378,039	0	121,713	3,600	252,726	0.0
Information funds adjustment	(450,000)	0	0	0	(450,000)	(38.0)
Personal services base reduction	(122,333)	0	(56,370)	(59)	(65,904)	0.0
Annualize prior year funding	(120,000)	0	(20,000)	(100,000)	0	0.0
HB 12-1335	<u>\$59,319,844</u>	<u>\$0</u>	<u>\$10,070,435</u>	<u>\$475,557</u>	<u>\$48,773,852</u>	<u>208.9</u>
TOTAL	\$59,319,844	\$0	\$10,070,435	\$475,557	\$48,773,852	208.9
Increase/(Decrease)	(314,294)	\$0	\$45,343	(\$96,459)	(\$263,178)	(38.0)
Percentage Change	(0.5)%	n/a	0.5%	(16.9)%	(0.5)%	(15.4)%

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Information funds adjustment: The appropriation includes a decrease of federal funds and FTE, reflected for informational purposes only.

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services line items.

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

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 99.4 percent of LMI's funding, and the remaining 0.6 percent is cash funds from the sale of publications.

Labor Market Information						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$2,041,230	\$0	\$11,509	\$0	\$2,029,721	30.3
SB 11-076	<u>(43,973)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(43,973)</u>	<u>0.0</u>
TOTAL	\$1,997,257	\$0	\$11,509	\$0	\$1,985,748	30.3
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$1,997,257	\$0	\$11,509	\$0	\$1,985,748	30.3
Restore state PERA contribution	43,973	0	0	0	43,973	0.0
Personal services base reduction	(18,564)	0	(186)	0	(18,378)	0.0
HB 12-1335	<u>\$2,022,666</u>	<u>\$0</u>	<u>\$11,323</u>	<u>\$0</u>	<u>\$2,011,343</u>	<u>30.3</u>
TOTAL	\$2,022,666	\$0	\$11,323	\$0	\$2,011,343	30.3
Increase/(Decrease)	\$25,409	\$0	(\$186)	\$0	\$25,595	0.0
Percentage Change	1.3%	n/a	(1.6)%	n/a	1.3%	0.0%

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services line items.

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 Division of Labor is cash funded from the Employment Support Fund, and the Employment Verification Cash Fund.

Division of Labor						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$1,171,056	\$0	\$1,171,056	\$0	\$0	15.0
SB 11-076	<u>(23,745)</u>	<u>0</u>	<u>(23,745)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>

Division of Labor						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
TOTAL	\$1,147,311	\$0	\$1,147,311	\$0	\$0	15.0
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$1,147,311	\$0	\$1,147,311	\$0	\$0	15.0
Restore state PERA contribution	23,745	0	23,745	0	0	0.0
HB 12-1335	<u>\$1,171,056</u>	<u>\$0</u>	<u>\$1,171,056</u>	<u>\$0</u>	<u>\$0</u>	<u>15.0</u>
TOTAL	\$1,171,056	\$0	\$1,171,056	\$0	\$0	15.0
Increase/(Decrease)	\$23,745	\$0	\$23,745	\$0	\$0	0.0
Percentage Change	2.1%	n/a	2.1%	n/a	n/a	0.0%

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

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.

The majority of cash funds are from 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 2011-12 Appropriation:						
SB 11-209	\$5,347,135	\$0	\$4,626,913	\$19,516	\$700,706	67.0
SB 11-076	(94,933)	0	(64,205)	0	(30,728)	0.0
TOTAL	\$5,252,202	\$0	\$4,562,708	\$19,516	\$669,978	67.0

Division of Oil and Public Safety						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$5,252,202	\$0	\$4,562,708	\$19,516	\$669,978	67.0
Restore state PERA contribution	95,924	0	65,196	0	30,728	0.0
Annualize prior year funding	56,700	0	42,525	0	14,175	0.0
Personal services base reduction	(46,608)	0	(40,950)	(198)	(5,460)	0.0
HB 12-1335	<u>\$5,358,218</u>	<u>\$0</u>	<u>\$4,629,479</u>	<u>\$19,318</u>	<u>\$709,421</u>	<u>67.0</u>
TOTAL	<u>\$5,358,218</u>	<u>\$0</u>	<u>\$4,629,479</u>	<u>\$19,318</u>	<u>\$709,421</u>	<u>67.0</u>
Increase/(Decrease)	\$106,016	\$0	\$66,771	(\$198)	\$39,443	0.0
Percentage Change	2.0%	n/a	1.5%	(1.0)%	5.9%	0.0%

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

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

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services line items.

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 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 2011-12 Appropriation:						
SB 11-209	\$21,840,497	\$0	\$21,840,497	\$0	\$0	118.1
SB 11-076	(162,894)	0	(162,894)	0	0	0.0
HB 12-1188	<u>151,205</u>	<u>0</u>	<u>151,205</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$21,828,808	\$0	\$21,828,808	\$0	\$0	118.1
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$21,828,808	\$0	\$21,828,808	\$0	\$0	118.1
Centrally appropriated adjustments	358,839	0	358,839	0	0	0.0
Restore state PERA contribution	162,894	0	162,894	0	0	0.0
Information funds adjustment	(2,259,000)	0	(2,259,000)	0	0	0.0
Annualize prior year funding	(151,205)	0	(151,205)	0	0	0.0
Personal services base reduction	(68,666)	0	(68,666)	0	0	0.0
HB 12-1335	<u>\$19,871,670</u>	<u>\$0</u>	<u>\$19,871,670</u>	<u>\$0</u>	<u>\$0</u>	<u>118.1</u>
TOTAL	\$19,871,670	\$0	\$19,871,670	\$0	\$0	118.1
Increase/(Decrease)	(\$1,957,138)	\$0	(\$1,957,138)	\$0	\$0	0.0
Percentage Change	(9.0)%	n/a	(9.0)%	n/a	n/a	0.0%

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1188 modified FY 2011-12 appropriations to make several minor common policy adjustments.

FY 2012-13 Appropriation - H.B. 12-1335 (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.

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Information funds adjustment: The appropriation includes a decrease of cash funds to more accurately reflect anticipated expenditures, reflected for informational purposes only.

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

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services line items.

Recent Legislation

2011 Session Bills

S.B. 11-076: For the 2011-12 state fiscal year only, reduces the employer contribution rate for the State and Judicial divisions of the Public Employees' Retirement Association (PERA) by 2.5 percent and increases the member contribution rate for these divisions by the same amount. In effect, continues the FY 2010-11 PERA contribution adjustments authorized through S.B. 10-146 for one additional year. Reduces the Department's total appropriation by \$1,631,728 total funds, of which \$610,007 is cash funds, \$3,600 is reappropriated funds, and \$1,018,121 is federal funds.

S.B. 11-164: Makes the following transfers from various cash funds to the General Fund in FY 2010-11.

Name of Fund	Department	Transfer Amount
Major Medical Insurance Fund	Labor and Employment	\$10,000,000
Drug Offender Treatment Fund	Judicial	672,725
Contingency Reserve Fund	Education	2,853,383
Colorado Travel and Tourism Promotion Fund	Governor	2,500,000
Supplemental Old Age Pension Health and Medical Care Fund	Health Care Policy and Financing	2,000,000
Local Government Permanent Fund	Local Affairs	4,800,000
Local Government Mineral Impact Fund	Local Affairs	15,000,000
Colorado Domestic Abuse Program Fund	Human Services	200,000

Name of Fund	Department	Transfer Amount
Perpetual Base Account of the Severance Tax Trust Fund	Natural Resources	5,000,000
Local Government Severance Tax Fund	Local Affairs	60,000,000
Total		\$103,026,108

S.B. 11-209: General appropriations act for FY 2011-12.

H.B. 11-1288: Makes the following changes to the financing of the unemployment compensation system:

- Increases the taxable wage base from the first \$10,000 to the first \$11,000 in calendar year 2012. Beginning in the first year after solvency the taxable wage base will be indexed annually to the percentage change in Colorado's unemployment insurance average weekly earnings.
- In the first year after solvency is achieved, consolidates two of the three current assessments (base premium and socialized surcharge) and part of the third (solvency surcharge) into one combined premium and a new solvency surcharge.
- In the first year after solvency is achieved, applies the consolidated premium to a new rate schedule based on employer experience and the balance of the Unemployment Insurance Trust Fund. Creates new fund balance intervals, adjusted annually based on a 1.4 percent solvency standard.
- In the first calendar year after solvency is achieved, puts in place a premium credit based on a 1.6 percent solvency standard for employers with a positive experience history that have paid more into the unemployment compensation system than was charged in benefits during the calendar year in which the 1.6 percent solvency standard is exceeded.
- Requires the Department to develop an internet self-service project to allow employers anytime access to their account information, and submit an annual report on the status of the Unemployment Insurance Trust Fund to the General Assembly.
- Clarifies provisions relating to fraud and overpayments to claimants and requires notice to claimants of penalties for fraud and overpayments.

Appropriates \$62,900 cash funds from the Employment Support Fund to the Division of Employment and Training, Unemployment Insurance Programs.

2012 Session Bills

H.B. 12-1033: Prohibits the Workers' Compensation Division from imposing an administrative fine on an insurer or self-insured pool for late reporting of an injury, occupational disease, or fatality when the insurer or self-insured pool was not given sufficient notice of the incident.

H.B. 12-1120: Relocates the existing unemployment insurance subdivision in the Department of Labor and Employment by creating a new Division of Unemployment Insurance within the Department.

H.B. 12-1127: Sets a default premium rate new employers are charged for unemployment insurance at 1.7

percent unless they have benefits charged against them from involvement in an earlier business entity.

H.B. 12-1188: Supplemental appropriation for the Department of Labor and Employment for FY 2011-12.

H.B. 12-1217: Permits owners and users of boilers and other pressure vessels to conduct self-inspections, in lieu of state inspections, by obtaining certification as an owner-user inspector from an approved organization.

H.B. 12-1272: Extends enhanced unemployment insurance compensation benefits for eligible unemployment insurance claimants engaged in an approved training program until June 30, 2014. This bill authorizes the CDLE to obligate the remaining \$8.0 million for FY 2012-13 and FY 2013-14.

H.B. 12-1335: General appropriations act for FY 2012-13.

H.B. 12S-1002: Authorizes the Division of Unemployment Insurance (the UI division) to issue bonds as an alternative to Colorado Housing and Finance Authority issuance of bonds on its behalf, to stabilize unemployment insurance rates paid by employers. Allows special assessments to be charged to employers for bond principal repayment, interest, and other bond costs. Allows employer assessments to be used to increase the experience ratings, which could result in a decrease of unemployment insurance rates.

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 Assembly¹. 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 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
General Fund	\$9,225,846	\$9,510,373	\$9,422,208	\$9,896,185
Cash Funds	9,292,899	10,185,661	10,389,960	10,779,963
Reappropriated Funds	29,557,289	32,774,465	33,059,968	34,998,817
Federal Funds	<u>1,263,078</u>	<u>1,469,226</u>	<u>1,500,064</u>	<u>1,576,165</u>
Total Funds	\$49,339,112	\$53,939,725	\$54,372,200	\$57,251,130
Full Time Equiv. Staff	398.6	420.7	419.0	429.2

General Factors Driving the Budget

For FY 2012-13, funding for this department consists of 17.3 percent General Fund, 18.8 percent cash funds, 61.1 percent reappropriated funds, and 2.8 percent federal funds. Cash funds include: fees and fines paid by regulated entities; funds awarded to the Department; a statewide vehicle registration fee that supports peace officer training programs; tobacco settlement moneys; fees paid by applicants seeking peace officer certification; and the Colorado Water Conservation Board's Litigation Fund. Reappropriated funds primarily include: moneys transferred from other state agencies for the purchase of legal services, the prosecution and enforcement of the federal Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), and the prosecution of securities fraud cases; indirect cost recoveries; and grants from other state agencies. Three significant factors driving the Department's budget are described below.

¹ See Article IV, Section 1 of the Colorado Constitution and Article 31 of Title 24, C.R.S.

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 2012-13, the General Assembly has authorized the Department of Law to spend up to \$28.9 million providing legal services to state agencies (including associated central appropriations). This amount represents about half of the Department's total appropriation. As shown in the table below, eight agencies account for more than 80 percent of these services. The table also details the total number of hours of legal services provided and the average hourly rate charged by the Department.

Legal Services to State Agencies: FY 2008-09 to FY 2012-13						
State Department	FY 08-09 Actual	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Approp./ Estim.	FY 12-13 Approp./ Estim.	% of Total
Regulatory Agencies	\$7,396,788	\$7,546,070	\$7,485,354	\$8,088,494	\$8,102,284	28.0%
Natural Resources	3,082,235	3,260,139	3,283,382	3,437,991	3,789,051	13.1%
Revenue	965,319	974,158	1,738,069	2,896,336	3,000,545	10.4%
Personnel	2,579,276	2,363,953	2,555,590	2,631,150	2,686,910	9.3%
Public Health and Environment	2,178,418	2,146,754	2,021,921	2,644,009	2,378,374	8.2%
Human Services	1,558,179	1,550,136	1,409,467	1,396,017	1,424,413	4.9%
Transportation	1,361,947	1,187,488	1,081,661	1,244,067	1,269,372	4.4%
Corrections	1,096,327	1,401,307	1,075,919	1,239,958	1,181,771	4.1%
Other agencies ¹	<u>5,279,478</u>	<u>4,456,698</u>	<u>5,158,978</u>	<u>5,319,041</u>	<u>5,094,798</u>	<u>17.6%</u>
Total expenditure/ appropriation	\$25,497,967	\$24,886,703	\$25,810,341	\$28,897,063	\$28,927,518	100.0%
<i>% change of total from prior year</i>	<i>n/a</i>	<i>(2.4)%</i>	<i>3.7%</i>	<i>12.0%</i>	<i>0.1%</i>	
<i>% of total Department of Law appropriations</i>	<i>53.4%</i>	<i>50.4%</i>	<i>47.9%</i>	<i>53.1%</i>	<i>50.5%</i>	
<i>% of total state operating appropriations</i>	<i>0.1%</i>	<i>0.1%</i>	<i>0.1%</i>	<i>0.1%</i>	<i>0.1%</i>	
Blended Legal Rate	\$75.10	\$75.38	\$73.37	\$75.71	\$77.25	
<i>% change from prior year</i>	<i>n/a</i>	<i>0.4%</i>	<i>(2.7)%</i>	<i>3.2%</i>	<i>2.0%</i>	
Total Hours	326,576	329,907	349,029	379,199	374,478	
<i>% change from prior year</i>	<i>n/a</i>	<i>1.0%</i>	<i>5.8%</i>	<i>8.6%</i>	<i>(1.2)%</i>	

¹ Actual expenditures are provided by the Department of Law. The appropriation column includes 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 benefit, and 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 40 percent of General Fund appropriations to the Department for FY 2012-13. 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.

Appellate Unit Data: FY 2007-08 to FY 2012-13						
	FY 07-08 Actual	FY 08-09 Actual	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Approp.	FY 12-13 Approp.
Expenditures (excluding central appropriations)	\$2,133,564	\$2,360,972	\$2,555,197	\$2,646,858	\$2,611,793	\$2,709,335
FTE	26.4	28.3	30.7	31.6	32.0	32.0
Opening Briefs Received	979	1,240	1,152	1,050	n/a	n/a
Answer Briefs Filed	865	1,029	1,054	1,021	n/a	n/a
Expedited Docket	98	82	59	62	n/a	n/a
Case Backlog	270	395	434	398	n/a	n/a

In 2006 and 2007, legislation increased the number of judges, including adding a total of six judges for the Court of Appeals. To date, the Department’s Appellate Unit has received funding to add four of the six attorneys anticipated to be required based on this legislation.

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 Assembly². 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 boards of county commissioners within each respective 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 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

² See Article VI, Section 13 of the Colorado Constitution and Article 1 of Title 20, C.R.S.

period. A judicial district may choose to pay a salary that exceeds the statutory minimum using local funds. The following table details the scheduled increases in the minimum DA salary pursuant to Section 20-1-301, C.R.S.

Minimum Statutory District Attorney Salary	
Prior to January 1, 2009	\$67,000
January 1, 2009	100,000
January 1, 2010	110,000
January 1, 2011	120,000
January 1, 2012	130,000

The appropriation to the Department of Law for the State’s contribution for DA salaries currently accounts for 26.8 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 2012-13			
Fiscal Year	Expenditures	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 (approp.)	2,479,796	216,567	1,163,811
2012-13 (approp.)	2,656,368	176,572	1,340,383

Summary of FY 2011-12 and FY 2012-13 Appropriations

Department of Law						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Total Appropriation:	\$54,372,200	\$9,422,208	\$10,389,960	\$33,059,968	\$1,500,064	419.0
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Administration	9,107,996	1,430,239	613,404	6,883,551	180,802	40.7
Legal Services to State Agencies	24,954,127	0	1,659,140	23,294,987	0	237.8
Criminal Justice and Appellate	10,430,811	4,101,416	3,758,442	1,251,691	1,319,262	89.5
Water and Natural Resources	2,314,175	502,159	890,920	921,096	0	12.0
Consumer Protection	3,447,795	908,598	2,263,054	276,143	0	39.0

Department of Law						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Special Purpose	4,117,296	2,479,796	1,205,000	432,500	0	0.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 11-209	53,478,324	9,573,187	10,460,766	31,921,257	1,523,114	407.8
SB 11-076	(774,669)	(180,082)	(69,016)	(502,668)	(22,903)	0.0
SB 11-088	4,109	0	0	4,109	0	0.0
SB 11-091	4,402	0	0	4,402	0	0.0
SB 11-094	4,402	0	0	4,402	0	0.0
SB 11-128	2,935	0	0	2,935	0	0.0
SB 11-169	38,886	0	0	38,886	0	0.3
SB 11-187	176,088	0	0	176,088	0	1.4
SB 11-251	7,337	0	0	7,337	0	0.0
HB 11-1100	34,484	0	0	34,484	0	0.4
HB 11-1121	11,005	0	0	11,005	0	0.0
HB 11-1195	7,337	0	0	7,337	0	0.0
HB 11-1300	1,351,933	0	0	1,351,933	0	9.1
HB 12-1189	(4,187)	(711)	(1,790)	(1,539)	(147)	0.0
HB 12-1335	29,814	29,814	0	0	0	0.0
FY 2012-13 Total Appropriation:	\$57,251,130	\$9,896,185	\$10,779,963	\$34,998,817	\$1,576,165	429.2
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Administration	10,250,333	1,712,353	889,950	7,414,030	234,000	41.7
Legal Services to State Agencies	25,176,977	0	280,576	24,896,401	0	238.0
Criminal Justice and Appellate	10,771,976	4,082,558	3,966,603	1,380,650	1,342,165	91.5
Water and Natural Resources	2,338,124	513,883	845,198	979,043	0	12.0
Consumer Protection	4,163,482	931,023	2,953,766	278,693	0	46.0
Special Purpose	4,550,238	2,656,368	1,843,870	50,000	0	0.0
<u>Breakdown of Total Appropriation by Bill</u>						
HB 12-1335	57,000,607	9,887,386	10,583,286	34,953,770	1,576,165	427.1
SB 12-110	196,677	0	196,677	0	0	2.0
HB 12-1246	8,799	8,799	0	0	0	0.0
HB 12-1300	2,271	0	0	2,271	0	0.0
HB 12-1303	16,656	0	0	16,656	0	0.1

Department of Law						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 12-1311	23,092	0	0	23,092	0	0.0
HB 12-1330	3,028	0	0	3,028	0	0.0
Increase/(Decrease)	\$2,878,930	\$473,977	\$390,003	\$1,938,849	\$76,101	10.2
Percentage Change	5.3%	5.0%	3.8%	5.9%	5.1%	2.4%

Informational Funds: Beginning in FY 2012-13, the Long Bill and other legislation indicate when an amount is shown solely for informational purposes through a new "(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 2012-13 Appropriations containing an (I) notation	\$1,141,583	\$0	\$1,102,298	\$0	\$39,285

FY 2012-13 Appropriation Highlights

The FY 2012-13 appropriation:

1. Restores \$775,000 to reflect a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.
2. Adds \$749,000 (including \$261,000 General Fund) for centrally appropriated items.
3. Authorizes the Department to receive and spend \$639,000 cash funds from the State Board of Land Commissioners Investment and Development Fund to address the State Land Board's litigation needs related to the Lowry Range property.
4. Provides \$521,000 cash funds and 7.0 FTE, including \$359,000 custodial moneys, to enhance consumer protection efforts and to address an increasing workload and litigation in the consumer protection and consumer credit units.
5. Adds \$287,000 and 1.0 FTE to implement a case management system.
6. Provides \$147,000 and 1.0 FTE to add a seventh managing attorney to address a span of control concern in the Business and Licensing section.
7. Adds \$122,000 General Fund for the state share of the salaries of local district attorneys.
8. Reduces spending authority related to the provision of legal services by \$373,000 and 0.9 FTE based on the projected demand for legal services in FY 2012-13.

9. Includes base personal services reductions totaling \$226,000.
10. Reduces funding for litigation expenses related to the *Lobato* lawsuit by \$382,000 reappropriated funds.
11. Adds 8.1 FTE, including the following changes (some of which are referenced above):
 - An increase of 8.0 FTE to improve or enhance existing programs, including 7.0 FTE for the Consumer Protection and Consumer Credit Units and 1.0 FTE to add a managing attorney in the Business and Licensing section;
 - An increase of 1.0 FTE to implement and support a new case management system; and
 - A decrease of 0.9 FTE based on the projected demand for legal services in FY 2012-13.

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 and the Colorado Justice Review Project.

Administration						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$9,144,084	\$1,430,950	\$615,194	\$6,916,991	\$180,949	40.7
SB 11-076	(31,901)	0	0	(31,901)	0	0.0
HB 12-1189	<u>(4,187)</u>	<u>(711)</u>	<u>(1,790)</u>	<u>(1,539)</u>	<u>(147)</u>	<u>0.0</u>
TOTAL	\$9,107,996	\$1,430,239	\$613,404	\$6,883,551	\$180,802	40.7
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$9,107,996	\$1,430,239	\$613,404	\$6,883,551	\$180,802	40.7
Centrally appropriated line items	748,535	261,229	119,404	316,639	51,263	0.0
Case management system	287,410	6,463	158,081	122,866	0	1.0
COFRS modernization	46,431	0	0	46,431	0	0.0
Statewide IT common policy adjustments	36,649	819	599	34,702	529	0.0

Administration						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Restore state PERA contribution	31,901	0	0	31,901	0	0.0
Attorney registration and CLE	6,637	(469)	(1,538)	7,238	1,406	0.0
Personal services base reduction	(15,226)	14,072	0	(29,298)	0	0.0
HB 12-1335	<u>\$10,250,333</u>	<u>\$1,712,353</u>	<u>\$889,950</u>	<u>\$7,414,030</u>	<u>\$234,000</u>	<u>41.7</u>
TOTAL	<u>\$10,250,333</u>	<u>\$1,712,353</u>	<u>\$889,950</u>	<u>\$7,414,030</u>	<u>\$234,000</u>	<u>41.7</u>
Increase/(Decrease)	\$1,142,337	\$282,114	\$276,546	\$530,479	\$53,198	1.0
Percentage Change	12.5%	19.7%	45.1%	7.7%	29.4%	2.5%

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1189 modified the FY 2011-12 appropriation for vehicle lease payments.

FY 2012-13 Appropriation - H.B. 12-1335 (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; vehicle lease payments; workers' compensation; administrative law judge services; payment to risk management and property funds; Capitol complex leased space; State Patrol security services for the State Services building; and leased space.

Case management system: The appropriation includes funding and 1.0 FTE to implement a case management system.

COFRS modernization: The appropriation includes an increase to fund the first two phases of a five-phase project to replace the statewide accounting system (COFRS) used by the Office of the State Controller to record all state revenues and expenditures.

Statewide IT common policy adjustments: The appropriation includes adjustments to line items appropriated for purchase of services from the computer center and communication services payments.

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Attorney registration and CLE: The appropriation adjusts funding for attorney registration and continuing legal education (CLE) based on FY 2012-13 staffing levels and associated funding sources.

Personal services base reduction: The appropriation includes a 0.52 percent reduction to the personal services line item in this section.

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 FY 2012-13, the Department expects to provide 374,478 hours of legal service at an average billing rate of \$77.25 per hour. 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.

Legal Services to State Agencies						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$23,762,512	\$0	\$1,659,140	\$22,103,372	\$0	226.6
SB 11-076	(451,303)	0	0	(451,303)	0	0.0
SB 11-088	4,109	0	0	4,109	0	0.0
SB 11-091	4,402	0	0	4,402	0	0.0
SB 11-094	4,402	0	0	4,402	0	0.0
SB 11-128	2,935	0	0	2,935	0	0.0
SB 11-169	38,886	0	0	38,886	0	0.3
SB 11-187	176,088	0	0	176,088	0	1.4
SB 11-251	7,337	0	0	7,337	0	0.0
HB 11-1100	34,484	0	0	34,484	0	0.4
HB 11-1121	11,005	0	0	11,005	0	0.0
HB 11-1195	7,337	0	0	7,337	0	0.0
HB 11-1300	<u>1,351,933</u>	<u>0</u>	<u>0</u>	<u>1,351,933</u>	<u>0</u>	<u>9.1</u>
TOTAL	\$24,954,127	\$0	\$1,659,140	\$23,294,987	\$0	237.8
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$24,954,127	\$0	\$1,659,140	\$23,294,987	\$0	237.8
Restore state PERA contribution	451,303	0	0	451,303	0	0.0
Add Deputy Attorney General	147,028	0	0	147,028	0	1.0
Indirect cost assessment	141,412	0	0	141,412	0	0.0
Fund source adjustment	0	0	(1,378,564)	1,378,564	0	0.0
Change in demand for legal services	(372,711)	0	0	(372,711)	0	(0.9)
Personal services base reduction	(189,229)	0	0	(189,229)	0	0.0
HB 12-1335	\$25,131,930	\$0	\$280,576	\$24,851,354	\$0	237.9

Legal Services to State Agencies						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 12-1300	2,271	0	0	2,271	0	0.0
HB 12-1303	16,656	0	0	16,656	0	0.1
HB 12-1311	23,092	0	0	23,092	0	0.0
HB 12-1330	<u>3,028</u>	<u>0</u>	<u>0</u>	<u>3,028</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$25,176,977	\$0	\$280,576	\$24,896,401	\$0	238.0
Increase/(Decrease)	\$222,850	\$0	(\$1,378,564)	\$1,601,414	\$0	0.2
Percentage Change	0.9%	n/a	(83.1)%	6.9%	n/a	0.1%

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Add Deputy Attorney General: The appropriation includes funding to add a seventh managing attorney to address a span of control concern in the Business and Licensing section.

Indirect cost assessment: The appropriation includes a net increase in indirect cost assessments.

Fund source adjustment: The appropriation adjusts fund sources to properly reflect as reappropriated funds those amounts that are duplicated in appropriations elsewhere in the FY 2012-13 Long Bill. The cash funds appropriation is based on the Department of Law's estimate of revenues that will be earned from entities for which there is not a corresponding appropriation in the FY 2012-13 Long Bill.

Change in demand for legal services: The appropriation reduces spending authority related to the provision of legal services based on the overall projected demand for legal services in FY 2012-13.

Personal services base reduction: The appropriation includes a 1.0 percent reduction to the personal services line item in this section.

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; and
- assure that the constitutional and statutory rights of victims are preserved in criminal cases being prosecuted or defended by the Department.

This section also provides funding to support the Peace Officers Standards and Training (P.O.S.T.) Board and the Safe2Tell program.

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 2011-12 Appropriation:						
SB 11-209	\$10,550,743	\$4,165,454	\$3,784,690	\$1,258,434	\$1,342,165	89.5
SB 11-076	(149,746)	(93,852)	(26,248)	(6,743)	(22,903)	0.0
HB 12-1335	<u>29,814</u>	<u>29,814</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$10,430,811	\$4,101,416	\$3,758,442	\$1,251,691	\$1,319,262	89.5
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$10,430,811	\$4,101,416	\$3,758,442	\$1,251,691	\$1,319,262	89.5
Restore state PERA contribution	149,746	93,852	26,248	6,743	22,903	0.0
Reinstate Appellate Unit base reduction	37,428	37,428	0	0	0	0.0
Fund source adjustments	0	(126,204)	0	126,204	0	0.0
Eliminate funding for retirement payout	(29,814)	(29,814)	0	0	0	0.0
Personal services base reduction	(13,792)	0	(8,563)	(5,229)	0	0.0
Indirect cost assessment	(4,960)	0	(6,201)	1,241	0	0.0

Criminal Justice and Appellate						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 12-1335	\$10,569,419	\$4,076,678	\$3,769,926	\$1,380,650	\$1,342,165	89.5
SB 12-110	196,677	0	196,677	0	0	2.0
HB 12-1246	<u>5,880</u>	<u>5,880</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$10,771,976	\$4,082,558	\$3,966,603	\$1,380,650	\$1,342,165	91.5
Increase/(Decrease)	\$341,165	(\$18,858)	\$208,161	\$128,959	\$22,903	2.0
Percentage Change	3.3%	(0.5)%	5.5%	10.3%	1.7%	2.2%

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1335 modified FY 2011-12 appropriations to cover the retirement payout for a long-term employee.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Reinstate Appellate Unit base reduction: The appropriation restores a 1.5 percent base reduction in funding for the Appellate Unit that was taken in FY 2011-12.

Fund source adjustments: The appropriation reflects an increase in indirect cost recoveries (\$129,727) and a decrease in VALE funds (\$3,523), which allows for a net decrease in General Fund appropriations in this section.

Eliminate funding for retirement payout: The appropriation eliminates the one-time appropriation to cover a FY 2011-12 retirement payout.

Personal services base reduction: The appropriation includes a 0.51 percent reduction to the personal services portion of the Special Prosecutions Unit line item in this section.

Indirect cost assessment: The appropriation includes a net decrease in indirect cost assessments for this section.

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

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 2011-12 Appropriation:						
SB 11-209	\$2,338,124	\$513,883	\$895,198	\$929,043	\$0	12.0
SB 11-076	(23,949)	(11,724)	(4,278)	(7,947)	0	0.0
TOTAL	\$2,314,175	\$502,159	\$890,920	\$921,096	\$0	12.0
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$2,314,175	\$502,159	\$890,920	\$921,096	\$0	12.0
Restore state PERA contribution	23,949	11,724	4,278	7,947	0	0.0
Fund source adjustment	0	0	(50,000)	50,000	0	0.0
HB 12-1335	<u>\$2,338,124</u>	<u>\$513,883</u>	<u>\$845,198</u>	<u>\$979,043</u>	<u>\$0</u>	<u>12.0</u>
TOTAL	\$2,338,124	\$513,883	\$845,198	\$979,043	\$0	12.0
Increase/(Decrease)	\$23,949	\$11,724	(\$45,722)	\$57,947	\$0	0.0
Percentage Change	1.0%	2.3%	(5.1)%	6.3%	n/a	0.0%

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Fund source adjustment: The appropriation properly reflects as a transfer funding from the Department of Public Health and Environment that supports the Department of Law and the State Natural Resource Trustees in their role expending settlement moneys related to natural resource damage at the Rocky Mountain Arsenal.

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 2011-12 Appropriation:						
SB 11-209	\$3,510,565	\$928,104	\$2,301,544	\$280,917	\$0	39.0
SB 11-076	<u>(62,770)</u>	<u>(19,506)</u>	<u>(38,490)</u>	<u>(4,774)</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$3,447,795	\$908,598	\$2,263,054	\$276,143	\$0	39.0
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$3,447,795	\$908,598	\$2,263,054	\$276,143	\$0	39.0
Consumer protection enhancement	359,154	0	359,154	0	0	5.0
Unlicensed entities compliance effort	162,210	0	162,210	0	0	2.0
Indirect cost assessment	136,445	0	136,445	0	0	0.0
Restore state PERA contribution	62,770	19,506	38,490	4,774	0	0.0
Personal services base reduction	(7,811)	0	(5,587)	(2,224)	0	0.0
HB 12-1335	\$4,160,563	\$928,104	\$2,953,766	\$278,693	\$0	46.0
HB 12-1246	<u>2,919</u>	<u>2,919</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$4,163,482	\$931,023	\$2,953,766	\$278,693	\$0	46.0
Increase/(Decrease)	\$715,687	\$22,425	\$690,712	\$2,550	\$0	7.0
Percentage Change	20.8%	2.5%	30.5%	0.9%	n/a	17.9%

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Consumer protection enhancement: The appropriation reflects an increase in custodial moneys that will support an additional 5.0 FTE to address an increasing workload and litigation due to increases in both consumer complaints and deceptive businesses that either operate in Colorado or victimize Colorado consumers.

Unlicensed entities compliance effort: The appropriation adds 2.0 FTE for the Consumer Credit Unit to address an increase in the number of unlicensed entities offering products and services to Colorado citizens in violation of state law, as well as legal challenges from some licensed entities.

Indirect cost assessment: The appropriation includes a net increase in indirect cost assessments.

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State’s contribution to the Public Employees’ Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Personal services base reduction: The appropriation includes a 0.48 percent reduction to the personal services portion of the Consumer Protection and Antitrust line item in this section.

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 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. Reappropriated funds are transferred from the Office of the Governor.

Special Purpose						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$4,172,296	\$2,534,796	\$1,205,000	\$432,500	\$0	0.0
SB 11-076	<u>(55,000)</u>	<u>(55,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$4,117,296	\$2,479,796	\$1,205,000	\$432,500	\$0	0.0
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$4,117,296	\$2,479,796	\$1,205,000	\$432,500	\$0	0.0
Litigation expenses related to the Lowry Range property	638,870	0	638,870	0	0	0.0
Fifth year impact of H.B. 07-1170	121,572	121,572	0	0	0	0.0
Restore state PERA contribution	55,000	55,000	0	0	0	0.0
<i>Lobato</i> litigation expenses	(382,500)	0	0	(382,500)	0	0.0
HB 12-1335	<u>\$4,550,238</u>	<u>\$2,656,368</u>	<u>\$1,843,870</u>	<u>\$50,000</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$4,550,238	\$2,656,368	\$1,843,870	\$50,000	\$0	0.0

	Special Purpose					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Increase/(Decrease)	\$432,942	\$176,572	\$638,870	(\$382,500)	\$0	0.0
Percentage Change	10.5%	7.1%	53.0%	(88.4)%	n/a	n/a

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Litigation expenses related to the Lowry Range property: The appropriation includes cash funds spending authority for the Department to receive and spend moneys from the State Board of Land Commissioners' Investment and Development Fund to address the State Land Board's litigation needs related to the Lowry Range property.

Fifth year impact of H.B. 07-1170: Pursuant to H.B. 07-1170, the appropriation includes funds to pay 80 percent of the statutory minimum salary (\$130,000) for the state's 22 district attorneys. The FY 2012-13 appropriation provides \$120,740 for each district attorney, including \$104,000 for salary plus \$16,740 for the associated costs of employer PERA contributions.

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Lobato litigation expenses: The appropriation reflects a reduction in the amount of General Fund moneys anticipated to be transferred from the Governor's Office to cover litigation-related expenses associated with the *Anthony Lobato, et al. v. The State of Colorado, et al* case. [Legal services for this case are funded in the Legal Services to State Agencies section of the budget.] The plaintiffs in this case allege that the current system of funding public schools is unconstitutional, and ask the court to compel the State to design and implement a new system. The trial in Denver district court concluded in September 2011, and the State has filed an appeal.

Recent Legislation

2011 Session Bills

S.B. 11-076: For the 2011-12 state fiscal year only, reduces the employer contribution rate for the State and Judicial divisions of the Public Employees' Retirement Association (PERA) by 2.5 percent and increases the member contribution rate for these divisions by the same amount. In effect, continues the FY 2010-11 PERA contribution adjustments authorized by S.B. 10-146 for one additional year. Reduces the Department of Law's appropriations by a total of \$774,669, including \$180,082 General Fund, \$69,016 cash funds, \$502,668 reappropriated funds, and \$22,903 federal funds.

S.B. 11-088: Continues until 2016 the regulation of direct-entry midwives by the Department of Regulatory Agencies (DORA). For FY 2011-12 provides \$4,109 reappropriated funds to the Department of Law for the provision of legal services to DORA. For additional information see the corresponding bill description in the "Recent Legislation" section of DORA.

S.B. 11-091: Continues until 2022 the State Board of Veterinary Medicine, which is located in the Department of Regulatory Agencies (DORA). For FY 2011-12 provides \$4,402 reappropriated funds to the Department of Law for the provision of legal services to the Board. For additional information see the corresponding bill description in the "Recent Legislation" section of DORA.

S.B. 11-094: Continues until 2022 the State Board of Optometric Examiners, which is located in the Department of Regulatory Agencies (DORA). For FY 2011-12 provides \$4,402 reappropriated funds to the Department of Law for the provision of legal services to the Board. For additional information see the corresponding bill description in the "Recent Legislation" section of DORA.

S.B. 11-128: Requires all Colorado insurance carriers that sell individual health insurance plans to offer a child-only plan with no limitation for preexisting conditions. For FY 2011-12 provides \$2,935 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 corresponding bill description in the "Recent Legislation" section of DORA.

S.B. 11-169: Continues until 2018 operation of the Physical Therapy Board, which is located in the Department of Regulatory Agencies (DORA). For FY 2011-12 provides \$38,886 reappropriated funds and 0.3 FTE to the Department of Law for the provision of legal services to DORA. For additional information see the corresponding bill description in the "Recent Legislation" section of DORA.

S.B. 11-187: Continues and expands the regulation of mental health professionals by the Department of Regulatory Agencies (DORA). For FY 2011-12 provides \$176,088 reappropriated funds and 1.4 FTE to the Department of Law for the provision of legal services to DORA. For additional information see the corresponding bill description in the "Recent Legislation" section of DORA.

S.B. 11-209: General appropriations act for FY 2011-12.

S.B. 11-251: Makes changes to the authority of the Division of Fire Safety in the Department of Public Safety. For FY 2011-12 provides \$7,337 reappropriated funds to the Department of Law for the provision of legal services to the Department of Public Safety. For additional information see the corresponding bill description in the "Recent Legislation" section of the Department of Public Safety.

H.B. 11-1100: Requires the Division of Registrations and the state examining and licensing boards in the Department of Regulatory Agencies (DORA) to accept education, training, or service completed by an applicant for licensure or certification while serving in the military toward the qualifications required to receive the license or certification. For FY 2011-12 provides \$34,484 reappropriated funds and 0.4 FTE to the Department of Law for the provision of legal services to DORA. For additional information see the corresponding bill description in the "Recent Legislation" section of DORA.

H.B. 11-1121: Bars those individuals who are convicted of certain felonies, including drug and domestic violence, from non-licensed employment in schools. For FY 2011-12 provides \$11,005 reappropriated funds to the Department of Law for the provision of legal services to the Department of Education. For additional information see the corresponding bill description in the "Recent Legislation" section of the Department of Education.

H.B. 11-1195: Creates a voluntary licensing system for private investigators within the Department of Regulatory Agencies (DORA). For FY 2011-12 provides \$7,337 reappropriated funds to the Department of Law for the provision of legal services to DORA. For additional information see the corresponding bill description in the "Recent Legislation" section of DORA.

H.B. 11-1300: Authorizes a new expedited method for resolving disputed claims for conservation easement tax credits. For FY 2011-12 provides the Department of Law with \$1,349,581 reappropriated funds and 9.1 FTE to provide legal services to the Department of Revenue and \$2,352 reappropriated funds to provide legal services to the Department of Regulatory Agencies. For additional information see the corresponding bill description in the "Recent Legislation" section of the Department of Revenue.

2012 Session Bills

S.B. 12-110: Replaces the existing fee paid by insurance companies to support the Department of Law's efforts to investigate and prosecute allegations of insurance fraud with a tiered fee schedule. Under the tiered fee schedule, regulated insurance entities that receive more than \$1.0 million income in Colorado will pay one fee, and those receiving less than \$1.0 million income will pay a lesser fee. Subjects Pinnacle Assurance to the same tiered fee schedule as other insurance companies. Appropriates \$196,677 cash funds from the Insurance Fraud Cash Fund and 2.0 FTE to the Department of Law for FY 2012-13.

H.B. 12-1110: Establishes within the Department of Regulatory Agencies' (DORAs') Division of Real Estate a licensure program for appraisal management companies. Although the act included an appropriation for FY 2012-13, the act is not effective until July 1, 2013. Thus, the appropriation cannot go into effect. For additional information see the corresponding bill description in the "Recent Legislation" section of DORA.

H.B. 12-1189: Supplemental appropriation to the Department of Law to modify FY 2011-12 appropriations included in the FY 2011-12 Long Bill (S.B. 11-209).

H.B. 12-1246: Reverses the annual pay date shift as it applies to state employees paid on a biweekly basis. Appropriates \$8,799 General Fund to the Department of Law for FY 2012-13. For additional information see the corresponding bill description in the "Recent Legislation" section of the Department of Personnel.

H.B. 12-1248: For three fiscal years (through June 30, 2015), authorizes the Department of Law to spend gifts, grants, and donations without an appropriation. Requires the Department to include with its annual budget request a report describing the receipt and expenditure of any such moneys. Also creates the Legal Services Cash Fund for purposes of accounting for moneys received from other state agencies for the provision of legal services. Moneys in the Fund are subject to annual appropriation to the Department for the direct and indirect costs associated with providing legal services to state agencies and for any litigation expenses.

H.B. 12-1300: Implements the recommendations from the Department of Regulatory Agencies (DORA) 2011 Sunset Review concerning professional review committees under the Colorado Professional Review Act, and extends the functions of the committees until 2019. For FY 2012-13, provides \$2,271 reappropriated funds to the Department of Law for the provision of legal services to DORA. For additional information see the corresponding bill description in the "Recent Legislation" section of DORA.

H.B. 12-1303: Creates within the Department of Regulatory Agencies' (DORAs') Division of Registrations a certification program for speech-language pathologists. For FY 2012-13, provides \$16,656 reappropriated

funds and 0.1 FTE to the Department of Law for the provision of legal services to DORA. For additional information see the corresponding bill description in the "Recent Legislation" section of DORA.

H.B. 12-1311: Modifies and recodifies laws regulating the practice of pharmacy and continues until 2021 the Colorado State Board of Pharmacy, which is located in the Department of Regulatory Agencies (DORA). For FY 2012-13, provides \$23,092 reappropriated funds to the Department of Law for the provision of legal services to DORA. For additional information see the corresponding bill description in the "Recent Legislation" section of DORA.

H.B. 12-1330: Creates a hearing process to end a suspension of hunting and fishing licenses. For FY 2012-13, provides \$3,028 reappropriated funds to the Department of Law for the provision of legal services to the Department of Natural Resources (DNR). For additional information see the corresponding bill description in the "Recent Legislation" section of DNR.

H.B. 12-1335: General appropriations act for FY 2012-13. Also includes a supplemental adjustment to modify appropriations to the Department of Law included in the FY 2011-12 Long Bill (S.B. 11-209).

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 staffs 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 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
General Fund	\$35,137,319	\$34,796,446	\$34,684,832	\$35,960,016
Cash Funds	223,640	202,831	184,587	179,065
Reappropriated Funds	1,183,816	1,000,316	1,103,816	910,316
Federal Funds	0	0	0	0
Total Funds	\$36,544,775	\$35,999,593	\$35,973,235	\$37,049,397
Full Time Equiv. Staff	277.1	277.1	271.0	271.0

General Factors Driving the Budget

Funding for this department consists of 97.0 percent General Fund, 0.5 percent cash funds, and 2.5 percent reappropriated funds. Some of the most important factors driving the budget are reviewed 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.

	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Approp.	FY 2012-13 Approp.
Property Tax Study	\$577,943	\$571,999	\$550,667	\$600,000	\$600,000
Ballot Analysis	\$1,549,099	\$4,572	\$1,992,219	\$530,500	\$508,500

Summary of FY 2011-12 and FY 2012-13 Appropriations

Legislative Branch						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Total Appropriation:	\$35,973,235	\$34,684,832	\$184,587	\$1,103,816	\$0	271.0
<u>Breakdown of Total Appropriation by Administrative Section</u>						
General Assembly	13,092,836	12,999,020	90,000	3,816	0	66.0
State Auditor	7,992,279	7,047,692	94,587	850,000	0	68.0
Joint Budget Committee	1,517,502	1,517,502	0	0	0	16.0
Legislative Council	8,098,717	7,848,717	0	250,000	0	68.0
Committee on Legal Services	5,271,901	5,271,901	0	0	0	53.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 11-209	2,905,149	2,655,149	0	250,000	0	0.0
SB 11-198	33,599,137	32,560,734	184,587	853,816	0	271.0
SB 11-076	(531,051)	(531,051)	0	0	0	0.0
FY 2012-13 Total Appropriation:	\$37,049,397	\$35,960,016	\$179,065	\$910,316	\$0	271.0
<u>Breakdown of Total Appropriation by Administrative Section</u>						
General Assembly	13,805,787	13,711,971	90,000	3,816	0	66.0
State Auditor	8,245,777	7,250,212	89,065	906,500	0	68.0
Joint Budget Committee	1,552,356	1,552,356	0	0	0	16.0
Legislative Council	7,986,040	7,986,040	0	0	0	68.0
Committee on Legal Services	5,459,437	5,459,437	0	0	0	53.0
<u>Breakdown of Total Appropriation by Bill</u>						
HB 12-1335	2,644,911	2,644,911	0	0	0	0.0
HB 12-1301	34,335,208	33,245,827	179,065	910,316	0	271.0
HB 12-1246	69,278	69,278	0	0	0	0.0
Increase/(Decrease)	\$1,076,162	\$1,275,184	(\$5,522)	(\$193,500)	\$0	0.0
Percentage Change	3.0%	3.7%	(3.0)%	(17.5)%	n/a	0.0%

Informational Funds: Beginning in FY 2012-13, the Long Bill and other legislation indicate when an amount is shown solely for informational purposes through a new "(I)" notation. No amounts in the Legislative Department are annotated with an "(I)" notation for FY 2012-13.

FY 2012-13 Appropriation Highlights

The FY 2012-13 appropriation:

1. Adds \$481.7 thousand General Fund for salary and benefit related adjustments.
2. Adds \$531.1 thousand General Fund to restore reduction that was taken as a result of the provisions of S.B. 11-076, PERA Contribution Rates.
3. Adds \$203.4 thousand General Fund for an additional 0.9 percent of base salaries to the Public Employees' Retirement Association (0.4 percent pursuant to S.B. 04-257 and 0.5 percent pursuant to S.B. 06-235).
4. Reduces reappropriated funds for the cost-of-living analysis that must be conducted every two years by Legislative Council staff pursuant to Section 22-54-104 (5) (c) (III) (A), C.R.S. This reduction is offset by increases in benefits and operating related adjustments.

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 2011-12 Appropriation:						
SB 11-198 and SB 11-209	\$13,266,613	\$13,172,797	\$90,000	\$3,816	\$0	66.0
<i>SB 11-198 (non-add)</i>	<i>11,741,964</i>	<i>11,648,148</i>	<i>90,000</i>	<i>3,816</i>	<i>0</i>	<i>66.0</i>
<i>SB 11-209 (non-add)</i>	<i>1,524,649</i>	<i>1,524,649</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0.0</i>
SB 11-076	<u>(173,777)</u>	<u>(173,777)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$13,092,836	\$12,999,020	\$90,000	\$3,816	\$0	66.0
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$13,092,836	\$12,999,020	\$90,000	\$3,816	\$0	66.0
Salary and benefits related adjustments (HB 12-1301)	393,120	393,120	0	0	0	0.0
Restore state PERA contribution	173,777	173,777	0	0	0	0.0
PERA amortization disbursement (HB 12-1301)	65,014	65,014	0	0	0	0.0

General Assembly						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Operating adjustments (HB 12-1335)	11,762	11,762	0	0	0	0.0
HB 12-1301 and HB 12-1335	\$13,736,509	\$13,642,693	\$90,000	\$3,816	\$0	66.0
<i>HB 12-1301 (non-add)</i>	<i>12,200,098</i>	<i>12,106,282</i>	<i>90,000</i>	<i>3,816</i>	<i>0</i>	<i>66.0</i>
<i>HB 12-1335 (non-add)</i>	<i>1,536,411</i>	<i>1,536,411</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0.0</i>
HB 12-1246	<u>69,278</u>	<u>69,278</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$13,805,787	\$13,711,971	\$90,000	\$3,816	\$0	66.0
Increase/(Decrease)	\$712,951	\$712,951	\$0	\$0	\$0	0.0
Percentage Change	5.4%	5.5%	0.0%	0.0%	n/a	0.0%

FY 2012-13 Appropriation - H.B. 12-1301 (Legislative Appropriation) and H.B. 12-1335 (Long Bill) Issue Descriptions

Salary and benefits related adjustments (H.B. 12-1301): The increase in appropriation is primarily the result of increases for health, life, and dental insurance benefits; increases for five additional special session days; and, an increase for non-metro session per diem pursuant to statute.

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

PERA amortization disbursement (H.B. 12-1301): The increase in appropriation reflects the amount necessary to contribute an additional 0.9 percent of base salaries to the Public Employees' Retirement Association (0.4 percent pursuant to S.B. 04-257 and 0.5 percent pursuant to S.B. 06-235).

Operating adjustments (H.B. 12-1335): The appropriation contains various centrally appropriated line items. These centrally appropriated line items include Workers' Compensation, Payments to Risk Management and Property Funds, COFRS Modernization, and Legal Services. Operating adjustments are a function of recoverable overhead in the Department of Personnel or the Department of Law that are allocated to other departments based on a proportionate share of usage.

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 2011-12 Appropriation:						
SB 11-198	\$8,109,745	\$7,165,158	\$94,587	\$850,000	\$0	68.0
SB 11-076	<u>(117,466)</u>	<u>(117,466)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$7,992,279	\$7,047,692	\$94,587	\$850,000	\$0	68.0
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$7,992,279	\$7,047,692	\$94,587	\$850,000	\$0	68.0
Restore state PERA contribution	117,466	117,466	0	0	0	0.0
Salary and benefits related adjustments	87,573	36,595	(5,522)	56,500	0	0.0
PERA amortization disbursement	48,459	48,459	0	0	0	0.0
HB 12-1301	<u>\$8,245,777</u>	<u>\$7,250,212</u>	<u>\$89,065</u>	<u>\$906,500</u>	<u>\$0</u>	<u>68.0</u>
TOTAL	\$8,245,777	\$7,250,212	\$89,065	\$906,500	\$0	68.0
Increase/(Decrease)	\$253,498	\$202,520	(\$5,522)	\$56,500	\$0	0.0
Percentage Change	3.2%	2.9%	(5.8)%	6.6%	n/a	0.0%

FY 2012-13 Appropriation - H.B. 12-1301 (Legislative Appropriation) Issue Descriptions

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Salary and benefits related adjustments: The increase in appropriation is primarily the result of increases for health, life, and dental insurance benefits.

PERA amortization disbursement: The increase in appropriation reflects the amount necessary to contribute an additional 0.9 percent of base salaries to the Public Employees' Retirement Association (0.4 percent pursuant to S.B. 04-257 and 0.5 percent pursuant to S.B. 06-235).

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 2011-12 Appropriation:						
SB 11-198	\$1,548,136	\$1,548,136	\$0	\$0	\$0	16.0
SB 11-076	<u>(30,634)</u>	<u>(30,634)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$1,517,502	\$1,517,502	\$0	\$0	\$0	16.0
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$1,517,502	\$1,517,502	\$0	\$0	\$0	16.0
Restore state PERA contribution	30,634	30,634	0	0	0	0.0
PERA amortization disbursement	11,029	11,029	0	0	0	0.0
Salary and benefits related adjustments	(6,809)	(6,809)	0	0	0	0.0
HB 12-1301	<u>\$1,552,356</u>	<u>\$1,552,356</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>16.0</u>
TOTAL	\$1,552,356	\$1,552,356	\$0	\$0	\$0	16.0
Increase/(Decrease)	\$34,854	\$34,854	\$0	\$0	\$0	0.0
Percentage Change	2.3%	2.3%	n/a	n/a	n/a	0.0%

FY 2012-13 Appropriation - H.B. 12-1301 (Legislative Appropriation) Issue Descriptions

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

PERA amortization disbursement: The increase in appropriation reflects the amount necessary to contribute an additional 0.9 percent of base salaries to the Public Employees' Retirement Association (0.4 percent pursuant to S.B. 04-257 and 0.5 percent pursuant to S.B. 06-235).

Salary and benefits related adjustments: The decrease in appropriation is primarily the result of increases for health, life, and dental insurance benefits offset by decreases as a result of the level of benefits selected by current staff for these items.

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 2011-12 Appropriation:						
SB 11-209 and SB 11-198	\$8,214,122	\$7,964,122	\$0	\$250,000	\$0	68.0
<i>SB 11-198 (non-add)</i>	<i>6,833,622</i>	<i>6,833,622</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>68.0</i>
<i>SB 11-209 (non-add)</i>	<i>1,380,500</i>	<i>1,130,500</i>	<i>0</i>	<i>250,000</i>	<i>0</i>	<i>0.0</i>
SB 11-076	<u>(115,405)</u>	<u>(115,405)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$8,098,717	\$7,848,717	\$0	\$250,000	\$0	68.0
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$8,098,717	\$7,848,717	\$0	\$250,000	\$0	68.0
Restore state PERA contribution	115,405	115,405	0	0	0	0.0
PERA amortization disbursement (HB 12-1301)	41,546	41,546	0	0	0	0.0
Salary and benefits related adjustments (HB 12-1301)	2,372	2,372	0	0	0	0.0
Cost of living study (HB 12-1335)	(250,000)	0	0	(250,000)	0	0.0
Ballot Analysis (HB 12-1335)	(22,000)	(22,000)	0	0	0	0.0
HB 12-1301 and HB 12-1335	\$7,986,040	\$7,986,040	\$0	\$0	\$0	68.0
<i>HB 12-1301 (non-add)</i>	<i>6,877,540</i>	<i>6,877,540</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>68.0</i>
<i>HB 12-1335 (non-add)</i>	<i><u>1,108,500</u></i>	<i><u>1,108,500</u></i>	<i><u>0</u></i>	<i><u>0</u></i>	<i><u>0</u></i>	<i><u>0.0</u></i>
TOTAL	\$7,986,040	\$7,986,040	\$0	\$0	\$0	68.0
Increase/(Decrease)	(\$112,677)	\$137,323	\$0	(\$250,000)	\$0	0.0
Percentage Change	(1.4)%	1.8%	n/a	(100.0)%	n/a	0.0%

FY 2012-13 Appropriation - H.B. 12-1301 (Legislative Appropriation) and H.B. 12-1335 (Long Bill) Issue Descriptions

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

PERA amortization disbursement (H.B. 12-1301): The increase in appropriation reflects the amount necessary to contribute an additional 0.9 percent of base salaries to the Public Employees' Retirement Association (0.4 percent pursuant to S.B. 04-257 and 0.5 percent pursuant to S.B. 06-235).

Salary and benefits related adjustments (H.B. 12-1301): The increase in appropriation is primarily the result of increases for health, life, and dental insurance benefits.

Cost of living study (H.B. 12-1335): 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. This is the off-year in the cycle, therefore, no appropriation is required.

Ballot Analysis (H.B. 12-1335): Section 1 (7.5) of Article V of the Constitution requires the nonpartisan staff of the General Assembly to perform an analysis of measures on the ballot. This appropriation is based on the amount the Legislative Council staff expects to need for this function.

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 2011-12 Appropriation:						
SB 11-198	\$5,365,670	\$5,365,670	\$0	\$0	\$0	53.0
SB 11-076	<u>(93,769)</u>	<u>(93,769)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$5,271,901	\$5,271,901	\$0	\$0	\$0	53.0

Committee on Legal Services

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$5,271,901	\$5,271,901	\$0	\$0	\$0	53.0
Restore state PERA contribution	93,769	93,769	0	0	0	0.0
Salary and benefits related adjustments	56,440	56,440	0	0	0	0.0
PERA amortization disbursement	37,327	37,327	0	0	0	0.0
HB 12-1301	<u>\$5,459,437</u>	<u>\$5,459,437</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>53.0</u>
TOTAL	<u>\$5,459,437</u>	<u>\$5,459,437</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>53.0</u>
Increase/(Decrease)	\$187,536	\$187,536	\$0	\$0	\$0	0.0
Percentage Change	3.6%	3.6%	n/a	n/a	n/a	0.0%

FY 2012-13 Appropriation - H.B. 12-1301 (Legislative Appropriation) Issue Descriptions

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Salary and benefits related adjustments: The increase in appropriation is primarily the result of increases for health, life, and dental insurance benefits.

PERA amortization disbursement: The increase in appropriation reflects the amount necessary to contribute an additional 0.9 percent of base salaries to the Public Employees' Retirement Association (0.4 percent pursuant to S.B. 04-257 and 0.5 percent pursuant to S.B. 06-235).

Recent Legislation

2011 Session Bills

S.B. 11-076: For the 2011-12 state fiscal year only, reduces the employer contribution rate for the State and Judicial divisions of the Public Employees' Retirement Association (PERA) by 2.5 percent and increases the member contribution rate for these divisions by the same amount. In effect, continues the FY 2010-11 PERA contribution adjustments authorized through S.B. 10-146 for one additional year. Reduces the Department's appropriation by \$531,051 General Fund.

S.B. 11-198: Separate legislative appropriations act for FY 2011-12.

S.B. 11-209: General appropriations act for FY 2011-12.

2012 Session Bills

H.B. 12-1246: Reverses the payday shift for state employees who are paid on a biweekly basis. Appropriates \$69,278 General Fund to the Department for FY 2012-13. For additional information, see the "Recent Legislation" section at the end of the Department of Personnel.

H.B. 12-1301: Separate legislative appropriations act for FY 2012-13.

H.B. 12-1335: General appropriations act for FY 2012-13.

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 five sections: the Executive Director's Office, Property Taxation, the Division of Housing, the Division of Local Governments, and the Division of Emergency Management.

Department Budget: Recent Appropriations

Funding Source	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
General Fund/1	\$10,912,921	\$10,530,849	\$10,379,500	\$11,098,481
Cash Funds	258,601,220	203,509,756	228,629,982	206,386,363
Reappropriated Funds	11,928,255	7,243,477	7,102,736	7,129,597
Federal Funds	<u>112,986,814</u>	<u>96,977,419</u>	<u>117,319,185</u>	<u>102,623,672</u>
Total Funds	\$394,429,210	\$318,261,501	\$363,431,403	\$327,238,113
Full Time Equiv. Staff	186.5	176.0	191.1	163.2

/1 Includes General Fund Exempt.

General Factors Driving the Budget

Funding for this department consists of 3.4 percent General Fund, 63.1 percent cash funds, 2.2 percent reappropriated funds, and 31.3 percent federal funds. Major factors driving the budget are listed below.

Dedicated Funding Sources

The Department of Local Affairs is responsible for a number of programs with dedicated cash revenue sources. The largest of these include: local government mineral and energy impact assistance (a portion of state severance tax and federal mineral lease revenue distributed to local governments affected by mineral extraction activities); disbursements from the Conservation Trust Fund (a portion of state lottery proceeds distributed to local entities on a formula basis for parks, recreation, and open space purposes); and limited gaming impact grants (a portion of limited gaming tax revenue distributed to communities impacted by gaming activities). Grants for the recycling, reuse, and removal of waste tires (a portion of waste tire fees distributed on a competitive basis to assist with conservation efforts) were transferred to the Department of Public Health and Environment beginning in FY 2010-11, pursuant to H.B. 10-1018. Program expenditures fluctuate with changes in the revenue available from these various dedicated funding sources. The following table summarizes recent actual and estimated revenues for these cash funds.

**Constitutionally or Statutorily Dedicated Cash Revenues
Administered by the Department of Local Affairs (\$ millions)**

Revenues	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Estimated	FY 2012-13 Estimated
Severance Tax/1	\$148.2	\$22.1	\$74.5	\$91.1	\$62.8
Federal Mineral Lease/1	88.5	50.8	62.8	68.3	67.1
Conservation Trust Fund	47.8	45.3	45.3	50.0	50.0
Limited Gaming Fund/1	6.8	6.0	4.7	2.8	3.1
Waste Tire Fees/2	<u>1.6</u>	<u>3.6</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>
Total Dedicated Cash Revenues	\$292.9	\$127.8	\$187.3	\$212.2	\$183.0

/1 Estimates reflect the projected revenues of the March 2012 Office of State Planning and Budgeting Economic and Fiscal Review.

/2 House Bill 10-1018 consolidated authority over waste tire fees within the Department of Public Health and Environment and transferred administration of the Waste Tire Program from the Department of Local Affairs to the Department of Public Health and Environment beginning in FY 2010-11.

Federal Funds

Federal funds comprise nearly one-third (\$103.1 million) of the Department of Local Affairs' FY 2012-13 total appropriation. The Department's federally-funded programs generally do not require state matching funds, and funding is provided at the discretion of the United States Department of Housing and Urban Development. The major ongoing federal grants that are administered by the Department are:

- HUD Section 8 Rental Assistance (helps low-income families afford rental housing);
- HUD Affordable Housing Development (construction and/or rehabilitation of housing for low to moderate-income persons);
- HUD Community Development Block Grants (provide funding for community infrastructure, housing, and economic development);
- Health and Human Services Community Services Block Grants (provide funding for services to persons at or below 125.0 percent of the federal poverty level); and
- HUD Emergency Shelter Program (supports homeless prevention activities).

House Bill 12-1283 transferred the Department's Division of Emergency Management, including all emergency preparedness and training grants provided by the United States Department of Homeland Security, to the Department of Public Safety beginning in FY 2012-13.

Summary of FY 2011-12 and FY 2012-13 Appropriations

Department of Local Affairs						
	Total Funds	General Fund/1,2	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Total Appropriation:	\$363,431,403	\$10,379,500	\$228,629,982	\$7,102,736	\$117,319,185	191.1
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	5,086,464	1,253,763	398,213	2,445,254	989,234	14.2
Property Taxation	3,403,725	1,258,990	984,933	1,159,802	0	49.9
Division of Housing	88,597,624	2,386,282	812,480	187,332	85,211,530	47.7
Division of Local Governments	246,486,273	4,921,118	221,923,368	3,237,139	16,404,648	51.4
Division of Emergency Management	19,857,317	559,347	4,510,988	73,209	14,713,773	27.9
<u>Breakdown of Total Appropriation by Bill</u>						
SB 11-209	345,486,866	10,449,980	230,570,482	7,184,487	97,281,917	171.6
SB 11-076	(275,045)	(66,014)	(35,500)	(109,656)	(63,875)	0.0
SB 11-159	(1,905,000)	0	(1,905,000)	0	0	0.0
HB 11-1230	20,130,458	0	0	29,315	20,101,143	19.5
HB 12-1190	(5,876)	(4,466)	0	(1,410)	0	0.0
FY 2012-13 Total Appropriation:	\$327,238,113	\$11,098,481	\$206,386,363	\$7,129,597	\$102,623,672	163.2
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	5,147,058	1,657,656	450,415	2,132,322	906,665	14.2
Property Taxation	3,484,074	1,268,928	1,014,682	1,200,464	0	49.9
Division of Housing	89,048,900	2,589,909	896,002	206,902	85,356,087	47.7
Division of Local Governments	229,558,081	5,581,988	204,025,264	3,589,909	16,360,920	51.4
Division of Emergency Management	0	0	0	0	0	0.0
<u>Breakdown of Total Appropriation by Bill</u>						
HB 12-1335	347,313,310	11,478,263	210,897,351	7,479,574	117,458,122	191.1
HB 12-1246	793	793	0	0	0	0.0
HB 12-1283	(20,075,990)	(380,575)	(4,510,988)	(349,977)	(14,834,450)	(27.9)
Increase/(Decrease)	(\$36,193,290)	\$718,981	(\$22,243,619)	\$26,861	(\$14,695,513)	(27.9)
Percentage Change	(10.0)%	6.9%	(9.7)%	0.4%	(12.5)%	(14.6)%

/1 Includes \$4,294,753 General Fund Exempt in FY 2011-12 and \$4,294,753 General Fund Exempt in FY 2012-13. See division detail for more information on General Fund Exempt appropriations.

/2 Includes \$4,294,753 in FY 2011-12 and \$4,294,753 in FY 2012-13 that is exempt from the statutory limit on state General Fund appropriations pursuant to Section 24-75-201.1, C.R.S.

Informational Funds: Beginning in FY 2012-13, the Long Bill and other legislation indicate when an amount is shown solely for informational purposes through a new "(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 2012-13 Appropriations containing an (I) notation	\$326,261,660	\$4,294,753	\$204,508,785	\$0	\$117,458,122

FY 2011-12 Appropriation - Mid-year Adjustment Highlights

The FY 2011-12 appropriation was modified during the 2012 Legislative Session to reduce \$5,876 total funds for mid-year, vehicle lease billing adjustments.

FY 2012-13 Appropriation Highlights

The FY 2012-13 appropriation:

1. Adds \$275,000 total funds, including \$66,000 General Fund, for a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.
2. Adds \$200,000 General Fund for the Colorado Affordable Housing Construction Grants and Loans Program.
3. Reduces total funds by \$20.1 million, including \$737,082 General Fund, to transfer the Division of Emergency Management to the Department of Public Safety, pursuant to H.B. 12-1283.
4. Reduces cash funds by \$16.4 million for the Local Government Mineral and Energy Impact Grants and Disbursements line item and \$500,000 for the Local Government Limited Gaming Impact Grants line item to better align with projected revenues.
5. Reduces total funds by \$101,000, including \$18,000 General Fund, for a 1.0 percent reduction for certain personal services line items.

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 funds which are further distributed to the various divisions. The Division also conducts several miscellaneous functions statutorily assigned to the Department, including administration of the Moffat Tunnel Improvement District. Cash funds

appropriations to this office involve a number of individual cash funds related to programs administered through the various divisions, as well as lease revenues generated from the operation of the Moffat Tunnel. Reappropriated fund sources include indirect cost recoveries, federal funds transferred from other agencies, and 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.

Executive Director's Office						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$5,096,214	\$1,258,229	\$398,213	\$2,450,538	\$989,234	13.7
SB 11-076	(33,189)	0	0	(33,189)	0	0.0
HB 11-1230	29,315	0	0	29,315	0	0.5
HB 12-1190	<u>(5,876)</u>	<u>(4,466)</u>	<u>0</u>	<u>(1,410)</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$5,086,464	\$1,253,763	\$398,213	\$2,445,254	\$989,234	14.2
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$5,086,464	\$1,253,763	\$398,213	\$2,445,254	\$989,234	14.2
Centrally appropriated line items	289,060	92,666	52,202	(65,597)	209,789	0.0
COFRS modernization	157,503	104,883	0	52,620	0	0.0
Restore state PERA contribution	33,189	0	0	33,189	0	0.0
Statewide IT common policy adjustments	(148,838)	16,223	0	(46,136)	(118,925)	0.0
Personal services base reduction	(12,259)	0	0	(12,259)	0	0.0
HB 12-1335	\$5,405,119	\$1,467,535	\$450,415	\$2,407,071	\$1,080,098	14.2
HB 12-1246	793	793	0	0	0	0.0
HB 12-1283	<u>(258,854)</u>	<u>189,328</u>	<u>0</u>	<u>(274,749)</u>	<u>(173,433)</u>	<u>0.0</u>
TOTAL	\$5,147,058	\$1,657,656	\$450,415	\$2,132,322	\$906,665	14.2
Increase/(Decrease)	\$60,594	\$403,893	\$52,202	(\$312,932)	(\$82,569)	0.0
Percentage Change	1.2%	32.2%	13.1%	(12.8)%	(8.3)%	0.0%

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1190 modified FY 2011-12 appropriations to reduce \$5,876 total funds for mid-year, vehicle lease billing adjustments.

FY 2012-13 Appropriation - H.B. 12-1335 (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; vehicle lease payments; workers' compensation; payment to risk management and property funds; and Capitol complex leased space.

COFRS modernization: The appropriation includes an increase to fund the first two phases of a five-phase project to replace the statewide accounting system (COFRS) used by the Office of the State Controller to record all state revenues and expenditures.

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Statewide IT common policy adjustments: The appropriation includes adjustments to line items appropriated for: purchase of services from the computer center; multiuse network payments; management and administration of the Governor's Office of Information Technology (OIT); and communication services payments.

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services lines.

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

Property Taxation

This section provides funding for the Division of Property Taxation, which: issues appraisal standards and provides training and technical assistance to county assessors; values multi-county companies; and grants taxation exemptions. This section also provides funding for the State Board of Equalization, which supervises the administration of property tax laws by local county assessors, as well as the Board of Assessment Appeals, which hears petitions for appeal on valuation, abatements, exemptions, and valuation of state-assessed properties. Cash fund appropriations are from the Property Tax Exemption 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.

Property Taxation						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$3,483,914	\$1,288,952	\$998,783	\$1,196,179	\$0	49.9
SB 11-076	(80,189)	(29,962)	(13,850)	(36,377)	0	0.0
TOTAL	\$3,403,725	\$1,258,990	\$984,933	\$1,159,802	\$0	49.9

Property Taxation						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$3,403,725	\$1,258,990	\$984,933	\$1,159,802	\$0	49.9
Restore state PERA contribution	80,189	29,962	13,850	36,377	0	0.0
Indirect cost assessment	17,089	(328,048)	24,178	320,959	0	0.0
Operating adjustments	8,071	8,071	0	0	0	0.0
Fund source adjustment	0	310,091	0	(310,091)	0	0.0
Personal services base reduction	(25,000)	(10,138)	(8,279)	(6,583)	0	0.0
HB 12-1335	<u>\$3,484,074</u>	<u>\$1,268,928</u>	<u>\$1,014,682</u>	<u>\$1,200,464</u>	<u>\$0</u>	<u>49.9</u>
TOTAL	<u>\$3,484,074</u>	<u>\$1,268,928</u>	<u>\$1,014,682</u>	<u>\$1,200,464</u>	<u>\$0</u>	<u>49.9</u>
Increase/(Decrease)	\$80,349	\$9,938	\$29,749	\$40,662	\$0	0.0
Percentage Change	2.4%	0.8%	3.0%	3.5%	n/a	0.0%

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Indirect cost assessment: The appropriation includes a net increase in indirect cost assessments.

Operating adjustments: The appropriation includes an increase of \$8,071 for the restoration of the FY 2010-11 General Fund operating expenses reduction.

Fund source adjustment: The appropriation includes a decrease in the amount of total departmental indirect cost recoveries applied to offset the need for General Fund in this division, which necessitates a decrease in the reappropriated funds appropriation.

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services lines.

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 and the Private Activity Bond Allocations 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.

Division of Housing						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$68,545,645	\$2,392,500	\$827,817	\$190,971	\$65,134,357	28.7
SB 11-076	(49,164)	(6,218)	(15,337)	(3,639)	(23,970)	0.0
HB 11-1230	<u>20,101,143</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>20,101,143</u>	<u>19.0</u>
TOTAL	\$88,597,624	\$2,386,282	\$812,480	\$187,332	\$85,211,530	47.7
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$88,597,624	\$2,386,282	\$812,480	\$187,332	\$85,211,530	47.7
Indirect cost assessment	227,623	0	68,999	17,520	141,104	0.0
Colorado affordable housing	200,000	200,000	0	0	0	0.0
Restore state PERA contribution	49,164	6,218	15,337	3,639	23,970	0.0
Operating adjustments	1,295	1,295	0	0	0	0.0
Personal services base reduction	(26,806)	(3,886)	(814)	(1,589)	(20,517)	0.0
HB 12-1335	<u>\$89,048,900</u>	<u>\$2,589,909</u>	<u>\$896,002</u>	<u>\$206,902</u>	<u>\$85,356,087</u>	<u>47.7</u>
TOTAL	\$89,048,900	\$2,589,909	\$896,002	\$206,902	\$85,356,087	47.7
Increase/(Decrease)	\$451,276	\$203,627	\$83,522	\$19,570	\$144,557	0.0
Percentage Change	0.5%	8.5%	10.3%	10.4%	0.2%	0.0%

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Indirect cost assessment: The appropriation includes a net increase in indirect cost assessments.

Colorado affordable housing: The appropriation reflects an increase of \$200,000 General Fund for the Colorado Affordable Housing Construction Grants and Loans Program.

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Operating adjustments: The appropriation includes an increase of \$1,295 for the restoration of the FY 2010-11 General Fund operating expenses reduction.

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services lines.

Division of Local Governments

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. Significant cash fund sources include: (1) severance tax revenues; (2) federal mineral lease revenues; (3) net lottery proceeds; and (4) gaming revenues. Grants for the recycling, reuse, and removal of waste tires were transferred to the Department of Public Health and Environment beginning in FY 2010-11, pursuant to H.B. 10-1018. 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 Governments						
	Total Funds	General Fund/1,2	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$248,458,222	\$4,936,386	\$223,834,681	\$3,272,713	\$16,414,442	51.4
SB 11-076	(66,949)	(15,268)	(6,313)	(35,574)	(9,794)	0.0
SB 11-159	<u>(1,905,000)</u>	<u>0</u>	<u>(1,905,000)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$246,486,273	\$4,921,118	\$221,923,368	\$3,237,139	\$16,404,648	51.4
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$246,486,273	\$4,921,118	\$221,923,368	\$3,237,139	\$16,404,648	51.4
Restore state PERA contribution	66,949	15,268	6,313	35,574	9,794	0.0
Operating adjustments	2,109	2,109	0	0	0	0.0
Local government mineral and energy impact grants and disbursements	(16,400,000)	0	(16,400,000)	0	0	0.0
Limited gaming impact grants	(497,573)	1,000,000	(1,497,573)	0	0	0.0
Indirect cost assessment	(79,928)	0	(5,862)	(23,085)	(50,981)	0.0
Personal services base reduction	(19,749)	0	(982)	(16,226)	(2,541)	0.0
HB 12-1335	\$229,558,081	\$5,938,495	\$204,025,264	\$3,233,402	\$16,360,920	51.4
HB 12-1283	<u>0</u>	<u>(356,507)</u>	<u>0</u>	<u>356,507</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$229,558,081	\$5,581,988	\$204,025,264	\$3,589,909	\$16,360,920	51.4

Division of Local Governments						
	Total Funds	General Fund/1,2	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Increase/(Decrease)	(\$16,928,192)	\$660,870	(\$17,898,104)	\$352,770	(\$43,728)	0.0
Percentage Change	(6.9)%	13.4%	(8.1)%	10.9%	(0.3)%	0.0%

/1 Includes General Fund Exempt amounts. See General Fund table for more information.

/2 Includes amounts (a total of \$4,294,753 in FY 2011-12 and \$4,294,753 for FY 2012-13) that are not subject to the statutory limitation on General Fund appropriations set forth in Section 24-75-201.1, C.R.S.

General Fund Summary	Total General Fund	General Fund	General Fund Exempt
FY 2011-12 Appropriation	\$4,921,118	\$626,365	\$4,294,753
Limited gaming impact grants	1,000,000	1,000,000	0
Restore state PERA contribution	15,268	15,268	0
Operating adjustments	<u>2,109</u>	<u>2,109</u>	<u>0</u>
Total FY 2012-13 Appropriation	\$5,938,495	\$1,643,742	\$4,294,753

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 cap¹, for that fiscal year. This revenue must be placed in the General Fund Exempt Account. The above table shows the amount of General Fund Exempt appropriated for FY 2011-12 and FY 2012-13 from the General Fund Exempt Account for volunteer firefighter retirement plans and death and disability insurance, pursuant to Section 24-77-103.6 (2) (c), C.R.S.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Operating adjustments: The appropriation includes an increase of \$2,109 for the restoration of the FY 2010-11 General Fund operating expenses reduction.

Local government mineral and energy impact grants and disbursements: The appropriation reflects a decrease in the amount of funding for this program based on projected revenues that will be credited to the Local Government Severance Tax Fund and the Local Government Mineral Impact Fund in FY 2012-13.

Limited gaming impact grants: The appropriation includes a decrease of \$1.5 million in funds transferred from the Limited Gaming Fund in the Department of Revenue pursuant to Sections 12-47.1-701 and

¹ The "excess state revenues 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 changes.

12-47.1-1601, C.R.S., based on projected limited gaming revenues. This decrease is partially offset by an increase of \$1 million in General Fund.

Indirect cost assessment: The appropriation includes a net decrease in indirect cost assessments.

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services lines.

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

Division of Emergency Management

This Division assists local, state, and private organizations in disaster preparedness, response, recovery, and impact mitigation. The Division is responsible for preparing and maintaining a state disaster plan, as well as taking part in the development and revision of local and inter-jurisdictional disaster plans. The Colorado Emergency Planning Commission, established within this Department, is charged with designating local emergency planning districts (as required by federal law), as well as with assisting in the appropriate training of personnel to react to emergency response situations. Cash funds are primarily from the Disaster Emergency Fund, with a small amount received from fees paid for emergency training programs. 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. Federal funds are from grant moneys received from the United States Department of Homeland Security for emergency preparedness, chemical stockpile readiness, and other programs.

House Bill 12-1283 eliminates the Division of Emergency Management within the Department of Local Affairs and transfers the functions, personnel, and resources of the Division into a new Division of Homeland Security and Emergency Management (DHSEM) within the Department of Public Safety, effective July 1, 2012.

Division of Emergency Management						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$19,902,871	\$573,913	\$4,510,988	\$74,086	\$14,743,884	27.9
SB 11-076	(45,554)	(14,566)	0	(877)	(30,111)	0.0
TOTAL	\$19,857,317	\$559,347	\$4,510,988	\$73,209	\$14,713,773	27.9
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$19,857,317	\$559,347	\$4,510,988	\$73,209	\$14,713,773	27.9
Restore state PERA contribution	45,554	14,566	0	877	30,111	0.0
Fund source adjustment	0	(356,507)	0	356,507	0	0.0
Indirect cost assessment	(68,286)	0	0	1,311	(69,597)	0.0

Division of Emergency Management						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Personal services base reduction	(17,449)	(4,010)	0	(169)	(13,270)	0.0
HB 12-1335	\$19,817,136	\$213,396	\$4,510,988	\$431,735	\$14,661,017	27.9
HB 12-1283	<u>(19,817,136)</u>	<u>(213,396)</u>	<u>(4,510,988)</u>	<u>(431,735)</u>	<u>(14,661,017)</u>	<u>(27.9)</u>
TOTAL	\$0	\$0	\$0	\$0	\$0	0.0
Increase/(Decrease)	(\$19,857,317)	(\$559,347)	(\$4,510,988)	(\$73,209)	(\$14,713,773)	(27.9)
Percentage Change	(100.0)%	(100.0)%	(100.0)%	(100.0)%	(100.0)%	(100.0)%

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Fund source adjustment: The appropriation includes an increase in the amount of total departmental indirect cost recoveries applied to offset the need for General Fund in this division, which necessitates an increase in the reappropriated funds appropriation.

Indirect cost assessment: The appropriation includes a net decrease in indirect cost assessments.

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services lines.

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

Recent Legislation

2011 Session Bills

S.B. 11-076: For the 2011-12 state fiscal year only, reduces the employer contribution rate for the State and Judicial divisions of the Public Employees' Retirement Association (PERA) by 2.5 percent and increases the member contribution rate for these divisions by the same amount. In effect, continues the FY 2010-11 PERA contribution adjustments authorized through S.B. 10-146 for one additional year. Reduces the Department's total appropriation by \$275,045 total funds, of which \$66,014 is General Fund, \$35,500 is cash funds, \$109,656 is reappropriated funds, and \$63,875 is federal funds.

S.B. 11-159: Repeals and reenacts statute related to the distribution of 50.0 percent of the balance remaining in the Limited Gaming Fund that is allocated to the General Fund or other funds (known as the "State share")

at the end of FY 2010-11 and each fiscal year thereafter. Specifically, the bill places the following provisions in statute:

- The first \$19.2 million of the "State share" shall be transferred to the General Fund;
- Any amount of the "State share" that is greater than \$19.2 million, but less than \$48.5 million will be transferred as follows:
 - 50.0 percent to the Colorado Travel and Tourism Promotion Fund;
 - 18.0 percent to the Bioscience Discovery Evaluation Cash Fund;
 - 15.0 percent to the Local Government Limited Gaming Impact Fund;
 - 7.0 percent to the Innovative Higher Education Research Fund;
 - 5.0 percent to the New Jobs Incentives Cash Fund;
 - 4.0 percent to the Creative Industries Cash Fund for the purposes of the Council on Creative Industries; and
 - 1.0 percent to the Creative Industries Cash Fund for performance-based film incentives.
- Any amount of the "State share" that is greater than \$48.5 million will be transferred to the General Fund;
- Any moneys slated for transfer to programs that have been repealed or discontinued statutorily shall instead be transferred to the General Fund; and
- Reduces the FY 2011-12 appropriation to the Department of Local Affairs by \$1.9 million cash funds.

S.B. 11-164: Transfers \$15.0 million from the Local Government Mineral Impact Fund and \$4.8 million from the Local Government Permanent Fund to the General Fund on June 30, 2011. For additional information on this bill, see the "Recent Legislation" section for the Department of Labor and Employment.

S.B. 11-209: General appropriations act for FY 2011-12.

S.B. 11-226: Transfers \$30.0 million from the Local Government Mineral Impact Fund and \$41.0 million from the Local Government Severance Tax Fund to the General Fund on June 30, 2012. For additional information on this bill, see the "Recent Legislation" section for the Department of Education.

H.B. 11-1230: Consolidates the housing assistance programs in the Department of Human Services into the Department of Local Affairs. The bill specifies that the consolidation is to occur no later than July 1, 2011. The bill transfers \$20.1 million federal funds, \$29,315 reappropriated funds, and 19.5 FTE from the Department of Human Services to the Department of Local Affairs.

2012 Session Bills

S.B. 12-158: Clarifies that the Division of Housing in the Department of Local Affairs is the sole public housing agency for the purpose of providing financial housing assistance to both households with low income and to persons with disabilities. Shifts administration of the Homeless Prevention Activities Program (HPAP) to the Division of Housing in the Department of Local Affairs and alters the composition of the advisory committee governing HPAP. Allows the Department of Local Affairs to use up to five percent of revenue received by the Homeless Prevention Activities Program Fund, or \$15,000, whichever is greater, to be used for program administration costs. The Homeless Prevention Activities Program Fund is funded through a voluntary tax check-off and is expected to receive about \$140,000 in FY 2012-13.

H.B. 12-1190: Supplemental appropriation to the Department of Local Affairs to modify FY 2011-12 appropriations.

H.B. 12-1246: Eliminates the annual payday date shift enacted in 2003 for certain General Fund employees. Increases appropriations to the Department of Local Affairs by \$793 General Fund for FY 2012-13. For additional information, see the "Recent Legislation" section at the end of the Department of Personnel.

H.B. 12-1283: Consolidates Colorado's homeland security functions, personnel, and resources, enacted under Executive Order D 2011-030, into a new Division of Homeland Security and Emergency Management (DHSEM) within the Department of Public Safety (DPS). For the Department of Local Affairs, eliminates the Division of Emergency Management and transfers the functions, personnel, and resources of the Division into DHSEM, effective July 1, 2012. Reduces the appropriation to the Department of Local Affairs by \$20.1 million total funds, including \$380,575 General Fund, and 27.9 FTE in FY 2012-13. For additional information on H.B. 12-1283, see the "Recent Legislation" section at the end of the Department of Public Safety.

H.B. 12-1335: General appropriations act for FY 2012-13.

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. As of July 1, 2012, 77 members of the Colorado National Guard will be serving on federal active duty in Iraq, Afghanistan, or other duty locations.

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 96.0 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 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
General Fund	\$5,407,887	\$5,286,233	\$5,429,298	\$6,681,430
Cash Funds	1,407,940	1,408,881	1,209,140	1,332,993
Reappropriated Funds	803,509	803,509	803,509	803,662
Federal Funds	<u>195,608,488</u>	<u>213,758,894</u>	<u>213,775,024</u>	<u>214,128,024</u>
Total Funds	\$203,227,824	\$221,257,517	\$221,216,971	\$222,946,109
Full Time Equiv. Staff	1,386.9	1,384.9	1,384.9	1,384.9

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 the Department consists of 3.0 percent General Fund, 0.6 percent cash funds, 0.4 percent reappropriated funds, and 96.0 percent federal funds.

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				
	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12
Authorized Strength				
Army National Guard	N/A	4,009	3,878	4,053
Air National Guard	<u>N/A</u>	<u>1,531</u>	<u>1,531</u>	<u>1,534</u>
Total	4,964	5,540	5,409	5,587
Members				
Army National Guard	3,629	3,629	3,776	3,988
Air National Guard	<u>1,435</u>	<u>1,435</u>	<u>1,498</u>	<u>1,468</u>
Total	5,064	5,064	5,274	5,456
Percentage of Slots Filled	102.0%	91.4%	97.5%	97.7%

Division of Veterans Affairs

The primary budget drivers for the Division of Veterans Affairs is 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, for FY 2012-13, 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.

The table below shows the number of veterans in Colorado registered with the U.S. Department of Veterans Affairs and the number of veterans' claims that the Department has processed.

Division of Veterans Affairs Veterans Living in Colorado and Clams Processed by Department						
	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
Colorado Veteran Population (U.S. Dept. of Veterans Affairs)	419,938	427,706	426,162	424,228	421,342	417,834
Claims filed with the State of Colorado	4,907	5,110	5,163	5,201	5,420	5,406

Summary of FY 2011-12 and FY 2012-13 Appropriations

Department of Military and Veterans Affairs						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Total Appropriation:	\$221,216,971	\$5,429,298	\$1,209,140	\$803,509	\$213,775,024	1,384.9
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director and Army National Guard	10,379,109	4,203,454	121,379	800,000	5,254,276	84.8
Division of Veterans Affairs	2,004,271	862,001	1,087,761	3,509	51,000	12.5
Air National Guard	3,187,222	363,843	0	0	2,823,379	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 11-209	221,373,748	5,478,155	1,210,964	803,509	213,881,120	1,384.9
SB 11-076	(164,417)	(56,497)	(1,824)	0	(106,096)	0.0
HB 12-1191	7,640	7,640	0	0	0	0.0
FY 2012-13 Total Appropriation:	\$222,946,109	\$6,681,430	\$1,332,993	\$803,662	\$214,128,024	1,384.9
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director and Army National Guard	10,934,592	4,443,453	122,240	800,153	5,568,746	84.8
Division of Veterans Affairs	3,138,345	1,873,083	1,210,753	3,509	51,000	12.5
Air National Guard	3,226,803	364,894	0	0	2,861,909	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 12-1335	222,946,109	6,681,430	1,332,993	803,662	214,128,024	1,384.9
Increase/(Decrease)	\$1,729,138	\$1,252,132	\$123,853	\$153	\$353,000	0.0
Percentage Change	0.8%	23.1%	10.2%	0.0%	0.2%	0.0%

Informational Funds: Beginning in FY 2012-13, the Long Bill and other legislation indicate when an amount is shown solely for informational purposes through a new "(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 2012-13 Appropriations containing an (I) notation	\$214,128,024	\$0	\$0	\$0	\$214,128,024

FY 2011-12 Appropriation - Mid-year Adjustment Highlights

The FY 2011-12 appropriation was modified during the 2012 Legislative Session to increase appropriations for common policy items by \$7,640.

FY 2012-13 Appropriation Highlights

The FY 2012-13 appropriation:

1. Increases funding by \$1,000,000 General Fund in order to provide mental health, employment, housing and other veterans services.
2. Increases funding by \$281,572 (including \$65,674 General Fund) to reflect common policy changes to centrally appropriated line items and statewide information technology common policies.
3. Increases funding by \$164,417 (including \$56,497 General Fund) to reflect a 2.5 percent increase of the State's contribution to the Public Employees' Retirement Association (PERA).
4. Increases the appropriation by \$121,168 cash funds to reflect the forecast of receipts from the Master Tobacco Settlement Agreement and available interest earnings.
5. Decreases funding by \$29,160 total funds (\$20,016 General Funds) to reflect a 1.0 percent personal services base reduction.

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.

Most of the Department's General Fund expenditures are for administrative and professional staff in the Executive Director/Army National Guard office, and for the labor trades and crafts employees who maintain and repair the armories and other military facilities. The State supports the Civil Air Patrol, Colorado Wing with 1.0 FTE and General Fund for some of the Civil Air Patrol's operating and maintenance expenses. The Civil Air Patrol is a federally-chartered nonprofit corporation, created in Title 10 of the U.S. Code (10 U.S.C. 9441), as an auxiliary to the U.S. Air Force. In addition to the State funding, it is primarily funded by the U.S. Air Force and user fees. The organization's statutory purposes include: (1) encouraging citizens to contribute

to developing aviation and maintaining air supremacy; (2) providing aviation education and training; and (3) fostering civil aviation in local communities.

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 2011-12 Appropriation:						
SB 11-209	\$10,474,876	\$4,237,948	\$121,379	\$800,000	\$5,315,549	84.8
SB 11-076	(103,407)	(42,134)	0	0	(61,273)	0.0
HB 12-1191	<u>7,640</u>	<u>7,640</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$10,379,109	\$4,203,454	\$121,379	\$800,000	\$5,254,276	84.8
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$10,379,109	\$4,203,454	\$121,379	\$800,000	\$5,254,276	84.8
Centrally appropriated line items	281,572	65,674	630	0	215,268	0.0
Statewide IT common policy adjustments	148,943	148,943	0	0	0	0.0
Restore state PERA contribution	103,407	42,134	0	0	61,273	0.0
COFRS modernization	42,198	1,034	231	153	40,780	0.0
Personal services base reduction	(20,637)	(17,786)	0	0	(2,851)	0.0
HB 12-1335	<u>\$10,934,592</u>	<u>\$4,443,453</u>	<u>\$122,240</u>	<u>\$800,153</u>	<u>\$5,568,746</u>	<u>84.8</u>
TOTAL	\$10,934,592	\$4,443,453	\$122,240	\$800,153	\$5,568,746	84.8
Increase/(Decrease)	\$555,483	\$239,999	\$861	\$153	\$314,470	0.0
Percentage Change	5.4%	5.7%	0.7%	0.0%	6.0%	0.0%

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1191 included an increase of \$7,640 for vehicle lease payments, a common policy item.

FY 2012-13 Appropriation - H.B. 12-1335 (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 PERA pension fund; shift differential; vehicle lease payments; workers'

compensation; legal services; payments to risk management and property funds; and Capitol complex leased space.

Statewide IT common policy adjustments: The appropriation includes adjustments to line items appropriated for: purchases of services from the computer center; multiuse network payments; and communication services payments.

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

COFRS modernization: The appropriation includes an increase to fund the first two phases of a five-phase project to replace the statewide accounting system (COFRS) used by the Office of the State Controller to record all state revenues and expenditures.

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services line items.

Division of Veterans Affairs

State expenditures for services to veterans and veterans' families are shown in the Department of Military and Veterans Affairs and the Department of Human Services sections of the Long Bill.

The Division of Veterans Affairs represents veterans in federal benefits claims, primarily in claims on appeal, and provides information, training, and a small amount of 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 also maintains the Western Slope Veterans' Cemetery in Grand Junction and, for FY 2012-13, operates an assistance program that provides grants to non-profit or governmental entities that provide mental health, family counseling, job training, employment, housing, and other services to veterans.

The cash funds sources are the Colorado State Veterans Trust Fund and the Western Slope Military Veterans' Cemetery Fund. The reappropriated funds source is also the Colorado State Veterans Trust 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 2011-12 Appropriation:						
SB 11-209	\$2,017,177	\$873,083	\$1,089,585	\$3,509	\$51,000	12.5
SB 11-076	<u>(12,906)</u>	<u>(11,082)</u>	<u>(1,824)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$2,004,271	\$862,001	\$1,087,761	\$3,509	\$51,000	12.5

Division of Veterans Affairs						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$2,004,271	\$862,001	\$1,087,761	\$3,509	\$51,000	12.5
Veterans Services	1,000,000	1,000,000	0	0	0	0.0
Colorado State Veterans Trust Fund expenditures	121,168	0	121,168	0	0	0.0
Restore state PERA contribution	12,906	11,082	1,824	0	0	0.0
HB 12-1335	<u>\$3,138,345</u>	<u>\$1,873,083</u>	<u>\$1,210,753</u>	<u>\$3,509</u>	<u>\$51,000</u>	<u>12.5</u>
TOTAL	\$3,138,345	\$1,873,083	\$1,210,753	\$3,509	\$51,000	12.5
Increase/(Decrease)	\$1,134,074	\$1,011,082	\$122,992	\$0	\$0	0.0
Percentage Change	56.6%	117.3%	11.3%	0.0%	0.0%	0.0%

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Veterans Services: The appropriation provides \$1.0 million for mental health, employment, housing and other veterans services.

Colorado State Veterans Trust Fund expenditures: The appropriation adjusts the appropriation to reflect the forecast of receipts from the Master Tobacco Settlement Agreement and available interest earnings.

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

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 2011-12 Appropriation:						
SB 11-209	\$3,235,326	\$367,124	\$0	\$0	\$2,868,202	48.6
SB 11-076	<u>(48,104)</u>	<u>(3,281)</u>	<u>0</u>	<u>0</u>	<u>(44,823)</u>	0.0

Air National Guard						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
TOTAL	\$3,187,222	\$363,843	\$0	\$0	\$2,823,379	48.6
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$3,187,222	\$363,843	\$0	\$0	\$2,823,379	48.6
Restore state PERA contribution	48,104	3,281	0	0	44,823	0.0
Personal services base reduction	(8,523)	(2,230)	0	0	(6,293)	0.0
HB 12-1335	<u>\$3,226,803</u>	<u>\$364,894</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,861,909</u>	<u>48.6</u>
TOTAL	\$3,226,803	\$364,894	\$0	\$0	\$2,861,909	48.6
Increase/(Decrease)	\$39,581	\$1,051	\$0	\$0	\$38,530	0.0
Percentage Change	1.2%	0.3%	n/a	n/a	1.4%	0.0%

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services line items.

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, 2013. 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 2011-12 Appropriation:						
SB 11-209	<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

Federal Funded Programs						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$205,646,369	\$0	\$0	\$0	\$205,646,369	1,239.0
HB 12-1335	<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 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

There were no changes to the informational appropriations for this division.

Recent Legislation

2011 Session Bills

S.B. 11-037: Creates the "Veteran of World War II" special license plates to indicate that the owner of the motor vehicle is a veteran of World War II. For more information on H.B. 10-1139 see the "Recent Legislation" section for the Department of Revenue.

S.B. 11-076: For the 2011-12 state fiscal year only, reduces the employer contribution rate for the State and Judicial divisions of the Public Employee Retirement Association (PERA) by 2.5 percent and increases the member contribution rate for these divisions by the same amount. In effect, continues the FY 2010-11 PERA contribution adjustments authorized through S.B. 10-146 for one additional year. Reduces the Department's total appropriation by \$164,417, of which \$56,497 is General Fund, \$1,824 is cash funds, and \$106,096 is federal funds.

S.B. 11-209: General appropriations act for FY 2011-12.

H.B. 11-1037: Extends the period of time for which State income tax forms will include a line for taxpayers to make a voluntary donation to the Military Family Relief Fund through income tax years commencing before January 1, 2016.

H.B. 11-1237: Creates the Chargeable Quarters and Billeting Cash Fund, which receives moneys charged for the use of National Guard facilities. Allows the fund to be used for the costs associated with the operation, repair and maintenance of those facilities. The fund is continuously appropriated to the Department.

2012 Session Bills

H.B. 12-1191: Supplemental appropriation to the Department of Military and Veterans Affairs for FY 2011-12.

H.B. 12-1335: General appropriations act for FY 2012-13.

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:

1. Executive Director's Office
2. Division of Reclamation, Mining, and Safety
3. Geological Survey
4. Oil and Gas Conservation Commission
5. State Board of Land Commissioners
6. Division of Parks and Wildlife
7. Colorado Water Conservation Board
8. Water Resources Division (State Engineer's Office)
9. Division of Forestry

Department Budget: Recent Appropriations

Funding Source	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
General Fund	\$26,634,588	\$26,201,062	\$23,429,407	\$23,740,163
Cash Funds	174,244,140	191,792,929	190,187,713	209,496,335
Reappropriated Funds	7,305,823	7,972,361	8,480,565	8,636,648
Federal Funds	<u>17,236,282</u>	<u>19,729,069</u>	<u>19,884,955</u>	<u>20,744,426</u>
Total Funds	\$225,420,833	\$245,695,421	\$241,982,640	\$262,617,572
Full Time Equiv. Staff	1,538.8	1,474.8	1,466.1	1,464.1

General Factors Driving the Budget

Funding for this department in FY 2012-13 consists of 9.0 percent General Fund, 79.8 percent cash funds, 3.3 percent reappropriated funds, and 7.9 percent federal funds. Some of the most important factors driving the budget are reviewed below.

Severance Tax (Operational Account) Funds

The availability of severance tax revenues to the Operational Account influences the funding levels for many programs in the Department. Section 39-29-108 (2), C.R.S., provides that 50.0 percent of total severance tax revenues are credited to the Severance Tax Trust Fund and 50.0 percent of the revenues are credited to the Local Government Severance Tax Fund, administered by the Department of Local Affairs, for grants and distributions to local governments impacted by mining activities. Of the revenues credited to the Severance Tax Trust Fund, 50.0 percent (or 25.0 percent of total severance tax revenues) are allocated to the Perpetual

Base Account of the Severance Tax Trust Fund, which is used by the Colorado Water Conservation Board for water construction projects. The other 50.0 percent of Severance Tax Trust Fund revenues (or 25.0 percent of total severance tax revenues) are allocated to the Operational Account to fund 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. To manage this variability, H.B. 08-1398 divided programs funded from the Operational Account into two tiers. The tier 1 programs support the day-to-day operations of the Department of Natural Resources, including paying salaries for employees. The tier 2 programs primarily support grants, loans, research, and construction. The required reserve for tier 1 programs is equal to total appropriations for tier 1 programs in 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 for that year. The distribution of funding for tier 2 programs is staggered, with 40.0 percent released July 1, 30.0 percent released January 4, and the final 30.0 percent released April 1 of a given fiscal year.

Tier 2 programs are subject to proportional reduction if revenue projections indicate there are insufficient funds available to support authorized expenditures within a fiscal year. Anticipated revenues under the March 2012 Legislative Council Revenue Forecast will not support current appropriations and authorized expenditures in FY 2012-13 and would require a proportional reduction of \$17.6 million (49.1 percent) to Tier 2 programs, in addition to the use of the entire statutory tier 2 reserve.

OPERATIONAL ACCOUNT STATUS	FY07-08 Actual	FY08-09 Actual	FY09-10 Actual	FY10-11 Actual	FY11-12 Estimate	FY12-13 Estimate
Beginning balance	\$40,012,876	\$46,588,101	\$68,073,848	\$31,181,533	\$17,199,296	\$16,514,200
Revenues	39,367,947	81,052,610	10,119,342	35,213,796	42,232,343	28,368,873
Total available	\$79,380,823	\$127,640,711	\$78,193,190	\$66,395,329	\$59,431,639	\$44,883,073
Tier 1 Programs	9,715,887	12,701,274	15,910,585	17,520,920	13,666,367	13,846,821
Tier 2 Programs*	23,076,835	46,865,589	20,101,072	31,675,113	25,301,072	18,189,431
Transfer to General Fund (H.B. 10-1327 and S.B. 11-226)	0	0	11,000,000	0	3,950,000	0
Ending balance	\$46,588,101	\$68,073,848	\$31,181,533	\$17,199,296	\$16,514,200	\$12,846,821
Reserve	32,431,774	19,731,112	18,925,746	21,007,929	17,791,189	18,209,482
Unobligated**	14,156,327	48,342,736	12,255,787	(3,808,633)	(1,276,989)	(5,362,661)

* Tier 2 spending in FY 2012-13 is based on anticipated revenues under the March 2012 Legislative Council Staff Revenue Forecast and the amount shown is *after* a \$17.6 million proportional reduction necessary to balance the Operational Account in FY 2012-13.

**A negative unobligated balance indicates use of reserve funds. With current appropriations and authorized expenditures, revenues anticipated under the March 2012 Legislative Council Staff Revenue Forecast will require the use of the entire Tier 2 reserve in FY 2012-13 in addition to \$17.6 million in proportional reductions to Tier 2 programs.

State Board of Land Commissioners

The State Board of Land Commissioners (State Land Board) manages properties in the Public School Trust to raise money for the benefit of K-12 education. The State Land Board also manages seven other smaller trusts set up in the Colorado Constitution or in statute. Approximately 98.0 percent of State Land Board revenue is attributable to the Public School Trust.

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 \$10.0 million will support State Land Board operations and the Investment and Development Fund in FY 2012-13. Under current law, any remaining income in FY 2012-13 will be deposited into the State Public School Fund to support school finance appropriations.

SCHOOL TRUST REVENUE	FY06-07 Actual	FY07-08 Actual	FY08-09 Actual	FY09-10 Actual	FY10-11 Actual
Mineral Royalties/Bonuses	\$46,715,425	\$53,105,648	\$58,327,085	\$49,049,789	\$104,859,286
Surface Rental	8,371,449	8,819,293	8,305,534	9,157,949	8,222,629
Commercial/Renewable Energy/Other	3,259,564	5,172,228	5,210,122	6,210,687	5,133,310
Mineral Rental	1,614,907	2,023,401	1,739,678	1,729,683	2,049,480
Interest and Penalties	16,694	315,960	381,501	209,720	239,273
Timber Sales	1,113,821	55,232	56,458	0	0
Land Sales	<u>60,021</u>	<u>4,085</u>	<u>3,250</u>	<u>4,095</u>	<u>53,824</u>
School Trust - Total Revenues	\$61,151,881	\$69,495,847	\$74,023,628	\$66,361,923	\$120,557,802

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 impacts the OGCC's workload and necessary expenditures.

Oil and Gas Conservation Commission	FY 07-08 Actual	FY 08-09 Actual	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Estimate	FY 12-13 Estimate
<u>Workload Activity</u>						
Drilling Permit Applications Received	7,661	6,910	4,770	4,882	5,100	5,000
Location Assessments (Form 2A) Received	N/A	67	2,119	2,302	2,100	2,200
Number of Active Wells	35,686	39,944	42,217	45,401	47,916	50,756
Active Drilling Rigs	113	87	46	67	72	70
OGCC Expenditures ^{1/}	\$6,533,355	\$8,226,522	\$7,238,243	\$8,690,258	\$8,517,273	\$9,045,502
Total FTE	51.0	52.6	62.1	65.2	69.5	76.0

^{1/} Division-only expenditures include all fund sources; does not include centrally appropriated items funded in the Executive Director's Office.

Division of Parks and Wildlife

Senate Bill 11-208 merged the Division of Parks and Outdoor Recreation and the Division of Wildlife into a new division titled Division of Parks and Wildlife, effective July 1, 2011. The bill did not merge the appropriations of the two former divisions for FY 2011-12, but allowed the new Division of Parks and Wildlife to expend appropriations to the former Division of Wildlife and the former Division of Parks and Outdoor

Recreation contained in the 2011 general appropriations act (Senate Bill 11-209). For more information on S.B. 11-208 see the "Recent Legislation" section at the end of this department.

State Parks

The State Parks sub-division 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.

The level of services at existing state parks as well as the acquisition and development of new parks' properties is driven by available funding sources. Workload, and some revenue, is driven by visitation. State Parks are estimated to have approximately 12.6 million visitors in FY 2012-13. Over the past several years, General Fund support for State Parks has declined and was completely eliminated starting with FY 2011-12.

State Parks Visitation	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Estimate	FY 2012-13 Estimated
State Parks Visitation	11,955,691	12,295,354	12,338,520	12,461,261	12,635,719
Percent Change	<i>n/a</i>	2.8%	0.4%	1.0%	1.4%

Revenues for State Parks include fees, lottery funds, and other state and federal funds. For FY 2011-12, the last year actual data is available, State Parks is estimated to receive \$67.2 million in total revenue. Of this amount, a total of \$29.6 million is estimated to come from park passes and entry fees, permits and user fees, and various other fees; \$24.0 million from Lottery and Great Outdoors Colorado (GOCO) funds; \$5.8 million from severance tax funding; \$4.5 million from federal funds; and \$3.3 million from interest income and other revenues.

	State Parks Revenues			
	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Estimate	FY 2012-13 Estimate
Lottery 10 % Distribution	\$11,294,157	\$11,336,100	\$11,987,819	\$11,539,359
GOCO Parks Grants	7,752,646	11,272,557	12,006,608	9,397,742
Parks Passes and Entry Fees	9,304,125	11,421,860	12,326,189	12,392,600
Permits and User Fees	7,364,829	8,330,543	8,718,509	8,764,132
State Funds (Severance Tax and Species Conservation Trust Fund)	7,464,583	7,795,775	5,793,800	5,181,695
Federal Funds	4,010,696	6,127,566	4,480,434	4,872,899
Registration Fees - Other	5,148,523	5,058,151	5,157,684	5,121,453
Registration Fees - Boats	3,425,120	3,400,940	3,439,520	3,421,860
General Fund	2,373,023	2,286,833	0	0

State Parks Revenues				
	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Estimate	FY 2012-13 Estimate
Other*	<u>3,311,397</u>	<u>3,284,526</u>	<u>3,262,833</u>	<u>3,286,252</u>
Total State Parks Revenues	\$61,449,099	\$70,314,851	\$67,173,396	\$63,977,992

* Includes concession / lease income, interest, sale of goods and services, and other various sources.

Great Outdoors Colorado (GOCO) Board Grants

This section provides information on grants awarded by GOCO to the Division of Parks and Wildlife. GOCO also makes grants to local governments and for open space that are not reflected in the state budget. Pursuant to Article XXVII of the Colorado Constitution, GOCO grants are not subject to legislative appropriation authority and thus are reflected for information only. The GOCO grants to State Parks are used for developing new parks (capital) as well as enhancing and maintaining existing parks (operating). The GOCO grants to Wildlife are used for species protection, habitat development, watchable wildlife, and wildlife education.

Great Outdoors Colorado Board Grants	FY 2007-08 Award	FY 2008-09 Award	FY 2009-10 Award	FY 2010-11 Award	FY 2011-12 Award
Parks Capital Budget	\$4,849,239	\$2,200,000	\$21,881,500	\$4,399,360	\$2,047,548
Parks Operating Budget	<u>0</u>	<u>8,139,000</u>	<u>4,375,000</u>	<u>4,998,382</u>	<u>4,459,207</u>
Total GOCO Grants to State Parks	\$4,849,239	\$10,339,000	\$26,256,500	\$9,397,742	\$6,506,755
Wildlife Base Capital Budget	\$2,416,065	\$2,361,651	\$2,442,183	\$2,494,966	\$2,528,173
Wildlife Legacy Capital Budget	12,167,609	0	4,000,000	10,000,000	8,300,000
Wildlife Operating Budget	<u>6,200,000</u>	<u>6,200,000</u>	<u>6,300,000</u>	<u>6,300,000</u>	<u>6,273,000</u>
Total Grants to Wildlife	\$20,783,674	\$8,561,651	\$12,742,183	\$18,794,966	\$17,101,173

Wildlife

The Wildlife sub-division 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 1,400,000 acres including 352 state wildlife areas. Funding for the Wildlife sub-division is a mixture of cash funds from license fees, federal funds, Great Outdoors Colorado funds, and various other sources. Hunting and fishing license sales, approximately 2.3 million in FY 2011-12, provide more than half of the funding for wildlife. Approximately 65.4 percent of total hunting and fishing license sales are from big game species (mainly elk and deer), and about half of all revenues from hunting and fishing license sales come from the sale of non-resident big game hunting licenses. The table below shows Wildlife revenues by category.

Wildlife Revenues				
	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Estimate	FY 2012-13 Estimate
Big Game Hunting*	\$50,107,619	\$50,805,076	\$50,262,350	\$52,000,000
Small Game Hunting	2,117,836	1,681,489	1,647,397	2,100,000
Fishing	13,646,074	13,419,193	14,501,228	13,900,000
Habitat Stamp	3,564,254	5,465,205	6,635,525	6,200,000
Other Licenses	<u>5,192,651</u>	<u>3,674,460</u>	<u>3,824,455</u>	<u>3,160,000</u>
<i>Subtotal: License Sales</i>	<i>\$74,628,434</i>	<i>\$75,045,423</i>	<i>\$76,870,955</i>	<i>\$77,360,000</i>
Federal Funds	24,204,131	24,236,684	25,800,000	21,469,003
Great Outdoors Colorado Grants	11,155,219	22,053,229	15,000,000	14,800,000
State Funds (Severance Tax and Species Conservation Trust Fund)	3,039,946	3,562,358	3,600,000	3,110,000
Other License Revenue**	0	1,525,284	1,553,137	1,500,000
Wildlife Management Surcharge	0	865,302	816,230	860,000
Other***	<u>4,629,696</u>	<u>4,153,744</u>	<u>4,650,000</u>	<u>2,298,000</u>
Total Wildlife Revenues	\$117,657,426	\$131,442,024	\$128,290,322	\$121,397,003

* Big Game Hunting includes Elk, Deer, Bear, Pronghorn, Lion, Sheep, Goat, and Moose.

** Includes application fees and hunter education cards.

*** Includes goods sold, rent, fines, interest, donations, and other grants.

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 over 154,000 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 is performed 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 312,000 permitted and decreed wells. Additionally, the dam safety program protects public safety through the regulation of approximately 1,880 dams, including 530 dam inspections annually. The DWR staff also maintains 530 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 undeveloped compact entitled waters. Section 37-60-121 (1) (b) (IV), C.R.S., instructs the Colorado Water Conservation Board (CWCB) to participate in only those projects that can repay the CWCB's investment, unless specifically authorized by the legislature through a bill. Section 37-60-122 (1) (b), C.R.S., authorizes the CWCB to make loans without General Assembly approval in amounts not to exceed ten million dollars, and 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 receives revenues from the return of principal and interest on outstanding loans, interest earned on the cash balance of the Fund through investments by the State Treasurer, transfers from the Perpetual Base Account, and federal mineral lease (FML) fund distributions (10.0 percent of non-bonus FML revenue, up to a statutory cap that grows by four percent). For FY 2012-13, S.B. 12S-002 appropriated \$28.4 million from the CWCB Construction Fund for various water-related projects including \$12.0 million for the purchase of all or a portion of Colorado's allotment of water from the Animas-La Plata Project. S.B. 12S-002 also transferred a total of \$43.0 million from the Perpetual Base Account of the Severance Tax Trust Fund to the CWCB Construction Fund over three fiscal years (FY 2012-13, FY 2013-14, and FY 2014-15). The CWCB Construction Fund also pays for the administrative expenses of the CWCB.

Colorado Water Conservation Board Construction Fund (Based on March 2012 Legislative Council Staff Revenue Estimate)				
	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Estimate	FY 2012-13 Estimate
Beginning Balance	\$33,794,799	\$82,162,922	\$104,665,544	\$130,115,650
Accounts Receivable (Principal/Interest)	15,182,213	15,789,590	25,332,190	15,177,357
FML Revenues	11,724,295	14,722,345	15,440,140	15,417,448
Other Revenues (including pass-through)	71,109,495	10,056,181	11,128,731	9,204,908
Animas-La Plata Project Transfer	<u>0</u>	<u>12,000,000</u>	<u>12,000,000</u>	<u>12,000,000</u>
Total Available	\$131,810,802	\$134,731,038	\$168,566,605	\$181,915,363
CWCB Operating Costs	9,929,785	9,467,800	7,203,086	7,230,184
Non-Reimbursable Investments & Cash Replenishment	5,622,814	3,854,458	4,738,636	4,738,636
Water Supply Reserve Account and Other Pass-Through	4,135,346	4,883,119	16,509,233	28,509,233
Actual/Estimated Loan Disbursements	29,959,935	11,860,118	10,000,000	10,000,000
Anticipated New Loan Issuances	0	0	0	45,000,000
Other Obligations Rolled Forward	<u>57,020,897</u>	<u>77,249,081</u>	<u>86,703,478</u>	<u>78,531,786</u>
Total Expenditures	\$106,668,777	\$107,314,576	\$125,154,433	\$174,009,839
Ending Balance	\$25,142,025	\$27,416,462	\$43,412,172	\$7,905,524

Perpetual Base Account of the Severance Tax Trust Fund

The Severance Tax Trust Fund Perpetual Base Account, authorized in Section 39-29-109 (2) (a), C.R.S., is used for purposes similar to the CWCB Construction Fund. Specifically, this account is used to fund directly or provide loans for construction, rehabilitation, enlargement, or improvement of water projects. The Perpetual Base Account receives half of receipts to the Severance Tax Trust Fund (one fourth of all severance tax income). This fund is a revolving loan account, and as such no permanent programs depend on this fund.

Perpetual Base Account of the Severance Tax Trust Fund (Based on March 2012 Legislative Council Staff Revenue Estimate)				
	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
	Actual	Actual	Estimate	Estimate
Beginning Balance	\$40,454,321	\$4,865,510	\$22,130,017	\$28,071,206
Receivables/Interest Earnings	7,062,895	6,538,389	6,123,876	6,593,614
Severance Tax	17,856,646	35,005,279	42,004,082	28,564,771
Principal Repayment	<u>4,151,218</u>	<u>4,094,531</u>	<u>17,931,384</u>	<u>4,085,063</u>
Total Available	\$69,525,080	\$50,503,709	\$88,189,359	\$67,314,654
Agriculture Emergency Drought Grants	0	0	0	1,000,000
Loan Issuances	659,570	373,692	18,153	22,000,000
Animas La-Plata Water Purchase (H.B. 10-1250; Sect. 7 and 8)	<u>0</u>	<u>12,000,000</u>	<u>12,000,000</u>	<u>12,000,000</u>
Total Expenditures	\$659,570	\$12,373,692	\$12,018,153	\$35,000,000
Ending FY Balance without transfers	\$68,865,510	\$38,130,017	\$76,171,206	\$32,314,654
Transfers to the General Fund in S.B. 09-279 (Sect. 22)	(62,000,000)	0	0	0
Transfer to the General Fund in H.B. 10-1327 (Sect. 8)	(2,000,000)	0	0	0
Transfer to the General Fund in H.B. 10-1388 (Sect. 2)	0	(11,000,000)	0	0
Transfer to the General Fund in S.B. 11-164 (Sect. 9)	0	(5,000,000)	0	0
Transfer to the General Fund in S.B. 11-226 (Sect. 6)	0	0	(48,100,000)	0
Transfer to State Disaster Emergency Fund (Executive Orders D 2012-014 and 019)	0	0	0	0
S.B. 12S-002 Transfer to CWCB Construction Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>(20,000,000)</u>
Ending Balance	\$4,865,510	\$22,130,017	\$28,071,206	\$12,314,654

Summary of FY 2011-12 and FY 2012-13 Appropriations

Department of Natural Resources						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Total Appropriation:	\$241,982,640	\$23,429,407	\$190,187,713	\$8,480,565	\$19,884,955	1,466.1
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	44,713,366	5,129,481	30,102,586	7,083,576	2,397,723	43.8
Division of Reclamation, Mining, and Safety	7,581,843	0	4,287,352	30,000	3,264,491	70.9
Geological Survey	4,758,544	0	2,931,137	850,402	977,005	36.1
Oil and Gas Conservation Commission	8,517,273	0	8,413,037	0	104,236	69.5
State Board of Land Commissioners	4,057,288	0	3,832,288	225,000	0	37.0
Division of Parks and Wildlife ¹	129,796,186	0	116,922,626	0	12,873,560	911.0
Colorado Water Conservation Board	22,266,356	0	21,835,952	291,587	138,817	45.7
Water Resources Division	20,291,784	18,299,926	1,862,735	0	129,123	252.1
<u>Breakdown of Total Appropriation by Bill</u>						
SB 11-209	224,226,467	23,806,367	171,984,578	8,554,860	19,880,662	1,465.6
SB 11-076	(2,209,502)	(384,244)	(1,478,456)	(74,295)	(272,507)	0.0
SB 11-203	6,600,000	0	6,600,000	0	0	0.0
HB 11-1274	13,925,000	0	13,925,000	0	0	0.0
HB 12-1192	(59,325)	7,284	(343,409)	0	276,800	0.5
HB 12-1349	(500,000)	0	(500,000)	0	0	0.0
FY 2012-13 Total Appropriation:	\$262,617,572	\$23,740,163	\$209,496,335	\$8,636,648	\$20,744,426	1,464.1
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	47,046,431	4,858,273	31,770,294	7,231,347	3,186,517	41.8
Division of Reclamation, Mining, and Safety	7,667,742	0	4,335,315	30,000	3,302,427	68.9
Geological Survey	4,805,429	0	2,990,746	858,714	955,969	34.1
Oil and Gas Conservation Commission	9,045,502	0	8,943,523	0	101,979	76.0
State Board of Land Commissioners	4,974,521	0	4,749,521	225,000	0	37.0
Division of Parks and Wildlife	130,578,375	0	117,697,681	0	12,880,694	909.5
Colorado Water Conservation Board	37,523,550	0	37,086,861	291,587	145,102	45.7
Water Resources Division	20,976,022	18,881,890	1,922,394	0	171,738	251.1

Department of Natural Resources						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<u>Breakdown of Total Appropriation by Bill</u>						
HB 12-1335	229,122,404	23,512,116	176,229,214	8,636,648	20,744,426	1,464.1
SB 12-009	0	0	0	0	0	0.0
HB 12-1246	228,047	228,047	0	0	0	0.0
HB 12-1278	910,900	0	910,900	0	0	0.0
HB 12-1317	(18,055)	0	(18,055)	0	0	0.0
HB 12-1330	23,419	0	23,419	0	0	0.0
HB 12-1349	4,000,000	0	4,000,000	0	0	0.0
SB 12S-002	28,350,857	0	28,350,857	0	0	0.0
Increase/(Decrease)	\$20,634,932	\$310,756	\$19,308,622	\$156,083	\$859,471	(2.0)
Percentage Change	8.5%	1.3%	10.2%	1.8%	4.3%	(0.1)%

^{/1} Senate Bill 11-208 merged the former Division of Parks and Outdoor Recreation and the former Division of Wildlife into a new division titled Division of Parks and Wildlife, effective July 1, 2011. The bill did not merge the appropriations of the two former divisions for FY 2011-12, but allowed the new Division of Parks and Wildlife to expend appropriations to the former Division of Wildlife and the former Division of Parks and Outdoor Recreation contained in the 2011 general appropriations act (S.B. 11-209). For the purpose of comparison, this report shows a consolidated FY 2011-12 appropriation to the Division of Parks and Wildlife.

Informational Funds: Beginning in FY 2012-13, the Long Bill and other legislation indicate when an amount is shown solely for informational purposes through a new "(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 2012-13 Appropriations containing an (I) notation	\$45,620,616	\$0	\$24,876,190	\$0	\$20,744,426

FY 2011-12 Appropriation - Mid-year Adjustment Highlights

The FY 2011-12 appropriation was modified during the 2012 Legislative Session to:

1. Add \$62,000 cash funds and 0.5 FTE for the Oil and Gas Conservation Commission for two local government liaison positions for the final three months of the fiscal year.
2. Adjust fund sources based on federal grant funding in the Division of Reclamation, Mining, and Safety.
3. Reduce vehicle lease payments.
4. Reduce \$500,000 from the Species Conservation Trust Fund pursuant to H.B. 12-1349.

FY 2012-13 Appropriation Highlights

The FY 2012-13 appropriation:

1. Provides \$28.4 million cash funds through S.B. 12S-002 for a variety of water-related projects from the Colorado Water Conservation Board Construction Fund.
2. Provides \$4.0 million cash funds from the Species Conservation Trust Fund through H.B. 12-1349 for native species conservation.
3. Provides \$2.9 million total funds (including \$405,000 General Fund reduction) for centrally appropriated line items and statewide IT common policy adjustments.
4. Provides \$2.2 million total funds (including \$384,000 General Fund) to restore a state PERA contribution reduction.
5. Provides \$1.4 million total funds (including \$134,000 General Fund) for the Colorado Financial Reporting System (COFRS) upgrade.
6. Provides \$911,000 cash funds (CWCB Construction Fund) for a South Platte Alluvial Aquifer Study.
7. Provides \$750,000 cash funds to support the development of a new asset management system for the State Land Board.
8. Provides \$535,000 cash funds to fund 5.0 FTE additional field and technical staff in the Oil and Gas Conservation Commission to manage increased workload and 1.5 FTE for local government liaisons approved through a FY 2011-12 supplemental appropriation. The FTE increase is offset by reductions of FTE to other divisions within the Department.
9. Provides \$370,000 total funds (including \$120,000 cash funds and \$250,000 reappropriated funds) to allow the State Land Board to maintain, manage, and expand the Board's water asset portfolio and to allow the Executive Director's Office to facilitate payments for services between agencies of the Department.
10. Provides \$228,000 General Fund through H.B. 12-1246 to reverse the annual payday shift as it applies to employees paid on a bi-weekly basis.
11. Provides \$57,000 total funds to restore a FY 2010-11 operating expenses reduction.
12. Provides 2.0 FTE to the Division of Parks and Wildlife from the Governor's Office of Information Technology and reduces 3.5 FTE from the Division of Parks and Wildlife Great Outdoors Colorado program in order to align FTE appropriations with actual expenditures.
13. Reduces \$20.5 million one-time cash funding provided through H.B. 11-1274 (Colorado Water Conservation Board Projects Bill) and S.B. 11-203 (Species Conservation Trust Fund).

14. Reduces \$1.0 million total funds (including \$161,000 General Fund) for a 1.0 percent reduction to certain personal services line items.
15. Reduces \$177,000 total funds for a net decrease in indirect cost assessments.

Detail of Appropriation by Administrative Section

Executive Director's Office

This office is responsible for the management and administration of the Department, including the following functional areas: departmental administration and policy development, human resources, accounting and purchasing, budgeting, and information technology services. The cash funding for this division consists of approximately \$27.8 million from various cash funds throughout the Department used to pay for employee benefits and other central services provided by the Department of Personnel and the Governor's Office, and \$4.0 million from the Species Conservation Trust Fund pursuant to H.B. 12-1349, Reappropriated funds are from indirect cost recoveries.

Executive Director's Office						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$38,801,985	\$5,122,197	\$24,135,102	\$7,150,457	\$2,394,229	43.8
SB 11-076	(66,881)	0	0	(66,881)	0	0.0
SB 11-203	6,600,000	0	6,600,000	0	0	0.0
HB 12-1192	(121,738)	7,284	(132,516)	0	3,494	0.0
HB 12-1349	<u>(500,000)</u>	<u>0</u>	<u>(500,000)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$44,713,366	\$5,129,481	\$30,102,586	\$7,083,576	\$2,397,723	43.8
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$44,713,366	\$5,129,481	\$30,102,586	\$7,083,576	\$2,397,723	43.8
Centrally appropriated line items	3,128,821	(571,513)	2,259,490	705,033	735,811	0.0
COFRS modernization	1,390,968	134,326	1,148,689	68,112	39,841	0.0
Integrated Resource Services	250,000	0	0	250,000	0	0.0
Restore state PERA contribution	66,881	0	0	66,881	0	0.0
Operating adjustments	9,197	0	0	9,197	0	0.0
FTE transfer to OGCC	1,446	0	1,446	0	0	(2.0)
Eliminate one-time funding	(6,100,000)	0	(6,100,000)	0	0	0.0
Statewide IT common policy adjustments	(232,839)	165,979	505,525	(917,485)	13,142	0.0

Executive Director's Office						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Transfer back funding from OIT to Wildlife	(150,470)	0	(150,470)	0	0	0.0
Personal services base reduction	(33,967)	0	0	(33,967)	0	0.0
HB 12-1335	\$43,043,403	\$4,858,273	\$27,767,266	\$7,231,347	\$3,186,517	41.8
HB 12-1330	3,028	0	3,028	0	0	0.0
HB 12-1349	<u>4,000,000</u>	<u>0</u>	<u>4,000,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$47,046,431	\$4,858,273	\$31,770,294	\$7,231,347	\$3,186,517	41.8
Increase/(Decrease)	\$2,333,065	(\$271,208)	\$1,667,708	\$147,771	\$788,794	(2.0)
Percentage Change	5.2%	(5.3)%	5.5%	2.1%	32.9%	(4.6)%

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1192 reduces \$122,000 total funds for mid-year vehicle lease billing adjustments.

House Bill 12-1349 reduces existing appropriations by \$500,000 (Species Conservation Trust Fund) for projects in FY 2011-12 to reflect the amount actually required by the Department.

FY 2012-13 Appropriation - H.B. 12-1335 (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; shift differential; workers' compensation; legal services; payment to risk management and property funds; vehicle lease payments; and capitol complex leased space.

COFRS modernization: The appropriation includes an increase to fund the first two phases of a five-phase project to replace the statewide accounting system (COFRS) used by the Office of the State Controller to record all state revenues and expenditures.

Integrated Resource Services: The appropriation includes funding for a new line item to be used to facilitate payments for services between agencies of the Department.

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Operating adjustments: The appropriation restores a FY 2010-11 General Fund operating expenses reduction.

FTE transfer to OGCC: The appropriation eliminates 2.0 vacant and unfunded FTE in the Executive Director's Office and transfers those FTE to the Oil and Gas Conservation Commission to support an increase in FTE in that division. The appropriation also provides funding for additional vehicle lease payments.

Eliminate one-time funding: The appropriation eliminates one-time funding provided to the Department in FY 2011-12 through S.B. 11-203 (Species Conservation Trust Fund).

Statewide IT common policy adjustments: The appropriation includes adjustments to line items appropriated for: purchase of services from the computer center; multiuse network payments; management and administration of the Governor's Office of Information Technology (OIT); and communication services payments.

Transfer back funding from OIT to Wildlife: The appropriation transfers funding for 2.0 FTE from the Governor's Office of Information Technology (OIT) to the Division of Parks and Wildlife.

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services lines.

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 Land Reclamation** -- 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 41 permits and 125 exploration units (permitted areas covering 169,961 acres).
- **Inactive Mines** -- This program safeguards mine openings, inspects and monitors mine sites, and reclaims abandoned mines. There are over 23,000 hazardous mine openings in Colorado, of which only about 8,200 have been reclaimed.
- **Minerals** -- 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 1,535 non-coal mines in Colorado (permitted areas covering 180,927 acres) and regulates 234 active prospecting operations.
- **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 source of cash funds is the Operational Account of the Severance Tax Trust Fund. 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 2011-12 Appropriation:						
SB 11-209	\$7,704,809	\$0	\$4,621,452	\$30,000	\$3,053,357	70.9
SB 11-076	(122,966)	0	(60,794)	0	(62,172)	0.0
HB 12-1192	<u>0</u>	<u>0</u>	<u>(273,306)</u>	<u>0</u>	<u>273,306</u>	<u>0.0</u>
TOTAL	\$7,581,843	\$0	\$4,287,352	\$30,000	\$3,264,491	70.9
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$7,581,843	\$0	\$4,287,352	\$30,000	\$3,264,491	70.9
Restore state PERA contribution	122,966	0	60,794	0	62,172	0.0
Indirect cost assessment	786	0	7,196	0	(6,410)	0.0
Fund source adjustment	0	0	5,606	0	(5,606)	0.0
Personal services base reduction	(37,853)	0	(25,633)	0	(12,220)	0.0
FTE transfer to OGCC	0	0	0	0	0	(2.0)
HB 12-1335	<u>\$7,667,742</u>	<u>\$0</u>	<u>\$4,335,315</u>	<u>\$30,000</u>	<u>\$3,302,427</u>	<u>68.9</u>
TOTAL	\$7,667,742	\$0	\$4,335,315	\$30,000	\$3,302,427	68.9
Increase/(Decrease)	\$85,899	\$0	\$47,963	\$0	\$37,936	(2.0)
Percentage Change	1.1%	n/a	1.1%	0.0%	1.2%	(2.8)%

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1192 decreases cash funds spending authority for coal mine regulation by \$0.3 million and increases federal funds spending authority by the same amount because available federal revenues are higher than anticipated in the original FY 2011-12 appropriation.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Indirect cost assessment: The appropriation includes a net increase in indirect cost assessments.

Fund source adjustment: The appropriation includes an increase in cash funds offset by a decrease in federal funds based on current estimates of the federal grant for the Coal Regulatory Program.

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services lines.

FTE transfer to OGCC: The appropriation eliminates 2.0 vacant and unfunded FTE in the Division of Reclamation, Mining, and Safety and transfers those FTE to the Oil and Gas Conservation Commission to support an increase in FTE in that division.

Geological Survey

This division includes the following three programs:

- Environmental Geology and Geological Hazards -- This program is designed to lessen the impact of, and increase the awareness and understanding of, geological hazards in Colorado.
- Mineral Resources and Mapping -- This program promotes the development of the state's mineral resources through the publication, distribution, and presentation of maps and reports on geological conditions, mineral potential, mineral reserves, and mineral production.
- Colorado Avalanche Information Center -- This program provides avalanche forecasting services and education to back country recreation users, industry, and travelers.

The sources of cash funds are the Operational Account of the Severance Tax Trust Fund and fees for avalanche training and geological services. The sources of reappropriated funds are fees and contracts with the Department of Transportation for geological services, and indirect cost recoveries.

House Bill 12-1355 transfers most functions of this division to the Colorado School of Mines on January 31, 2013, provided the President of the Colorado School of Mines and the Department of Natural Resources enter into a memorandum of understanding by December 31, 2012.

Geological Survey						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$4,812,899	\$0	\$2,973,588	\$857,816	\$981,495	36.1
SB 11-076	(54,355)	0	(42,451)	(7,414)	(4,490)	0.0
TOTAL	\$4,758,544	\$0	\$2,931,137	\$850,402	\$977,005	36.1
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$4,758,544	\$0	\$2,931,137	\$850,402	\$977,005	36.1
Restore state PERA contribution	55,253	0	42,451	8,312	4,490	0.0
Indirect cost assessment	(8,368)	0	17,158	0	(25,526)	0.0
FTE Transfer to OGCC	0	0	0	0	0	(2.0)

Geological Survey						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 12-1335	<u>\$4,805,429</u>	<u>\$0</u>	<u>\$2,990,746</u>	<u>\$858,714</u>	<u>\$955,969</u>	<u>34.1</u>
TOTAL	<u>\$4,805,429</u>	<u>\$0</u>	<u>\$2,990,746</u>	<u>\$858,714</u>	<u>\$955,969</u>	<u>34.1</u>
Increase/(Decrease)	\$46,885	\$0	\$59,609	\$8,312	(\$21,036)	(2.0)
Percentage Change	1.0%	n/a	2.0%	1.0%	(2.2)%	(5.5)%

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Indirect cost assessment: The appropriation includes a net decrease in indirect cost assessments.

FTE transfer to OGCC: The appropriation eliminates 2.0 vacant and unfunded FTE in the Colorado Geological Survey and transfers those FTE to the Oil and Gas Conservation Commission to support an increase in FTE in that division.

Oil and Gas Conservation Commission

The Commission is responsible for promoting the exploration, development, and conservation of Colorado's oil and natural gas resources. The Commission also has the authority to regulate oil and gas operations so as to protect public health, prevent significant adverse environmental impacts, and prevent waste. In addition to enforcement, this responsibility involves answering complaints and inquiries, responding to oil and gas spills and other environmental emergencies at production sites, managing plugging and reclamation work at abandoned well sites, and performing baseline water quality studies.

The bulk of the funding for the Oil and Gas Conservation Commission is from the Oil and Gas Conservation and Environmental Response Fund and its associated reserves, and secondarily from the Operational Account of the Severance Tax Trust Fund.

Oil and Gas Conservation Commission						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$8,567,711	\$0	\$8,463,475	\$0	\$104,236	69.0
SB 11-076	(112,851)	0	(112,851)	0	0	0.0
HB 12-1192	<u>62,413</u>	<u>0</u>	<u>62,413</u>	<u>0</u>	<u>0</u>	<u>0.5</u>
TOTAL	<u>\$8,517,273</u>	<u>\$0</u>	<u>\$8,413,037</u>	<u>\$0</u>	<u>\$104,236</u>	<u>69.5</u>

Oil and Gas Conservation Commission						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$8,517,273	\$0	\$8,413,037	\$0	\$104,236	69.5
Field and technical staff	392,492	0	392,492	0	0	5.0
Annualize prior year funding	141,512	0	141,512	0	0	1.5
Restore state PERA contribution	112,851	0	112,851	0	0	0.0
Indirect cost assessment	(65,369)	0	(63,112)	0	(2,257)	0.0
Personal services base reduction	(53,257)	0	(53,257)	0	0	0.0
HB 12-1335	<u>\$9,045,502</u>	<u>\$0</u>	<u>\$8,943,523</u>	<u>\$0</u>	<u>\$101,979</u>	<u>76.0</u>
TOTAL	<u>\$9,045,502</u>	<u>\$0</u>	<u>\$8,943,523</u>	<u>\$0</u>	<u>\$101,979</u>	<u>76.0</u>
Increase/(Decrease)	\$528,229	\$0	\$530,486	\$0	(\$2,257)	6.5
Percentage Change	6.2%	n/a	6.3%	n/a	(2.2)%	9.4%

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1192 increases \$62,413 cash funds and 0.5 FTE to add two local government liaison positions for the final three months of FY 2011-12.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Field and technical staff: The appropriation provides additional FTE and associated funding for the following programs: hearings (1.0 FTE); field inspections (2.0 FTE); engineering (1.0 FTE); and environmental (1.0 FTE) to manage increased workload.

Annualize prior year funding: The appropriation annualizes the FY 2011-12 supplemental appropriation adding 2.0 local government liaison FTE.

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Indirect cost assessment: The appropriation includes a net decrease in indirect cost assessments.

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services lines.

State Board of Land Commissioners

The State Board of Land Commissioners (State Land Board) manages properties in the Public School Trust to raise money for the benefit of K-12 education. The State Land Board also manages seven other smaller trusts set up in the Colorado Constitution or in statute. Approximately 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. The 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 2011-12 Appropriation:						
SB 11-209	\$4,117,170	\$0	\$3,892,170	\$225,000	\$0	37.0
SB 11-076	<u>(59,882)</u>	<u>0</u>	<u>(59,882)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$4,057,288	\$0	\$3,832,288	\$225,000	\$0	37.0
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$4,057,288	\$0	\$3,832,288	\$225,000	\$0	37.0
Asset management system upgrade	750,000	0	750,000	0	0	0.0
Interagency water expertise	120,000	0	120,000	0	0	0.0
Restore state PERA contribution	59,882	0	59,882	0	0	0.0
Indirect cost assessment	12,946	0	12,946	0	0	0.0
Personal services base reduction	(25,595)	0	(25,595)	0	0	0.0
HB 12-1335	<u>\$4,974,521</u>	<u>\$0</u>	<u>\$4,749,521</u>	<u>\$225,000</u>	<u>\$0</u>	<u>37.0</u>
TOTAL	\$4,974,521	\$0	\$4,749,521	\$225,000	\$0	37.0
Increase/(Decrease)	\$917,233	\$0	\$917,233	\$0	\$0	0.0
Percentage Change	22.6%	n/a	23.9%	0.0%	n/a	0.0%

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Asset management system upgrade: The appropriation includes funding to support the development of a new asset management system for the State Land Board.

Interagency water expertise: The appropriation includes funding to allow the State Land Board to engage private consultants or the expertise of other divisions within the Department of Natural Resources to maintain, manage, and expand the State Land Board's water asset portfolio.

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Indirect cost assessment: The appropriation includes a net increase in indirect cost assessments.

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services lines.

Division of Parks and Wildlife

Senate Bill 11-208 merged the former Division of Parks and Outdoor Recreation and the former Division of Wildlife into a new division titled Division of Parks and Wildlife, effective July 1, 2011. The bill did not merge the appropriations of the two former divisions for FY 2011-12, but allowed the new Division of Parks and Wildlife to expend appropriations to the former Division of Wildlife and the former Division of Parks and Outdoor Recreation contained in the 2011 general appropriations act (S.B. 11-209). For the purpose of comparison, this report shows a consolidated FY 2011-12 appropriation to the Division of Parks and Wildlife.

The State Parks sub-division 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 sub-division 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 Wildlife sub-division 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 1,400,000 acres including 352 state wildlife areas. Funding for the Wildlife sub-division is a mixture of cash funds from license fees, federal funds, Great Outdoors Colorado funds, and various other sources. Hunting and fishing license sales provide more than half of the funding for wildlife.

Division of Parks and Wildlife						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$131,115,255	\$0	\$118,038,144	\$0	\$13,077,111	911.0
SB 11-076	<u>(1,319,069)</u>	<u>0</u>	<u>(1,115,518)</u>	<u>0</u>	<u>(203,551)</u>	<u>0.0</u>
TOTAL	\$129,796,186	\$0	\$116,922,626	\$0	\$12,873,560	911.0
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$129,796,186	\$0	\$116,922,626	\$0	\$12,873,560	911.0
Restore state PERA contribution	1,319,069	0	1,115,518	0	203,551	0.0
Transfer back funding from OIT to Wildlife	150,470	0	150,470	0	0	2.0
Operating adjustments	16,769	0	16,769	0	0	0.0
GOCO FTE adjustment	0	0	0	0	0	(3.5)
Personal services base reduction	(665,886)	0	(562,522)	0	(103,364)	0.0

Division of Parks and Wildlife						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Indirect cost assessment	(40,569)	0	52,484	0	(93,053)	0.0
HB 12-1335	\$130,576,039	\$0	\$117,695,345	\$0	\$12,880,694	909.5
HB 12-1317	(18,055)	0	(18,055)	0	0	0.0
HB 12-1330	<u>20,391</u>	<u>0</u>	<u>20,391</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$130,578,375	\$0	\$117,697,681	\$0	\$12,880,694	909.5
Increase/(Decrease)	\$782,189	\$0	\$775,055	\$0	\$7,134	(1.5)
Percentage Change	0.6%	n/a	0.7%	n/a	0.1%	(0.2)%

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Transfer back funding from OIT to Wildlife: The appropriation transfers funding for 2.0 FTE from the Governor's Office of Information Technology (OIT) to the Division of Parks and Wildlife.

Operating adjustments: The appropriation restores a FY 2010-11 General Fund operating expenses reduction.

GOCO FTE adjustment: The appropriation reduces 3.5 FTE from Great Outdoors Colorado funding sources.

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services lines.

Indirect cost assessment: The appropriation includes a net decrease in indirect cost assessments.

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 2011-12 Appropriation:						
SB 11-209	\$8,724,729	\$0	\$8,292,031	\$291,587	\$141,111	45.7
SB 11-076	(83,373)	0	(81,079)	0	(2,294)	0.0
HB 11-1274	<u>13,625,000</u>	<u>0</u>	<u>13,625,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$22,266,356	\$0	\$21,835,952	\$291,587	\$138,817	45.7
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$22,266,356	\$0	\$21,835,952	\$291,587	\$138,817	45.7
Restore state PERA contribution	83,373	0	81,079	0	2,294	0.0
Eliminate one-time funding	(13,625,000)	0	(13,625,000)	0	0	0.0
Indirect cost assessment	(59,085)	0	(63,076)	0	3,991	0.0
Personal services base reduction	(27,994)	0	(27,994)	0	0	0.0
HB 12-1335	\$8,637,650	\$0	\$8,200,961	\$291,587	\$145,102	45.7
HB 12-1278	910,900	0	910,900	0	0	0.0
SB 12S-002	<u>27,975,000</u>	<u>0</u>	<u>27,975,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$37,523,550	\$0	\$37,086,861	\$291,587	\$145,102	45.7
Increase/(Decrease)	\$15,257,194	\$0	\$15,250,909	\$0	\$6,285	0.0
Percentage Change	68.5%	n/a	69.8%	0.0%	4.5%	0.0%

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Eliminate one-time funding: The appropriation eliminates one-time funding provided to the Department in FY 2011-12 through H.B. 11-1274 (Colorado Water Conservation Board Projects).

Indirect cost assessment: The appropriation includes a net decrease in indirect cost assessments.

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services lines.

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 154,000 surface and ground water rights. The Division is also 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 2011-12 Appropriation:						
SB 11-209	\$20,381,909	\$18,684,170	\$1,568,616	\$0	\$129,123	252.1
SB 11-076	(390,125)	(384,244)	(5,881)	0	0	0.0
HB 11-1274	<u>300,000</u>	<u>0</u>	<u>300,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$20,291,784	\$18,299,926	\$1,862,735	\$0	\$129,123	252.1
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$20,291,784	\$18,299,926	\$1,862,735	\$0	\$129,123	252.1
Restore state PERA contribution	390,125	384,244	5,881	0	0	0.0
Increase mileage reimbursement	100,000	100,000	0	0	0	0.0
Federal funds adjustment	41,218	0	0	0	41,218	0.0
Operating adjustments	30,850	30,850	0	0	0	0.0
FTE transfer to OGCC	0	0	0	0	0	(1.0)
Eliminate one-time funding	(300,000)	0	(300,000)	0	0	0.0
Personal services base reduction	(164,429)	(161,177)	(3,252)	0	0	0.0
Indirect cost assessment	(17,430)	0	(18,827)	0	1,397	0.0
HB 12-1335	\$20,372,118	\$18,653,843	\$1,546,537	\$0	\$171,738	251.1
SB 12-009	0	0	0	0	0	0.0
HB 12-1246	228,047	228,047	0	0	0	0.0
SB 12S-002	<u>375,857</u>	<u>0</u>	<u>375,857</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$20,976,022	\$18,881,890	\$1,922,394	\$0	\$171,738	251.1
Increase/(Decrease)	\$684,238	\$581,964	\$59,659	\$0	\$42,615	(1.0)
Percentage Change	3.4%	3.2%	3.2%	n/a	33.0%	(0.4)%

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Increase mileage reimbursement: The appropriation reflects a \$100,000 General Fund increase for water commissioner vehicle per-mile costs.

Federal funds adjustment: The appropriation includes an increase of federal funds reflected in the Long Bill for informational purposes.

Operating adjustments: The appropriation restores a FY 2010-11 General Fund operating expenses reduction.

FTE transfer to OGCC: The appropriation eliminates 1.0 vacant and unfunded FTE in the Water Resources Division and transfers the FTE to the Oil and Gas Conservation Commission to support an increase in FTE in that division.

Eliminate one-time funding: The appropriation eliminates one-time funding provided to the Department in FY 2011-12 through H.B. 11-1274 (Colorado Water Conservation Board Projects).

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services lines.

Indirect cost assessment: The appropriation includes a net decrease in indirect cost assessments.

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, 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 2011-12 or FY 2012-13.

Recent Legislation

2011 Session Bills

S.B. 11-024: Authorizes the Board of Parks and Outdoor Recreation in the Department of Natural Resources to promulgate rules to allow members of the armed forces wounded warriors programs, and caretakers accompanying them, free entrance to any state park or recreation area. Wounded warriors are individuals who have been severely injured in military operations undertaken since September 11, 2001, and require years of intense, ongoing care or assistance. Wounded warriors who are residents of, or are stationed in Colorado,

would be eligible for free entrance. The bill also authorizes the board to promulgate rules to allow all veterans free entrance to any state park on one day each year of the board's choosing.

S.B. 11-076: For the 2011-12 state fiscal year only, reduces the employer contribution rate for the State and Judicial divisions of the Public Employees' Retirement Association (PERA) by 2.5 percent and increases the member contribution rate for these divisions by the same amount. In effect, continues the FY 2010-11 PERA contribution adjustments authorized through S.B. 10-146 for one additional year. Reduces the Department's total appropriation by \$2,209,502 total funds, of which \$384,244 is General Fund, \$1,478,456 is cash funds, \$74,295 is reappropriated funds, and \$272,507 is federal funds.

S.B. 11-090: Continues the "Weather Modification Act of 1972" until September 1, 2018. Requires the Executive Director of the Department of Natural Resources to ensure that all rules related to weather modification are updated by June 30, 2012.

S.B. 11-092: Extends the vessel registration laws set to expire on July 1, 2011 until September 1, 2016. Requires State Parks to report to the President of the Senate and the Speaker of the House of Representatives if federal funding for recreational boating safety are expected to cease for any reason.

S.B. 11-164: Transfers \$5.0 million from the Perpetual Base Account of the Severance Tax Trust Fund to the General Fund on June 30, 2011. For additional information on this bill, see the "Recent Legislation" section for the Department of Labor and Employment.

S.B. 11-203: Appropriates \$4,500,000 from the Capital Account of the Species Conservation Trust Fund (Capital Account) and \$2,100,000 from the Operation and Maintenance Account of the Species Conservation Trust Fund (Operation and Maintenance Account) to the Department of Natural Resources for programs to conserve native species that have been listed as threatened or endangered under state or federal law, or are candidate species or are likely to become candidate species as determined by the United States Fish and Wildlife Service. Also adjusts existing appropriations for projects beginning in FY 2000-01 to reflect the amount actually spent by the Department.

S.B. 11-208: Combines the following:

- the Wildlife Commission and the Board of Parks and Outdoor Recreation into a new Parks and Wildlife Board, and
- the Division of Wildlife and the Division of Parks and Outdoor Recreation into a new Division of Parks and Wildlife.

The new Board and new Division will assume all of the duties, powers, responsibilities, obligations, and functions that were previously exercised by their predecessor entities. Specifies that the new Board and Division shall constitute an enterprise for the purposes of Article X, Section 20 of the State Constitution. Additionally, specifies that all funds and expenditures will continue unaltered and does not merge the appropriations of the two divisions for FY 2011-12, but allows the new Division of Parks and Wildlife to expend appropriations to the former Division of Wildlife and the former Division of Parks and Outdoor Recreation contained in the 2011 general appropriations act (S.B. 11-209). Requires the consolidation of the boards and divisions to take place within existing appropriations. Reaffirms the state's assent to the federal Pittman-Robertson and Dingell-Johnson acts.

In addition to all of the duties and functions of the two predecessor boards, requires the new board to develop an implementation plan in order to:

- address outstanding issues and to identify increased efficiencies and cost savings that may be realized from merging the divisions;
- consolidate the operations and programs of the two divisions in order to allocate costs over a reasonable period of time and within existing budget levels;
- use the identified cost savings to finance the implementation plan and transition; and
- include recommendations for restructuring the board.

Requires the new board to schedule monthly meeting dates through the 2011 calendar year beginning in July 2011 in order to develop the implementation plan. All meetings are to be open to the public and the board is required to solicit public input. Additionally, requires the Board to hold workshops at least every two months.

Authorizes the Board to raise or lower park fees or other charges if the Board anticipates that the total annual revenues realized from the change will not increase by more than 20 percent over the annual amount earned from fees and charges as of July 1, 2011. Additionally, when considering rules to increase or decrease a park fee or other charge, requires the Board to consider the effect that the change will have on park use and the demand for the service and to consider opportunities for differential pricing.

Requires the Executive Director to report to the House Agriculture, Livestock, and Natural Resources Committee and the Senate Agriculture, Natural Resources, and Energy Committee on the activities of the Board, the implementation plan, expected cost savings to result from the merger, and any recommendations for further legislation on or before February 29, 2012. Also requires the Executive Director to submit an informal progress report by November 30, 2011 that provides an update on the development of an implementation plan and any outstanding issues.

S.B. 11-209: General appropriations act for FY 2011-12.

S.B. 11-226: Transfers: \$25.0 million from the Perpetual Base Account of the Severance Tax Trust Fund to the General Fund on July 1, 2011; transfers \$23.1 million from the Perpetual Base Account of the Severance Tax Trust Fund to the General Fund on June 30, 2012; and transfers \$3.95 million from the Operational Account of the Severance Tax Trust Fund to the General Fund on June 30, 2012. For additional information on this bill, see the "Recent Legislation" section for the Department of Education.

H.B. 11-1274: Appropriates \$13,925,000 cash funds from the Colorado Water Conservation Board (CWCB) Construction Fund to the Department of Natural Resources in FY 2011-12 for various water-related projects. Transfers \$300,000 from the CWCB Construction Fund to the Flood Response Fund in FY 2011-12. Transfers \$700,000 from the CWCB Construction Fund to the Litigation Fund in FY 2011-12.

H.B. 11-1286: Clarifies the State Engineer's rule-making authority regarding dewatering geologic formations for mining operations. Specifies that the State Engineer can make rules to determine which ground water in the formations or basins is determined to be nontributary, and can establish rule-making and adjudicatory procedures for nontributary determinations after the initial rule-making. Specifies that the courts must presume that any applicable nontributary determination made by the State Engineer is valid, subject to rebuttal.

2012 Session Bills

S.B. 12-009: Creates the Water Resources Cash Fund, intended primarily for administrative uses by the Division of Water Resources (DWR). Consolidates into the Water Resources Cash Fund six existing cash funds—the Water Data Bank Cash Fund, the Division of Water Resources Publication Cash Fund, the Division of Water Resources Groundwater Management Cash Fund, the Groundwater Publication Fund, the Gravel Pit Lakes Augmentation Fund, and the Well Enforcement Cash Fund—eliminating those existing cash funds.

H.B. 12-1192: Supplemental appropriation to the Department of Natural Resources to modify FY 2011-12 appropriations included in the FY 2011-12 Long Bill (S.B. 11-209).

H.B. 12-1246: Appropriates \$228,000 General Fund to the Division of Water Resources to reverse the annual payday shift as it applies to state employees paid on a bi-weekly basis. For additional information on this bill, see the "Recent Legislation" section for the Department of Personnel.

H.B. 12-1278: Appropriates \$910,900 cash funds (Colorado Water Conservation Board Construction Fund) to the Colorado Water Conservation Board (CWCB). Requires the CWCB in consultation with the State Engineer and the Colorado Water Institute, to conduct a comprehensive study to compile and evaluate available historical hydrologic data in the South Platte River Basin. Directs the CWCB to contract with the Colorado Water Institute to conduct the study.

H.B. 12-1317: Replaces the Parks and Wildlife Board in the Department of Natural Resources with the Parks and Wildlife Commission and specifies the responsibilities of the new commission. Reduces appropriations to the Division of Parks and Wildlife by \$18,055 cash funds.

H.B. 12-1330: Allows a person whose hunting or fishing license has been suspended for two years or more to petition the Parks and Wildlife Commission in the Department of Natural Resources once every five years to end the suspension after half of the suspension of at least 10 years has elapsed or after 15 years of a lifetime suspension. A person can petition the commission three times. Upon receiving a fourth or subsequent petition, the commission may deny the petition without a hearing. The commission may end the suspension if:

- the person is unlikely to offend again;
- the person has not violated the wildlife statutes again; and
- the suspension is the person's first in Colorado.

The commission is authorized to order the person to pay a reinstatement fee of up to \$300, perform up to 40 hours of service on wildlife or park projects, or attend hunting education courses. Appropriates \$23,419 cash funds to the Department of Natural Resources for additional hearing costs. Out of the appropriation to the Department, appropriates \$3,028 reappropriated funds to the Department of Law for the provision of legal services.

H.B. 12-1335: General appropriations act for FY 2012-13.

H.B. 12-1349: Combines the Operation and Maintenance Account and the Capital Account of the Species Conservation Trust Fund into the Species Conservation Trust Fund (SCTF). Appropriates \$4,000,000 from the Species Conservation Trust Fund to the Department of Natural Resources in FY 2012-13 for programs to conserve native species that have been listed as threatened or endangered under state or federal law, or are candidate species or are likely to become candidate species as determined by the United States Fish and

Wildlife Services. Also reduces existing appropriations by \$500,000 for projects in FY 2011-12 to reflect the amount actually required by the Department.

H.B. 12-1353: Modifies the statutory provisions relating to proportional reductions of Tier 2 transfers from the Operational Account of the Severance Tax Trust Fund (Operational Account). Statute allows for transfers to Tier 2 programs in three installments: on July 1, January 1, and April 1 of each fiscal year. Prior law allowed for proportional reductions, as necessary to balance the Operational Account, to the January 1 and April 1 installments but did not provide for reductions to the July 1 installment. The bill allows for reductions to July 1 installments as necessary based on the June Legislative Council Staff Revenue Forecast from the preceding fiscal year. The bill specifies that the reductions in each installment be sufficient to cover the following percentages of the projected shortfall: 40.0 percent in July; 70.0 percent in January; and 100 percent in April of a given fiscal year.

Also allows the April installment to increase to offset proportional reductions made in July and January if revenue is anticipated to be sufficient to cover such an increase while still meeting the reserve requirement. The bill also reduces the required Tier 1 reserve for FY 2012-13 by \$1 million. Finally, the bill clarifies that the Tier 2 reserve may be used as follows:

- up to one-third of the reserve to offset July 1 proportional reductions;
- up to one-third of the reserve to offset January 4 proportional reductions; and
- any amount remaining to offset April 1 proportional reductions.

H.B. 12-1355: Transfers the powers, duties, and functions of the Colorado Geological Survey and the Office of the State Geologist from the Department of Natural Resources (DNR) to the Colorado School of Mines (Mines) on January 31, 2013, providing the president of the university and the executive director of the DNR enter into a memorandum of understanding (MOU) concerning the transfer by December 31, 2012. Requires the MOU to address the:

- functions and objectives of the geological survey;
- transfer of employees;
- transfer of real and personal property;
- existing contracts of the DNR; and
- existing appropriations allocated to the Geological Survey Cash Fund.

Requires the president of the Colorado School of Mines to report to the Joint Budget Committee and the House and Senate Agriculture Committees regarding the status of the MOU by December 1, 2012. If the DNR and Mines do not enter into a MOU by December 31, 2012, the transfer will not occur.

S.B. 12S-002: Appropriates \$28,350,857 cash funds from the Colorado Water Conservation Board (CWCB) Construction Fund to the Department of Natural Resources in FY 2012-13 for various water-related projects. Transfers a total of \$43.0 million from the Perpetual Base Account of the Severance Tax Trust Fund to the CWCB Construction Fund over three fiscal years (FY 2012-13, FY 2013-14, and FY 2014-15) and transfers \$300,000 from the CWCB Construction Fund to the Flood and Drought Response Fund in FY 2012-13.

DEPARTMENT OF PERSONNEL

The Department of Personnel is responsible for administering the state personnel system, which includes approximately 30,600 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 such as administering the state's procurement policies, maintaining the state archives and public records, 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 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
General Fund	\$5,576,326	\$5,104,155	\$4,118,272	\$6,596,233
Cash Funds	10,828,867	10,654,935	11,790,909	11,997,536
Reappropriated Funds	160,102,416	145,004,592	141,948,754	141,427,803
Federal Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Funds	\$176,507,609	\$160,763,682	\$157,857,935	\$160,021,572
Full Time Equiv. Staff	393.6	391.3	394.3	394.9

General Factors Driving the Budget

Funding for this department consists of 4.1 percent General Fund, 7.5 percent cash funds, and 88.4 percent reappropriated funds. The primary source of reappropriated funds is user fees transferred from other agencies for the provision of statewide services.

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 (excluding all employees in the Department of Higher Education)							
	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY11-12	FY 12-13
Total appropriated FTE	29,106.7	30,211.0	31,142.5	31,070.5	31,466.9	30,657.3	30,559.8

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. The Department did not recommend, nor did the General Assembly fund, salary increases or performance-based pay for FY 2009-10, FY 2010-11, FY 2011-12, or FY 2012-13.

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. The Department acquires private-sector financing for new or replacement vehicles. The leases vary between 72 and 120 months, with the exception of State Patrol vehicles, whose leases are for 48 months. Departments are assessed an average vehicle management fee of \$35 per vehicle, per month, to fund the fleet management program's overhead costs. Many of the institutions of Higher Education manage their own vehicle fleets, and this data is not reflected as a part of the Department's totals.

Fiscal Year	FY 07-08 Actual	FY 08-09 Actual	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Approp.	FY 12-13 Approp.
Number of Fleet Vehicles	5,582	5,800	5,817	5,903	5,912	5,912
Total Cost of Fleet Management and Motor Pool Services	\$36,528,692	\$32,744,689	\$31,924,920	\$36,549,682	\$42,633,110	\$42,834,398
Per Vehicle Monthly Management Fee*	\$14.50	\$23.00	\$26.50	\$35.50	\$26.50**	\$35.00

*The management fee shown is for auction pool vehicles, including all state fleet vehicles except Division of Wildlife.

**For FY 2011-12 the management fee was decreased from the cost-recovery calculated fee of \$41.00 to the FY 2009-10 level to reduce the fund balance in the Motor Fleet Management Fund.

Risk Management

The state's Risk Management program provides insurance coverage to departments and agencies for workers' compensation and property and liability insurance. The state is self-insured for workers' compensation and liability, and it purchases property insurance from the private sector. Appropriations and allocations to state agencies for risk management coverage are calculated using actuarially-determined prospective claims losses. The larger institutions of Higher Education administer their own risk management programs, and those funds are not included in the following table.

Statewide Risk Management Premiums and Administrative Expenses

	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Approp.	FY 2012-13 Approp.
Workers' Comp. Premiums	\$36,202,845	\$40,945,315	\$35,441,933	\$36,376,710	\$38,808,757
Property Premiums	7,997,934	8,121,258	7,881,786	8,527,888	8,698,417
Liability Premiums	<u>6,435,247</u>	<u>4,705,904</u>	<u>5,090,471</u>	<u>5,115,286</u>	<u>4,674,104</u>
TOTAL Premiums	\$50,636,026	\$53,772,477	\$48,414,190	\$50,019,884	\$52,181,278
Liability Legal Services	\$2,325,703	\$2,209,469	\$2,442,448	\$2,412,121	\$2,461,185
Risk Management Admin.	\$823,937	\$754,886	\$888,064	\$875,926	\$874,161
Admin. Expense Percentage*	1.5%	1.3%	1.7%	1.6%	1.6%
TOTAL Risk Management	\$53,785,666	\$56,736,832	\$51,744,702	\$53,307,931	\$55,516,624

*Administrative expense percentage as a percentage of Total Risk Management cost.

Summary of FY 2011-12 and FY 2012-13 Appropriations

Department of Personnel

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Total Appropriation:	\$157,857,935	\$4,118,272	\$11,790,909	\$141,948,754	\$0	394.3
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	12,923,246	2,829,066	861,445	9,232,735	0	44.5
Division of Human Resources	57,599,567	0	2,482,918	55,116,649	0	38.7
Constitutionally Independent Entities	507,904	487,273	1,153	19,478	0	4.8
Central Services	74,075,148	156,018	1,413,084	72,506,046	0	192.8
Division of Accounts and Control - Controller	9,234,242	645,915	6,983,777	1,604,550	0	73.5
Administrative Courts	3,517,828	0	48,532	3,469,296	0	40.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 11-209	157,368,915	5,239,847	8,866,263	143,262,805	0	392.3
SB 11-076	(485,722)	(160,447)	(58,391)	(266,884)	0	0.0
HB 11-1080	128,823	0	128,823	0	0	2.0
HB 12-1193	845,919	(961,128)	2,854,214	(1,047,167)	0	0.0
FY 2012-13 Total Appropriation:	\$160,021,572	\$6,596,233	\$11,997,536	\$141,427,803	\$0	394.9
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	11,618,442	3,901,418	790,951	6,926,073	0	44.8

Department of Personnel						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Division of Human Resources	60,187,916	0	2,314,729	57,873,187	0	41.7
Constitutionally Independent Entities	519,601	498,945	1,178	19,478	0	4.8
Central Services	74,456,490	46,130	1,526,982	72,883,378	0	192.8
Division of Accounts and Control - Controller	9,437,942	2,149,740	7,270,004	18,198	0	70.8
Administrative Courts	3,801,181	0	93,692	3,707,489	0	40.0
<u>Breakdown of Total Appropriation by Bill</u>						
HB 12-1335	160,064,533	6,639,194	11,997,536	141,427,803	0	395.4
SB 12-150	(42,961)	(42,961)	0	0	0	(0.5)
Increase/(Decrease)	\$2,163,637	\$2,477,961	\$206,627	(\$520,951)	\$0	0.6
Percentage Change	1.4%	60.2%	1.8%	(0.4)%	n/a	0.2%

Informational Funds: Beginning in FY 2012-13, the Long Bill and other legislation indicate when an amount is shown solely for informational purposes through a new "(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 2012-13 Appropriations containing an (I) notation	\$17,112,366	\$0	\$1,278,660	\$15,833,706	\$0

FY 2011-12 Appropriation - Mid-year Adjustment Highlights

The FY 2011-12 appropriation was modified during the 2012 Legislative Session to:

1. Increase \$1.6 million cash funding spending authority for the Recovery Audit Program.
2. Decrease \$0.9 million reappropriated funds for the Fleet Management Program, Vehicle Replacement Lease/Purchase line item to make adjustments based on the actual procurement process.

FY 2012-13 Appropriation Highlights

The FY 2012-13 appropriation:

1. Increases \$2.5 million General Fund due to a decrease in statewide indirect cost recoveries for FY 2012-13.

2. Increases \$2.1 million reappropriated funds in the Division of Human Resources for risk management premiums including a \$2.4 million increase for the actuarially-determined workers' compensation claims payout, and a \$0.4 million decrease for actuarially-determined liability premiums.
3. Increases \$486,000 total funds for the restoration of the state contribution to the Public Employees Retirement Association for FY 2012-13.
4. Increases \$483,000 cash and reappropriated funds spending authority for training services in the Division of Human Resources equal to training request waivers granted to customer agencies.
5. Increases \$417,000 reappropriated funds for an e-filing and upgraded case-management information system for the Office of Administrative Courts.
6. Increases \$411,000 total funds for compensation-related common policies comprising health, life and dental benefits, short-term disability, amortization equalization disbursement, supplemental amortization equalization disbursement, and shift differential.
7. Increases \$300,000 cash funds for replacement of the collections services information system in the Division of Accounts and Control – Controller.
8. Decreases total funds for statewide IT common policy services by \$2.3 million. In prior years, during the Governor's Office of Information Technology (OIT) consolidation, the entire statewide costs for the Colorado Financial Reporting System (COFRS) and the Colorado Personnel Payroll System (CPPS) were billed to the Department. OIT has changed its agency cost allocations for these systems.
9. Increases 0.3 FTE in the Executive Director's office pursuant to H.B. 11-1216, increases 1.0 FTE for Training Services to reflect actual usage, increases 2.0 FTE for a Workers' Compensation Loss Control Program in Risk Management Services, and decreases 2.2 FTE in the Office of the State Controller pursuant to H.B. 10-1176 and H.B. 11-1307 and decreases 0.5 FTE in the Office of the State Controller pursuant to S.B. 12-150.

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 2011-12 Appropriation:						
SB 11-209	\$12,897,778	\$2,213,605	\$719,192	\$9,964,981	\$0	42.5

Executive Director's Office						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 11-076	(80,906)	(20,895)	(2,267)	(57,744)	0	0.0
HB11-1080	128,823	0	128,823	0	0	2.0
HB 12-1193	<u>(22,449)</u>	<u>636,356</u>	<u>15,697</u>	<u>(674,502)</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$12,923,246	\$2,829,066	\$861,445	\$9,232,735	\$0	44.5
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$12,923,246	\$2,829,066	\$861,445	\$9,232,735	\$0	44.5
Centrally appropriated line items	590,299	164,853	75,952	349,494	0	0.0
COFRS modernization	288,061	128,128	16,396	143,537	0	0.0
Restore state PERA contribution	80,906	20,895	2,267	57,744	0	0.0
Annualize prior year funding	47,105	3,967	15,648	27,490	0	0.3
Indirect cost assessment	24,005	0	0	24,005	0	0.0
Fund source adjustment	0	581,832	76,549	(658,381)	0	0.0
Statewide IT common policy adjustments	(2,318,892)	172,677	(257,306)	(2,234,263)	0	0.0
Personal services base reduction	(16,288)	0	0	(16,288)	0	0.0
HB 12-1335	<u>\$11,618,442</u>	<u>\$3,901,418</u>	<u>\$790,951</u>	<u>\$6,926,073</u>	<u>\$0</u>	<u>44.8</u>
TOTAL	\$11,618,442	\$3,901,418	\$790,951	\$6,926,073	\$0	44.8
Increase/(Decrease)	(\$1,304,804)	\$1,072,352	(\$70,494)	(\$2,306,662)	\$0	0.3
Percentage Change	(10.1)%	37.9%	(8.2)%	(25.0)%	n/a	0.7%

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1193 modified FY 2011-12 appropriations to make adjustments to operating common policy line items for Administrative Law Judge Services and Vehicle Lease Payments, and to make funding adjustments to reduce reappropriated funds with matching increases in General Fund and cash funds.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: health, life and dental benefits; short-term disability; amortization equalization disbursement; supplemental amortization equalization disbursement; shift differential; workers' compensation; legal services; administrative law judge services; payment to risk management and property funds; vehicle lease payments; and capitol complex leased space.

COFRS modernization: The appropriation includes an increase to fund the first two phases of a five-phase project to replace the statewide accounting system (COFRS) used by the Office of the State Controller to record all state revenues and expenditures.

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the state's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Annualize prior year funding: The appropriation includes adjustments related to prior year legislation and budget actions. Increases 0.3 FTE pursuant to H.B. 11-1216.

Indirect cost assessment: The appropriation includes a net increase in indirect cost assessments.

Fund source adjustment: The appropriation includes an increase in General Fund and cash funds offset by a decrease in reappropriated funds.

Statewide IT common policy adjustments: The appropriation includes adjustments to line items appropriated for: purchase of services from the computer center; multiuse network payments; management and administration of the Governor's Office of Information Technology (OIT); and communication services payments.

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services lines.

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 2011-12 Appropriation:						
SB 11-209	\$57,659,020	\$0	\$2,493,552	\$55,165,468	\$0	38.7
SB 11-076	<u>(59,453)</u>	<u>0</u>	<u>(10,634)</u>	<u>(48,819)</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$57,599,567	\$0	\$2,482,918	\$55,116,649	\$0	38.7
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$57,599,567	\$0	\$2,482,918	\$55,116,649	\$0	38.7
Workers' compensation premium	2,432,047	0	0	2,432,047	0	0.0
Training services funding	483,000	0	11,250	471,750	0	1.0

Division of Human Resources						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Property premium	170,529	0	0	170,529	0	0.0
Workers' compensation loss control	115,629	0	0	115,629	0	2.0
Restore state PERA contribution	59,453	0	10,634	48,819	0	0.0
Legal services	49,064	0	0	49,064	0	0.0
Annualize prior year funding	4,426	0	0	4,426	0	0.0
Fund source adjustment	0	0	(42,517)	42,517	0	0.0
Liability premium	(441,182)	0	0	(441,182)	0	0.0
Indirect cost assessment	(212,376)	0	(90,292)	(122,084)	0	0.0
Supplemental state contribution	(57,264)	0	(57,264)	0	0	0.0
Personal services base reduction	(14,977)	0	0	(14,977)	0	0.0
HB 12-1335	<u>\$60,187,916</u>	<u>\$0</u>	<u>\$2,314,729</u>	<u>\$57,873,187</u>	<u>\$0</u>	<u>41.7</u>
TOTAL	\$60,187,916	\$0	\$2,314,729	\$57,873,187	\$0	41.7
Increase/(Decrease)	\$2,588,349	\$0	(\$168,189)	\$2,756,538	\$0	3.0
Percentage Change	4.5%	n/a	(6.8)%	5.0%	n/a	7.8%

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Workers' compensation premium: The appropriation increases the funds for statewide workers' compensation insurance premiums to reflect the anticipated actuarial costs for FY 2012-13.

Training services funding: The appropriation provides an increase of \$483,000 total cash and reappropriated funds spending authority and increases 1.0 FTE to reflect actual usage.

Property premium: The appropriation increases the funds for statewide property insurance premiums to reflect the anticipated costs for FY 2012-13.

Workers' compensation loss control: The appropriation provides an increase of \$115,629 reappropriated funds and 2.0 FTE for a workers' compensation loss control program in Risk Management Services.

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the state's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Legal services: The appropriation increases funds for legal services.

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

Fund source adjustment: The appropriation includes an increase in reappropriated funds offset by a decrease in cash funds.

Liability premium: The appropriation decreases the funds for statewide liability insurance premiums to reflect the anticipated actuarial costs for FY 2012-13.

Indirect cost assessment: The appropriation includes a net decrease in indirect cost assessments.

Supplemental state contribution: The appropriation reflects a decrease in available funds from the tobacco litigation settlement. The funding formula is defined in statute.

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services lines.

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 2011-12 Appropriation:						
SB 11-209	\$518,065	\$497,409	\$1,178	\$19,478	\$0	4.8
SB 11-076	<u>(10,161)</u>	<u>(10,136)</u>	<u>(25)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$507,904	\$487,273	\$1,153	\$19,478	\$0	4.8
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$507,904	\$487,273	\$1,153	\$19,478	\$0	4.8
Restore state PERA contribution	10,161	10,136	25	0	0	0.0
Annualize prior year funding	1,027	1,027	0	0	0	0.0
Legal services	509	509	0	0	0	0.0
HB 12-1335	<u>\$519,601</u>	<u>\$498,945</u>	<u>\$1,178</u>	<u>\$19,478</u>	<u>\$0</u>	<u>4.8</u>
TOTAL	\$519,601	\$498,945	\$1,178	\$19,478	\$0	4.8
Increase/(Decrease)	\$11,697	\$11,672	\$25	\$0	\$0	0.0
Percentage Change	2.3%	2.4%	2.2%	0.0%	n/a	0.0%

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the state's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

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

Legal services: The appropriation reflects an increase in the rate for legal services.

Central Services

This division is responsible for providing services such as: 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 2011-12 Appropriation:						
SB 11-209	\$74,890,874	\$156,018	\$329,934	\$74,404,922	\$0	192.8
SB 11-076	(177,394)	0	(367)	(177,027)	0	0.0
HB 12-1193	<u>(638,332)</u>	<u>0</u>	<u>1,083,517</u>	<u>(1,721,849)</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$74,075,148	\$156,018	\$1,413,084	\$72,506,046	\$0	192.8
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$74,075,148	\$156,018	\$1,413,084	\$72,506,046	\$0	192.8
Indirect cost assessment	383,749	0	13,321	370,428	0	0.0
Restore state PERA contribution	177,394	0	367	177,027	0	0.0
Fleet vehicle replacement lease/purchase	93,946	0	0	93,946	0	0.0
Capitol complex security	7,401	0	0	7,401	0	0.0
Fund source adjustment	0	0	101,159	(101,159)	0	0.0
Reduction of mail equipment purchase	(109,888)	(109,888)	0	0	0	0.0
Electronic data warehouse transfer to OIT	(94,922)	0	0	(94,922)	0	0.0
Personal services base reduction	(70,625)	0	(949)	(69,676)	0	0.0
Annualize prior year funding	(5,713)	0	0	(5,713)	0	0.0
HB 12-1335	<u>\$74,456,490</u>	<u>\$46,130</u>	<u>\$1,526,982</u>	<u>\$72,883,378</u>	<u>\$0</u>	<u>192.8</u>
TOTAL	\$74,456,490	\$46,130	\$1,526,982	\$72,883,378	\$0	192.8

Central Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Increase/(Decrease)	\$381,342	(\$109,888)	\$113,898	\$377,332	\$0	0.0
Percentage Change	0.5%	(70.4)%	8.1%	0.5%	n/a	0.0%

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1193 modified FY 2011-12 appropriations to:

- add \$290,000 cash funds for the Capitol Complex Utilities line item to correctly recognize lease revenue from Xcel Energy that had previously been recorded as an expenditure offset;
- reduce \$929,000 reappropriated funds for the Fleet Management Program, Vehicle Replacement Lease/Purchase line item to true-up and make adjustments based on the actual procurement process over the first half of the fiscal year; and
- make funding adjustments to reduce reappropriated funds and increase cash funds for the Integrated Document Solutions programs to accurately reflect work completed for the City and County of Denver.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Indirect cost assessment: The appropriation includes a net increase in indirect cost assessments.

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the state's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Fleet vehicle replacement lease/purchase: The appropriation increases funds for costs associated with the fleet management program for the costs of replacing or purchasing new vehicles.

Capitol complex security: The appropriation includes an increase for capitol complex security to reflect the increased billing from the Department of Public Safety.

Fund source adjustment: The appropriation includes an increase in cash funds offset by a decrease in reappropriated funds.

Reduction of mail equipment purchase: The appropriation includes a decrease of \$109,888 General Fund for the mail equipment purchase line item.

Electronic data warehouse transfer to OIT: The appropriation reflects a decrease of \$94,922 reappropriated funds for the transfer to the Governor's Office of Information Technology.

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services lines.

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

Division of Accounts and Control - Controller

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 - Controller						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$7,817,158	\$2,372,815	\$5,272,863	\$171,480	\$0	73.5
SB 11-076	(89,616)	(129,416)	(44,086)	83,886	0	0.0
HB 12-1193	<u>1,506,700</u>	<u>(1,597,484)</u>	<u>1,755,000</u>	<u>1,349,184</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$9,234,242	\$645,915	\$6,983,777	\$1,604,550	\$0	73.5
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$9,234,242	\$645,915	\$6,983,777	\$1,604,550	\$0	73.5
Collections information system	300,000	0	300,000	0	0	0.0
Restore state PERA contribution	89,616	129,416	44,086	(83,886)	0	0.0
Indirect cost assessment	18,594	0	18,594	0	0	0.0
Fund source adjustment	0	1,572,842	(52,943)	(1,519,899)	0	0.0
Annualize prior year funding	(113,540)	(132,357)	0	18,817	0	(2.2)
Personal services base reduction	(27,307)	(23,115)	(2,808)	(1,384)	0	0.0
Collection of debts due to state	(20,702)	0	(20,702)	0	0	0.0
HB 12-1335	\$9,480,903	\$2,192,701	\$7,270,004	\$18,198	\$0	71.3
SB 12-150	<u>(42,961)</u>	<u>(42,961)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(0.5)</u>
TOTAL	\$9,437,942	\$2,149,740	\$7,270,004	\$18,198	\$0	70.8
Increase/(Decrease)	\$203,700	\$1,503,825	\$286,227	(\$1,586,352)	\$0	(2.7)
Percentage Change	2.2%	232.8%	4.1%	(98.9)%	n/a	(3.7)%

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1193 modified FY 2011-12 appropriations to:

- add \$1.6 million cash funding spending authority for the Recovery Audit Program;
- reduce \$93,000 General Fund in the Office of the State Controller, Operating Expenses line; and
- make funding adjustments that reduce General Fund and increase cash and reappropriated funds.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Collections information system: The appropriation provides an increase of \$300,000 cash funds for replacement of the collections services information system.

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the state's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Indirect cost assessment: The appropriation includes a net increase in indirect cost assessments.

Fund source adjustment: The appropriation includes an increase in General Fund offset by a decrease in cash funds and reappropriated funds. The adjustment primarily reflects a decrease in statewide indirect cost recoveries.

Annualize prior year funding: The appropriation includes adjustments related to prior year legislation and budget actions. Decreases 2.2 FTE pursuant to H.B. 10-1176 and H.B. 11-1307.

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services lines.

Collection of debts due to state: The appropriation reflects a decrease of \$20,702 cash funds due to the elimination of this line item in collections services.

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

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 that are transferred from user agencies, and it also 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 2011-12 Appropriation:						
SB 11-209	\$3,586,020	\$0	\$49,544	\$3,536,476	\$0	40.0
SB 11-076	<u>(68,192)</u>	<u>0</u>	<u>(1,012)</u>	<u>(67,180)</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$3,517,828	\$0	\$48,532	\$3,469,296	\$0	40.0
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$3,517,828	\$0	\$48,532	\$3,469,296	\$0	40.0
E-filing system	416,975	0	0	416,975	0	0.0
Restore state PERA contribution	68,192	0	1,012	67,180	0	0.0
Fund source adjustment	0	0	44,643	(44,643)	0	0.0
Indirect cost assessment	(169,194)	0	0	(169,194)	0	0.0
Personal services base reduction	(32,620)	0	(495)	(32,125)	0	0.0
HB 12-1335	<u>\$3,801,181</u>	<u>\$0</u>	<u>\$93,692</u>	<u>\$3,707,489</u>	<u>\$0</u>	<u>40.0</u>
TOTAL	\$3,801,181	\$0	\$93,692	\$3,707,489	\$0	40.0
Increase/(Decrease)	\$283,353	\$0	\$45,160	\$238,193	\$0	0.0
Percentage Change	8.1%	n/a	93.1%	6.9%	n/a	0.0%

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

E-filing system: The appropriation provides an increase of \$416,975 reappropriated funds for the acquisition of an e-filing information system and an upgrade for the case management information system.

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the state's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Fund source adjustment: The appropriation includes an increase in cash funds offset by a decrease in reappropriated funds. The fund source adjustment reflects increased revenue from non-state agencies.

Indirect cost assessment: The appropriation includes a net decrease in indirect cost assessments.

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services lines.

Recent Legislation

2011 Session Bills

S.B. 11-076: For the 2011-12 state fiscal year only, reduces the employer contribution rate for the State and Judicial divisions of the Public Employees' Retirement Association (PERA) by 2.5 percent and increases the member contribution rate by the same amount. In effect, continues the FY 2010-11 PERA contribution adjustments authorized through S.B. 10-146 for one additional year. Reduces the Department's appropriation by \$485,722 total funds, of which \$160,447 is General Fund, \$58,391 is cash funds, and \$266,884 is reappropriated funds.

S.B. 11-209: General appropriations act for FY 2011-12.

H.B. 11-1080: Transfers the Address Confidentiality Program from the Department of State to the Department of Personnel.

2012 Session Bills

S.B. 12-150: Centralizes management of certain state public finance transactions in the State Treasurer's Office. Decreases the FY 2012-13 Long Bill appropriation for the Division of Accounts and Control – Controller, Office of the State Controller in the Department of Personnel by \$42,961 General Fund and 0.5 FTE.

H.B. 12-1193: Supplemental appropriation to the Department of Personnel for FY 2011-12 and FY 2010-11.

H.B. 12-1246: Changes the payday schedule for employees compensated on a biweekly basis to reverse a payday shift enacted in 2003 that moved the last payment of the fiscal year into the next fiscal year. Reversing the payday shift for employees compensated on a biweekly basis returns the payment for these employees to the fiscal year in which the employee earns the pay. Makes the following appropriations:

DEPARTMENT	Total	General Fund	Reappropriated Funds	Federal Funds
Agriculture	\$9,456	\$9,456	\$0	\$0
Corrections	136,460	136,460	0	0
Education	173,373	173,373	0	0
Governor	1,895	1,895	0	0
Health Care Policy and Financing	285,719	157,109	0	128,610
Human Services	984,145	726,924	257,221	0
Judicial	16,115	16,115	0	0
Law	8,799	8,799	0	0
Legislature	69,278	69,278	0	0
Local Affairs	793	793	0	0
Natural Resources	228,047	228,047	0	0
Public Health and Environment	6,885	6,885	0	0
Public Safety	25,473	25,473	0	0

DEPARTMENT	Total	General Fund	Reappropriated Funds	Federal Funds
Revenue	133,783	133,783	0	0
Treasury	<u>794</u>	<u>794</u>	<u>0</u>	<u>0</u>
Total	\$2,081,015	\$1,695,184	\$257,221	\$128,610

H.B. 12-1335: General appropriations act for FY 2012-13.

DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT

The Department of Public Health and Environment consists of the following eleven divisions:

- 1) Administration and Support Division
 - Administers the Health Disparities Program, which provides grants for health initiatives aimed at reducing and eliminating disparities in the provision of health services across the state; and
 - 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 and deaths, and provides birth and death certificates;
 - Gathers and analyzes health data; 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.
- 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 emission from mobile sources; and
 - Permits, monitors, and inspects factories and power plants 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 water quality standards are met;
 - 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;
 - Inspects solid waste facilities;
 - Oversees hazardous waste generators, transporters, and storage facilities; and
 - Regulates commercial radioactive materials in Colorado.
- 7) Division of Environmental Health and Sustainability
 - Certifies and inspects wholesale food distributors and dairy processors;
 - Oversees restaurant, child care facilities, and school inspections done by local public health departments (with a few exceptions where the state is responsible for these inspections); and
 - Administers four major sustainability programs (including the Waste Tire 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; 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
 - Oversees a large variety of programs aimed at health promotion and disease and injury prevention.
- 10) Health Facilities and Emergency Medical Services Division
 - Establishes and enforces (through certification and inspection) standards for the operation of health care facilities; and
 - Inspects and certifies emergency medical and trauma service providers.
- 11) Emergency Preparedness and Response Division
 - Works 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 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
General Fund/1	\$27,076,170	\$27,460,904	\$27,473,436	\$30,725,111
Cash Funds	145,250,938	132,523,812	124,269,359	157,156,520
Reappropriated Funds	33,233,774	26,696,827	28,977,004	32,052,315
Federal Funds	<u>223,379,861</u>	<u>256,102,843</u>	<u>266,186,228</u>	<u>246,167,561</u>
Total Funds	\$428,940,743	\$442,784,386	\$446,906,027	\$466,101,507
Full Time Equiv. Staff	1,289.5	1,227.7	1,260.9	1,223.1

/1 Includes General Fund Exempt.

General Factors Driving the Budget

Funding for the Department for FY 2012-13 consists of 6.9 percent General Fund (including appropriations from the General Fund Exempt account), 33.7 percent cash funds, 6.9 percent reappropriated funds, and 52.8 percent federal funds. Some of the major factors driving the budget are reviewed below.

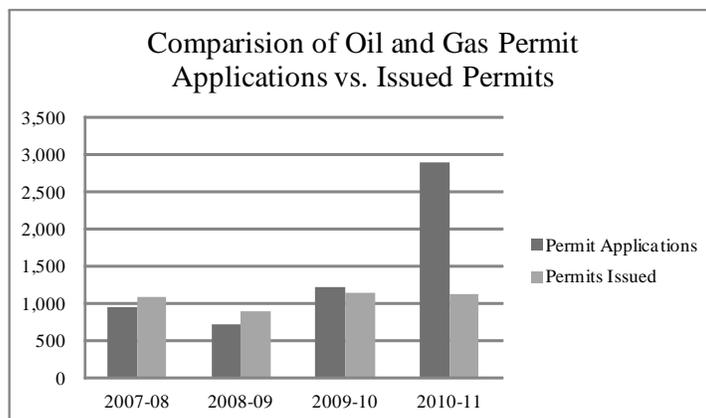
Increasing Demands on the Air Pollution Control Division

Staffing levels for the Air Pollution Control Division have been stressed by:

- New research indicating that air pollutant levels previously thought safe are, in fact, not safe;

- Increasingly stringent federal health-based air pollution standards; and
- Explosive growth in Colorado's oil and gas industry.

The FY 2012-13 Long Bill includes funding for an additional 13.0 FTE who will focus on processing applications for oil and gas permits and performing inspections of oil and gas well sites. The growth in the oil and gas industry has expanded the need for additional resources for oil and gas permits and inspections. From 2008 to 2010 the number of oil and gas permit applications increased 71.0 percent. The Department anticipates annual growth of at least 20.0 percent due to the advancement of drilling techniques (such as fracking and directional drilling) which have made the recovery of substantially more oil and gas economically viable. The following graph shows the growth of oil and gas permit applications from FY 2007-08 to FY 2010-11.



The significant increase in oil and gas permit applications without a related increase in staff to process the applications has led to a backlog of 2,000 applications as of May 2011. As more applications enter the backlog, permitting staff are unable to process the additional applications by the statutory deadline, resulting in permits not being issued. The following table shows the historical and projected workload related to the issuance of oil and gas permits.

Historical Numbers of Oil and Gas Applications and Permits						
	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Projection	FY 2012-13 Projection[^]
Applications	945	724	1,212	2,892	3,470	4,164
Permits Issued	1,078	894	1,149	1,119	3,921	3,436
Difference	133	170	(63)	(1,773)	451	(728)
FTE	3.5	4.1	4.5	5.3	5.8	13.8
Avg. No. Permits per FTE	308	218	255	211	n/a*	249

*The number of permits issued in FY 2011-12 includes permits issued by the temporary permit engineers hired with one-time funds provided by the industry, and is based on a projection using four months of actual data.

[^]The projected FY 2012-13 average number of permits is based on the average of the past four years.

A growing need for additional inspectors is driven by inspection requirements. Once an oil and gas permit is issued, the Division must inspect oil and gas drilling locations for air pollution emission standards, and when needed, take enforcement actions to ensure compliance. In prior years, as the number of permits issued for the oil and gas industry increased the Division did not increase the number of inspection staff, but instead reduced

the inspection cycle for minor non-oil and gas air pollutant emitters. The FY 2012-13 appropriation includes funding for three full time oil and gas inspectors so the Division may maintain the inspection cycle for oil and gas permits.

Amendment 35 Tobacco Tax Moneys

Amendment 35 to the Colorado Constitution, approved by voters in 2004, imposed a \$0.64 tax on each pack of cigarettes sold in Colorado and related taxes on other tobacco products. In the Department, Amendment 35 tax revenues support tobacco education programs, the Health Disparities program, and cancer and chronic disease prevention programs. Funding for these programs is driven by statutory formulas. The following table outlines the amount of Amendment 35 dollars the Department has expended since FY 2006-07.

Summary of Amendment 35 Expenditures							
	FY 06-07 Actual	FY 07-08 Actual	FY 08-09 Actual	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Approp.	FY 12-13 Approp.
Amendment 35	\$60.8	\$51.2	\$52.0	\$38.2	\$18.8	\$12.2	\$44.1

The decrease in funding for FY 2010-11 and FY 2011-12 was a result of legislation that transferred a portion of Amendment 35 moneys to the Department of Health Care Policy and Financing (HCPF) to offset General Fund appropriations. In FY 2010-11, \$25.6 million was transferred to HCPF, an estimated \$33.0 million will be transferred in FY 2011-12. The transfers were approved by the General Assembly due to the statewide General Fund shortfall in those fiscal years. The FY 2012-13 Long Bill allows the Department of Public Health and Environment to retain the full amount of Amendment 35 funding.

Federal Funds

Divisions Impacted:

- Prevention Services Division;
- Disease Control and Environmental Epidemiology Division; and
- Emergency Preparedness and Response Division.

The Department receives federal funds from more than 300 different sources. The federal agencies that provide the largest amount of federal funds to the Department include: the federal Departments of Agriculture, Defense, Energy, and Homeland Security; the Environmental Protection Agency; and the Department of Health and Human Services (including the Centers for Disease Control and Prevention and Medicaid). The following table outlines the amount of federal funds the Department received from FY 2006-07 to FY 2012-13, and the percent of federal funds related to the Department's total budget.

Federal Funds Appropriated the Department from FY 2006-07 to FY 2012-13							
	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13
Federal Funds	\$210,383,465	\$210,131,476	\$209,613,716	\$223,379,861	\$256,102,843	\$266,186,228	\$246,167,561
Dollar Change	n/a	(251,989)	(517,760)	13,766,145	32,722,982	10,083,385	(20,018,667)
Percent Change	n/a	(0.1)%	(0.2)%	6.6%	14.6%	3.9%	(7.5)%
Total Dept. Appropriation	\$451,141,126	\$460,801,638	\$469,965,999	\$428,940,743	\$442,784,386	\$446,906,027	\$466,094,622
FF as Percent of Dept. Total	46.6%	45.6%	44.6%	52.1%	57.8%	59.6%	52.8%

As illustrated in the table above, the amount of federal funds the Department receives varies from year to year. The increase in FY 2010-11 was primarily due to one-time American Recovery and Reinvestment Act of 2009. The FY 2012-13 reduction can be attributed to a reduction of \$18.2 million one-time funds received by the Emergency Preparedness and Response Division for activities related to preventing and containing the spread of the H1N1 virus. The Department's need for federal funds to maintain existing programs has grown as state funds have been eliminated or reduced. The increasing reliance on federal funds, compounded by uncertainty of federal policy decisions, creates challenges for the Department in the long-term management of federal resources.

Summary of FY 2011-12 and FY 2012-13 Appropriations

Department of Public Health and Environment						
	Total Funds	General Fund/1,2	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Total Appropriation:	\$446,906,027	\$27,473,436	\$124,269,359	\$28,977,004	\$266,186,228	1,260.9
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Administration and Support	46,210,828	7,567,565	15,033,201	17,496,118	6,113,944	88.7
Center for Health and Environmental Information	14,691,166	283,248	6,379,893	3,999,941	4,028,084	70.2
Laboratory Services	12,454,226	1,048,968	7,392,951	1,433,929	2,578,378	79.2
Air Pollution Control Division	18,273,702	0	15,252,537	0	3,021,165	161.3
Water Quality Control Division	19,902,494	2,506,162	5,197,056	39,346	12,159,930	155.9
Hazardous Materials and Waste Management Division	20,931,453	0	13,345,208	262,377	7,323,868	134.6
Division of Environmental Health and Sustainability	2,721,372	1,143,113	1,116,773	88,014	373,472	30.5
Disease Control and Environmental Epidemiology Division	52,498,722	5,458,256	6,276,398	288,416	40,475,652	155.0
Prevention Services Division	195,200,906	6,039,092	39,244,254	809,122	149,108,438	179.3
Health Facilities and Emergency Medical Services Division	26,204,128	1,679,085	15,031,088	4,559,741	4,934,214	171.2
Emergency Preparedness and Response Division	37,817,030	1,747,947	0	0	36,069,083	35.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 11-209	477,589,311	27,640,974	152,254,221	29,732,554	267,961,562	1,265.0
SB 11-076	(1,975,520)	(162,746)	(682,218)	(238,632)	(891,924)	0.0
SB 11-211	(33,000,000)	0	(29,713,649)	(3,286,351)	0	(5.0)
SB 11-224	(797,627)	0	(797,627)	0	0	0.0

Department of Public Health and Environment

	Total Funds	General Fund/1,2	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 11-235	194,377	0	194,377	0	0	0.2
HB 11-1026	99,436	0	99,436	0	0	0.6
HB 11-1101	(24,581)	0	(24,581)	0	0	(0.4)
HB 11-1281	250,000	0	250,000	0	0	0.5
HB 11-1323	(529)	0	(529)	0	0	0.0
HB 12-1034	700,000	0	700,000	0	0	0.0
HB 12-1194	3,582,502	(4,792)	2,278,587	2,192,117	(883,410)	0.0
HB 12-1202	288,658	0	(288,658)	577,316	0	0.0

FY 2012-13 Total Appropriation: \$466,101,507 \$30,725,111 \$157,156,520 \$32,052,315 \$246,167,561 1,223.1

Breakdown of Total Appropriation by Administrative Section

Administration and Support	36,451,161	7,506,132	7,641,904	20,866,094	437,031	70.7
Center for Health and Environmental Information	15,569,974	302,199	6,835,309	4,462,437	3,970,029	87.4
Laboratory Services	12,248,883	1,058,393	7,509,574	233,628	3,447,288	68.8
Air Pollution Control Division	20,553,029	0	16,614,648	0	3,938,381	169.4
Water Quality Control Division	22,132,248	2,536,466	5,159,731	39,673	14,396,378	158.6
Hazardous Materials and Waste Management Division	21,315,710	0	13,810,252	279,991	7,225,467	111.8
Division of Environmental Health and Sustainability	12,649,451	1,253,938	9,310,392	88,929	1,996,192	44.1
Disease Control and Environmental Epidemiology Division	50,545,447	5,549,313	6,780,167	0	38,215,967	145.0
Prevention Services Division	228,661,496	9,218,112	68,356,076	1,510,817	149,576,491	179.0
Health Facilities and Emergency Medical Services Division	26,645,595	1,681,419	15,138,467	4,570,746	5,254,963	152.2
Emergency Preparedness and Response Division	19,328,513	1,619,139	0	0	17,709,374	36.1

Breakdown of Total Appropriation by Bill

HB 12-1335	462,258,351	27,843,155	156,195,320	32,052,315	246,167,561	1,221.6
HB 12-1041	743,940	0	743,940	0	0	0.0
HB 12-1099	25,000	0	25,000	0	0	0.0
HB 12-1126	8,530	0	8,530	0	0	0.1
HB 12-1246	6,885	6,885	0	0	0	0.0

Department of Public Health and Environment

	Total Funds	General Fund/1,2	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 12-1283	(147,729)	(147,729)	0	0	0	(2.0)
HB 12-1294	183,730	0	183,730	0	0	2.4
HB 12-1326	3,022,800	3,022,800	0	0	0	1.0
Increase/(Decrease)	\$19,195,480	\$3,251,675	\$32,887,161	\$3,075,311	(\$20,018,667)	(37.8)
Percentage Change	4.3%	11.8%	26.5%	10.6%	(7.5)%	(3.0)%

/1 Includes \$446,100 of General Fund Exempt in FY 2011-12 and \$441,600 of General Fund Exempt in FY 2012-13. See Division Detail for more information.

/2 Includes \$446,100 in FY 2011-12 and \$441,600 in FY 2012-13 that is exempt from the statutory limit on state General Fund appropriations pursuant to Section 24-75-201.1, C.R.S. See Division Detail for more information.

Informational Funds: Beginning in FY 2012-13, the Long Bill and other legislation indicate when an amount is shown solely for informational purposes through a new "(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 2012-13 Appropriations containing an (I) notation	\$222,743,309	\$0	\$0	\$0	\$222,743,309

FY 2011-12 Appropriation - Mid-year Adjustment Highlights

The FY 2011-12 appropriation was modified during the 2012 Legislative Session to:

1. Increase the Waste Tire Program by \$2.0 million cash funds, enabling the Program to spend the additional revenue available in the Processors and End Users Fund.
2. Add \$1.2 million reappropriated funds from the Department of Public Safety to replace and certify intoxilyzers used by state and local law enforcement.
3. Add \$580,000 Medicaid reappropriated funds for services provided by the Colorado Quitline to Medicaid eligible clients.
4. Reduce \$890,000 federal funds, offset by an increase of \$650,000 reappropriated and \$240,000 cash funds, for billing adjustments to the information technology services line items.

FY 2012-13 Appropriation Highlights

The FY 2012-13 appropriation:

1. Adds \$33.0 million, including \$29.7 million cash funds to account for the return of Amendment 35 tobacco tax dollars, which were transferred to the Department of Health Care Policy and Financing to offset General Fund dollars for medical services premiums in FY 2011-12.
2. Adds \$2.3 million, including \$45,000 General Fund, for centrally appropriated line items.
3. Adds \$2.0 million, including \$163,000 General Fund, for the 2.5 percent increase to the State's contribution to the Public Employee's Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.
4. Adds \$977,000 cash funds and 13.0 FTE to the Air Pollution Control Division for new oil and gas regulation resources.
5. Adds \$699,000 reappropriated funds for the Colorado Financial Reporting System (COFRS) upgrade.
6. Adds \$687,000 Medicaid reappropriated funds for increased funding of the Colorado Quitline.
7. Adds \$486,000 cash funds to the Waste Tire Program based on FY 2012-13 projected revenue.
8. Adds \$446,000 cash funds and 3.2 FTE to the Solid Waste Program.
9. Increases \$443,000 cash funds based on FY 2012-13 projected tobacco master settlement revenue.
10. Reduces \$22.5 million federal funds and 92.3 FTE reflected in the Long Bill for informational purposes only, including a reduction of \$18.2 million one-time federal funds for response efforts to the H1N1 virus.
11. Reduces \$670,000, including \$41,000 General Fund for the 1.0 percent personal services base reduction to certain line items.
12. Reduces \$520,000 total funds and 5.0 FTE for personal services funded with Amendment 35 tobacco tax moneys related to Department efficiencies in managing Amendment 35 tobacco tax grant dollars. The associated Grants line items are increased by the amount of dollars saved in personal services.
13. Reduces \$329,000 cash funds based on projected FY 2012-13 Amendment 35 tobacco tax revenue.

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, and purchasing. The appropriations for this subdivision include the moneys for centrally-appropriated personal services, and is primarily funded with reappropriated funds from departmental 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 that occur in different racial and ethnic groups across Colorado. The Office is funded by 2.4 percent of the Amendment 35 Tobacco Tax revenue, and a small amount of General Fund.

(C) LOCAL PUBLIC HEALTH PLANNING AND SUPPORT

The Department 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. This subdivision is funded primarily with General Fund and cash funds from the Public Health Services Support Fund.

Administration and Support						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$47,453,686	\$7,573,238	\$12,964,479	\$20,782,487	\$6,133,482	90.7
SB 11-076	(156,904)	(5,673)	(13,772)	(119,652)	(17,807)	0.0
SB 11-211	(3,286,351)	0	0	(3,286,351)	0	(2.0)
HB 12-1034	700,000	0	700,000	0	0	0.0
SB 12-1194	<u>1,500,397</u>	<u>0</u>	<u>1,382,494</u>	<u>119,634</u>	<u>(1,731)</u>	<u>0.0</u>
TOTAL	\$46,210,828	\$7,567,565	\$15,033,201	\$17,496,118	\$6,113,944	88.7
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$46,210,828	\$7,567,565	\$15,033,201	\$17,496,118	\$6,113,944	88.7
Annualize S.B. 11-211 tobacco revenues offset medical services	3,286,351	0	0	3,286,351	0	2.0
Centrally appropriated line items	3,002,958	44,607	737,766	764,195	1,456,390	0.0
Restore state PERA contribution	156,904	5,673	13,772	119,652	17,807	0.0

Administration and Support						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Transfer Special Environmental Programs to the Division of Environmental Health and Sustainability	(8,047,585)	(99,538)	(7,253,761)	0	(694,286)	(14.9)
Informational funds and FTE adjustments	(6,462,282)	0	0	0	(6,462,282)	(3.1)
Eliminate one-time H.B. 12-1034 funds	(700,000)	0	(700,000)	0	0	0.0
Amendment 35 tobacco tax revenue adjustment	(311,649)	0	0	(311,649)	0	0.0
Adjustment to the Retirements line item	(199,227)	0	0	(199,227)	0	0.0
Personal services reduction funded with tobacco tax	(135,219)	0	0	(135,219)	0	(2.0)
Indirect cost assessment	(123,811)	0	(100,000)	(27,759)	3,948	0.0
Tobacco settlement revenue adjustment	(86,074)	0	(89,074)	3,000	0	0.0
Annualize prior year budget actions	(75,903)	0	0	(77,634)	1,731	0.0
Personal services base reduction	(45,057)	0	0	(44,836)	(221)	0.0
Transfer Communication Services line item to Information Technology Services subdivision	(6,898)	0	0	(6,898)	0	0.0
HB 12-1335	\$36,463,336	\$7,518,307	\$7,641,904	\$20,866,094	\$437,031	70.7
HB 12-1246	\$6,885	\$6,885	\$0	\$0	\$0	0.0
HB 12-1283	<u>(19,060)</u>	<u>(19,060)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$36,451,161	\$7,506,132	\$7,641,904	\$20,866,094	\$437,031	70.7
Increase/(Decrease)	(\$9,759,667)	(\$61,433)	(\$7,391,297)	\$3,369,976	(\$5,676,913)	(18.0)
Percentage Change	(21.1)%	(0.8)%	(49.2)%	19.3%	(92.9)%	(20.3)%

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1194 modified FY 2011-12 appropriations to:

- Add \$1,282,494 cash funds to the Waste Tire Program to enable the Program to spend available revenue;
- Add \$142,000 total funds for indirect cost adjustments;
- Add \$77,127 reappropriated funds for increased leased space expenses; and
- Reduce \$1,224 for common policy adjustments.

For information on H.B. 12-1034, see the "Recent Legislation" section at the end of this department.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Annualize S.B. 11-211 tobacco revenues offset medical services: The appropriation includes an increase related to the expiration of S.B. 11-211, which transferred Amendment 35 tobacco tax revenue to the

Department of Health Care Policy and Financing to offset General Fund used for medical services for FY 2011-12.

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 Associations pension fund; shift differential; vehicle lease payments; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; and Capitol complex leased space.

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employee's Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Transfer Special Environmental Programs to the Division of Environmental Health and Sustainability: The appropriation includes the transfer of the Special Environmental Programs including: Animal Feeding Operations, Recycling Resources Economic Opportunity, Oil and Gas Consultation, and Waste Tire Programs.

Informational funds and FTE adjustments: The appropriation includes a decrease of \$6,462,282 federal funds and 3.1 FTE reflected in the Long Bill for informational purposes only. The decrease includes a total reduction of \$6,458,349 federal funds to the following line items: Health, Life, and Dental, Short-term Disability, and the two state pension contribution line items.

Eliminate one-time H.B. 12-1034 funds: The appropriation includes a reduction of \$700,000 one-time cash funds from the Processors and End Users Fund provided to the Waste Tire Program pursuant to H.B. 12-1034 for FY 2011-12.

Amendment 35 tobacco tax revenue adjustment: The appropriation includes a reduction based on the FY 2012-13 Amendment 35 tobacco tax revenue projection.

Adjustment to Retirements line item: The appropriation includes a reduction to the retirements line item to reflect anticipated retirement pay-outs to federally funded employees.

Personal services reduction funded with tobacco tax: The appropriation includes a reduction of \$135,219 reappropriated funds and 2.0 FTE funded with Amendment 35 tobacco tax dollars related to Department efficiencies in managing Amendment 35 tobacco tax grant dollars. The amount of available moneys for Health Disparities Grants is increased by a like amount.

Indirect cost assessment: The appropriation includes a net decrease in indirect cost assessments.

Tobacco settlement revenue adjustment: The appropriation includes a reduction of \$89,074 cash funds, and an increase of \$3,000 reappropriated funds related to the FY 2012-13 Tobacco Master Settlement revenue projection.

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

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services line items.

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 four subdivisions: Health Statistics and Vital Records, Medical Marijuana Registry, Information Technology Services, and Indirect Cost Assessment.

(A) HEALTH STATISTICS AND VITAL RECORDS

This subdivision is responsible for the maintenance of Colorado birth, death, marriage, divorce, and other vital records and issues 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. Staff provide education training 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.

(B) MEDICAL MARIJUANA REGISTRY

The Department is required to administer the Medical Marijuana Registry, which 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.

(C) INFORMATION TECHNOLOGY SERVICES

This subdivision contains the centrally appropriated information technology line items for services provided the Governor's Office of Information Technology to the Department. This subdivision is primarily funded by departmental indirect cost recoveries and federal funds.

Center for Health and Environmental Information						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$14,378,149	\$288,040	\$5,986,143	\$3,361,162	\$4,742,804	70.2
SB 11-076	(79,983)	0	(39,812)	(12,157)	(28,014)	0.0
SB 11-211	(40,000)	0	(40,000)	0	0	0.0
HB 12-1194	<u>433,000</u>	<u>(4,792)</u>	<u>473,562</u>	<u>650,936</u>	<u>(686,706)</u>	<u>0.0</u>
TOTAL	\$14,691,166	\$283,248	\$6,379,893	\$3,999,941	\$4,028,084	70.2
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$14,691,166	\$283,248	\$6,379,893	\$3,999,941	\$4,028,084	70.2
COFRS Modernization	699,370	0	0	699,370	0	0.0
Informational funds and FTE adjustments	109,581	0	0	0	109,581	(7.1)

Center for Health and Environmental Information						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Restore state PERA contribution	79,983	0	39,812	12,157	28,014	0.0
CCIC system interface upgrade	46,800	0	46,800	0	0	0.0
Annualize S.B. 11-211 tobacco revenues offset medical services	40,000	0	40,000	0	0	0.0
Transfer of Communication Services line item from Administrative subdivision	6,898	0	0	6,898	0	0.0
Medical Marijuana Registry FTE adjustment	0	0	0	0	0	23.0
Indirect cost assessment	(317,811)	0	(177,242)	3,691	(144,260)	0.0
Statewide IT common policy adjustments	(284,307)	9,596	62,564	(259,597)	(96,870)	0.0
Sunset transfer of Medical Marijuana Fund dollars to the Department of Regulatory Agencies	(121,766)	0	(121,766)	0	0	0.0
IT personal services funding adjustment	(92,770)	9,355	(158,810)	0	56,685	1.3
Personal services base reduction	(26,772)	0	(15,544)	(23)	(11,205)	0.0
Operating adjustment	(4,338)	0	(4,338)	0	0	0.0
HB 12-1335	\$14,826,034	\$302,199	\$6,091,369	\$4,462,437	\$3,970,029	87.4
HB 12-1041	<u>743,940</u>	<u>0</u>	<u>743,940</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$15,569,974	\$302,199	\$6,835,309	\$4,462,437	\$3,970,029	87.4
Increase/(Decrease)	\$878,808	\$18,951	\$455,416	\$462,496	(\$58,055)	17.2
Percentage Change	6.0%	6.7%	7.1%	11.6%	(1.4)%	24.5%

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1194 modified FY 2011-12 appropriations to correct the fund split of the information technology centrally appropriated line items.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

COFRS Modernization: The appropriation includes an increase to fund the first two phases of a five-phase project to replace the statewide accounting system (COFRS) used by the Office of the State Controller to record all state revenues and expenditures.

Informational funds and FTE adjustments: The appropriation includes an increase of \$109,581 federal funds and a reduction of 7.1 FTE reflected in the Long Bill for informational purposes only.

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employee's Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

CCIC system interface upgrade: The appropriation includes an increase of \$46,800 cash funds transferred to the Department of Public Safety for upgrades to the Colorado Crime Information Center (CCIC) system to enable law enforcement to verify state licensing requirements under the Medical Marijuana Code.

Annualize S.B. 11-211 tobacco revenues offset medical services: The appropriation includes an increase related to the expiration of S.B. 11-211, which transferred Amendment 35 tobacco tax revenue to the Department of Health Care Policy and Financing to offset General Fund used for medical services for FY 2011-12.

Medical Marijuana Registry FTE adjustment: The appropriation includes an FTE increase to convert temporary staff working on the Medical Marijuana Registry to permanent staff.

Indirect cost assessment: The appropriation includes a net decrease in indirect cost assessments.

Statewide IT common policy adjustments: The appropriation includes adjustments to line items appropriated for: purchase of services from the computer center; multiuse network payments; management and administration of the Governor's Office of Information Technology (OIT); and communication services payments.

Sunset transfer of Medical Marijuana Fund dollars to the Department of Regulatory Agencies: The appropriation includes a reduction of \$121,766 cash funds from the Medical Marijuana Program Fund pursuant to Section 25-1.5-106 (7) (II), C.R.S., which allows these funds to be used by the Board of Medical Examiners for expenses related to investigations of physicians alleged to have issued invalid medical marijuana registry cards.

IT personal services funding adjustment: The appropriation includes an adjustment to correct billing errors made when information technology (IT) personnel were transferred to the Governor's Office of Information Technology. This is a net-zero dollar adjustment that includes an increase of 2.0 FTE.

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services line items.

Operating adjustment: The appropriation includes a decrease of \$4,338 cash funds to reduce operating expenses of the Medical Marijuana Registry.

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

Laboratory Services

This division is comprised of three subdivisions: Director's Office, Chemistry and Microbiology, and Certification. 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.

(A) DIRECTOR'S OFFICE

This subdivision provides managerial and administrative support for the other division programs.

(B) CHEMISTRY AND MICROBIOLOGY

This subdivision performs the following activities: analysis of blood and tissue specimens, testing for newborn genetic disorders, diagnostic testing for bacterial diseases, analysis for disease outbreaks, and water and environmental testing.

(C) CERTIFICATION

This subdivision certifies private medical laboratories, state and local law enforcement breath-alcohol testing devices (intoxilyzers), and environmental laboratories, including water testing laboratories, and on-site dairy laboratories.

Laboratory Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$11,286,604	\$1,065,353	\$7,634,288	\$234,475	\$2,352,488	79.2
SB 11-076	(107,378)	(16,385)	(57,310)	(5,046)	(28,637)	0.0
HB 12-1194	<u>1,275,000</u>	<u>0</u>	<u>(184,027)</u>	<u>1,204,500</u>	<u>254,527</u>	<u>0.0</u>
TOTAL	\$12,454,226	\$1,048,968	\$7,392,951	\$1,433,929	\$2,578,378	79.2
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$12,454,226	\$1,048,968	\$7,392,951	\$1,433,929	\$2,578,378	79.2
Information funds and FTE adjustments	967,988	0	0	0	967,988	(10.4)
Restore state PERA contribution	107,378	16,385	57,310	5,046	28,637	0.0
Annualize prior year budget actions	(1,202,357)	0	(2,357)	(1,200,000)	0	0.0
Personal services base reduction	(41,765)	(6,960)	(22,409)	(847)	(11,549)	0.0
Indirect cost assessment	(36,587)	0	84,079	(4,500)	(116,166)	0.0
HB 12-1335	<u>\$12,248,883</u>	<u>\$1,058,393</u>	<u>\$7,509,574</u>	<u>\$233,628</u>	<u>\$3,447,288</u>	<u>68.8</u>
TOTAL	\$12,248,883	\$1,058,393	\$7,509,574	\$233,628	\$3,447,288	68.8
Increase/(Decrease)	(\$205,343)	\$9,425	\$116,623	(\$1,200,301)	\$868,910	(10.4)
Percentage Change	(1.6)%	0.9%	1.6%	(83.7)%	33.7%	(13.1)%

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1194 modified FY 2011-12 appropriations to:

- add \$1.2 million reappropriated funds from the Department of Public Safety for the purchase and certification of new intoxilyzers; and
- add \$75,000 total funds for indirect cost assessment adjustments.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Informational funds and FTE adjustments: The appropriation includes an increase of \$967,988 federal funds and a reduction of 10.4 FTE reflected in the Long Bill for informational purposes only.

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employee's Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Annualize prior year budget actions: The appropriation includes the elimination of one-time reappropriated funds from the Department of Public Safety for the purchase and calibration of intoxilyzers in FY 2011-12. It also includes a reduction of \$2,357 cash funds for one-time operating expenses related to the addition of two newborn screening tests added in FY 2011-12.

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services line items.

Indirect cost assessment: The appropriation includes a net decrease in indirect cost assessments.

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

This subdivision provides administrative support to the Air Quality Control Commission, and manages the implementation of various air programs.

(B) TECHNICAL SERVICES

This subdivision houses the following three programs that focus on monitoring and analysis of Colorado's air quality: Air Quality Monitoring; Modeling and Analysis; and Visibility and Risk Assessment.

(C) MOBILE SOURCES

This subdivision houses two programs: the Research and Support Program and the Inspection and Maintenance Program. The Research and Support Program contains three subprograms: (1) the High Altitude Testing Program, (2) the Oxygenated Fuel Program, and (3) the Clean Fuel Fleet 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 is required when registering, renewing registrations, or selling vehicles within the program areas along Colorado's Front Range.

(D) STATIONARY SOURCES

This subdivision is responsible for controlling and reducing air pollutants from stationary sources (i.e., factories, power plants, wood stoves, etc.) through permitting, monitoring and inspections. The subdivision houses the following three programs: Inventory and Support Services Program, Permits and Compliance Assurance Program, and Hazardous and Toxic Control Program

Air Pollution Control Division						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$18,308,779	\$0	\$15,246,838	\$0	\$3,061,941	161.1
SB 11-076	(279,454)	0	(238,678)	0	(40,776)	0.0
SB 11-235	194,377	0	194,377	0	0	0.2
HB 12-1194	<u>50,000</u>	<u>0</u>	<u>50,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$18,273,702	\$0	\$15,252,537	\$0	\$3,021,165	161.3
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$18,273,702	\$0	\$15,252,537	\$0	\$3,021,165	161.3
Funding for oil and gas regulation resources	977,286	0	977,286	0	0	13.0
Information funds and FTE adjustments	783,659	0	32,298	0	751,361	(8.0)
IT personal services funding adjustments	291,057	0	213,946	0	77,111	3.1
Restore state PERA contribution	279,454	0	238,678	0	40,776	0.0
Indirect cost assessment	60,712	0	(9,288)	0	70,000	0.0
Personal services base reduction	(111,900)	0	(89,868)	0	(22,032)	0.0
Annualize prior year legislation	(941)	0	(941)	0	0	0.0
HB 12-1335	<u>\$20,553,029</u>	<u>\$0</u>	<u>\$16,614,648</u>	<u>\$0</u>	<u>\$3,938,381</u>	<u>169.4</u>
TOTAL	\$20,553,029	\$0	\$16,614,648	\$0	\$3,938,381	169.4
Increase/(Decrease)	\$2,279,327	\$0	\$1,362,111	\$0	\$917,216	8.1
Percentage Change	12.5%	n/a	8.9%	n/a	30.4%	5.0%

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1194 modified FY 2011-12 appropriations to add \$50,000 cash funds for indirect cost assessment adjustments.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Funding for oil and gas regulation resources: The appropriation includes an increase of \$977,286 cash funds and 13.0 FTE for additional resources to process oil and gas air pollution permit applications and conduct inspections of oil and gas wells for compliance with safety and emissions standards.

Informational funds and FTE adjustments: The appropriation includes an increase of \$751,361 federal funds and \$32,298 cash funds, and a reduction of 8.0 FTE shown in the Long Bill for informational purposes only.

IT personal services funding adjustment: The appropriation includes an adjustment to correct billing errors made when information technology (IT) personnel were transferred to the Governor's Office of Information Technology. This is a net-zero dollar adjustment that includes an increase of 2.0 FTE.

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employee's Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Indirect cost assessment: The appropriation includes a net increase in indirect cost assessments.

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services line items.

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

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, and reappropriated funds from the Department of Agriculture for groundwater protection.

(A) ADMINISTRATION

This subdivision provides management and support staff for the Water Quality Control Commission, clerical support for other subdivisions, as needed, 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 PROGRAM

This subdivision is comprised of the Watershed Assessment, Outreach, and Assistance Program which houses three sections: monitoring, assessment, and outreach. The subdivision also includes the Permitting and Compliance Assurance Program which is responsible for issuing discharge permits, monitoring compliance with permits, conducting inspections, providing technical assistance, and as necessary, pursuing enforcement actions.

(C) DRINKING WATER PROGRAM

The 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 2011-12 Appropriation:						
SB 11-209	\$20,027,043	\$2,549,094	\$5,131,853	\$40,048	\$12,306,048	155.3
SB 11-076	(273,985)	(42,932)	(84,233)	(702)	(146,118)	0.0
HB 11-1026	99,436	0	99,436	0	0	0.6
HB 12-1194	<u>50,000</u>	<u>0</u>	<u>50,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$19,902,494	\$2,506,162	\$5,197,056	\$39,346	\$12,159,930	155.9
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$19,902,494	\$2,506,162	\$5,197,056	\$39,346	\$12,159,930	155.9
Informational funds and FTE adjustments	2,051,640	0	0	0	2,051,640	2.3
Restore state PERA contribution	273,985	42,932	84,233	702	146,118	0.0
IT personal services funding adjustment	13,796	0	0	0	13,796	0.2
Annualize prior year legislation	6,593	0	6,593	0	0	0.1
Personal services base reduction	(111,443)	(12,628)	(36,681)	(375)	(61,759)	0.0
Indirect cost assessment	(13,347)	0	(100,000)	0	86,653	0.0
HB 12-1335	\$22,123,718	\$2,536,466	\$5,151,201	\$39,673	\$14,396,378	158.5
HB 12-1126	<u>8,530</u>	<u>0</u>	<u>8,530</u>	<u>0</u>	<u>0</u>	<u>0.1</u>
TOTAL	\$22,132,248	\$2,536,466	\$5,159,731	\$39,673	\$14,396,378	158.6
Increase/(Decrease)	\$2,229,754	\$30,304	(\$37,325)	\$327	\$2,236,448	2.7
Percentage Change	11.2%	1.2%	(0.7)%	0.8%	18.4%	1.7%

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1194 modified FY 2011-12 appropriations to add \$50,000 total funds for an adjustment to indirect cost assessments.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Informational funds and FTE adjustments: The appropriation includes an increase of \$2,051,640 federal funds and 2.3 FTE reflected in the Long Bill for informational purposes only.

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employee's Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

IT personal services funding adjustment: The appropriation includes an adjustment to correct billing errors made when information technology (IT) personnel were transferred to the Governor's Office of Information Technology. This is a net-zero dollar adjustment that includes an increase of 2.0 FTE.

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

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services line items.

Indirect cost assessment: The appropriation includes a net decrease in indirect cost assessments.

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 five subdivisions: Administration, Hazardous Waste Control Program, Solid Waste Control Program, Contaminated Site Cleanups and Remediation Programs, and Radiation Management.

(A) ADMINISTRATION

This Office provides division-wide administrative and management support services. The primary source of funding is various division cash funds, reappropriated funds from the Local Governmental Severance Tax Fund, and federal funds.

(B) HAZARDOUS WASTE CONTROL PROGRAM

This subdivision has four primary responsibilities: permitting, compliance assurance, corrective action, and compliance assistance. This subdivision 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 subdivision is from the Hazardous Waste Service Cash Fund and federal funds.

(C) SOLID WASTE CONTROL PROGRAM

This subdivision 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, medical waste facilities, and scrap tire haulers and disposal facilities. This subdivision is also responsible for the Waste Tire Management Program which is responsible for enforcing rules governing waste tire disposal and use. Funding for this subdivision is from cash funds, including the Solid Waste Management Fund, Waste Tire Prevention Fund, and Waste Tire Cleanup Fund.

(D) CONTAMINATED SITE CLEANUPS AND REMEDIATION PROGRAMS

This subdivision contains four programs outlined below, and is funded primarily from the Hazardous Substance Response Fund and federal funds.

- Superfund Program which 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. Funding for cleanup of the Rocky Mountain Arsenal superfund site is included in this program.

- The Contaminated Site Cleanups Program which works to facilitate the cleanup of contaminated sites that have not been designated as superfund sites.
- Provision of Compensation and Liability Act (CERCLA) technical support to the Department of Law.
- The Uranium Mill Tailings Remedial Action Program, which 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

This subdivision 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 low-level radioactive waste producers by ensuring proper and economically sound disposal. Funding for this subdivision is primarily from the Radiation Control Fund and federal funds.

Hazardous Materials and Waste Management Division						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	20,628,524	\$0	\$13,123,551	\$266,141	\$7,238,832	134.6
SB 11-076	(206,500)	0	(123,901)	(3,764)	(78,835)	0.0
HB 12-1194	<u>509,429</u>	<u>0</u>	<u>345,558</u>	<u>0</u>	<u>163,871</u>	<u>0.0</u>
TOTAL	\$20,931,453	\$0	\$13,345,208	\$262,377	\$7,323,868	134.6
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$20,931,453	\$0	\$13,345,208	\$262,377	\$7,323,868	134.6
Funding for the Solid Waste Program	446,382	0	446,382	0	0	6.2
Restore state PERA contribution	198,553	0	115,954	3,764	78,835	0.0
Informational funds and FTE adjustments	172,203	0	0	0	172,203	(28.0)
Adjustment to funds transferred to the Department of Law	63,831	0	63,831	0	0	0.0
Second year of funding for uranium mill projects	51,000	0	51,000	0	0	0.0
Legal services reduction	(293,373)	0	(183,587)	(150)	(109,636)	0.0
Personal services base reduction	(112,407)	0	(70,521)	0	(41,886)	0.0
IT personal services funding adjustment	(109,182)	0	(55,136)	0	(54,046)	(1.0)
Indirect cost assessment	(57,750)	0	72,121	14,000	(143,871)	0.0
HB 12-1335	\$21,290,710	\$0	\$13,785,252	\$279,991	\$7,225,467	111.8

Hazardous Materials and Waste Management Division						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 12-1099	<u>25,000</u>	<u>0</u>	<u>25,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	\$21,315,710	\$0	\$13,810,252	\$279,991	\$7,225,467	111.8
Increase/(Decrease)	\$384,257	\$0	\$465,044	\$17,614	(\$98,401)	(22.8)
Percentage Change	1.8%	n/a	3.5%	6.7%	(1.3)%	(16.9)%

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1194 modified FY 2011-12 appropriations to:

- Add \$361,500 cash funds for the decommissioning of one uranium mill and the development of another; and
- Add \$147,929 total funds for an adjustment to indirect cost assessments.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Funding for the Solid Waste Program: The appropriation includes an increase of \$446,382 cash funds and 6.2 FTE for additional funding to regulate, inspect and ensure safety compliance of solid waste facilities including: landfills, compost sites, and medical waste facilities.

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employee's Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Informational funds and FTE adjustments: The appropriation includes an increase of \$172,203 federal funds and a reduction of 28.0 FTE reflected in the Long Bill for informational purposes only.

Adjustment to funds transferred to the Department of Law: The appropriation includes a cash funds increase for funds transferred to the Department of Law for work related to contaminated site maintenance and cleanup.

Second year of funding for uranium mill projects: The appropriation includes an increase of \$51,000 cash funds for the second year of permitting and inspecting the building of the new Energy Fuels uranium mill and the decommissioning of the Cotter Corporation uranium mill.

Legal services reduction: The appropriation includes a reduction of 3,923 legal service hours and the associated dollar amount reduction.

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services line items.

IT personal services funding adjustment: The appropriation includes an adjustment to correct billing errors made when information technology (IT) personnel were transferred to the Governor's Office of Information Technology. This is a net-zero dollar adjustment that includes an increase of 2.0 FTE.

Indirect cost assessment: The appropriation includes a net decrease in indirect cost assessments.

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

Division of Environmental Health and Sustainability

This 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, and is funded with General Fund, cash funds from inspection fees, and federal funds.

- 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.
- Four environmental sustainability programs including: Waste Tire Program, Recycling Resources Program Economic Opportunity Program, and the Animal Feeding Operations Program.
- 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 2011-12 Appropriation:						
SB 11-209	\$2,722,581	\$1,165,891	\$1,125,487	\$89,860	\$341,343	30.5
SB 11-076	(44,458)	(22,778)	(13,714)	(1,846)	(6,120)	0.0
HB 12-1194	<u>43,249</u>	<u>0</u>	<u>5,000</u>	<u>0</u>	<u>38,249</u>	<u>0.0</u>
TOTAL	\$2,721,372	\$1,143,113	\$1,116,773	\$88,014	\$373,472	30.5
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$2,721,372	\$1,143,113	\$1,116,773	\$88,014	\$373,472	30.5
Transfer Special Environmental Programs	8,019,969	99,538	7,239,989	0	680,442	14.9
Indirect cost assessment	723,773	0	447,084	0	276,689	0.0
Informational funds and FTE adjustments	649,453	0	0	0	649,453	(1.3)
Waste Tire Program revenue adjustment	485,979	0	485,979	0	0	0.0
Restore state PERA contribution	72,074	22,778	27,486	1,846	19,964	0.0
Personal services base reduction	(23,169)	(11,491)	(6,919)	(931)	(3,828)	0.0
HB 12-1335	<u>\$12,649,451</u>	<u>\$1,253,938</u>	<u>\$9,310,392</u>	<u>\$88,929</u>	<u>\$1,996,192</u>	<u>44.1</u>
TOTAL	\$12,649,451	\$1,253,938	\$9,310,392	\$88,929	\$1,996,192	44.1
Increase/(Decrease)	\$9,928,079	\$110,825	\$8,193,619	\$915	\$1,622,720	13.6
Percentage Change	364.8%	9.7%	733.7%	1.0%	434.5%	44.6%

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1194 modified FY 2011-12 appropriations to add \$43,249 total funds for an adjustment to indirect cost assessments.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Transfer Special Environmental Programs: The appropriation includes the transfer of the Special Environmental Programs including: Animal Feeding Operations, Recycling Resources Economic Opportunity, Oil and Gas Consultation, and Waste Tire Programs from the Administration and Support Division.

Indirect cost assessment: The appropriation includes a net increase in indirect cost assessments.

Informational funds and FTE adjustments: The appropriation includes an increase of 649,453 federal funds and a reduction of 1.3 FTE reflected in the Long Bill for informational purposes only.

Waste Tire Program revenue adjustment: The appropriation includes an increase of \$485,979 cash funds from the Processors and End Users Fund to reflect anticipated revenues in FY 2012-13.

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employee's Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

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

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services line items.

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

This subdivision 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 components:

- The Immunization Outreach Program which provides free immunization clinics around the state.
- The Colorado Immunization Information System collects and stores a child's immunization records, which enables 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 are not over-immunized. The system can also send reminders to parents of children who are not up-to-date on their immunizations.
- Provision of grants to local public health agencies for the operation of immunization clinics.

(B) SPECIAL PURPOSE DISEASE CONTROL PROGRAMS

This subdivision is responsible for disease control programs which work to control and prevent certain communicable diseases including: sexually transmitted infections; HIV and AIDS; and tuberculosis.

(C) ENVIRONMENTAL EPIDEMIOLOGY

This subdivision is responsible for the Birth Defects Monitoring and Prevention Program, which identifies children up to age three who have birth defects, developmental disabilities, or risks of developmental delay. Once a child is identified as eligible for the program, they are referred to a community provider of early intervention services, with the goal of reducing and/or preventing secondary disabilities.

Disease Control and Environmental Epidemiology Division

	Total Funds	General Fund/1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$52,972,986	\$5,490,166	\$6,280,277	\$304,141	\$40,898,402	155.0
SB 11-076	(263,993)	(31,910)	(3,879)	(15,725)	(212,479)	0.0
HB 12-1194	<u>(210,271)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(210,271)</u>	<u>0.0</u>
TOTAL	\$52,498,722	\$5,458,256	\$6,276,398	\$288,416	\$40,475,652	155.0

FY 2012-13 Appropriation:

FY 2011-12 Appropriation	\$52,498,722	\$5,458,256	\$6,276,398	\$288,416	\$40,475,652	155.0
Tobacco settlement revenue adjustment	278,179	0	278,179	0	0	0.0
Restore state PERA contribution	263,993	31,910	3,879	15,725	212,479	0.0
Amendment 35 tobacco tax revenue adjustment	231,065	(4,500)	235,565	0	0	0.0
Indirect cost assessment	214,380	0	(13,177)	0	227,557	0.0
Operating adjustment	70,000	70,000	0	0	0	0.0
IT personal services funding adjustment	11,052	0	0	0	11,052	0.1
Informational funds and FTE adjustments	(2,664,096)	0	0	0	(2,664,096)	(10.1)
Eliminate reappropriated funds	(304,141)	0	0	(304,141)	0	0.0
Personal services base reduction	(53,707)	(6,353)	(677)	0	(46,677)	0.0
HB 12-1335	<u>\$50,545,447</u>	<u>\$5,549,313</u>	<u>\$6,780,167</u>	<u>\$0</u>	<u>\$38,215,967</u>	<u>145.0</u>
TOTAL	\$50,545,447	\$5,549,313	\$6,780,167	\$0	\$38,215,967	145.0

Increase/(Decrease)	(\$1,953,275)	\$91,057	\$503,769	(\$288,416)	(\$2,259,685)	(10.0)
Percentage Change	(3.7)%	1.7%	8.0%	(100.0)%	(5.6)%	(6.5)%

/1 The following table includes General Fund Exempt and amounts exempt from the statutory limit on state General Fund appropriations of Section 24-75-201.1, C.R.S.

General Fund Summary	Total General Fund	Non-exempt General Fund	General Fund Exempt/1
FY 2011-12 Appropriation	\$5,458,256	5,012,156	\$446,100
Amendment 35 tobacco tax revenue adjustment	<u>91,057</u>	<u>95,557</u>	<u>(4,500)</u>
FY 2012-13 Appropriation	\$5,549,313	\$5,107,713	\$441,600

/1 This amount is also exempt from the statutory limit on state General Fund appropriations of Section 24-75-201.1, C.R.S.

General Fund Exempt: Article X, Section 21 of the Colorado Constitution (Amendment 35) requires that a portion of the tobacco tax revenue collected pursuant to the amendment be appropriated to the General Fund

and then be appropriated from the General Fund to the Immunization Operating Expenses for immunizations by certain local public health agencies. Since Amendment 35 moneys are not subject to the limitation on state fiscal year spending imposed by the Taxpayer's Bill of Rights (TABOR), this immunization appropriation is classified as General Fund Exempt. The preceding table details the exempt and non-exempt General Fund appropriations for this division.

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1194 reduced \$210,271 federal funds for an adjustment to indirect cost assessments.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Tobacco settlement revenue adjustment: The appropriation includes an adjustment of cash funds based on the FY 2012-13 tobacco settlement revenue projection.

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employee's Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Amendment 35 tobacco tax revenue adjustment: The appropriation includes an increase of \$235,565 cash funds based on the FY 2012-13 Amendment 35 tobacco tax revenue projection.

Indirect cost assessment: The appropriation includes a net increase in indirect cost assessments.

Operating adjustment: The appropriation includes an increase of \$70,000 General Fund to restore the FY 2010-11 operating expenses reduction.

IT personal services funding adjustment: The appropriation includes an adjustment to correct billing errors made when information technology (IT) personnel were transferred to the Governor's Office of Information Technology. This is a net-zero dollar adjustment that includes an increase of 2.0 FTE.

Informational funds and FTE adjustments: The appropriation includes a reduction of \$2,664,096 federal funds and 10.1 FTE reflected in the Long Bill for informational purposes only.

Eliminate reappropriated funds: The appropriation includes a reduction of \$302,806 reappropriated funds from the Department of Human Services (DHS) because these funds are no longer transferred from DHS.

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services line items.

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

This subdivision provides administrative services to the other division programs. Funding is General Fund, various division cash funds, and federal funds.

(B) CHRONIC DISEASE PREVENTION PROGRAMS

These programs target the prevention of specific chronic diseases including: breast and cervical cancer, lung cancer, and cardiovascular and chronic pulmonary disease. It also includes oral health programs, and tobacco cessation, education, and prevention programs. Funding is cash funds from the tobacco settlement and tobacco tax revenue, and federal funds.

(C) PRIMARY CARE OFFICE

This 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 is cash funds from the tobacco settlement revenue and federal funds.

(D) FAMILY AND COMMUNITY HEALTH

This subdivision includes the following three program areas: (1) Women's Health Programs, (2) Children and Youth Programs, and (3) Injury, Suicide, and Violence Prevention Programs. Women's Health Programs include health services for low-income women, prenatal and postpartum services, counseling and education to low-income pregnant women and their newborns. Children and Youth Programs and include the children with special needs health care program, genetics counseling for children with possible genetic disorders, and school-based health centers. Injury, Suicide and Prevention Programs include: suicide and injury prevention programs, the Tony Grampsas Youth Services Program which works to reduce youth violence, and the Colorado Children's Trust. Funding for this subdivision includes General Fund, federal funds, and cash funds from the tobacco settlement revenue and the Nurse Home Visitor Cash Fund.

(E) NUTRITION SERVICES

This subdivision 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 the federal poverty level) women and children who are at-risk of poor nutritional options. 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 2011-12 Appropriation:						
SB 11-209	\$225,367,591	\$6,076,029	\$69,748,397	\$232,376	\$149,310,789	181.8
SB 11-076	(284,067)	(36,937)	(44,209)	(570)	(202,351)	0.0
SB 11-211	(29,673,649)	0	(29,673,649)	0	0	(3.0)
SB 11-224	(797,627)	0	(797,627)	0	0	0.0
HB 11-1281	250,000	0	250,000	0	0	0.5
HB 12-1194	50,000	0	50,000	0	0	0.0
HB 12-1202	<u>288,658</u>	<u>0</u>	<u>(288,658)</u>	<u>577,316</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$195,200,906	\$6,039,092	\$39,244,254	\$809,122	\$149,108,438	179.3

Prevention Services Division						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$195,200,906	\$6,039,092	\$39,244,254	\$809,122	\$149,108,438	179.3
Annualize S.B. 11-211 tobacco revenues offset medical services	29,673,649	0	29,673,649	0	0	3.0
Informational funds and FTE adjustments	461,997	0	305,656	0	156,341	1.9
Medicaid funding for the Quitline	398,077	0	(398,077)	796,154	0	0.0
Indirect cost assessment	346,088	0	(50,000)	122,347	273,741	0.0
Restore state PERA contribution	284,067	36,937	44,209	570	202,351	0.0
Tobacco settlement revenue adjustment	252,474	0	252,474	0	0	0.0
Suicide Prevention Program	100,000	100,000	0	0	0	0.0
Operating adjustment	28,638	28,638	0	0	0	0.0
Amendment 35 tobacco tax revenue adjustment	(366,089)	0	(366,089)	0	0	0.0
Reduction of personnel funded by tobacco tax	(350,000)	0	(350,000)	0	0	(3.0)
Eliminate reappropriated funds	(217,376)	0	0	(217,376)	0	(1.2)
IT personal services funding adjustment	(145,921)	(9,355)	0	0	(136,566)	(2.0)
Personal services base reduction	(27,814)	0	0	0	(27,814)	0.0
HB 12-1335	\$225,638,696	\$6,195,312	\$68,356,076	\$1,510,817	\$149,576,491	178.0
HB 12-1326	<u>3,022,800</u>	<u>3,022,800</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1.0</u>
TOTAL	\$228,661,496	\$9,218,112	\$68,356,076	\$1,510,817	\$149,576,491	179.0
Increase/(Decrease)	\$33,460,590	\$3,179,020	\$29,111,822	\$701,695	\$468,053	(0.3)
Percentage Change	17.1%	52.6%	74.2%	86.7%	0.3%	(0.2)%

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1194 modified FY 2011-12 appropriations to add \$50,000 cash funds for an adjustment to indirect cost assessments.

For information on H.B. 12-1202 see the "Recent Legislation" section at the end of this department.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Annualize S.B. 11-211 tobacco revenues offset medical services: The appropriation includes an increase related to the expiration of S.B. 11-211, which transferred Amendment 35 tobacco tax revenue to the

Department of Health Care Policy and Financing to offset General Fund used for medical services for FY 2011-12.

Informational funds and FTE adjustments: The appropriation includes an increase of \$305,656 cash funds, \$156,341 federal funds and 1.9 FTE reflected in the Long Bill for informational purposes only.

Medicaid funding for the Quitline: The appropriation includes an increase of \$796,154 Medicaid reappropriated funds and a reduction of \$398,077 cash funds to account for the use of the cash funds by the Department of Health Care Policy and Financing to draw down a federal fund match for Colorado Quitline expenses incurred in the treatment of Medicaid eligible clients.

Indirect cost assessment: The appropriation includes a net increase in indirect cost assessments.

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employee's Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Tobacco settlement revenue adjustment: The appropriation includes a reduction of cash funds based on the FY 2012-13 tobacco settlement revenue projection.

Suicide Prevention Program: The appropriation includes an increase of \$100,000 General Fund for the Suicide Prevention Program.

Operating adjustment: The appropriation includes an increase of \$28,638 General Fund to restore the FY 2010-11 operating expenses reduction.

Amendment 35 tobacco tax revenue adjustment: The appropriation includes a reduction of cash funds based on the FY 2012-13 Amendment 35 tobacco tax revenue projection.

Reduction of personnel funded by tobacco tax: The appropriation includes a reduction of \$350,000 reappropriated funds and 3.0 FTE funded with Amendment 35 tobacco tax dollars related to Department efficiencies in managing Amendment 35 tobacco tax grant dollars. The amount of available dollars for the associated Grants line items are increased by a like amount.

Eliminate reappropriated funds: The appropriation includes a reduction of \$217,376 reappropriated funds and 1.2 FTE reappropriated funds from the Department of Human Services (DHS) because these funds are no longer transferred from DHS.

IT personal services funding adjustment: The appropriation includes an adjustment to correct billing errors made when information technology (IT) personnel were transferred to the Governor's Office of Information Technology. This is a net-zero dollar adjustment that includes an increase of 2.0 FTE.

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services line items.

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 is comprised of two divisions: Licensure and Emergency Medical Services.

(A) LICENSURE

This subdivision licenses, certifies, and inspects a variety of different types of health facilities in an effort to assure that patients and residents receive quality care, by focusing on education, inspection, investigation of complaints, and enforcement. It is responsible for establishing and enforcing standards for emergency medical services. Funding for this subdivision is from fees paid by licenses and Medicaid reappropriated funds from the Department of Health Care Policy and Financing.

(B) EMERGENCY MEDICAL SERVICES

This subdivision certifies and regulates emergency medical services providers, licences air ambulance agencies, administers grants, and coordinates the designation of trauma centers. Funding for this subdivision is primarily cash funds from the Emergency Medical Services Account of the Highway Users Tax Fund.

Health Facilities and Emergency Medical Services Division						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$26,127,581	\$1,683,068	\$15,012,908	\$4,421,864	\$5,009,741	171.6
SB 11-076	(221,390)	(3,983)	(62,710)	(79,170)	(75,527)	0.0
HB 11-1101	(24,581)	0	(24,581)	0	0	(0.4)
HB 11-1323	(529)	0	(529)	0	0	0.0
HB 12-1194	<u>323,047</u>	<u>0</u>	<u>106,000</u>	<u>217,047</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$26,204,128	\$1,679,085	\$15,031,088	\$4,559,741	\$4,934,214	171.2
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$26,204,128	\$1,679,085	\$15,031,088	\$4,559,741	\$4,934,214	171.2
Restore state PERA contribution	221,390	3,983	62,710	79,170	75,527	0.0
Indirect cost assessment	187,586	0	64,000	(1,866)	125,452	0.0
Informational funds and FTE adjustments	151,033	0	0	0	151,033	(21.4)
Cash funds adjustment	(180,058)	0	(180,058)	0	0	0.0
Personal services base reduction	(89,966)	(1,649)	(23,003)	(34,051)	(31,263)	0.0
Medicaid rate adjustment	(32,248)	0	0	(32,248)	0	0.0
HB 12-1335	\$26,461,865	\$1,681,419	\$14,954,737	\$4,570,746	\$5,254,963	149.8
HB 12-1294	<u>183,730</u>	<u>0</u>	<u>183,730</u>	<u>0</u>	<u>0</u>	<u>2.4</u>
TOTAL	\$26,645,595	\$1,681,419	\$15,138,467	\$4,570,746	\$5,254,963	152.2

Health Facilities and Emergency Medical Services Division

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Increase/(Decrease)	\$441,467	\$2,334	\$107,379	\$11,005	\$320,749	(19.0)
Percentage Change	1.7%	0.1%	0.7%	0.2%	6.5%	(11.1)%

Note: The reappropriated funds reflected in the above table are Medicaid reappropriated funds transferred from the Department of Health Care Policy and Financing (HCPF). Medicaid funds originate as General Fund and federal funds in HCPF, and are shown as reappropriated funds in this Department.

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1194 modified FY 2011-12 appropriations to:

- add \$198,047 reappropriated funds to adjust the Medicaid funds match rate for health facilities inspections of Medicaid eligible facilities; and
- add \$125,000 total funds for an adjustment to indirect cost assessments.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employee's Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Indirect cost assessment: The appropriation includes a net increase in indirect cost assessments.

Informational funds and FTE adjustments: The appropriation includes an increase of \$151,033 federal funds and a reduction of 21.4 FTE reflected in the Long Bill for informational purposes only.

Cash funds adjustment: The appropriation includes a reduction of \$180,058 cash funds to account for recent actual expenditures.

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services line items.

Medicaid rate adjustment: The appropriation includes a reduction of Medicaid reappropriated funds for the inspection and certification of the health facilities of Medicaid providers.

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

Emergency Preparedness and Response Division

This division helps responders prepare for a wide variety of man-made and natural disasters, including floods, wildfires, tornados, infectious disease epidemics, food and water borne disease outbreaks, and terrorist attacks. The Division coordinates a statewide network of laboratories, agencies, hospitals, and other resources. Approximately half of the appropriation is redistributed to local public health agencies and hospitals to support

emergency preparedness activities statewide. The division is funded by General Fund and matching federal funds.

Emergency Preparedness and Response Division						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$38,315,787	\$1,750,095	\$0	\$0	\$36,565,692	35.0
SB 11-076	(57,408)	(2,148)	0	0	(55,260)	0.0
HB 12-1194	<u>(441,349)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(441,349)</u>	<u>0.0</u>
TOTAL	\$37,817,030	\$1,747,947	\$0	\$0	\$36,069,083	35.0
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$37,817,030	\$1,747,947	\$0	\$0	\$36,069,083	35.0
Restore state PERA contribution	57,408	2,148	0	0	55,260	0.0
IT personal services funding adjustment	31,968	0	0	0	31,968	0.3
Informational funds and FTE adjustments	(18,253,828)	0	0	0	(18,253,828)	2.8
Indirect cost assessment	(169,154)	0	0	0	(169,154)	0.0
Personal services base reduction	(26,242)	(2,287)	0	0	(23,955)	0.0
HB 12-1335	\$19,457,182	\$1,747,808	\$0	\$0	\$17,709,374	38.1
HB 12-1283	<u>(128,669)</u>	<u>(128,669)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(2.0)</u>
TOTAL	\$19,328,513	\$1,619,139	\$0	\$0	\$17,709,374	36.1
Increase/(Decrease)	(\$18,488,517)	(\$128,808)	\$0	\$0	(\$18,359,709)	1.1
Percentage Change	(48.9)%	(7.4)%	n/a	n/a	(50.9)%	3.1%

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1194 modified FY 2011-12 appropriations to reduce \$441,349 federal funds for an adjustment to indirect cost assessments.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employee's Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

IT personal services funding adjustment: The appropriation includes an adjustment to correct billing errors made when information technology (IT) personnel were transferred to the Governor's Office of Information Technology. This is a net-zero dollar adjustment that includes an increase of 2.0 FTE.

Informational funds and FTE adjustments: The appropriation includes a reduction fo \$18,253,828 federal funds and an increase of 2.8 FTE reflected in the Long Bill for informational purposes only.

Indirect cost assessment: The appropriation includes a net increase in indirect cost assessments.

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services line items.

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

Recent Legislation

2011 Session Bills

S.J.R. 11-009: Declares a State fiscal emergency for FY 2011-12, which allows Amendment 35 tobacco-tax revenues to be used in FY 2011-12 for any health-related purpose. See S.B. 11-211 for appropriation details.

S.B. 11-076: For the 2011-12 state fiscal year only, reduces the employer contribution rate for the State and Judicial divisions of the Public Employees' Retirement Association (PERA) by 2.5 percent and increases the member contribution rate for these divisions by the same amount. In effect, continues the FY 2010-11 PERA contribution adjustments authorized through S.B. 10-146 for one additional year. Reduces the Department's appropriation by \$1,975,520 total funds, of which \$162,746 is General Fund, \$682,218 is cash funds, \$238,632 is reappropriated funds, and \$891,924 is federal funds.

S.B. 11-209: General appropriations act for FY 2011-12.

S.B. 11-211: Reduces the Amendment 35 FY 2011-12 appropriation to the Department of Public Health and Environment by \$33.0 million cash funds, as shown in the following table. Appropriates the \$33.0 million total funds to the Department of Health Care Policy and Financing (HCPF) and reduces the HCPF General Fund appropriations by an equal amount.

Department Program	General Fund	Cash Funds	Reappropriated Funds	Total Funds	FTE
Department of Health Care Policy and Financing					
Medical Services Premiums	(\$33,000,000)	\$29,713,649	\$3,286,351	\$0	0
Department of Public Health and Environment					
Health Disparities Program					
Program Administration	0	0	(175,394)	(175,394)	(2.0)
Health Disparities Grants	0	0	(3,068,241)	(3,068,241)	0.0
Health Statistics and Vital Records					
Operating Expenses	0	(40,000)	0	(40,000)	0.0
Breast and Cervical Cancer Screening	0	(1,625,000)	0	(1,625,000)	0.0

Department Program	General Fund	Cash Funds	Reappropriated Funds	Total Funds	FTE
Tobacco Education, Prevention, and Cessation					
Program Administration	0	(220,000)	0	(220,000)	(1.5)
Grants	0	(17,428,594)	0	(17,428,594)	0.0
Cancer, Cardiovascular Disease, and Chronic Pulmonary Disease					
Program Administration	0	(130,000)	0	(130,000)	(1.5)
Grants	0	(10,090,055)	0	(10,090,055)	0.0
Indirect Cost Assessments	0	(180,000)	(42,716)	(222,716)	0.0
Total	(\$33,000,000)	\$0	\$0	(\$33,000,000)	(5.0)

S.B. 11-224: Suspends growth of tobacco master settlement dollars going to the Nurse Home Visitor Program for two years and transfers the resulting savings to the General Fund. For FY 2011-12 and FY 2012-13 the Program will receive 14.0 percent (but no less than \$12,737,350 annually to meet federal funding requirements). Reduces the FY 2011-12 appropriation to the Nurse Home Visitor Program by \$797,627 cash funds.

S.B. 11-235: Allows private sector modeling contractors to conduct reviews of emissions modeling for air quality emission permits, under certain conditions, to expedite air quality permit processing. Requires the Air Pollution Control Division to select and contract with eligible contractors and requires applicants electing to use private contractors to pay the consulting costs as well as the Air Pollution Control Division's costs associated with an application. For FY 2011-12, appropriates \$194,377 cash funds from the Stationary Sources Control Fund to the Air Pollution Control Division.

H.B. 11-1026: Authorizes the Department of Public Health and Environment, Water Quality Control Division, to designate one or more nonprofit storm water management system administrators to assist in compliance activities for the state's Colorado Discharge Permit System, as part of the federally mandated National Pollutant Discharge Elimination System. Requires storm water management system administrators to demonstrate to state water quality regulators that they are sufficiently qualified and capable of enforcing appropriate water quality standards, with a minimum one-year track record of implementing a program prior to application. Allows for revocation of storm water management system administrator status if the State finds repeated compliance failures in a nonprofit's program. Requires establishment of an advisory board for each nonprofit storm water management system administrator. Authorizes the Department to expend moneys from the Water Quality Improvement Fund to provide grants for storm water management best practices training. For FY 2011-12, appropriates the following to the Water Quality Control Division: (1) \$49,436 cash funds from the Water Quality Control Fund and 0.6 FTE to implement the bill; and (2) \$50,000 cash funds from the Water Quality Improvement Fund to provide grants for storm water management training.

H.B. 11-1101: Exempts federally qualified health centers (FQHCs) from State licensure, on-site inspections, and construction plan reviews by the Department. Clarifies that FQHCs can continue to serve as general providers under the Colorado Indigent Care Program without a license from the Department. Reduces cash fund appropriations to the Department by \$24,581 for FY 2011-12.

H.B. 11-1281: Consolidates the Department of Higher Education's Nursing Teacher Loan Forgiveness Program into the Health Service Corps, a loan forgiveness program for health professionals that is operated by the

Department of Public Health and Environment's Primary Care Office. Allows the Department of Higher Education to administer remaining obligations of the Nursing Teacher Loan Forgiveness Program until they are paid, and retains a \$227,000 balance in the Nursing Teacher Loan Forgiveness Fund (Fund) for this purpose. Provides \$250,000 tobacco settlement cash funds to the Primary Care Office and reducing \$250,000 from the Short-Term Innovative Health Program Grant Fund, beginning in FY 2011-12. Appropriations \$250,000 cash funds and 0.5 FTE to the Primary Care Office, and reduces \$161,600 General Fund in the Department of Higher Education

H.B. 11-1323: Exempts rural health clinics from state licensure, on-site inspections, and construction plan reviews by the Department. Clarifies that rural health care clinics can continue to serve as general providers under the Colorado Indigent Care Program though not licensed by the Department. Reduces cash fund appropriations to the Department by \$529 in FY 2011-12.

2012 Session Bills

H.B. 12-1034: Extends the Processors and End Users Cash Fund repeal date from July 1, 2012 to July 1, 2015, and requires annual appropriation of the money in the Fund. Prevents the state from reimbursing a tire processor if the tire processor is not an end user, or if the tire product has been sold and moved off site. Appropriates \$700,000 cash funds from the Processors and End Users Cash Fund to the Department for FY 2011-12.

H.B. 12-1041: Creates an electronic death registration system to allow persons responsible for reporting death information to the Office of the State Registrar of Vital Statistics to do so electronically. For FY 2012-13 appropriates \$743,940 cash funds from the Vital Statistics Records Cash Fund to the Department, and reappropriates \$78,940 to the Governor's Office of Information Technology for information technology management costs.

H.B. 12-1099: Creates the Industrial Hemp Remediation Pilot Program to study how contaminated soils and water can be cleaned through the growth of industrial hemp. Creates the seven member industrial hemp remediation pilot program committee, which is responsible for designing the pilot program according to certain specifications, soliciting funding, selecting a secure, indoor growing site, and completing a final report. Appropriates \$25,000 cash funds from the Hemp Remediation Pilot Program Cash Fund to the Department for FY 2012-13.

H.B. 12-1126: Authorizes local boards of health to adopt certain On-site Water Treatment Systems (OWTS) rules and practices appropriate to local conditions. Repeals uniform, statewide criteria regarding the presumed density of OWTS installation, deferring to local rules. Clarifies that a permit variance complies with regulations that owners are under a duty to continue repairs when authorized to make emergency use of an OWTS. Finally, the bill clarifies that the OWTS fee applies to new, repaired, and upgraded systems, and removes criteria for local OWTS permit variances from statute and requires the Water Quality Control Commission to adopt minimum variance criteria by rule. Appropriates \$8,530 cash funds from the Water Quality Control Fund and 0.1 FTE to the Department for FY 2012-13.

H.B. 12-1194: Supplemental appropriations to the Department for FY 2011-12.

H.B. 12-1202: Allows the Department of Health Care Policy and Financing (HCPF) to use Tobacco Education Funds to draw down federal matching funds for expenses incurred by the Colorado Quitline for services provided to Medicaid eligible clients. For FY 2011-12, appropriations \$577,316 total funds to HCPF and reappropriates \$577,316 to the Department of Public Health and Environment (DPHE). Also reduces cash fund appropriation to the DPHE by \$288,658 in FY 2011-12.

H.B. 12-1246: Reverses the payday shift for state employees who are paid on a biweekly basis. Appropriations \$6,885 General Fund to the Department for FY 2012-13. For additional information, see the "Recent Legislation" section at the end of the Department of Personnel.

H.B. 12-1283: Consolidates Colorado's homeland security functions, personnel, and resources into a new Division of Homeland Security and Emergency Management (DHSEM) within the Department of Public Safety (DPS). For the Department of Public Health and Environment transfers 2.0 FTE to perform training and communications functions in the new Office of Preparedness within the DHSEM of DPS. Reduces the FY 2012-13 appropriation to the Department of Public Health and Environment by \$147,729 General Fund and 2.0 FTE in FY 2012-13. For additional information on H.B. 12-1283, see the "Recent Legislation" section at the end of the Department of Public Safety.

H.B. 12-1294: Modifies the Department's authority concerning the licensing of health facilities by eliminating several facility types from licensure. Requires the Department to:

- establish a schedule for an extended survey cycle or a tiered inspection or survey system;
- apply the extended survey cycle or tiered inspection for health facilities that have been licensed for at least three years and that have not been the subject of any enforcement activity or complaints within the past three years;
- institute a performance incentive system to reduce renewal license fees for health facilities that have no specific deficiencies;
- impose no standards for construction that are more stringent than, or that do not comply with, national, state, and applicable local building and fire codes;
- conduct a fitness review when a health facility changes ownership;
- establish criteria for deeming that licensing requirements have been satisfied;
- allow the State Board of Health to increase provisional license and other fees by no more than the annual percentage change in the Denver-Boulder-Greeley Consumer Price Index;
- work jointly with DHS to resolve differing requirements for the regulation of any Program of All-inclusive Care for the Elderly (PACE) facility consistent with federal requirements; and
- work with the Departments of Public Health and Environment, Human Services, and Health Care Policy and Financing, in consultation with industry representatives, to resolve differing requirements for the regulation of community residential homes.

Clarifies that home care placement agencies are not licensed or certified by DPHE and subjects facilities who make such a claim to a civil penalty, and creates the Health Care Facility Stakeholder Forum. Expands the definition of "community clinic". Appropriates \$183,730 cash funds from the Health Facilities General Licensure Cash Fund and 2.4 FTE to the Department for FY 2012-13.

H.B. 12-1326: Allows seniors who are eligible for Medicaid, but not for Medicaid long-term care services, to receive services under the Dental Assistance Program in the Department of Public Health and Environment. Appropriates \$3,022,800 General Fund and 1.0 FTE to the Department for FY 2012-13. For additional information on H.B. 12-1326, see the "Recent Legislation" section at the end of the Department of Human Services.

H.B. 12-1335: General appropriations act for FY 2012-13.

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, which is budgeted in the Executive Director's Office.

The Colorado State Patrol promotes safety and protects human life by enforcing traffic laws on state highways. In support of its highway safety plan, the State Patrol coordinates the "Alive at 25" defensive driving training program for students ages 15 to 24. In further support of the highway safety plan, the Communications Program operates a free hotline for motorists to report aggressive drivers, drunk drivers, and other hazards.

The Division of Fire Prevention and Control, created in H.B. 12-1283, incorporates the existing Office of Fire Safety and wildfire-related powers and duties of the state forest service previously housed in the Colorado State University. The new Division is tasked with fire code enforcement, training, certification, and wildfire preparedness, response, suppression, coordination, and management.

The Division of Criminal Justice assists with policy formation, conducts criminal justice research, 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 juvenile and adult, sex and domestic violence offenders.

The Colorado Bureau of Investigation assists state and local law enforcement in investigating crime and in enforcing criminal laws, investigates organized crime, maintains fingerprint records and DNA profiles, operates the statewide crime reporting program, and arranges for scientific laboratory services and facilities.

The Division of Homeland Security and Emergency Management, created in H.B. 12-1283, 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, homeland security, and public health entities in the state.

Department Budget: Recent Appropriations

Funding Source	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
General Fund	\$81,989,417	\$82,314,802	\$82,727,973	\$84,624,139
Cash Funds	119,897,125	126,211,938	129,681,033	155,103,072
Reappropriated Funds	21,337,368	21,858,171	24,480,944	27,113,894
Federal Funds	<u>26,566,433</u>	<u>27,885,029</u>	<u>29,559,518</u>	<u>53,355,759</u>
Total Funds	\$249,790,343	\$258,269,940	\$266,449,468	\$320,196,864
Full Time Equiv. Staff	1,358.5	1,349.0	1,354.0	1,558.3

General Factors Driving the Budget

The Department's FY 2012-13 budget is composed of 26.4 percent General Fund; 48.4 percent cash funds from various sources, primarily from the Highway Users Tax Fund; 8.5 percent reappropriated funds, primarily from indirect cost recoveries; and 16.7 percent federal funds, primarily from criminal justice grants.

Colorado State Patrol

Highway supervision needs, and hence the State Patrol's budget, depend largely on highway usage. The State Patrol enforces traffic laws on approximately 9,100 miles of state and federal highways and 58,700 miles of county roads. It also operates special safety programs for hazardous materials transport and for commercial vehicles.

Incident Count On State Highways				
	CY 2009 Actual	CY 2010 Actual	CY 2011 Actual	CY 2012 Estimate
Incident Count	956,611	886,876	880,491	871,615
Trooper Incident Response Time for Traffic Crashes (minutes)	21.1	20.1	20.7	20.5

The State Patrol receives a portion of HUTF revenues for supervision of state highways. The Highway Users Tax Fund (HUTF) provides 36.2 percent of the Department budget and 76.1 percent of the State Patrol budget for FY 2012-13. HUTF revenue sources include gas and special-fuel taxes, driver's license fees, motor vehicle title and registration fees, fines, license plate fees, and passenger-mile taxes. 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. State statute limits the off-the-top HUTF appropriations for highway supervision to a maximum 6.0 percent annual growth, regardless of any increase or decrease in overall highway-related revenues.

Community Corrections

The primary factor driving the Division of Criminal Justice's General Fund budget is the need for, availability of, and cost of 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: diversion placements for offenders sentenced directly to community corrections in lieu of a Department of Corrections prison sentence; 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 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, mental illness, and other problems. 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.

	FY 08-09 Actual	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Estimate	FY 12-13 Approp.
Average daily population (ADP) in Community Corrections	4311.6	4274.5	4324.5	4153.1	4436.5
Residential ADP	3130.1	3181.1	3301.2	3224.5	3354.5
Nonresidential ADP	1181.5	1093.4	1023.3	928.6	1082.0
Percentage of ADP that is residential	72.6%	74.4%	76.3%	77.6%	75.6%
Percentage of residential ADP in:					
Diversion	47.9%	47.1%	45.5%	45.8%	44.3%
Transition	50.2%	51.2%	51.4%	50.0%	51.6%
Parole	1.9%	1.8%	3.1%	4.2%	4.2%
In specialized programs	10.6%	10.2%	13.3%	16.0%	14.1%
Daily residential rate for a standard bed	\$37.74	\$37.74	\$37.74	\$37.74	\$37.74
Average daily differential for specialized programs *	\$21.73	\$22.47	\$21.93	\$22.54	\$22.36
Daily non-residential rate	\$5.12	\$5.12	\$5.12	\$5.12	\$5.12
Percentage change in standard daily bed rate		0.0%	0.0%	0.0%	0.0%
Total Community Corrections GF Expenditures (\$ million)	\$50.0	\$49.9	\$51.7	\$53.9	\$53.8
Change in General Fund Expenditures	0.0%	-0.2%	3.6%	4.3%	-0.3%

* The average differential is a weighted average of differentials for the various types of specialized programs with weights equaling the proportion of offenders in each type of program. Changes of the average differential mean that rates have changed or the mix of offenders in specialized treatment has shifted toward more or less expensive programs. Since rates did not change over the period covered by this table, all changes of the average differential reflect a shifting mix of programs.

Office of Preparedness, Security, and Fire Safety

The statutory mandate of the Office of Preparedness, Security and Fire Safety is to coordinate the state's response to the threat of terrorism. The budget has historically been driven by the availability of federal homeland security funds, although in recent years the Division has requested and received some General Fund to replace declining federal funds. The Division of Fire Safety maintains the Colorado Resource Mobilization Plan and is building the Resource Inventory Database. Through the Division of Fire Safety, the Office also has responsibilities for fire safety, including inspections of public school construction projects and the regulation of sprinkler fitters. House Bill 12-1283 eliminates the Office of Preparedness, Security, and Fire Safety and moves its functions to the Division of Fire Prevention and Control and the Division of Homeland Security and Emergency Management, effective July 1, 2012.

Division of Fire Prevention and Control

The Division of Fire Prevention and Control, created in H.B. 12-1283, incorporates the existing Office of Fire Safety and wildfire-related powers and duties of the state forest service previously housed in the Colorado State University. The new Division is tasked with fire code enforcement, training, certification, and wildfire preparedness, response, suppression, coordination, and management.

Colorado Bureau of Investigation (CBI)

The Colorado Bureau of Investigation 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 criminal laws of the State. The CBI is also charged with assisting any district attorney with preparing the prosecution of any criminal case in which the Bureau had participated in the investigation of such case. As such, the CBI does not have direct control over the number of submissions to its laboratories by local

enforcement agencies. Although violent and property crime rates reported have decreased, local law enforcement agencies and district attorneys have increased the demand on the CBI for forensic DNA analysis.

The CBI laboratory analyzes DNA, fingerprint, firearms and toolmarks, physiological fluids, chemical, document, and digital evidence, as well as trace evidence and shoe and tire track evidence. In addition, the CBI field investigators investigate crime scenes, upon the request of local, state, and federal law enforcement agencies. The CBI also maintains the statewide criminal history and fingerprint repositories and facilitates the sharing of criminal history information with all Colorado law enforcement agencies.

The Colorado Crime Information Center (CCIC) provides information to law enforcement agencies on warrants, case status, stolen property, vehicle registration, 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 online, 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 Integrated Criminal Justice Information System (CICJIS)

CICJIS is a collaborative effort to transfer data among agencies electronically and to match arrest information with case dispositions. The budget is driven largely by technological advances, which can enhance system capabilities.

Division of Homeland Security and Emergency Management

The Division of Homeland Security and Emergency Management, created in H.B. 12-1283, 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, homeland security, and public health entities in the state.

Summary of FY 2011-12 and FY 2012-13 Appropriations

Department of Public Safety						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Total Appropriation:	\$266,449,468	\$82,727,973	\$129,681,033	\$24,480,944	\$29,559,518	1,354.0
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	29,235,802	5,916,968	12,849,252	9,616,135	853,447	42.7
Colorado State Patrol	119,003,163	4,426,808	101,605,065	7,919,378	5,051,912	997.0
Office of Preparedness, Security and Fire Safety	4,926,887	237,752	2,588,062	826,239	1,274,834	39.0
Division of Criminal Justice	84,997,225	57,273,186	3,881,563	2,287,984	21,554,492	60.9
Colorado Bureau of Investigation	28,286,391	14,873,259	8,757,091	3,831,208	824,833	214.4

Department of Public Safety						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<u>Breakdown of Total Appropriation by Bill</u>						
SB 11-209	265,633,486	82,795,856	128,910,551	24,264,440	29,662,639	1,349.3
SB 11-076	(2,074,036)	(437,930)	(1,430,407)	(102,366)	(103,333)	0.0
SB 11-251	7,337	0	7,337	0	0	0.0
SB 11-266	310,500	0	310,500	0	0	0.0
HB 11-1138	471,101	318,565	152,536	0	0	4.7
HB 11-1145	151,800	0	151,800	0	0	0.0
HB 11-1195	19,750	0	19,750	0	0	0.0
HB 12-1195	1,670,020	51,482	1,558,966	59,360	212	0.0
HB 12-1335	259,510	0	0	259,510	0	0.0
FY 2012-13 Total Appropriation:	\$320,196,864	\$84,624,139	\$155,103,072	\$27,113,894	\$53,355,759	1,558.3
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	34,988,725	6,028,587	16,822,116	10,955,957	1,182,065	47.2
Colorado State Patrol	132,039,846	4,796,629	114,062,064	8,094,575	5,086,578	1,125.8
Office of Preparedness, Security and Fire Safety	0	0	0	0	0	0.0
Division of Fire Prevention and Control	8,982,916	457,802	8,023,244	161,038	340,832	65.4
Division of Criminal Justice	83,127,209	57,114,890	2,902,326	3,255,275	19,854,718	60.4
Colorado Bureau of Investigation	29,045,114	15,474,997	8,782,334	3,937,272	850,511	214.6
Division of Homeland Security and Emergency Management	32,013,054	751,234	4,510,988	709,777	26,041,055	44.9
<u>Breakdown of Total Appropriation by Bill</u>						
HB 12-1335	272,658,804	84,081,985	135,447,278	25,064,507	28,065,034	1,365.2
HB 12-1019	10,892,480	(283,704)	10,574,790	601,394	0	122.3
HB 12-1032	50,000	0	50,000	0	0	0.0
HB 12-1246	25,473	25,473	0	0	0	0.0
HB 12-1283	36,608,071	838,349	10,129,020	349,977	25,290,725	71.3
HB 12-1310	(37,964)	(37,964)	(1,098,016)	1,098,016	0	(0.5)
Increase/(Decrease)	\$53,747,396	\$1,896,166	\$25,422,039	\$2,632,950	\$23,796,241	204.3
Percentage Change	20.2%	2.3%	19.6%	10.8%	80.5%	15.1%

Informational Funds: Beginning in FY 2012-13, the Long Bill and other legislation indicate when an amount is shown solely for informational purposes through a new "(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 2012-13 Appropriations containing an (I) notation	\$28,065,034	\$0	\$0	\$0	\$28,065,034

FY 2011-12 Appropriation - Mid-year Adjustment Highlights

The FY 2011-12 appropriation was modified during the 2012 Legislative Session to:

1. Add \$1.2 million (HUTF "off-the-top") for a one-time, statewide replacement of the Intoxylizer 5000EN used as the Evidential Breath Alcohol Testing instrument for driving under the influence (DUI) purposes.
2. Add \$869,000 (HUTF "off-the-top") for vehicle variable rates charged by State Fleet Management.
3. Add \$350,000 (HUTF "off-the-top") for the purchase of base radio receivers.
4. Add \$260,000 of additional funding from the Judicial Department due to H.B. 10-1352 (Controlled Substance Crime Changes) for FY 2011-12.
5. Add \$115,000 cash funds to allow the State Patrol's Communications Program to provide dispatching services to the City of Monte Vista's police, fire, and emergency medical services organizations.
6. Reduce \$853,000 total funds for mid-year, vehicle lease billing adjustments.

FY 2012-13 Appropriation Highlights

The FY 2012-13 appropriation:

1. Appropriates \$36.6 million total funds and 71.3 FTE for the implementation of H.B. 12-1283.
2. Appropriates \$10.9 million total funds and 122.3 FTE for the implementation of H.B. 12-1019.
3. Provides \$5.3 million total funds for various Colorado State Patrol programs, including law enforcement improvement (including 6.0 FTE), radios and receivers, operating expense increase, Ralph L. Carr Judicial Center security (including 5.0 FTE), and City of Monte Vista dispatch.
4. Provides \$2.6 million total funds (\$390,000 General Fund) for centrally appropriated line items and statewide IT common policy adjustments.
5. Provides \$2.1 million total funds (\$438,000 General Fund) to restore a state PERA contribution reduction.

6. Provides \$250,000 of additional cash funds spending authority for grants from the State Victim Assistance and Law Enforcement (VALE) Fund.
7. Provides \$237,000 total funds for vehicle lease replacements.
8. Provides \$226,000 General Fund for the Colorado Crime Information Center (CCIC) for operating expenses associated with information technology costs.
9. Provides \$203,000 General Fund to restore a FY 2010-11 operating expenses reduction.
10. Provides \$168,000 total funds for the Colorado Financial Reporting System (COFRS) upgrade.
11. Provides \$9,570 cash funds and 0.2 FTE to annualize funding provided in H.B. 11-1198.
12. Reduces \$2.1 million in federal and cash funds for grants.
13. Reduces \$1.7 million total funds to annualize prior year legislation and budget actions.
14. Eliminates \$1.1 million HUTF "off-the-top" funding for DUI enforcement grants.
15. Reduces \$186,000 total funds (including \$116,000 General Fund) for a 1.0 percent reduction to certain personal services line items.

Detail of Appropriation by Administrative Section

Executive Director's Office

This Office manages the administrative and fiscal affairs of the Department. It also 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 2011-12 Appropriation:						
SB 11-209	\$29,316,375	\$5,989,293	\$12,857,500	\$9,616,135	\$853,447	42.7
SB 11-076	(70,235)	(70,235)	0	0	0	0.0
SB 11-251	7,337	0	7,337	0	0	0.0
HB 12-1195	(17,675)	(2,090)	(15,585)	0	0	0.0
TOTAL	\$29,235,802	\$5,916,968	\$12,849,252	\$9,616,135	\$853,447	42.7

Executive Director's Office						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$29,235,802	\$5,916,968	\$12,849,252	\$9,616,135	\$853,447	42.7
Centrally appropriated line items	2,548,016	(74,045)	1,407,042	1,080,289	134,730	0.0
COFRS modernization	168,478	52,658	81,603	34,217	0	0.0
House Bill 10-1113 oversight	83,844	0	0	83,844	0	0.0
Restore state PERA contribution	70,235	70,235	0	0	0	0.0
Statewide IT common policy adjustments	28,855	458,119	288,969	(715,618)	(2,615)	0.0
Operating adjustments	15,579	15,579	0	0	0	0.0
Personal services base reduction	(22,722)	0	0	(22,722)	0	0.0
Annualize prior year funding	(3,668)	0	(7,337)	3,669	0	0.0
HB 12-1335	\$32,124,419	\$6,439,514	\$14,619,529	\$10,079,814	\$985,562	42.7
HB 12-1019	2,263,038	(283,704)	1,945,348	601,394	0	4.5
HB 12-1283	612,061	(127,223)	268,032	274,749	196,503	0.0
HB 12-1310	<u>(10,793)</u>	<u>0</u>	<u>(10,793)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$34,988,725	\$6,028,587	\$16,822,116	\$10,955,957	\$1,182,065	47.2
Increase/(Decrease)	\$5,752,923	\$111,619	\$3,972,864	\$1,339,822	\$328,618	4.5
Percentage Change	19.7%	1.9%	30.9%	13.9%	38.5%	10.5%

FY 2012-13 Appropriation - H.B. 12-1335 (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; shift differential; workers' compensation; legal services; payment to risk management and property funds; vehicle lease payments; and capitol complex leased space.

COFRS modernization: The appropriation includes an increase to fund the first two phases of a five-phase project to replace the statewide accounting system (COFRS) used by the Office of the State Controller to record all state revenues and expenditures.

House Bill 10-1113 oversight: The appropriation provides funding for additional administrative oversight related to the transfer of the Motor Carrier Safety Assistance Program from the Department of Revenue to the Department of Public Safety.

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Statewide IT common policy adjustments: The appropriation includes adjustments to line items appropriated for: purchase of services from the computer center; multiuse network payments; management and administration of the Governor's Office of Information Technology (OIT); and communication services payments.

Operating adjustments: The appropriation restores a FY 2010-11 General Fund operating expenses reduction.

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services lines.

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

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 State Patrol coordinates the "Alive at 25" defensive driving training program for students ages 15 to 24. In further support of the highway safety plan, the Communications Program operates the *CSP toll free hotline for motorists to report aggressive drivers, drunk drivers, and other hazards.

Starting in FY 2010-11, H.B. 10-1113 transferred responsibility for the Motor Carrier Safety Assistance Program from the Department of Revenue, Motor Carrier Services Division, to the Colorado State Patrol. Starting in FY 2012-13, H.B. 12-1019 transferred the Ports of Entry program from the Department of Revenue to the Colorado State Patrol.

The primary cash funds and reappropriated funds sources include: the Highway Users Tax Fund, limited gaming funds that are transferred from the Department of Revenue, 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 2011-12 Appropriation:						
SB 11-209	\$118,888,024	\$4,491,360	\$101,384,411	\$7,931,611	\$5,080,642	997.0
SB 11-076	(1,565,440)	(92,021)	(1,351,561)	(76,778)	(45,080)	0.0
HB 12-1195	<u>1,680,579</u>	<u>27,469</u>	<u>1,572,215</u>	<u>64,545</u>	<u>16,350</u>	<u>0.0</u>
TOTAL	\$119,003,163	\$4,426,808	\$101,605,065	\$7,919,378	\$5,051,912	997.0

Colorado State Patrol						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$119,003,163	\$4,426,808	\$101,605,065	\$7,919,378	\$5,051,912	997.0
Law enforcement improvement	2,273,945	0	2,273,945	0	0	6.0
Radios and receivers	1,802,624	0	1,802,624	0	0	0.0
Restore state PERA contribution	1,565,440	92,021	1,351,561	76,778	45,080	0.0
Operating expense increase	868,771	0	840,738	28,033	0	0.0
Ralph L. Carr Colorado Judicial Center security	255,766	0	0	255,766	0	5.0
Centrally appropriated line items	198,819	18,315	127,420	43,939	9,145	0.0
City of Monte Vista dispatch	114,310	0	114,310	0	0	0.0
Indirect cost assessment	51,242	0	20,345	36,177	(5,280)	0.0
Operating adjustments	23,126	23,126	0	0	0	0.0
Fund source adjustment	16,757	263,828	(48,191)	(200,951)	2,071	0.0
Annualize prior year funding	(1,680,579)	(27,469)	(1,572,215)	(64,545)	(16,350)	0.0
Eliminate DUI Enforcement Grants line item	(1,082,980)	0	(1,082,980)	0	0	0.0
HB 12-1335	\$123,410,404	\$4,796,629	\$105,432,622	\$8,094,575	\$5,086,578	1,008.0
HB 12-1019	<u>8,629,442</u>	<u>0</u>	<u>8,629,442</u>	<u>0</u>	<u>0</u>	<u>117.8</u>
TOTAL	\$132,039,846	\$4,796,629	\$114,062,064	\$8,094,575	\$5,086,578	1,125.8
Increase/(Decrease)	\$13,036,683	\$369,821	\$12,456,999	\$175,197	\$34,666	128.8
Percentage Change	11.0%	8.4%	12.3%	2.2%	0.7%	12.9%

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1195 modified FY 2011-12 appropriations to:

- add \$1.2 million (HUTF "off-the-top") for a one-time, statewide replacement of the Intoxylizer 5000EN used as the Evidential Breath Alcohol Testing instrument for driving under the influence (DUI) purposes;
- add \$869,000 (HUTF "off-the-top") for vehicle variable rates charged by State Fleet Management;
- add \$350,000 (HUTF "off-the-top") for the purchase of base radio receivers;
- add \$115,000 cash funds to allow the State Patrol's Communications Program to provide dispatching services to the City of Monte Vista's police, fire, and emergency medical services organizations; and
- reduce \$853,000 total funds for mid-year, vehicle lease billing adjustments.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Law enforcement improvement: The appropriation provides funding for an improved evidence processing, handling, and management system as well as funding for the purchase of mobile video recorders (MVRs) for trooper vehicles.

Radios and receivers: The appropriation provides funding for the replacement of trooper vehicle radios and base receivers.

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Operating expense increase: The appropriation provides additional funding to cover the increase in variable vehicle costs charged by State Fleet Management.

Ralph L. Carr Colorado Judicial Center security: The appropriation provides funding for additional security at the Ralph L. Carr Colorado Judicial Center.

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for vehicle lease payments.

City of Monte Vista dispatch: The appropriation includes funding to allow the State Patrol to provide dispatching services to the City of Monte Vista.

Indirect cost assessment: The appropriation includes a net increase in indirect cost assessments.

Operating adjustments: The appropriation restores a FY 2010-11 General Fund operating expenses reduction.

Fund source adjustment: The appropriation includes various fund source adjustments for dispatch and the executive security program.

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

Eliminate DUI Enforcement Grants line item: The appropriation eliminates the DUI Enforcement Grants line item.

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

Office of Preparedness, Security, and Fire Safety

House Bill 02-1315 created the Office of Preparedness, Security, and Fire Safety (OPSFS) as a division within the Department of Public Safety. The OPSFS consists of the Division of Fire Safety and the Office of Anti-terrorism Planning and Training. House Bill 12-1283 eliminates the Office of Preparedness, Security, and Fire Safety and moves its functions to the Division of Fire Prevention and Control and the Division of Homeland Security and Emergency Management, effective July 1, 2012.

The Division of Fire Safety assists local governments in developing solutions to fire safety issues that are common to local, state, and federal governmental units. The Division provides technical assistance to local governments, maintains a statewide reporting system, administers certification and training programs, conducts fire safety inspections of public school construction projects, regulates sprinkler fitters, and oversees fireworks regulation. The primary sources of cash funds and reappropriated funds for this Division include: the Public School Construction and Inspection Cash Fund, the Fire Suppression Cash Fund, the Firefighter and First Responder Certification Fund, and limited gaming funds transferred from the Department of Revenue.

The Office of Anti-terrorism Planning and Training creates and implements terrorist preparedness plans and develops protocols for the State's response to terrorism. It includes an information and analysis center and a critical infrastructure protection team. The Office is funded primarily from federal homeland security grants and from appropriations to the Colorado State Patrol.

Office of Preparedness, Security, and Fire Safety						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$4,973,048	\$245,035	\$2,609,664	\$829,851	\$1,288,498	39.0
SB 11-076	<u>(46,161)</u>	<u>(7,283)</u>	<u>(21,602)</u>	<u>(3,612)</u>	<u>(13,664)</u>	<u>0.0</u>
TOTAL	\$4,926,887	\$237,752	\$2,588,062	\$826,239	\$1,274,834	39.0
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$4,926,887	\$237,752	\$2,588,062	\$826,239	\$1,274,834	39.0
Restore state PERA contribution	46,161	7,283	21,602	3,612	13,664	0.0
Operating adjustments	884	884	0	0	0	0.0
Fund source adjustment	0	0	24,158	(24,158)	0	0.0
Personal services base reduction	(15,244)	(2,455)	(1,825)	(10,964)	0	0.0
Indirect cost assessment	(8,728)	0	(8,753)	858	(833)	0.0
HB 12-1335	\$4,949,960	\$243,464	\$2,623,244	\$795,587	\$1,287,665	39.0
HB 12-1283	<u>(4,949,960)</u>	<u>(243,464)</u>	<u>(2,623,244)</u>	<u>(795,587)</u>	<u>(1,287,665)</u>	<u>(39.0)</u>
TOTAL	\$0	\$0	\$0	\$0	\$0	0.0
Increase/(Decrease)	(\$4,926,887)	(\$237,752)	(\$2,588,062)	(\$826,239)	(\$1,274,834)	(39.0)
Percentage Change	(100.0)%	(100.0)%	(100.0)%	(100.0)%	(100.0)%	(100.0)%

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Operating adjustments: The appropriation restores a FY 2010-11 General Fund operating expenses reduction.

Fund source adjustment: The appropriation includes an increase in cash funds to the Division of Fire Safety offset by a decrease in reappropriated funds.

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services lines.

Indirect cost assessment: The appropriation includes a net decrease in indirect cost assessments.

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

Division of Fire Prevention and Control

The Division of Fire Prevention and Control, created in H.B. 12-1283, incorporates the existing Office of Fire Safety and wildfire-related powers and duties of the state forest service previously housed in the Colorado State University. The new Division 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: 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 Wildlife Emergency Response Fund.

Division of Fire Prevention and Control						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	<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 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$0	\$0	\$0	\$0	\$0	0.0
HB 12-1335	\$0	\$0	\$0	\$0	\$0	0.0
HB 12-1032	50,000	0	50,000	0	0	0.0
HB 12-1283	<u>8,932,916</u>	<u>457,802</u>	<u>7,973,244</u>	<u>161,038</u>	<u>340,832</u>	<u>65.4</u>
TOTAL	\$8,982,916	\$457,802	\$8,023,244	\$161,038	\$340,832	65.4
Increase/(Decrease)	\$8,982,916	\$457,802	\$8,023,244	\$161,038	\$340,832	65.4
Percentage Change	n/a	n/a	n/a	n/a	n/a	n/a

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

The Division of Fire Prevention and Control was created in H.B. 12-1283, as such, no appropriations existed in H.B. 12-1335 (Long Bill) to the Division.

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 State Victims Assistance and Law Enforcement (State VALE) Fund, which accounts for over two-thirds of total cash funds, and the Child Abuse Investigation Surcharge Fund. The primary sources of reappropriated funds are reappropriations of moneys appropriated to the Correctional Treatment Cash Fund in the Judicial Department, followed by appropriations of departmental indirect cost recoveries. The primary 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 2011-12 Appropriation:						
SB 11-209	\$84,357,120	\$56,988,071	\$3,743,176	\$2,035,274	\$21,590,599	56.2
SB 11-076	(90,506)	(33,450)	(14,149)	(6,800)	(36,107)	0.0
HB 11-1138	471,101	318,565	152,536	0	0	4.7
HB 12-1335	<u>259,510</u>	<u>0</u>	<u>0</u>	<u>259,510</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$84,997,225	\$57,273,186	\$3,881,563	\$2,287,984	\$21,554,492	60.9

Division of Criminal Justice						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$84,997,225	\$57,273,186	\$3,881,563	\$2,287,984	\$21,554,492	60.9
State VALE grants	250,000	0	250,000	0	0	0.0
Restore state PERA contribution	90,506	33,450	14,149	6,800	36,107	0.0
Offender Treatment Services (HB 10-1352)	59,240	0	0	59,240	0	0.0
Indirect cost assessment	18,431	0	(386)	0	18,817	0.0
Annualize prior year funding	17,345	16,556	789	0	0	0.0
Vehicle variable rate adjustment	0	0	0	3,240	(3,240)	0.0
Federal funding and grant funding adjustments	(2,096,233)	0	(148,739)	(196,836)	(1,750,658)	0.0
Leap year adjustment	(149,427)	(146,732)	(2,695)	0	0	0.0
Personal services base reduction	(25,800)	(16,699)	(5,132)	(3,169)	(800)	0.0
Community Corrections Consolidation and Adjustments	(6,907)	(6,907)	0	0	0	0.0
HB 12-1335	\$83,154,380	\$57,152,854	\$3,989,549	\$2,157,259	\$19,854,718	60.9
HB 12-1310	<u>(27,171)</u>	<u>(37,964)</u>	<u>(1,087,223)</u>	<u>1,098,016</u>	<u>0</u>	<u>(0.5)</u>
TOTAL	\$83,127,209	\$57,114,890	\$2,902,326	\$3,255,275	\$19,854,718	60.4
Increase/(Decrease)	(\$1,870,016)	(\$158,296)	(\$979,237)	\$967,291	(\$1,699,774)	(0.5)
Percentage Change	(2.2)%	(0.3)%	(25.2)%	42.3%	(7.9)%	(0.8)%

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1335 included an increase of \$260 thousand cash funds for treatment services for adult offenders in community corrections.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

State VALE grants: The appropriation increases grants to state and non-state agencies from the State Victim Assistance and Law Enforcement (VALE) Fund, reflecting an increase in available State VALE fund reserves and revenue.

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Offender Treatment Services (HB 10-1352): The appropriation includes additional funding from the Judicial Department for treatment services for adult offenders in community corrections.

Indirect cost assessment: The appropriation includes a net increase in indirect cost assessments.

Annualize prior year funding: The appropriation includes adjustments related to prior year legislation (H.B. 11-1138, Extend Sex Offender Management Board) and budget actions (expiration of a temporary operating expense reduction).

Vehicle variable rate adjustment: The appropriation adjusts the fund sources for vehicle lease payments.

Federal funding and grant funding adjustments: The appropriation reflects anticipated changes in grant funding received from federal and other sources.

Leap year adjustment: The appropriation includes one less day of funding for community corrections programs to account for the fact that FY 2011-12 is a leap year but FY 2012-13 is not.

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services lines.

Community Corrections Consolidation and Adjustments: The appropriation reorganizes and consolidates community corrections appropriations, moving community corrections payment-rate detail into a new Long Bill footnote that includes information on the number of placements. The appropriation also shifts funding toward specialized-treatment beds, and as a minor byproduct, reduces the General Fund appropriation by \$6,907.

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 CBI maintains more than 2.6 million fingerprint records and over 160,000 DNA records. In FY 2011-12, the CBI conducted 276,000 firearms background checks. Primary cash funds and reappropriated funds sources include: fingerprint and name check fees collected from other state and non-state agencies and deposited in the CBI Identification Unit Fund, the Offender Identification Fund, the Colorado Identity Theft and Financial Fraud Fund, and limited gaming funds transferred from the Department of Revenue.

Colorado Bureau of Investigation						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$28,098,919	\$15,082,097	\$8,315,800	\$3,851,569	\$849,453	214.4
SB 11-076	(301,694)	(234,941)	(43,095)	(15,176)	(8,482)	0.0
SB 11-266	310,500	0	310,500	0	0	0.0
HB 11-1145	151,800	0	151,800	0	0	0.0
HB 11-1195	19,750	0	19,750	0	0	0.0

Colorado Bureau of Investigation						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 12-1195	<u>7,116</u>	<u>26,103</u>	<u>2,336</u>	<u>(5,185)</u>	<u>(16,138)</u>	<u>0.0</u>
TOTAL	\$28,286,391	\$14,873,259	\$8,757,091	\$3,831,208	\$824,833	214.4
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$28,286,391	\$14,873,259	\$8,757,091	\$3,831,208	\$824,833	214.4
Restore state PERA contribution	301,694	234,941	43,095	15,176	8,482	0.0
CCIC operations and maintenance	225,675	225,675	0	0	0	0.0
Operating adjustments	151,699	151,699	0	0	0	0.0
House Bill 10-1284 system changes	93,600	0	0	93,600	0	0.0
Centrally appropriated line items	47,095	58,828	9,585	(2,818)	(18,500)	0.0
Operating expense increase	28,295	28,295	0	0	0	0.0
Annualize prior year funding	15,786	(26,103)	20,566	5,185	16,138	0.2
Personal services base reduction	(122,444)	(97,070)	(18,549)	(6,825)	0	0.0
Indirect cost assessment	(8,150)	0	(29,454)	1,746	19,558	0.0
HB 12-1335	\$29,019,641	\$15,449,524	\$8,782,334	\$3,937,272	\$850,511	214.6
HB 12-1246	<u>25,473</u>	<u>25,473</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$29,045,114	\$15,474,997	\$8,782,334	\$3,937,272	\$850,511	214.6
Increase/(Decrease)	\$758,723	\$601,738	\$25,243	\$106,064	\$25,678	0.2
Percentage Change	2.7%	4.0%	0.3%	2.8%	3.1%	0.1%

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

CCIC operations and maintenance: The appropriation provides additional funding for Colorado Crime Information Center (CCIC) operating expenses associated with information technology costs.

Operating adjustments: The appropriation restores a FY 2010-11 General Fund operating expenses reduction.

House Bill 10-1284 system changes: The appropriation provides funding for programming changes to the CCIC system interface in order to meet the requirements of the Colorado Medical Marijuana Code.

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for vehicle lease payments.

Operating expense increase: The appropriation provides additional funding to cover the increase in variable vehicle costs charged by State Fleet Management.

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

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services lines.

Indirect cost assessment: The appropriation includes a net decrease in indirect cost assessments.

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, created in H.B. 12-1283, 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 federal 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 2011-12 Appropriation:						
SB 11-209	<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 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$0	\$0	\$0	\$0	\$0	0.0
HB 12-1335	\$0	\$0	\$0	\$0	\$0	0.0
HB 12-1283	<u>32,013,054</u>	<u>751,234</u>	<u>4,510,988</u>	<u>709,777</u>	<u>26,041,055</u>	<u>44.9</u>
TOTAL	\$32,013,054	\$751,234	\$4,510,988	\$709,777	\$26,041,055	44.9
Increase/(Decrease)	\$32,013,054	\$751,234	\$4,510,988	\$709,777	\$26,041,055	44.9
Percentage Change	n/a	n/a	n/a	n/a	n/a	n/a

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

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

Recent Legislation

2011 Session Bills

S.B. 11-076: For the 2011-12 state fiscal year only, reduces the employer contribution rate for the State and Judicial divisions of the Public Employees' Retirement Association (PERA) by 2.5 percent and increases the member contribution rate for these divisions by the same amount. In effect, continues the FY 2010-11 PERA contribution adjustments authorized through S.B. 10-146 for one additional year. Reduces the Department's total appropriation by \$2,074,036 total funds, of which \$437,930 is General Fund, \$1,430,407 is cash funds, \$102,366 is reappropriated funds, and \$103,333 is federal funds.

S.B. 11-108: Extends the repeal date of the "Identity Theft and Financial Fraud Deterrence Act" from July 1, 2011, until September 1, 2016, and makes changes to the identity theft and financial fraud board.

S.B. 11-173: Clarifies the existing framework for school emergency incident preparedness and response, including communications between schools and state and local emergency personnel. Specifies the role of the Division of Fire Safety in assessing and enquiring about a school's emergency response framework, and providing technical assistance as needed.

S.B. 11-209: General appropriations act for FY 2011-12.

S.B. 11-251: Makes changes to the authority of the Division of Fire Safety. Appropriates \$7,337 cash funds to the Department of Public Safety for the procurement of legal services from the Department of Law. Specifically, the bill does the following:

- increases the maximum fee for a fireworks license from twenty-five to fifty dollars and increases the maximum fee for a retailer, a wholesaler, or an exporter of fireworks license from seven hundred fifty to one thousand five hundred dollars;
- specifies that if a local government has not adopted a fire code that fireworks must be stored in accordance with the fire code adopted by the director of the Division of Fire Safety;
- establishes that the minimum safety standards for limited gaming structures shall be the codes adopted by the director of the Division of Fire Safety, except that no new rules shall be applied retroactively to structures licensed and operating as limited gaming structures on or before July 1, 2011;
- gives the division and educational institutions the discretion to use third-party inspectors for required inspections of schools and junior college buildings to receive a certificate of occupancy;

- provides definitions for "first responder", "hazardous materials responder", and "rescuer" and stipulates responsibilities of the Division of Fire Safety in relation to the former;
- makes changes to the voluntary certification of firefighters, first responders, and hazardous materials responders advisory board;
- makes changes to the firefighter, first responder, and hazardous materials responder certification fund and the fire suppression cash fund;
- transfers on June 30, 2011, the balance of the hazardous materials responder voluntary certification fund into the firefighter, first responder, and hazardous materials responder certification fund.

S.B. 11-266: Requires contractors providing services to public schools to undergo a fingerprint-based criminal history record check. Appropriates \$310,500 cash funds (Colorado Bureau of Investigation Identification Unit Fund) to the Colorado Bureau of Investigation for fingerprint based background checks.

H.B. 11-1036: Creates the "Blue Alert" program in the Colorado Bureau of Investigation to broadcast when a peace officer has been killed or seriously wounded in the line of duty and the suspect has fled the scene.

H.B. 11-1138: Extends the Sex Offender Management Board from July 1, 2010, to September 1, 2016, and makes numerous revisions to the sections of law concerning the board. Makes a General Fund appropriation of \$318,565 and 3.2 FTE and an appropriation from the Sex Offender Surcharge Cash Fund of \$152,536 and 1.5 FTE for FY 2011-12.

H.B. 11-1145: Requires all child care workers to have a fingerprint-based criminal history record check through both the Federal Bureau of Investigation and the Colorado Bureau of Investigation. The bill applies to workers hired on or after August 10, 2011. Appropriates \$19,311 cash funds and 0.4 FTE to the Department of Human Services and appropriates \$151,800 cash funds (Colorado Bureau of Investigation Identification Unit Fund) to the Colorado Bureau of Investigation for fingerprint based background checks.

H.B. 11-1176: Authorizes the Colorado State Patrol to exempt crude oil transporters from state requirements regarding route designation for transporting hazardous materials.

H.B. 11-1195: Creates a voluntary licensing program for private investigators. The licensing program is repealed, effective July 1, 2016, following a sunset review. Appropriates \$19,750 cash funds (Colorado Bureau of Investigation Identification Unit Fund) to the Colorado Bureau of Investigation for fingerprint based background checks, appropriates \$82,533 cash funds and 1.0 FTE to the Department of Regulatory Agencies.

H.B. 11-1199: Extends the sunset date for statutory limits on solar device fees to July 1, 2018. Sets limits on the amounts of fees that can be collected for solar device permits.

2012 Session Bills

H.B. 12-1019: Abolishes the Motor Carrier Services Division in the Department of Revenue, transfers the Ports of Entry program to the Department of Public Safety, Colorado State Patrol, and transfers the International

Registration Program for commercial vehicles to the Division of Motor Vehicles in the Department of Revenue. Appropriates \$10.9 million total funds and 122.3 FTE to the Department of Public Safety for FY 2012-13, of these amounts, reduces the General Fund appropriation by \$283,704, increases cash funds appropriations by \$10.6 million, and increases reappropriated funds appropriations by \$601,394. Reduces appropriations to the Department of Revenue by \$10.1 million and 122.3 FTE for FY 2012-13.

H.B. 12-1032: Continues the Forest Restoration Program for five years and specifies that the program is no longer a pilot program. Extends for five years the annual transfers from the Operational Account of the Severance Tax Trust Fund of \$1.0 million to the Forest Restoration Program Cash Fund, \$1.45 million to the Healthy Forests and Vibrant Communities Fund, and \$50,000 to the Wildland-Urban Interface Training Fund. Appropriates \$50,000 from the Wildland-Urban Interface Training Fund to the Department of Public Safety.

H.B. 12-1110: Establishes within the Department of Regulatory Agencies' (DORA's) Division of Real Estate a licensure program for appraisal management companies. For FY 2012-13, appropriates \$23,700 cash funds to the Department of Public Safety, Colorado Bureau of Investigation for conducting criminal history background checks. The effective date of the bill is July 1, 2013, effectively nullifying the appropriation for FY 2012-13. For additional information on H.B. 12-1110, see the "Recent Legislation" section at the end of the Department of Regulatory Agencies.

H.B. 12-1195: Supplemental appropriation to the Department of Public Safety to modify FY 2011-12 appropriations included in the FY 2011-12 Long Bill (S.B. 11-209).

H.B. 12-1246: Reverses the annual pay date shift as it applies to state employees paid on a biweekly basis. Appropriates \$25,473 General Fund to the Department of Public Safety for FY 2012-13. For additional information on H.B. 12-1246, see the "Recent Legislation" section at the end of the Department of Personnel.

H.B. 12-1283: Consolidates the State's fire prevention and control and homeland security and emergency management functions, personnel, and resources into two new divisions within the Department of Public Safety. Eliminates the Office of Preparedness, Security, and Fire Safety. Creates the Division of Fire Prevention and Control tasked with all the functions of the former Office of Fire Safety. Transfers to the Division of Fire Prevention and Control the powers and obligations relating to fire and wildfire preparedness, response, suppression, coordination, and management vested previously in the State Forest Service and the board of governors of the Colorado State University. Codifies the consolidation of Colorado's homeland security functions, personnel, and resources, enacted under Executive Order D 2011-030 into a new Division of Homeland Security and Emergency Management, consisting of the Office of Emergency Management, Office of Prevention and Security, and Office of Preparedness. Moves appropriations from the Governor's Office, Department of Higher Education, Department of Local Affairs, and Department of Public Health and Environment into the new Division of Fire Prevention and Control and the new Division of Homeland Security and Emergency Management.

Appropriations and Adjustments to the 2012 Long Bill (H.B. 12-1335) in H.B. 12-1283						
Department/Division	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
Governor, Office of Homeland Security	(\$10,201,205)	(6.0)	\$0	\$0	\$0	(\$10,201,205)
Higher Education, Fee-for-service Contracts with State Institutions and Board of Governors of the Colorado	(620,090)	(35.4)	(310,045)	0	(310,045)	0

Appropriations and Adjustments to the 2012 Long Bill (H.B. 12-1335) in H.B. 12-1283						
Department/Division	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
Local Affairs, Division of Emergency Management and EDO	(20,075,990)	(27.9)	(380,575)	(4,510,988)	(349,977)	(14,834,450)
Public Health and Environment, Emergency Preparedness and Response Division	(147,729)	(2.0)	(147,729)	0	0	0
Public Safety, Various	<u>36,608,071</u>	<u>71.3</u>	<u>838,349</u>	<u>10,129,020</u>	<u>349,977</u>	<u>25,290,725</u>
TOTAL	\$5,563,057	0.0	\$0	\$5,618,032	(\$310,045)	\$255,070

H.B. 12-1310: Addresses criminal justice matters in several areas including drug offenses and treatment, sentencing, court proceedings, sex offenses, probation, and parole. Relevant to the Department of Public Safety, consolidates funding for substance-abuse treatment for adult and juvenile offenders, replacing multiple appropriations with a set of similar appropriations involving the Correctional Treatment Cash Fund, which is created by the bill. Implements a consistent appropriation format that initially appropriates all General Fund and cash funds made available for treatment by S.B. 03-318 and H.B. 10-1352 to a single department (Judicial). Transfers funds not used in the Judicial Department to other state agencies as reappropriated funds. Eliminates a statutory requirement that the Division of Criminal Justice analyze and report each year to the Joint Budget Committee concerning the amount of fiscal savings generated by H.B. 10-1352. Increases appropriations of reappropriated funds to the Department by \$1,098,016 while reducing appropriations of cash funds by the same amount. Reduces General Fund appropriations to the Division of Criminal Justice by \$37,964 and 0.5 FTE. For additional information on H.B. 12-1310, see the "Recent Legislation" section at the end of the Judicial Department.

H.B. 12-1335: General appropriations act for FY 2012-13. Also appropriates \$259,510 to the Division of Criminal Justice for FY 2011-12 for offenders in community corrections with substance abuse problems.

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 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 Registrations licenses individuals in forty-eight professions and occupations.
10. Division of Securities licenses securities agents and investigates allegations of securities misconduct.

Department Budget: Recent Appropriations

Funding Source	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
General Fund	\$1,457,251	\$1,510,435	\$1,600,344	\$1,714,111
Cash Funds	68,839,045	68,157,532	69,765,231	71,265,174
Reappropriated Funds	8,382,793	6,825,033	4,239,807	4,265,351
Federal Funds	<u>1,214,685</u>	<u>1,231,398</u>	<u>1,194,128</u>	<u>1,314,203</u>
Total Funds	\$79,893,774	\$77,724,398	\$76,799,510	\$78,558,839
Full Time Equiv. Staff	595.4	578.4	592.1	557.9

General Factors Driving the Budget

For FY 2012-13, funding for the Department consists of 2.2 percent General Fund, 90.7 percent cash funds, 5.4 percent reappropriated funds, and 1.7 percent federal funds. Some of the most important factors driving the budget are reviewed 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 account for 10.3 percent of the Department's FY 2012-13 total appropriation and 28.0 percent of the state's FY 2012-13 total legal services appropriation in the Department of Law.

Department of Regulatory Agencies Legal Services Expenditures						
	FY 07-08 Actual	FY 08-09 Actual	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Approp.	FY 12-13 Approp.
Legal Services	\$6,804,123	\$7,396,788	\$7,546,070	\$7,485,354	\$8,088,494	\$8,102,284
Number of Hours	94,462	98,493	100,107	102,022	106,835	104,884
Blended Legal Rate	72.03	75.10	75.38	73.37	75.71	77.25
Percent of Dept. Approp.	9.0%	9.9%	10.2%	10.4%	10.5%	10.3%
Percent of State Total	30.2%	29.0%	30.3%	29.0%	28.0%	28.0%
Total State Legal Services	\$24,242,875	\$25,497,967	\$24,886,703	\$25,810,341	\$28,886,539	\$28,927,518

From FY 2008-09 through FY 2010-11, seven divisions accounted for 98.6 percent of the Department's legal services.

Legal Services Used by Division					
	FY 2008-09	FY 2009-10	FY 2010-11	Total	Percentage
Registrations	\$3,378,450	\$3,515,106	\$3,286,424	\$10,179,980	45.4%
PUC	1,180,036	1,240,536	1,225,399	3,645,971	16.3%
Real Estate	918,223	906,652	781,201	2,606,076	11.6%
Insurance	706,081	671,086	890,231	2,267,398	10.1%
Securities	484,612	465,174	487,937	1,437,723	6.4%
OCC	448,613	452,314	438,677	1,339,604	6.0%
Civil Rights	<u>212,024</u>	<u>232,521</u>	<u>201,923</u>	<u>646,468</u>	<u>2.9%</u>
Dept. Total	\$7,396,788	\$7,546,070	\$7,485,354	\$22,428,212	
				Divisions' Share	98.6%

Number of Licenses Issued by Certain Divisions

The Department is responsible for consumer protection, and licenses professionals in various industries to accomplish this mission. The Divisions of Insurance, Real Estate, Registrations and Securities issue the majority of individual licenses. The budgets in each of these divisions is 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 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
Division of Insurance						
New Licenses	30,272	29,322	29,511	29,070	25,699	29,789
Active Licenses	110,911	109,705	115,229	118,783	123,204	129,559
Division of Real Estate						
Broker & Salesperson	13,432	14,321	18,292	11,820	10,662	10,660
Mortgage Loan Originators	n/a	n/a	n/a	8,729	4,690	5,013
Appraisers	5,474	4,884	4,447	4,006	3,597	3,365
Division of Registrations						
New Licenses	27,839	28,035	30,890	38,900	33,194	34,431
Active Licenses	282,521	295,281	292,584	315,147	324,271	345,026
Division of Securities						
Sales Representative License Renewals	125,680	134,053	143,772	145,347	145,504	153,576
Investment Advisor License Renewals	6,580	7,468	8,458	8,913	9,231	9,522

Number of Examinations by the Divisions of Banking and Securities

The deterioration of the financial sector increased the workload of the examination sections of the Divisions of Banking, Financial Services, and Securities. While examination workload increased through FY 2010-11, Department estimates suggest bank and credit union examinations will decrease in FY 2011-12. Securities examinations are expected to increase due to additional oversight requirements in federal law. The following table outlines the growth in the number of examinations conducted by these three divisions since FY 2006-07.

Number of Examinations Conducted by the Divisions of Banking, Financial Services, and Securities							
	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Estimate	5-Yr Actual Percent Change
Banking Examinations	161	196	164	154	195	154	21.1%
Credit Union Examinations	44	40	33	38	39	30	(11.4)%
Securities Examination	40	46	50	66	65	160	62.5%

Legislation

The General Assembly has passed a significant number of bills over the last seven sessions that increased the Department's regulatory responsibilities. The 2007 Session was the peak year in terms of dollars appropriated through non-budget bills, and the 2008 Session was the peak year for increasing the number of Department FTE. The 2012 Session had substantially fewer bills and lower FTE and appropriation totals. The following table shows the impact of non-budget bills on the Department's budget.

Impact of Legislation on the Department's Budget						
Session	No. of Bills	Dollars Appropriated			Total	Authorized FTE
		General Fund	Cash Funds	Reappropriated Funds		
2006	11	\$0	\$1,088,461	\$194,600	\$1,283,061	7.2
2007	22	42,290	2,670,098	66,962	2,779,350	15.3
2008	19	149,205	2,233,416	0	2,382,621	17.3
2009	10	0	947,305	0	947,305	7.5
2010	13	0	507,245	593,333	1,100,578	6.4
2011	11	0	954,420	0	954,420	6.8
2012	<u>5</u>	<u>0</u>	<u>378,246</u>	<u>0</u>	<u>378,246</u>	<u>2.0</u>
Total	91	\$191,495	\$8,779,191	\$854,895	\$9,825,581	62.5

The impact of these bills by division is outlined in the following table. The number of bills impacting the Division of Registrations is more than twice the number impacting any other division. These bills are primarily adding regulatory programs for professionals.

Divisions Impacted by Bills by Legislative Session								
	2006	2007	2008	2009	2010	2011	2012	Total
Insurance	3	5	6	0	0	2	1	17
Public Utilities Commission	2	6	1	1	2	0	0	12
Real Estate	1	4	1	1	2	1	0	10
Registrations	3	5	7	7	7	8	4	41
Other*	<u>2</u>	<u>2</u>	<u>4</u>	<u>1</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>11</u>
Total	11	22	19	10	13	11	5	91

*Other includes: Executive Director's Office, Division of Banking, and Civil Rights Division

Summary of FY 2011-12 and FY 2012-13 Appropriations

Department of Regulatory Agencies						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Total Appropriation:	\$76,799,510	\$1,600,344	\$69,765,231	\$4,239,807	\$1,194,128	592.1
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office and Administrative Services	22,660,216	519,364	18,526,822	3,388,050	225,980	27.5
Division of Banking	4,398,239	0	4,398,239	0	0	47.5
Civil Rights Division	1,762,905	1,080,980	0	232,343	449,582	31.4
Office of Consumer Counsel	880,516	0	880,516	0	0	7.0
Division of Financial Services	1,370,969	0	1,370,969	0	0	15.0
Division of Insurance	7,210,951	0	6,692,385	0	518,566	86.7
Public Utilities Commission	15,598,995	0	15,598,995	0	0	101.1
Division of Real Estate	4,190,908	0	4,190,908	0	0	52.3
Division of Registrations	15,618,807	0	14,999,393	619,414	0	197.6
Division of Securities	3,107,004	0	3,107,004	0	0	26.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 11-209	76,608,839	1,623,241	69,504,127	4,286,845	1,194,626	586.6
SB 11-076	(826,773)	(24,058)	(749,724)	(47,038)	(5,953)	0.0
SB 11-088	5,859	0	5,859	0	0	0.0
SB 11-091	12,075	0	12,075	0	0	0.0
SB 11-094	5,452	0	5,452	0	0	0.0
SB 11-128	5,455	0	0	0	5,455	0.0
SB 11-169	164,380	0	164,380	0	0	1.4
SB 11-187	532,628	0	532,628	0	0	3.4
SB 11-192	50,326	0	50,326	0	0	1.0
HB 11-1033	(5,333)	0	(5,333)	0	0	0.0
HB 11-1100	94,388	0	94,388	0	0	0.0
HB 11-1195	82,533	0	82,533	0	0	1.0
HB 11-1300	12,112	0	12,112	0	0	0.0
HB 12-1196	57,569	1,161	56,408	0	0	(1.3)

Department of Regulatory Agencies						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Total Appropriation:	\$78,558,839	\$1,714,111	\$71,265,174	\$4,265,351	\$1,314,203	557.9
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office and Administrative Services	23,622,844	563,948	19,300,779	3,494,639	263,478	29.5
Division of Banking	4,369,807	0	4,369,807	0	0	40.0
Civil Rights Division	1,779,652	1,150,163	0	174,930	454,559	27.0
Office of Consumer Counsel	897,250	0	897,250	0	0	7.0
Division of Financial Services	1,386,125	0	1,386,125	0	0	13.0
Division of Insurance	7,336,754	0	6,771,369	0	565,385	84.9
Public Utilities Commission	15,851,475	0	15,820,694	0	30,781	95.0
Division of Real Estate	4,187,298	0	4,187,298	0	0	46.9
Division of Registrations	16,023,008	0	15,427,226	595,782	0	190.6
Division of Securities	3,104,626	0	3,104,626	0	0	24.0
<u>Breakdown of Total Appropriation by Bill</u>						
HB 12-1335	78,180,593	1,714,111	70,886,928	4,265,351	1,314,203	555.9
HB 12-1052	36,745	0	36,745	0	0	0.0
HB 12-1266	(3,930)	0	(3,930)	0	0	(0.1)
HB 12-1300	9,175	0	9,175	0	0	0.0
HB 12-1303	111,148	0	111,148	0	0	1.1
HB 12-1311	225,108	0	225,108	0	0	1.0
Increase/(Decrease)	\$1,759,329	\$113,767	\$1,499,943	\$25,544	\$120,075	(34.2)
Percentage Change	2.3%	7.1%	2.2%	0.6%	10.1%	(5.8)%

Informational Funds: Beginning in FY 2012-13, the Long Bill and other legislation indicate when an amount is shown solely for informational purposes through a new "(I)" notation. The following amounts in the Department of Regulatory Agencies are annotated with the "(I)". For additional information, see Appendix J.

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2012-13 Appropriations containing an (I) notation	\$3,853,794	\$0	\$2,539,591	\$0	\$1,314,203

FY 2011-12 Appropriation - Mid-year Adjustment Highlights

The FY 2011-12 appropriation was modified during the 2012 Legislative Session in H.B. 12-1196 to increase appropriations for Department of Personnel operating common policy line items for Administrative Law Judge Services and Vehicle Lease Payments.

FY 2012-13 Appropriation Highlights

The FY 2012-13 appropriation:

1. Increases \$809,000 total funds, including \$24,000 General Fund, for the restoration of the state contribution to the Public Employees Retirement Association for FY 2012-13.
2. Increases \$790,000 total funds, including \$181,000 General Fund, for compensation-related common policies comprising health, life, and dental benefits, short-term disability, amortization equalization disbursement, and supplemental amortization equalization disbursement.
3. Increases \$378,000 cash funds for non-budget bills passed in the 2012 session.
4. Increases \$145,000 total funds, including \$3,000 General Fund, for the first two phases of a five-phase project to replace the statewide accounting system (COFRS) used by the Office of the State Controller to record all state revenues and expenditures.
5. Increases \$145,000 total funds, including \$13,000 General Fund, for statewide information technology common policy adjustments.
6. Decreases a net 34.2 FTE, including a decrease of 36.2 FTE as base reductions to reflect actual FTE usage, and an increase of 2.0 FTE in non-budget bills.
7. Decreases \$301,000 total funds, including \$7,500 General Fund, for the 1.0 percent base reduction to certain personal services line items.
8. Decreases \$232,000 total funds for the second or third out-year impact of legislation and budget actions.

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 2011-12 Appropriation:						
SB 11-209	\$22,256,010	\$518,203	\$18,079,674	\$3,435,088	\$223,045	27.5
SB 11-076	(47,038)	0	0	(47,038)	0	0.0
SB 11-088	4,109	0	4,109	0	0	0.0
SB 11-091	4,402	0	4,402	0	0	0.0
SB 11-094	4,402	0	4,402	0	0	0.0
SB 11-128	2,935	0	0	0	2,935	0.0
SB 11-169	62,566	0	62,566	0	0	0.0
SB 11-187	271,088	0	271,088	0	0	0.0
HB 11-1100	34,484	0	34,484	0	0	0.0
HB 11-1195	7,337	0	7,337	0	0	0.0
HB 11-1300	2,352	0	2,352	0	0	0.0
HB 12-1196	<u>57,569</u>	<u>1,161</u>	<u>56,408</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$22,660,216	\$519,364	\$18,526,822	\$3,388,050	\$225,980	27.5
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$22,660,216	\$519,364	\$18,526,822	\$3,388,050	\$225,980	27.5
Centrally appropriated line items	687,162	29,011	542,305	80,600	35,246	0.0
Statewide IT common policy adjustments	145,218	13,421	131,797	0	0	0.0
COFRS modernization	144,715	3,016	131,452	7,995	2,252	0.0
Restore state PERA contribution	47,038	0	0	47,038	0	0.0
Fund source adjustment	0	(830)	8,643	(7,813)	0	0.0
FTE adjustment	0	0	0	0	0	2.0
Annualize prior year funding	(118,680)	0	(118,680)	0	0	0.0
Personal services base reduction	(21,548)	(34)	(283)	(21,231)	0	0.0
HB 12-1335	\$23,544,121	\$563,948	\$19,222,056	\$3,494,639	\$263,478	29.5
HB 12-1052	35,520	0	35,520	0	0	0.0
HB 12-1300	2,271	0	2,271	0	0	0.0
HB 12-1303	17,840	0	17,840	0	0	0.0
HB 12-1311	<u>23,092</u>	<u>0</u>	<u>23,092</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$23,622,844	\$563,948	\$19,300,779	\$3,494,639	\$263,478	29.5

Executive Director's Office and Administrative Services

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Increase/(Decrease)	\$962,628	\$44,584	\$773,957	\$106,589	\$37,498	2.0
Percentage Change	4.2%	8.6%	4.2%	3.1%	16.6%	7.3%

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1196 modified FY 2011-12 appropriations to increase appropriations for Department of Personnel operating common policy line items for Administrative Law Judge Services and Vehicle Lease Payments.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: health, life, and dental benefits; short-term disability; amortization equalization disbursement; supplemental amortization equalization disbursement; workers' compensation; legal services; administrative law judge services; payment to risk management and property funds; vehicle lease payments; and Capitol complex leased space.

Statewide IT common policy adjustments: The appropriation includes adjustments to line items appropriated for: purchase of services from the computer center; multiuse network payments; management and administration of the Governor's Office of Information Technology (OIT); and information technology asset maintenance.

COFRS modernization: The appropriation includes an increase to fund the first two phases of a five-phase project to replace the statewide accounting system (COFRS) used by the Office of the State Controller to record all state revenues and expenditures.

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Fund source adjustment: The appropriation includes an increase in cash funds offset by a decrease in General Fund and reappropriated funds.

FTE adjustment: The appropriation includes an adjustment to FTE to reflect actual usage.

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

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services line items.

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 2011-12 Appropriation:						
SB 11-209	\$4,458,200	\$0	\$4,458,200	\$0	\$0	47.5
SB 11-076	<u>(59,961)</u>	<u>0</u>	<u>(59,961)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$4,398,239	\$0	\$4,398,239	\$0	\$0	47.5
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$4,398,239	\$0	\$4,398,239	\$0	\$0	47.5
Restore state PERA contribution	59,961	0	59,961	0	0	0.0
FTE adjustment	0	0	0	0	0	(7.5)
Indirect cost assessment	(38,731)	0	(38,731)	0	0	0.0
Personal services base reduction	(33,978)	0	(33,978)	0	0	0.0
Annualize prior year funding	(15,684)	0	(15,684)	0	0	0.0
HB 12-1335	<u>\$4,369,807</u>	<u>\$0</u>	<u>\$4,369,807</u>	<u>\$0</u>	<u>\$0</u>	<u>40.0</u>
TOTAL	\$4,369,807	\$0	\$4,369,807	\$0	\$0	40.0
Increase/(Decrease)	(\$28,432)	\$0	(\$28,432)	\$0	\$0	(7.5)
Percentage Change	(0.6)%	n/a	(0.6)%	n/a	n/a	(15.8)%

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

FTE adjustment: The appropriation includes an adjustment to FTE to reflect actual usage.

Indirect cost assessment: The appropriation includes a decrease in indirect cost assessments.

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services line items.

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

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 2011-12 Appropriation:						
SB 11-209	\$1,791,754	\$1,105,038	\$0	\$232,343	\$454,373	31.4
SB 11-076	<u>(28,849)</u>	<u>(24,058)</u>	<u>0</u>	<u>0</u>	<u>(4,791)</u>	<u>0.0</u>
TOTAL	\$1,762,905	\$1,080,980	\$0	\$232,343	\$449,582	31.4
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$1,762,905	\$1,080,980	\$0	\$232,343	\$449,582	31.4
Restore state PERA contribution	28,849	24,058	0	0	4,791	0.0
Indirect cost assessment	3,662	0	0	0	3,662	0.0
Fund source adjustment	0	52,683	0	(52,683)	0	0.0
FTE adjustment	0	0	0	0	0	(4.4)
Personal services base reduction	(15,764)	(7,558)	0	(4,730)	(3,476)	0.0
HB 12-1335	<u>\$1,779,652</u>	<u>\$1,150,163</u>	<u>\$0</u>	<u>\$174,930</u>	<u>\$454,559</u>	<u>27.0</u>
TOTAL	\$1,779,652	\$1,150,163	\$0	\$174,930	\$454,559	27.0
Increase/(Decrease)	\$16,747	\$69,183	\$0	(\$57,413)	\$4,977	(4.4)
Percentage Change	1.0%	6.4%	n/a	(24.7)%	1.1%	(14.0)%

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Indirect cost assessment: The appropriation includes an increase in indirect cost assessments.

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

FTE adjustment: The appropriation includes an adjustment to FTE to reflect actual usage.

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services line items.

Office of Consumer Counsel

The Office of Consumer Counsel represents the interests of residential, agricultural and small business consumers at electric, gas and telecommunications rate and service proceedings before the Public Utilities Commission. 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 2011-12 Appropriation:						
SB 11-209	\$895,298	\$0	\$895,298	\$0	\$0	7.0
SB 11-076	<u>(14,782)</u>	<u>0</u>	<u>(14,782)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$880,516	\$0	\$880,516	\$0	\$0	7.0
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$880,516	\$0	\$880,516	\$0	\$0	7.0
Restore state PERA contribution	14,782	0	14,782	0	0	0.0
Indirect cost assessment	1,952	0	1,952	0	0	0.0
HB 12-1335	<u>\$897,250</u>	<u>\$0</u>	<u>\$897,250</u>	<u>\$0</u>	<u>\$0</u>	<u>7.0</u>
TOTAL	\$897,250	\$0	\$897,250	\$0	\$0	7.0
Increase/(Decrease)	\$16,734	\$0	\$16,734	\$0	\$0	0.0
Percentage Change	1.9%	n/a	1.9%	n/a	n/a	0.0%

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Indirect cost assessment: The appropriation includes an increase in indirect cost assessments.

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 2011-12 Appropriation:						
SB 11-209	\$1,395,802	\$0	\$1,395,802	\$0	\$0	15.0
SB 11-076	<u>(24,833)</u>	<u>0</u>	<u>(24,833)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$1,370,969	\$0	\$1,370,969	\$0	\$0	15.0
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$1,370,969	\$0	\$1,370,969	\$0	\$0	15.0
Restore state PERA contribution	24,833	0	24,833	0	0	0.0
FTE adjustment	0	0	0	0	0	(2.0)
Indirect cost assessment	(9,677)	0	(9,677)	0	0	0.0
HB 12-1335	<u>\$1,386,125</u>	<u>\$0</u>	<u>\$1,386,125</u>	<u>\$0</u>	<u>\$0</u>	<u>13.0</u>
TOTAL	\$1,386,125	\$0	\$1,386,125	\$0	\$0	13.0
Increase/(Decrease)	\$15,156	\$0	\$15,156	\$0	\$0	(2.0)
Percentage Change	1.1%	n/a	1.1%	n/a	n/a	(13.3)%

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

FTE adjustment: The appropriation includes an adjustment to FTE to reflect actual usage.

Indirect cost assessment: The appropriation includes a decrease in indirect cost assessments.

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 2011-12 Appropriation:						
SB 11-209	\$7,345,300	\$0	\$6,828,092	\$0	\$517,208	86.7
SB 11-076	(131,536)	0	(130,374)	0	(1,162)	0.0
SB 11-128	2,520	0	0	0	2,520	0.0
HB 11-1033	<u>(5,333)</u>	<u>0</u>	<u>(5,333)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$7,210,951	\$0	\$6,692,385	\$0	\$518,566	86.7
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$7,210,951	\$0	\$6,692,385	\$0	\$518,566	86.7
Restore state PERA contribution	131,536	0	130,374	0	1,162	0.0
Indirect cost assessment	60,011	0	11,834	0	48,177	0.0
FTE adjustment	0	0	0	0	0	(1.7)
Personal services base reduction	(57,759)	0	(57,759)	0	0	0.0
Annualize prior year funding	(2,520)	0	0	0	(2,520)	0.0
CAPCO Administration	(1,535)	0	(1,535)	0	0	0.0
HB 12-1335	\$7,340,684	\$0	\$6,775,299	\$0	\$565,385	85.0
HB 12-1266	<u>(3,930)</u>	<u>0</u>	<u>(3,930)</u>	<u>0</u>	<u>0</u>	<u>(0.1)</u>
TOTAL	\$7,336,754	\$0	\$6,771,369	\$0	\$565,385	84.9
Increase/(Decrease)	\$125,803	\$0	\$78,984	\$0	\$46,819	(1.8)
Percentage Change	1.7%	n/a	1.2%	n/a	9.0%	(2.1)%

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Indirect cost assessment: The appropriation includes an increase in indirect cost assessments.

FTE adjustment: The appropriation includes an adjustment to FTE to reflect actual usage.

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services line items.

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

CAPCO Administration: The appropriation includes a decrease to the Transfer to CAPCO Administration line item which appropriates money for the capital company (CAPCO) incentives program, CAPCO Administration line item in the Governor's Office budget.

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 2011-12 Appropriation:						
SB 11-209	\$15,788,248	\$0	\$15,788,248	\$0	\$0	101.1
SB 11-076	<u>(189,253)</u>	<u>0</u>	<u>(189,253)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$15,598,995	\$0	\$15,598,995	\$0	\$0	101.1
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$15,598,995	\$0	\$15,598,995	\$0	\$0	101.1
Restore state PERA contribution	183,002	0	183,002	0	0	0.0
Adjustment to Commission for the Deaf	106,550	0	106,550	0	0	0.0
Adjustment to Reading Services for the Blind	100,000	0	100,000	0	0	0.0
Annualize prior year funding	43,423	0	43,423	0	0	0.0
Indirect cost assessment	16,696	0	(14,085)	0	30,781	0.0
FTE adjustment	0	0	0	0	0	(6.1)
Adjustment to Commission for Blind	(111,002)	0	(111,002)	0	0	0.0
Personal services base reduction	(86,189)	0	(86,189)	0	0	0.0
HB 12-1335	<u>\$15,851,475</u>	<u>\$0</u>	<u>\$15,820,694</u>	<u>\$0</u>	<u>\$30,781</u>	<u>95.0</u>
TOTAL	\$15,851,475	\$0	\$15,820,694	\$0	\$30,781	95.0

Public Utilities Commission						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Increase/(Decrease)	\$252,480	\$0	\$221,699	\$0	\$30,781	(6.1)
Percentage Change	1.6%	n/a	1.4%	n/a	n/a	(6.0)%

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Adjustment to Commission for the Deaf: The appropriation includes an increase to the Commission for the Deaf and Hard of Hearing line item in the Department of Human Services.

Adjustment to Reading Services for the Blind: The appropriation includes an increase to the Transfer to Reading Services for the Blind line item in the Department of Education.

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

Indirect cost assessment: The appropriation includes an increase in indirect cost assessments.

FTE adjustment: The appropriation includes an adjustment to FTE to reflect actual usage.

Adjustment to Commission for Blind: The appropriation includes a decrease for the sunset of the Colorado Commission for Individuals who are Blind or Visually Impaired in the Department of Human Services.

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services line items.

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 2011-12 Appropriation:						
SB 11-209	\$4,242,564	\$0	\$4,242,564	\$0	\$0	52.3

Division of Real Estate						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 11-076	(61,416)	0	(61,416)	0	0	0.0
HB 11-1300	<u>9,760</u>	<u>0</u>	<u>9,760</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$4,190,908	\$0	\$4,190,908	\$0	\$0	52.3
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$4,190,908	\$0	\$4,190,908	\$0	\$0	52.3
Restore state PERA contribution	56,642	0	56,642	0	0	0.0
Mortgage broker consumer protection	2,661	0	2,661	0	0	0.0
FTE adjustment	0	0	0	0	0	(5.4)
Personal services base reduction	(30,312)	0	(30,312)	0	0	0.0
Indirect cost assessment	(22,841)	0	(22,841)	0	0	0.0
Annualize prior year funding	(9,760)	0	(9,760)	0	0	0.0
HB 12-1335	<u>\$4,187,298</u>	<u>\$0</u>	<u>\$4,187,298</u>	<u>\$0</u>	<u>\$0</u>	<u>46.9</u>
TOTAL	\$4,187,298	\$0	\$4,187,298	\$0	\$0	46.9
Increase/(Decrease)	(\$3,610)	\$0	(\$3,610)	\$0	\$0	(5.4)
Percentage Change	(0.1)%	n/a	(0.1)%	n/a	n/a	(10.3)%

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Mortgage broker consumer protection: The appropriation includes an increase for the Mortgage Broker Consumer Protection Unit in the Department of Law.

FTE adjustment: The appropriation includes an adjustment to FTE to reflect actual usage.

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services line items.

Indirect cost assessment: The appropriation includes a decrease in indirect cost assessments.

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

Division of Registrations

This Division regulates over 324,000 licensees in forty-eight professions and occupations. Boards and Commissions establish regulatory standards to ensure a minimal 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 Registrations Cash Fund. Reappropriated funds are primarily from Departmental indirect cost recoveries.

Division of Registrations						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$15,280,579	\$0	\$14,661,165	\$619,414	\$0	192.1
SB 11-076	(221,025)	0	(221,025)	0	0	0.0
SB 11-088	1,750	0	1,750	0	0	0.0
SB 11-091	7,673	0	7,673	0	0	0.0
SB 11-094	1,050	0	1,050	0	0	0.0
SB 11-169	101,814	0	101,814	0	0	1.4
SB 11-187	261,540	0	261,540	0	0	3.4
SB 11-192	50,326	0	50,326	0	0	1.0
HB 11-1100	59,904	0	59,904	0	0	0.0
HB 11-1195	75,196	0	75,196	0	0	1.0
HB 12-1196	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1.3)</u>
TOTAL	\$15,618,807	\$0	\$14,999,393	\$619,414	\$0	197.6
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$15,618,807	\$0	\$14,999,393	\$619,414	\$0	197.6
Restore state PERA contribution	221,025	0	221,025	0	0	0.0
Indirect cost assessment	28,612	0	28,612	0	0	0.0
Fund source adjustment	0	0	21,913	(21,913)	0	0.0
FTE adjustment	0	0	0	0	0	(9.1)
Annualize prior year funding	(114,911)	0	(114,911)	0	0	0.0
Personal services base reduction	(33,978)	0	(32,259)	(1,719)	0	0.0
HB 12-1335	\$15,719,555	\$0	\$15,123,773	\$595,782	\$0	188.5
HB 12-1052	1,225	0	1,225	0	0	0.0
HB 12-1300	6,904	0	6,904	0	0	0.0
HB 12-1303	93,308	0	93,308	0	0	1.1

Division of Registrations						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 12-1311	<u>202,016</u>	<u>0</u>	<u>202,016</u>	<u>0</u>	<u>0</u>	<u>1.0</u>
TOTAL	\$16,023,008	\$0	\$15,427,226	\$595,782	\$0	190.6
Increase/(Decrease)	\$404,201	\$0	\$427,833	(\$23,632)	\$0	(7.0)
Percentage Change	2.6%	n/a	2.9%	(3.8)%	n/a	(3.5)%

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1196 modified FY 2011-12 appropriations to correct the FTE appropriation in S.B. 11-187 to 2.1 FTE.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Indirect cost assessment: The appropriation includes an increase in indirect cost assessments.

Fund source adjustment: The appropriation includes an increase in cash funds offset by a decrease in reappropriated funds.

FTE adjustment: The appropriation includes an adjustment to FTE to reflect actual usage.

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

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services line items.

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 2011-12 Appropriation:						
SB 11-209	\$3,155,084	\$0	\$3,155,084	\$0	\$0	26.0
SB 11-076	<u>(48,080)</u>	<u>0</u>	<u>(48,080)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$3,107,004	\$0	\$3,107,004	\$0	\$0	26.0
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$3,107,004	\$0	\$3,107,004	\$0	\$0	26.0
Restore state PERA reduction	41,337	0	41,337	0	0	0.0
FTE adjustment	0	0	0	0	0	(2.0)
Personal services base reduction	(21,291)	0	(21,291)	0	0	0.0
Annualize prior year funding	(14,010)	0	(14,010)	0	0	0.0
Indirect cost assessment	(6,611)	0	(6,611)	0	0	0.0
Securities fraud prosecution	(1,803)	0	(1,803)	0	0	0.0
HB 12-1335	<u>\$3,104,626</u>	<u>\$0</u>	<u>\$3,104,626</u>	<u>\$0</u>	<u>\$0</u>	<u>24.0</u>
TOTAL	\$3,104,626	\$0	\$3,104,626	\$0	\$0	24.0
Increase/(Decrease)	(\$2,378)	\$0	(\$2,378)	\$0	\$0	(2.0)
Percentage Change	(0.1)%	n/a	(0.1)%	n/a	n/a	(7.7)%

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

FTE adjustment: The appropriation includes an adjustment to FTE to reflect actual usage.

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services line items.

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

Indirect cost assessment: The appropriation includes a decrease in indirect cost assessments.

Securities fraud prosecution: The appropriation includes a decrease for the Securities Fraud Prosecution unit in the Department of Law.

Recent Legislation

2011 Session Bills

S.B. 11-076: For the 2011-12 state fiscal year only, reduces the employer contribution rate for the State and Judicial divisions of the Public Employees' Retirement Association (PERA) by 2.5 percent and increases the member contribution rate for these divisions by the same amount. In effect, continues the FY 2010-11 PERA contribution adjustments authorized through S.B. 10-146 for one additional year. Reduces the Department's total appropriation by \$826,773 total funds, of which \$24,058 is General Fund, \$749,724 is cash funds, \$47,038 is reappropriated funds, and \$5,953 is federal funds.

S.B. 11-088: Continues the regulation of direct-entry midwives in the Division of Registrations until September 1, 2016, and implements changes recommended in the 2010 sunset review. Broadens the scope of practice for direct-entry midwives to include limited prescriptive authority to obtain and administer vitamin K, immune globulin and antihemorrhagic drugs, and authorizes the administration of intravenous fluids. Expands the mandatory disclosures for direct-entry midwives to address the new authorities, informed consent, and emergency procedures. Clarifies the distinction between serious and less serious violations, and requires the director of the division to establish a fine schedule and the circumstances under which fines may be imposed. Appropriates \$5,859 cash funds to the Department of Regulatory Agencies and reappropriates \$4,109 to the Department of Law for the provision of legal services.

S.B. 11-091: Continues the State Board of Veterinary Medicine and its functions until September 1, 2022. Creates an exemption to the veterinarian-client-patient relationship (VCPR) for the purpose of dispensing prescription drugs and modifies the definition of the VCPR to allow for emergency coverage by another veterinarian. Allows veterinarians to establish professional service corporations under statutory guidelines, and directs the Board to develop a uniform system and schedule of fines for violations. Modifies the grounds for discipline, and imposes a two-year waiting period for a veterinarian whose license was revoked to reapply for licensure. Exempts the practice of animal physical therapy by a licensed physical therapist from the licensing requirements of the Colorado Veterinary Practice Act. Requires all veterinary clinics to have a Colorado-licensed veterinarian designated as responsible for all veterinary medical decisions and care provided to a patient present in the facility. Subjects a corporate veterinary practice that fails to do so to a fine. Allows an unlicensed person to assist in a surgical procedure if the person is under the immediate supervision of a licensed veterinarian. Appropriates \$12,075 cash funds to the Department of Regulatory Agencies and reappropriates \$4,402 to the Department of Law for the provision of legal services.

S.B. 11-094: Implements the recommendations of the 2010 sunset review of the Colorado State Board of Optometric Examiners and continues the functions of the board until September 1, 2022. Appropriates \$5,452 cash funds to the Department of Regulatory Agencies and reappropriates \$4,410 to the Department of Law for the provision of legal services.

S.B. 11-128: Requires all insurance carriers selling individual health benefit plans in Colorado to provide at least one child-only health benefit plan for children up to age 19, without regard to preexisting conditions, during two specified month-long enrollment periods per year. Specifies when the first enrollment must occur and time periods of subsequent enrollment. Requires insurance carriers to give notice of the open enrollment opportunities, instructions for enrolling, a link to the public programs administered by the Department of Health Care Policy and Financing on their website. Requires the Commissioner of Insurance to collect information

about the number of applicants for a child-only plan, the number enrolled, the number of applicants denied enrollment, and the reasons for the denials in conjunction with the annual Health Cost Report Survey. Provides an informational only appropriation of \$5,455 federal funds to the Division of Insurance, and reappropriates \$2,935 to the Department of Law for the provision of legal services.

S.B. 11-169: Implements the recommendations in the 2010 sunset review of the regulation of physical therapists, and continues the regulatory program until 2018. Creates the State Physical Therapy Board, a new certification program for assistants to physical therapists, and establishes requirements for physical therapists to demonstrate continued competency. Appropriates \$101,814 cash funds and 1.4 FTE to the Division of Registrations, and \$62,566 to the Executive Director's Office. Reappropriates \$23,680 to the Governor's Office of Information Technology for the provision of information technology services, and \$38,886 to the Department of Law for the provision of legal services.

S.B. 11-187: Continues the State Boards of Psychologist Examiners, Social Work Examiners, Marriage and Family Therapist Examiners, Licensed Professional Counselor Examiners, and the State Grievance Board and implements recommendations from the 2010 sunset review. Creates the State Board of Addiction Counselor Examiners and eliminates the regulatory authority of the director of the Division of Registrations over addiction counselors. Establishes a new sunset date of September 1, 2020, for these oversight boards. Appropriates \$261,540 cash funds and 3.4 FTE to the Division of Registrations, and \$271,088 to the Executive Director's Office. Reappropriates \$176,088 to the Department of Law for the provision of legal services

S.B. 11-192: Continues the Prescription Drug Monitoring Program (PDMP), and clarifies that only prescriptions that have been dispensed are to be tracked, repeals the prescription controlled substance abuse monitoring advisory committee, and makes changes to the administration of the program. Expands access to the PDMP to law enforcement officials and regulatory boards in the Department of Regulatory Agencies. Requires physicians and pharmacies to disclose to the patient that their information will be entered into the PDMP database. Appropriates \$50,326 cash funds and 1.0 FTE to the Division of Registrations.

S.B. 11-209: General appropriations act for FY 2011-12.

H.B. 11-1033: Eliminates the requirement for property and casualty insurance companies to file an annual schedule of their aggregate Colorado claims data with the Division of Insurance in the Department of Regulatory Agencies. Reduces the appropriation to the Division of Insurance by \$5,333 cash funds.

H.B. 11-1100: Requires the Division of Registrations in the Department of Regulatory Agencies to accept an applicant's education, training, or service completed while a member of the armed services towards the qualifications to receive a professional license or certification. Appropriates \$94,388 cash funds to the Department of Regulatory Agencies, and reappropriates \$34,484 along with 0.4 FTE to the Department of Law for the provision of legal services.

H.B. 11-1195: Creates a voluntary license for private investigators in Colorado. Establishes licensure requirements and grounds for discipline. Appropriates \$82,533 cash funds and 1.0 FTE to the Department of Regulatory Agencies, and reappropriates \$7,337 to the Department of Law for the provision of legal services. Appropriates \$19,750 cash funds to the Department of Public Safety for background checks.

H.B. 11-1300: Authorizes the use of an expedited process for resolving disputed claims over conservation easement tax credits with certain provisions. Modifies the aggregate cap for claims for conservation easements

that was a part of H.B. 10-1197. Appropriates \$12,112 cash funds from the Conservation Easement Holder Certification Fund to the Department of Regulatory Agencies and reappropriates \$2,352 to the Department of Law for the provision of legal services. For additional information on H.B. 11-1300, see the "Recent Legislation" section at the end of the Department of Revenue.

2012 Session Bills

H.B. 12-1052: Requires the Department of Regulatory Agencies to request health care workforce data from certain health care professionals when receiving their initial or renewal license applications beginning on or before July 1, 2013. Appropriates \$36,475 cash funds from the Division of Registrations Cash Fund and reappropriates \$35,520 to the Governor's Office of Information Technology for the provision of programming services for FY 2012-13.

H.B. 12-1055: Renames the Division of Registrations in the Department of Regulatory Agencies as the Division of Professions and Occupations and renames the Division of Registrations Cash Fund as the Division of Professions and Occupations Cash Fund, effective August 8, 2012.

H.B. 12-1110: Redefines appraisal management company (AMC), establishes a licensure program for AMCs in the Division of Real Estate in the Department of Regulatory Agencies, and modifies the composition of the Board of Real Estate Appraisers to include a representative of an AMC. While the bill appropriates \$265,104 cash funds and 2.0 FTE from the Division of Real Estate Cash Fund, reappropriates \$62,839 and 0.5 FTE to the Department of Law for the provision of 830 hours of legal services, and appropriates \$23,700 from the CBI Identification Unit Cash Fund to the Department of Public Safety for fingerprint-based criminal history checks for FY 2012-13, the effective date of the bill is July 1, 2013 (FY 2013-14), effectively nullifying the appropriation for FY 2012-13.

H.B. 12-1196: Supplemental appropriation to the Department of Regulatory Agencies for FY 2011-12.

H.B. 12-1215: Conforms state law to the federal Non-admitted and Reinsurance Reform Act of 2010 that allows the Division of Insurance in the Department of Regulatory Agencies to collect all possible premium taxes on multi-state insurance policies, enables the Division to collect premium taxes on surplus lines insurance more than once annually, and gives the Commissioner of Insurance the authority to enter into multi-state compacts to manage, collect, and distribute premium taxes.

H.B. 12-1266: Continues the licensing of surety bail bond agents as property and casualty insurance providers and strikes all references to bail bond agents in Title 12 of the Colorado Revised Statutes and reestablishes regulatory oversight of the profession in the Division of Insurance in the Department of Regulatory Agencies in a new article in Title 10 of the Colorado Revised Statutes. Decreases the FY 2012-13 Long Bill appropriation for the Division of Insurance by 0.1 FTE and \$3,930 from the Division of Insurance Cash Fund.

H.B. 12-1300: Implements the recommendations from the Department of Regulatory Agencies 2011 Sunset Review and extends the functions of professional review committees under the Colorado Professional Review Act until September 1, 2019. Appropriates \$9,175 cash funds from the Division of Registrations Cash Fund to the Division of Registrations in the Department of Regulatory Agencies and reappropriates \$2,271 to the Department of Law for the provision of 30 hours of legal services for FY 2012-13.

H.B. 12-1303: Enacts the Speech-Language Pathology Practice Act and requires that the Division of Registrations in the Department of Regulatory Agencies create a certification program for speech-language pathologists. Appropriates 1.1 FTE and \$111,148 cash funds from the Division of Registrations Cash Fund, reappropriates \$16,656 and 0.1 FTE to the Department of Law for the provision of 220 hours of legal services, and reappropriates \$1,184 to the Governor's Office of Information Technology for the provision of technical assistance for FY 2012-13.

H.B. 12-1311: Continues the Colorado State Board of Pharmacy in the Department of Regulatory Agencies, continues the regulation of the practice of pharmacy through September 21, 2021, recodifies and relocates statutes regulating the practice of pharmacy and statutes pertaining to the licensing of addiction programs by the Department of Human Services. Appropriates 1.0 FTE and \$225,108 cash funds from the Division of Registrations Cash Fund and reappropriates \$23,092 to the Department of Law for the provision of 305 hours of legal services for FY 2012-13.

H.B. 12-1327: Repeals the requirement that a towing carrier maintain a \$50,000 surety bond to pay civil penalties assessed by the Public Utilities Commission in the Department of Regulatory Agencies and provides for the immediate revocation of the towing carrier's operating authority, a five-year prohibition on reapplying for a new authority, and a five-year disqualification from the same for principals connected to the towing carrier for failure to pay a fine or civil penalty. Requires towing carriers to purchase and display tow truck license plates created in the bill, beginning January 1, 2013. Appropriates \$11,840 from the License Plate Cash Fund and \$12,210 from the Colorado State Titling and Registration Account in the Highway Users Tax Fund to the Department of Revenue and reappropriates \$12,210 to the Governor's Office of Information Technology for provision of programming for FY 2012-13.

H.B. 12-1332: Adds anesthesiologist assistants to the Medical Practices Act, Article 36 of Title 12 of the Colorado Revised Statutes, effective July 1, 2013, requires that they be licensed by the Colorado Medical Board in the Department of Regulatory Agencies to practice in Colorado.

H.B. 12-1335: General appropriations act for FY 2012-13.

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 vehicles in a separate division. The Enforcement group regulates limited stakes gambling, alcohol, tobacco, racing events, and motor vehicle dealers, operates the hearings division, and regulates medical marijuana dispensaries, cultivation facilities, and infused products manufacturing facilities. The three functional areas are supported by the Executive Director's Office and the Central Department Operations and Information Technology divisions.

The Department is statutorily authorized to contract with cities and counties to collect any tax which it also collects for state government. The Central Department Operations Division 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 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
General Fund	\$73,749,339	\$70,830,479	\$72,744,786	\$73,668,142
Cash Funds	615,399,703	654,279,061	220,685,036	211,751,066
Reappropriated Funds	1,398,939	1,421,461	1,328,287	1,456,105
Federal Funds	<u>1,525,374</u>	<u>815,619</u>	<u>723,701</u>	<u>824,388</u>
Total Funds	\$692,073,355	\$727,346,620	\$295,481,810	\$287,699,701
Full Time Equiv. Staff	1,490.7	1,521.5	1,372.3	1,250.3

General Factors Driving the Budget

The Department's primary budget drivers are the state 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. The Department's funding for FY 2012-13 consists of 25.6 percent General Fund, 73.6 percent cash funds, 0.5 percent reappropriated funds, and 0.3 percent federal funds.

Taxation Business Group

In FY 2010-11, the Department collected \$8.8 billion in state taxes and fees, including income taxes, sales, use, mileage and fuel taxes, excise taxes, cigarette and tobacco taxes. In addition, another \$1.2 billion in sales taxes were collected on behalf of local governments.

The complexity of Colorado's tax structure affects the resources required by the Taxation Business Group and the Central Department Operations and Information Technology divisions. Colorado's sales and use tax structure is particularly complex relative to other states. 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. Because 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 most confusing aspect of Colorado's severance tax for both tax collectors and taxpayers is the ad valorem (property) tax credit. The complexity of local property tax rates contributes to the complexity of the ad valorem tax credit and severance tax collection. There are currently more than 2,600 mill levies in Colorado, and one mineral lease can be subject to several different mill levies if it cuts across jurisdictions or if it is located in overlapping jurisdictions. The ever-changing nature of local government mill levies compounds the confusion.

The cost of administering the tax code relative to tax collections has been declining since FY 2002-03, though it increased slightly in FY 2008-09. The cost of collecting taxes declined from a ten-year high of 1.38 percent in FY 2002-03 to 0.98 percent in FY 2007-08, before increasing in FY 2008-09. A similar increase occurred during the last economic downturn. The administrative costs of collecting state taxes for the last ten 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
2001-02	\$8,012,213,761	\$107,136,494	1.34%
2002-03	7,981,969,628	110,484,770	1.38%
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%

Costs of Tax Administration vs Tax Collections			
Fiscal Year	Gross Collections	Administrative Costs	Costs as Percentage of Collections
2009-10	10,189,039,088	116,073,378	1.14%
2010-11	10,962,892,030	123,740,158	1.13%

Division of Motor Vehicles

The Division of Motor Vehicles issues driver's licenses and identification cards, maintains driver records and administers 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 3.6 million licensed drivers in Colorado. Driver's license offices issue driver's licenses and state identification (ID) cards, as well as vehicle titles and registrations, dealer licenses, and other official state documents. 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 Documents Issued by Driver's License Offices						
	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Estimated	FY 2012-13 Projected
Documents Issued	899,194	866,332	903,378	1,037,474	1,342,178	1,422,505
Percentage Change	42.8%	(3.7)%	4.3%	14.8%	29.4%	6.0%

At the same time, recent changes in state and federal law have increased transaction times for driver's licenses and ID cards, because the Department has had to institute new policies and procedures to insure that those documents are secure and verifiable.

In the past, the purpose and function of the driver's license was to certify that a driver was competent to operate a motor vehicle. Today, the driver's license serves not only as proof of the ability and permission to use state roads, but also as proof of identity and of lawful presence for other essential needs, such as public benefits and voting. It also serves as proof of age for tobacco and liquor enforcement, and other purposes.

More specifically, under Colorado's "Restrictions on Public Benefits" law (H.B. 06S-1023), citizen-applicants for federal, state, or local public benefits must present a Colorado driver's license or ID (or tribal or military ID) in order to receive public benefits. In addition, 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.

Senate Bill 07-241 increased driver's license fees and applied the increased revenue to fund the opening of three new driver's license offices in the Front Range and to add 53.0 FTE to staff the new offices and to increase staff at other offices. Senate Bill 09-274 refinanced, for FY 2009-10, \$17 million of General Fund with cash funds from the Licensing Services Cash Fund (to which all driver's license fees were diverted) and with Highway Users Tax Fund (HUTF) "off-the-top" moneys. House Bill 10-1387 extended that refinance for FY 2010-11 and FY 2011-12, refinancing \$20.0 million General Fund with \$20.0 million cash funds each year, including \$3.9 million in HUTF "Off-the-Top" moneys for FY 2010-11 and \$2.3 million for FY 2011-12. House Bill 12-1216 extends that refinancing for three additional years, saving \$22.7 million General Fund in FY 2012-13.

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; 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 2010-11, the Department renewed 64 licenses for stations and 200 for mechanics.

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. In FY 2010-11, the Department processed 1,471,503 title applications, which is a decline from the 1,652,931 applications processed in FY 2007-08.

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 2010-11, a total of 29,151 restraint actions were taken as a result of citations issued for driving or having an accident without insurance.

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.

Motor Carrier Services Division

The Motor Carrier Services Division (Ports of Entry) receives a portion of Highway Users Tax Fund (HUTF) revenues for supervision of the highways. The distributions to the Ports of Entry and to the State Patrol are taken "off-the-top" before the formula allocations of HUTF to the State Highway Fund, counties, and cities.

State law permits the off-the-top HUTF appropriations for highway supervision to grow by 6.0 percent annually over the previous fiscal year's off-the-top appropriation, regardless of any increase or decrease in overall highway-related revenues. The off-the-top limit is calculated on the previous fiscal year's base; it is not a proportion of HUTF revenues, nor is there a specific percentage or monetary cap.

House Bill 10-1113 transferred the Motor Carrier Safety Assistance Program to the Colorado State Patrol (CSP), effective August 15, 2010. House Bill 12-1019 transfers the Ports of Entry program to CSP effective July 1, 2012.

The table below shows Ports of Entry and safety inspection activity for the last five fiscal years.

	Motor Carrier Services Activity				
	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
Number of trucks cleared	6,348,808	6,484,733	5,893,170	5,715,975	5,847,793
Trucks weighed	5,423,400	5,525,622	4,968,423	4,935,358	5,065,239
Special fuel permits	6,806	6,571	6,162	5,953	6,892
Hazardous material permits	1,426	1,372	1,253	1,055	1,174

Enforcement Business Group

The Enforcement Business Group regulates the liquor, tobacco, medical 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.

Limited Gaming Revenues, Actual Expenses, and Distributions					
	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
Limited Gaming revenue	\$116,034,393	\$112,074,885	\$97,445,021	\$110,809,510	\$107,424,447
Commission/Division expenses	<u>(9,012,969)</u>	<u>(10,318,448)</u>	<u>(11,251,725)</u>	<u>(12,372,539)</u>	<u>(12,097,096)</u>
Available for Distribution	\$107,021,424	\$101,756,437	\$86,193,296	\$98,436,971	\$95,327,351
Distributions					
State Historical Society	\$29,779,880	\$28,165,675	\$23,878,704	\$24,867,360	\$24,195,009
<u>Limited Gaming Counties</u>					
Gilpin County	10,317,452	9,773,892	8,196,195	8,720,983	8,544,294
Teller County	2,445,354	2,297,112	2,037,536	1,936,457	1,824,995
<u>Limited Gaming Cities</u>					
City of Black Hawk	7,530,055	7,172,188	6,056,663	6,516,136	6,352,054
Central City	1,067,821	972,722	773,499	751,350	768,192
City of Cripple Creek	2,037,795	1,914,260	1,697,946	1,613,714	1,520,829
General Fund	6,547,293	0	2,811,210	16,200,000	20,400,269
Local Government Gaming Impact Fund	6,913,186	6,538,460	5,543,271	3,772,780	3,600,806
Department of Transportation	5,259,411	14,292,757	10,127,274	0	0
Tourism Promotion Fund	19,676,799	20,107,662	15,578,699	14,208,015	12,002,686
State Council on the Arts Cash Fund	1,553,432	1,587,447	1,200,026	1,121,726	0
Film Incentives Cash Fund	621,373	634,979	180,011	407,997	240,054
New Jobs Incentives Cash Fund	3,106,863	3,174,894	1,400,052	1,291,231	0
Bioscience Discovery Evaluation Grant Program	2,500,000	0	4,500,000	5,500,000	4,320,967
Clean Energy Fund	7,000,000	3,959,650	0	0	0
Office of Economic Development Film Commission	0	0	300,000	0	0
Innovative Higher Education Research Fund	0	0	1,000,000	1,904,251	1,680,376
Distributions Resulting from Amendment 50					
Limited Gaming Cities	0	0	0	793,040	891,661
Limited Gaming Counties	0	0	0	951,648	1,069,993
Community College System	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,185,713</u>	<u>6,954,952</u>
Total Distributions	\$106,356,714	\$100,591,698	\$85,281,086	\$96,742,401	\$94,367,137

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.

Liquor Enforcement Division - Violations					
	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
State administrative actions	191	248	320	296	369
State revocations	0	3	1	0	4
State suspensions	71	78	115	152	163
State denials	1	1	3	1	0
Division-filed court cases	292	340	512	466	784
Division-assisted local hearings	9	11	13	5	6

Tobacco Enforcement Program

The Tobacco Enforcement Program was combined with the Liquor Enforcement Division for FY 2012-13.

Division of Racing Events

The Division of Racing Events licenses and regulates horse racing events, enforcing all laws, rules, and regulations related to racing activities. The Division is responsible for ensuring the health and welfare of horse racing in Colorado. As live greyhound racing in Colorado is no longer active, the Division ceased activities related to greyhound racing and reduced staff by 6.8 FTE in FY 2009-10. The table below shows live racing days, pari-mutuel sales and State tax collections since 2007. Pari-mutuel sales and tax collections include figures from ten licensed off-track betting facilities.

State Racing Events, Pari-mutuel Sales and Pari-mutuel Tax Collections					
Calendar Years					
	2007	2008	2009	2010	2011
<u>Live Racing Days</u>					
Horse racing	35	36	36	39	40
Greyhound racing	259	126	0	0	0
Pari-mutuel sales /a	\$127,108,766	\$90,238,986	\$64,216,527	\$77,435,356	\$79,749,656
Pari-mutuel tax collections	\$2,792,776	\$1,568,600	\$470,859	\$562,299	\$598,122

/a Includes off-track betting figures.

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.

Motor Vehicle Dealer Licensing Division

The Motor Vehicle Dealer Licensing Board is responsible for licencing 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.

Medical 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.

State Lottery Division

The State Lottery recorded sales of \$518.9 million in FY 2010-11, and net proceeds of \$113.3 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:

	Lottery Sales and Distributions (\$millions)				
	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
Total Sales	\$455.7	\$505.8	\$493.4	\$501.2	\$518.9
<u>Distributions</u>					
Conservation Trust Fund	\$47.6	\$48.9	\$47.8	\$45.1	\$45.3
Great Outdoors Colorado	51.3	53.1	54.3	56.3	56.0
Parks and Outdoor Recreation	11.9	12.2	12.0	11.2	11.3
State Public School Fund /a	8.2	N/A	N/A	N/A	0.0
Lottery Contingency Reserve Fund /b	N/A	1.5	N/A	N/A	0.0
Public School Capital Construction Fund /c	<u>N/A</u>	<u>N/A</u>	<u>5.5</u>	<u>0.1</u>	<u>0.7</u>
Total Distributions	\$119.0	\$115.7	\$119.6	\$112.7	\$113.3

/a State Public School Fund existed from FY 2001-02 to FY 2006-07.

/b Lottery Contingency Reserve Fund replaced the State Public School Fund in FY 2007-08.

/c The Public School Capital Construction Fund replaced the Lottery Contingency Reserve Fund in FY 2008-09.

Summary of FY 2011-12 and FY 2012-13 Appropriations

	Department of Revenue					
	Total Funds	General Fund /1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Total Appropriation:	\$295,481,810	\$72,744,786	\$220,685,036	\$1,328,287	\$723,701	1,372.3
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	39,591,347	15,830,403	22,799,331	961,613	0	45.2
Central Department Operations Division	12,406,634	11,071,376	1,250,308	84,950	0	97.2
Information Technology Division	5,060,203	798,594	4,249,028	12,581	0	0.0
Taxation Business Group	47,427,825	44,099,593	2,436,742	167,789	723,701	329.8
Division of Motor Vehicles	34,325,220	0	34,325,220	0	0	415.7
Motor Carrier Services Division	7,918,461	585,354	7,333,107	0	0	127.8

Department of Revenue						
	Total Funds	General Fund /1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Enforcement Business Group	51,388,888	359,466	50,928,068	101,354	0	239.5
State Lottery Division	97,363,232	0	97,363,232	0	0	117.1
<u>Breakdown of Total Appropriation by Bill</u>						
SB 11-209	292,804,713	70,546,702	220,190,461	1,343,849	723,701	1,365.4
SB 11-037	12,040	0	12,040	0	0	0.0
SB 11-051	94,600	0	94,600	0	0	0.0
SB 11-076	(1,741,453)	(563,224)	(1,162,667)	(15,562)	0	0.0
SB 11-102	29,600	0	29,600	0	0	0.0
SB 11-109	33,256	0	33,256	0	0	0.0
SB 11-184	483,895	0	483,895	0	0	0.8
SB 11-197	20,720	0	20,720	0	0	0.0
HB 11-1004	22,200	0	22,200	0	0	0.0
HB 11-1043	0	0	0	0	0	0.0
HB 11-1071	29,600	0	29,600	0	0	0.0
HB 11-1097	29,600	0	29,600	0	0	0.0
HB 11-1157	6,592	0	6,592	0	0	0.0
HB 11-1163	740	0	740	0	0	0.0
HB 11-1166	20,720	0	20,720	0	0	0.0
HB 11-1216	2,960	0	2,960	0	0	0.0
HB 11-1234	25,752	0	25,752	0	0	0.0
HB 11-1265	19,701	19,701	0	0	0	0.5
HB 11-1295	29,600	0	29,600	0	0	0.0
HB 11-1298	20,720	0	20,720	0	0	0.0
HB 11-1300	2,742,991	2,742,991	0	0	0	3.6
HB 11-1316	42,180	0	42,180	0	0	0.0
SB 12-044	17,124	0	17,124	0	0	0.0
HB 12-1038	118,000	0	118,000	0	0	0.0
HB 12-1197	615,959	(1,384)	617,343	0	0	2.0
FY 2012-13 Total Appropriation:	\$287,699,701	\$73,668,142	\$211,751,066	\$1,456,105	\$824,388	1,250.3
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	41,594,855	17,927,237	22,636,882	1,030,736	0	43.4
Central Department Operations Division	12,346,107	11,109,700	1,130,360	106,047	0	97.2
Information Technology Division	4,866,032	877,111	3,988,921	0	0	0.0
Taxation Business Group	45,888,616	42,747,988	2,096,155	220,085	824,388	329.6
Division of Motor Vehicles	34,052,413	669,807	33,382,606	0	0	423.6

Department of Revenue						
	Total Funds	General Fund /1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Motor Carrier Services Division	(4,748)	(4,748)	0	0	0	0.0
Enforcement Business Group	51,648,712	341,047	51,208,428	99,237	0	239.4
State Lottery Division	97,307,714	0	97,307,714	0	0	117.1
<u>Breakdown of Total Appropriation by Bill</u>						
HB 12-1335	296,857,697	95,804,403	198,734,454	1,494,452	824,388	1,370.7
SB 12-044	28,639	0	28,639	0	0	0.8
HB 12-1019	(9,758,101)	379,400	(10,173,574)	36,073	0	(122.3)
HB 12-1023	20,720	0	20,720	0	0	0.0
HB 12-1038	45,147	0	45,147	0	0	0.3
HB 12-1131	20,720	0	20,720	0	0	0.0
HB 12-1153	3,396	0	3,396	0	0	0.0
HB 12-1162	4,936	0	4,936	0	0	0.0
HB 12-1216	(74,421)	(22,664,244)	22,664,243	(74,420)	0	0.0
HB 12-1246	133,783	133,783	0	0	0	0.0
HB 12-1275	85,840	0	85,840	0	0	0.0
HB 12-1295	20,720	0	20,720	0	0	0.0
HB 12-1302	20,720	0	20,720	0	0	0.0
HB 12-1314	14,800	14,800	0	0	0	0.0
HB 12-1327	24,050	0	24,050	0	0	0.0
SB 12S-001	251,055	0	251,055	0	0	0.8
Increase/(Decrease)	(\$7,782,109)	\$923,356	(\$8,933,970)	\$127,818	\$100,687	(122.0)
Percentage Change	(2.6)%	1.3%	(4.0)%	9.6%	13.9%	(8.9)%

/1 Includes \$19,300,000 in FY 2011-12 and \$17,700,000 in FY 2012-13 that is exempt from the statutory limit on state General Fund appropriations pursuant to Section 24-75-201.1, C.R.S.

Informational Funds: Beginning in FY 2012-13, the Long Bill and other legislation indicate when an amount is shown solely for informational purposes through a new "(I)" notation. The following amounts in the Department of Revenue are annotated with the "(I)". For additional information, see Appendix J.

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2012-13 Appropriations containing an (I) notation	\$54,729,204	\$17,700,000	\$36,204,816	\$0	\$824,388

FY 2011-12 Appropriation - Mid-year Adjustment Highlights

The FY 2011-12 appropriation was modified during the 2012 Legislative Session to:

1. Increase appropriations by \$387,000 cash funds to fund upgrades to the information technology network for driver's license offices.
2. Increase appropriations by 193,000 cash funds (HUTF) and 4.0 FTE to operate the Loma Port of Entry.
3. Increase appropriations by \$118,000 cash funds to implement multi-year registration of Class A Vehicles (trailers).
4. Decrease appropriations by \$116,000 cash funds and 2.0 FTE to reduce FTE in the Vehicle Emissions section.

FY 2012-13 Appropriation Highlights

The FY 2012-13 appropriation:

1. Adds \$2.3 million total funds, including \$1.6 million General Fund, for common policy adjustments.
2. Adds \$1.7 million total funds, including \$563,000 General Fund, to restore the state Public Employees Retirement Association contribution.
3. Adds \$1.4 million total funds, including \$825,000 General Fund, for statewide information technology common policy adjustments.
4. Adds \$390,000 General Fund for driver's license mailing expenses.
5. Adds \$294,000 cash funds to true-up appropriations for the Purses and Breeders Awards.
6. Refinances, for three years, the operations of driver's license offices, replacing \$22.7 million General Fund with \$22.7 million in cash funds from fees paid by people obtaining or renewing driver's licenses and identification documents.
7. Reduces total funds by \$9.8 million and 122.3 FTE to transfer the Ports of Entry Program to the Department of Public Safety.
8. Reduces General Fund by \$1.6 million to adjust appropriations to reflect the March 2012 Office of State Planning and Budgeting Economic Forecasts for the Cigarette Tax Rebate and the Old Age Heat and Fuel and Property Tax Assistance Grants.
9. Reduces total funds by \$0.8 million, including \$0.4 million General Fund, for a 1.0 percent reduction to certain personal services line items.

10. Reduces the appropriation by a total of 122.0 FTE, including the following changes:

- Decreases 122.3 FTE to transfer the Ports of Entry program to the Department of Public Safety (referenced above).
- Decreases 2.0 FTE to reduce FTE in the Vehicle Emissions section.
- A net increase of 1.7 FTE to annualize prior year funding from legislation and budget actions, including: an increase of 0.2 FTE to annualize S.B. 11-184; an increase of 0.2 FTE to annualize S.B. 11-047; an increase of 0.1 FTE to annualize H.B. 11-1300, a decrease of 0.5 FTE to annualize H.B. 10-1193, a decrease of 1.5 FTE to annualize HB 10-1045; a decrease of 2.0 FTE to annualize H.B. 12-1197 (Department of Revenue Supplemental).

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. Major sources of cash funds include 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 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, and the Automobile Inspection and Readjustment (AIR) Account. The sources of reappropriated funds are the State Lottery Fund and the Limited Gaming Fund.

Executive Director's Office						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$38,094,920	\$14,503,102	\$22,618,327	\$973,491	\$0	44.4
SB 11-051	94,600	0	94,600	0	0	0.0
SB 11-076	(84,433)	(20,896)	(51,659)	(11,878)	0	0.0
SB 11-184	60,656	0	60,656	0	0	0.8
HB 11-1300	1,349,581	1,349,581	0	0	0	0.0
HB 12-1197	<u>76,023</u>	<u>(1,384)</u>	<u>77,407</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$39,591,347	\$15,830,403	\$22,799,331	\$961,613	\$0	45.2
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$39,591,347	\$15,830,403	\$22,799,331	\$961,613	\$0	45.2

Executive Director's Office						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Centrally appropriated line items	2,311,595	1,637,226	674,369	0	0	0.0
Statewide IT common policy adjustments	1,535,490	897,231	613,518	24,741	0	0.0
Operating adjustments	202,444	35,613	166,831	0	0	0.0
Annualize prior year funding	128,006	7,549,324	(7,421,318)	0	0	0.2
Restore state PERA adjustments	84,433	20,896	51,659	11,878	0	0.0
Loma Port staffing	5,700	0	5,700	0	0	0.0
Indirect cost assessment	0	(336,416)	263,659	72,757	0	0.0
Personal services base reduction	(38,948)	(38,948)	0	0	0	0.0
HB 12-1335	\$43,820,067	\$25,595,329	\$17,153,749	\$1,070,989	\$0	45.4
HB 12-1019	(2,228,395)	283,349	(2,536,444)	24,700	0	(2.0)
HB 12-1216	(1)	(7,954,625)	8,019,577	(64,953)	0	0.0
HB 12-1246	<u>3,184</u>	<u>3,184</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$41,594,855	\$17,927,237	\$22,636,882	\$1,030,736	\$0	43.4
Increase/(Decrease)	\$2,003,508	\$2,096,834	(\$162,449)	\$69,123	\$0	(1.8)
Percentage Change	5.1%	13.2%	(0.7)%	7.2%	n/a	(4.0)%

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1197 modified FY 2011-12 appropriations to add \$76,023 total funds, comprised of a \$1,384 decrease in General Fund and a \$71,486 increase in cash funds for midyear billing adjustments for vehicle lease payments, an increase of \$5,700 cash funds for utilities for the staffing of the Loma Port of Entry, and an increase of \$222 cash funds for added billings for administrative law judge services.

FY 2012-13 Appropriation - H.B. 12-1335 (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; shift differential; vehicle lease payments; workers' compensation; legal services; administrative law judges; payments to risk management and property funds; and Capitol complex leased space.

Statewide IT common policy adjustments: The appropriation includes adjustments to line items appropriated for: purchase of services from the computer center; multiuse network payments; management and administration of the Governor's Office of Information Technology (OIT); and communication services payments.

Operating adjustments: The appropriation includes an increase of \$202,444, including \$35,613 General Fund, for non-prioritized decision items related to fleet replacements.

Annualize prior year funding: The appropriation includes adjustments related to prior year legislation and budget actions. The increase of 0.2 FTE reflects the annualization of S.B. 11-184 (Tax Reporting).

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Loma Port staffing: The appropriation includes a total of increase of \$193,171 cash funds and 4.0 FTE from the Highway Users Tax Fund across several divisions in the Department to provide funding to staff the westbound Loma Port of Entry.

Indirect cost assessment: The appropriation includes a decrease in General Funds offset by an increase in cash and reappropriated funds for changes in the statewide and department indirect cost assessment plans.

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services line items.

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

Central Department Operations Division

This division maintains documents and records transactions for taxes, licensing, and other fee payments; deposits tax remittances; processes tax documents; issues income tax refunds; and handles a variety of incoming and outgoing mail. Major sources of cash funds include the Auto Dealers License Fund, the Liquor Enforcement Division and State Licensing Authority Cash Fund, the Racing Cash Fund, the Aviation Fund, the Highway Users Tax Fund, the Identification Security Fund, the Colorado State Titling and Registration Account, the Limited Gaming Fund, the Driver's License Administrative Revocation Account, the Outstanding Judgments and Warrants Account, and the AIR Account. Sources of reappropriated funds are the State Lottery Fund and the Limited Gaming Fund.

Central Department Operations Division						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$12,493,862	\$11,158,365	\$1,248,862	\$86,635	\$0	97.2
SB 11-076	(103,776)	(88,097)	(13,994)	(1,685)	0	0.0
SB 11-109	3,656	0	3,656	0	0	0.0
SB 11-184	10,647	0	10,647	0	0	0.0
HB 11-1300	1,108	1,108	0	0	0	0.0
SB 12-044	609	0	609	0	0	0.0

Central Department Operations Division

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 12-1197	<u>528</u>	<u>0</u>	<u>528</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$12,406,634	\$11,071,376	\$1,250,308	\$84,950	\$0	97.2
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$12,406,634	\$11,071,376	\$1,250,308	\$84,950	\$0	97.2
Restore state PERA contribution	103,776	88,097	13,994	1,685	0	0.0
Cigarette tax stamp	62,531	62,531	0	0	0	0.0
Loma Port staffing	528	0	528	0	0	0.0
Indirect cost assessment	0	(91,344)	73,838	17,506	0	0.0
Annualize prior year funding	(154,640)	103,378	(258,018)	0	0	0.0
Driver's license mailing expense	(86,945)	(86,945)	0	0	0	0.0
Personal services base reduction	(49,609)	(49,609)	0	0	0	0.0
HB 12-1335	\$12,282,275	\$11,097,484	\$1,080,650	\$104,141	\$0	97.2
SB 12-044	7,306	0	7,306	0	0	0.0
HB 12-1019	(5,568)	75,927	(92,868)	11,373	0	0.0
HB 12-1216	0	(108,245)	117,712	(9,467)	0	0.0
HB 12-1246	44,534	44,534	0	0	0	0.0
SB 12S-001	<u>17,560</u>	<u>0</u>	<u>17,560</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$12,346,107	\$11,109,700	\$1,130,360	\$106,047	\$0	97.2
Increase/(Decrease)	(\$60,527)	\$38,324	(\$119,948)	\$21,097	\$0	0.0
Percentage Change	(0.5)%	0.3%	(9.6)%	24.8%	n/a	0.0%

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1197 modified FY 2011-12 appropriations to add \$528 cash funds for postage related to staffing the Loma Port of Entry.

Senate Bill 12-044 included an increase of \$609 for postage costs related to mailing notices to persons who have been accused of failing to provide transit passes or coupons.

For information on S.B. 12-044, see the "Recent Legislation" section at the end of this department.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Cigarette tax stamp: The appropriation includes an increase to account for a price increase from the State's vendor for the purchase of cigarette tax stamps.

Loma Port staffing: The appropriation includes a total increase of \$193,171 cash funds and 4.0 FTE from the Highway Users Tax Fund across several divisions in the Department to provide funding to staff the westbound Loma Port of Entry.

Indirect cost assessment: The appropriation includes a decrease in General Funds offset by an increase in cash and reappropriated funds for changes in the statewide and department indirect cost assessment plans.

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

Driver's license mailing expenses: The appropriation includes a General Fund decrease in this Division. In the Division of Motor Vehicles, there is an increase of \$476,700, offset somewhat by this decrease, for a total increase of \$389,755.

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services line items.

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

Information Technology Division

This division includes two sections: Systems Support, which provides most of the Department's information technology support; and the Colorado State Titling and Registration System (CSTARS). CSTARS is the motor vehicle titling and registration information system that automates the distribution of vehicle registration taxes among the State, counties, and the Highway Users Tax Fund (HUTF). CSTARS enables Colorado's 64 county clerk offices to issue approximately 2.1 million vehicle titles and 4.3 million vehicle registrations annually.

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 2011-12 Appropriation:						
SB 11-209	\$4,663,043	\$798,594	\$3,851,868	\$12,581	\$0	0.0
SB 11-037	2,960	0	2,960	0	0	0.0
SB 11-102	29,600	0	29,600	0	0	0.0
SB 11-109	29,600	0	29,600	0	0	0.0
SB 11-184	52,720	0	52,720	0	0	0.0
SB 11-197	2,960	0	2,960	0	0	0.0
HB 11-1004	22,200	0	22,200	0	0	0.0
HB 11-1043	7,696	0	7,696	0	0	0.0
HB 11-1071	29,600	0	29,600	0	0	0.0
HB 11-1097	29,600	0	29,600	0	0	0.0
HB 11-1157	592	0	592	0	0	0.0
HB 11-1163	740	0	740	0	0	0.0
HB 11-1166	2,960	0	2,960	0	0	0.0
HB 11-1216	2,960	0	2,960	0	0	0.0
HB 11-1234	10,952	0	10,952	0	0	0.0
HB 11-1295	29,600	0	29,600	0	0	0.0
HB 11-1298	2,960	0	2,960	0	0	0.0
HB 11-1316	6,660	0	6,660	0	0	0.0
SB 12-044	14,800	0	14,800	0	0	0.0
HB 12-1038	<u>118,000</u>	<u>0</u>	<u>118,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$5,060,203	\$798,594	\$4,249,028	\$12,581	\$0	0.0
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$5,060,203	\$798,594	\$4,249,028	\$12,581	\$0	0.0
Indirect cost assessment	0	43,736	(31,155)	(12,581)	0	0.0
Annualize prior year funding	(415,241)	19,981	(435,222)	0	0	0.0
HB 12-1335	\$4,644,962	\$862,311	\$3,782,651	\$0	\$0	0.0
HB 12-1023	2,960	0	2,960	0	0	0.0
HB 12-1038	32,000	0	32,000	0	0	0.0
HB 12-1131	2,960	0	2,960	0	0	0.0

Information Technology Division						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 12-1153	2,960	0	2,960	0	0	0.0
HB 12-1162	2,960	0	2,960	0	0	0.0
HB 12-1275	68,080	0	68,080	0	0	0.0
HB 12-1295	2,960	0	2,960	0	0	0.0
HB 12-1302	2,960	0	2,960	0	0	0.0
HB 12-1314	14,800	14,800	0	0	0	0.0
HB 12-1327	12,210	0	12,210	0	0	0.0
SB 12S-001	<u>76,220</u>	<u>0</u>	<u>76,220</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$4,866,032	\$877,111	\$3,988,921	\$0	\$0	0.0
Increase/(Decrease)	(\$194,171)	\$78,517	(\$260,107)	(\$12,581)	\$0	0.0
Percentage Change	(3.8)%	9.8%	(6.1)%	(100.0)%	n/a	n/a

FY 2011-12 Appropriation - Mid-year Adjustments

Senate Bill 12-044 included an increase of \$14,800 for the purchase of computer center services for the implementation of the bill. House Bill 12-1038 included an increase of \$118,000 for the purchase of computer center services for the implementation of the bill.

For information on S.B. 12-044 and H.B. 12-1038, see the "Recent Legislation" section at the end of this department.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Indirect cost assessment: The appropriation includes a decrease in General Funds offset by a decrease in cash and reappropriated funds for changes in the statewide and department indirect cost assessments.

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

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

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 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 Fund /1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$46,195,034	\$43,311,934	\$1,991,610	\$167,789	\$723,701	328.4
SB 11-076	(441,648)	(439,474)	(2,174)	0	0	0.0
SB 11-184	359,872	0	359,872	0	0	0.0
HB 11-1157	6,000	0	6,000	0	0	0.0
HB 11-1265	19,701	19,701	0	0	0	0.5
HB 11-1300	1,207,432	1,207,432	0	0	0	0.9
HB 12-1197	<u>81,434</u>	<u>0</u>	<u>81,434</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$47,427,825	\$44,099,593	\$2,436,742	\$167,789	\$723,701	329.8
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$47,427,825	\$44,099,593	\$2,436,742	\$167,789	\$723,701	329.8
Restore state PERA contribution	441,648	439,474	2,174	0	0	0.0
Federal funding adjustment	152,983	0	0	52,296	100,687	0.0
Commercial vehicle enterprise sales tax refund	120,524	0	120,524	0	0	0.0
Indirect cost assessment	0	2,479	(2,479)	0	0	0.0
Forecast adjustments	(1,613,500)	(1,600,000)	(13,500)	0	0	0.0
Annualize prior year funding	(525,250)	(77,944)	(447,306)	0	0	(0.2)
Personal services base reduction	(191,095)	(191,095)	0	0	0	0.0
HB 12-1335	\$45,813,135	\$42,672,507	\$2,096,155	\$220,085	\$824,388	329.6

Taxation Business Group						
	Total Funds	General Fund /1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 12-1246	<u>75,481</u>	<u>75,481</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$45,888,616	\$42,747,988	\$2,096,155	\$220,085	\$824,388	329.6
Increase/(Decrease)	(\$1,539,209)	(\$1,351,605)	(\$340,587)	\$52,296	\$100,687	(0.2)
Percentage Change	(3.2)%	(3.1)%	(14.0)%	31.2%	13.9%	(0.1)%

/1 Includes amounts (\$19,300,000 in FY 2011-12 and \$17,700,000 in FY 2012-13) that are not subject to the statutory limitation on General Fund appropriations set forth in Section 24-75-201.1, C.R.S. For FY 2011-12, this amount includes \$11,500,000 for the Cigarette Tax Rebate and \$7,800,000 for the Old Age Heat and Fuel and Property Tax Assistance Grant. For FY 2012-13, this amount includes \$10,300,000 for the Cigarette Tax Rebate and \$7,400,000 for the Old Age Heat and Fuel and Property Tax Assistance Grant.

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1197 modified FY 2011-12 appropriations to add \$81,434 cash funds for the appropriation for the Commercial Vehicle Enterprise sales tax refund authorized by H.B. 10-1285.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Federal funding adjustment: The appropriation reflects a federal funding adjustment for the Mineral Lease Audit program.

Commercial vehicle enterprise sales tax refund: The appropriation reflects funding for the commercial vehicle enterprise sales tax refund pursuant to Section 42-1-225, C.R.S.

Indirect cost assessment: The includes a decrease in General Funds offset by a decrease in cash and reappropriated funds for changes in the statewide and department indirect cost assessments.

Forecast adjustments: The appropriation reflects adjustments to the cigarette tax rebate, the Amendment 35 distributions to local governments, and the Old Age Heat and Fuel and Property Tax assistance grants to reflect the March 2012 Office of State Planning and Budgeting Economic Forecast.

Annualize prior year funding: The appropriation includes adjustments related to prior year legislation and budget actions. The decrease of 0.2 FTE is the net of an increase of 0.2 FTE to annualize S.B. 11-047 (Bioscience Clean Tech Reinvestment) and 0.1 FTE to annualize H.B. 11-1300 (Conservation Easement Dispute Resolution), offset by a decrease of 0.5 FTE to annualize H.B. 10-1193 (Sales Tax Out-of-State Retailers).

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services line items.

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

Division of Motor Vehicles

The Division of Motor Vehicles licenses drivers and issues personal identification documents; provides administrative support for the statewide vehicle titling and registration system; regulates commercial driving schools; oversees the Motor Carrier Services Division; oversees the Motorist Insurance Identification Database; and enforces the State's auto emissions program, including overseeing daily audits of the nine clean screen vans in the Denver metropolitan area.

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, the Colorado State Titling and Registration System Account, the AIR Account, the Driver's License Administrative Revocation Account, the Identification Security Account, and the Motorist Insurance Identification Account.

Division of Motor Vehicles						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$34,366,309	\$0	\$34,366,309	\$0	\$0	417.7
SB 11-037	9,080	0	9,080	0	0	0.0
SB 11-076	(426,515)	0	(426,515)	0	0	0.0
SB 11-197	17,760	0	17,760	0	0	0.0
HB 11-1166	17,760	0	17,760	0	0	0.0
HB 11-1234	14,800	0	14,800	0	0	0.0
HB 11-1298	17,760	0	17,760	0	0	0.0
HB 11-1316	35,520	0	35,520	0	0	0.0
SB 12-044	1,715	0	1,715	0	0	0.0
HB 12-1197	<u>271,031</u>	<u>0</u>	<u>271,031</u>	<u>0</u>	<u>0</u>	<u>(2.0)</u>
TOTAL	\$34,325,220	\$0	\$34,325,220	\$0	\$0	415.7
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$34,325,220	\$0	\$34,325,220	\$0	\$0	415.7
Driver's license mailing expenses	476,000	476,000	0	0	0	0.0
Restore state PERA contribution	426,515	0	426,515	0	0	0.0
NMVTIS Funding	95,000	0	95,000	0	0	0.0
Indirect cost assessment	0	(149,444)	149,444	0	0	0.0
License Plate Cash Fund true-up	(1,250,000)	0	(1,250,000)	0	0	0.0

Division of Motor Vehicles						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Annualize prior year funding	(478,983)	14,474,613	(14,953,596)	0	0	0.5
Personal services base reduction	(172,507)	(157,797)	(14,710)	0	0	0.0
Vehicle Emissions FTE reduction	(119,027)	0	(119,027)	0	0	(2.0)
HB 12-1335	\$33,302,218	\$14,643,372	\$18,658,846	\$0	\$0	414.2
SB 12-044	21,333	0	21,333	0	0	0.8
HB 12-1019	444,804	617,225	(172,421)	0	0	7.5
HB 12-1023	17,760	0	17,760	0	0	0.0
HB 12-1038	13,147	0	13,147	0	0	0.3
HB 12-1131	17,760	0	17,760	0	0	0.0
HB 12-1153	436	0	436	0	0	0.0
HB 12-1162	1,976	0	1,976	0	0	0.0
HB 12-1216	0	(14,601,374)	14,601,374	0	0	0.0
HB 12-1246	10,584	10,584	0	0	0	0.0
HB 12-1275	17,760	0	17,760	0	0	0.0
HB 12-1295	17,760	0	17,760	0	0	0.0
HB 12-1302	17,760	0	17,760	0	0	0.0
HB 12-1327	11,840	0	11,840	0	0	0.0
SB 12S-001	<u>157,275</u>	<u>0</u>	<u>157,275</u>	<u>0</u>	<u>0</u>	<u>0.8</u>
TOTAL	\$34,052,413	\$669,807	\$33,382,606	\$0	\$0	423.6
Increase/(Decrease)	(\$272,807)	\$669,807	(\$942,614)	\$0	\$0	7.9
Percentage Change	(0.8)%	n/a	(2.7)%	n/a	n/a	1.9%

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1197 modified FY 2011-12 appropriations to:

- add \$387,434 cash funds for upgrades to the information technology network for driver's license offices; and
- reduce \$116,403 cash funds and 2.0 FTE for permanent FTE reduction in the Vehicle Emissions program.

Senate Bill 12-044 included an increase of \$1,715 for processing of additional vehicle registrations resulting from the enactment of the bill.

For information on S.B. 12-044, see the "Recent Legislation" section at the end of this department.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Driver's license mailing expenses: The appropriation includes an increase in this Division of \$476,000. In the Central Department Operations Division, there is an offsetting decrease of \$86,945, for a total increase of \$389,755 for the Department.

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

National Motor Vehicle Title Information System: The appropriation includes funding to provide for the State's payment to the National Motor Vehicle Title Information System (NMVTIS) operated by the American Association of Motor Vehicle Administrators pursuant to federal law.

Indirect cost assessment: The appropriation includes a decrease in General Funds offset by a increase in cash funds for changes in the statewide and department indirect cost assessments.

License plate cash fund true-up: The appropriation includes a decrease in cash funds for the purchase of license plates from correctional industries to more accurately reflect anticipated expenditures.

Annualize prior year funding: The appropriation includes adjustments related to prior year legislation and budget actions. This includes an increase of 2.5 FTE, including increase of 2.0 FTE to annualize a FY 2011-12 supplemental that decreased FTE in the Vehicle Emissions Section and a decrease of 1.5 FTE to annualize H.B. 10-1045 (Ability to Change Address DOR)

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services line items.

Vehicle Emissions FTE reduction: The appropriation reduces funding and FTE for the Vehicle Emissions section that were eliminated as a result of a study that indicated the Department had 2.0 FTE more than was necessary for its mission.

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

Motor Carrier Services Division

This division enforces interstate trucking laws through the ports of entry system. It registers motor carriers, collects registration fees on fuel distributors, petroleum storage companies, and interstate carriers; enforces vehicle safety regulations; and enforces regulations concerning owners and operators of motor carriers. It operates 17 port of entry buildings at ten locations and ten mobile port scales. Please note that the Taxation Business Group manages the federally funded interstate trucker registration audit system, known as the Joint Federal-State Motor Fuel Tax System. Major sources of cash funds include the Highway Users Tax Fund, the Nuclear Materials Transportation Fund, the Hazardous Materials Safety Fund.

House Bill 10-1113 transferred the Motor Carrier Safety Assistance Program to the Department of Public Safety, Colorado State Patrol, effective August 15, 2010 and also commissioned a study to determine possible improvements to the operations of the Ports of Entry section, including determining what department is best suited to operate the program. House Bill 12-1019 eliminates the Motor Carrier Services Division within the Department of Revenue and transfers the Ports of Entry program to the Department of Public Safety, Colorado State Patrol, effective July 1, 2012. The remaining function of the Motor Carrier Services Division (the International Registration Plan) is transferred to the Division of Motor Vehicles within the Department of Revenue.

Motor Carrier Services Division						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$7,880,598	\$597,101	\$7,283,497	\$0	\$0	123.8
SB 11-076	(149,080)	(11,747)	(137,333)	0	0	0.0
HB 12-1197	<u>186,943</u>	<u>0</u>	<u>186,943</u>	<u>0</u>	<u>0</u>	<u>4.0</u>
TOTAL	\$7,918,461	\$585,354	\$7,333,107	\$0	\$0	127.8
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$7,918,461	\$585,354	\$7,333,107	\$0	\$0	127.8
Loma Port staffing	186,943	0	186,943	0	0	4.0
Restore state PERA contribution	149,080	11,747	137,333	0	0	0.0
Annualize prior year funding	(186,943)	0	(186,943)	0	0	(4.0)
Personal services base reduction	(67,274)	(4,748)	(62,526)	0	0	0.0
HB 12-1335	\$8,000,267	\$592,353	\$7,407,914	\$0	\$0	127.8
HB 12-1019	<u>(8,005,015)</u>	<u>(597,101)</u>	<u>(7,407,914)</u>	<u>0</u>	<u>0</u>	<u>(127.8)</u>
TOTAL	(\$4,748)	(\$4,748)	\$0	\$0	\$0	0.0
Increase/(Decrease)	(\$7,923,209)	(\$590,102)	(\$7,333,107)	\$0	\$0	(127.8)
Percentage Change	(100.1)%	(100.8)%	(100.0)%	n/a	n/a	(100.0)%

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1197 modified FY 2011-12 appropriations to add \$186,943 cash funds and 4.0 FTE to staff the westbound Loma Port of Entry.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Loma Port staffing: The appropriation includes an increase of \$193,171 and 4.0 FTE from the Highway Users Tax Fund across several divisions in the Department to provide funding to staff the westbound Loma Port of Entry.

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Annualize prior year funding: The appropriation includes adjustments related to prior year legislation and budget actions. This includes a decrease of 4.0 FTE to annualize the supplemental appropriation to staff the Loma Port.

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services line items.

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

Enforcement Business Group

This group regulates limited gaming; enforces the State's liquor and tobacco laws; licenses liquor retailers, wholesalers, and manufacturers; regulates horse and dog racing events; regulates the sale and distribution of motor vehicles; and adjudicates complaints related to driver's licenses, liquor 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 2011-12 Appropriation:						
SB 11-209	\$51,572,408	\$177,606	\$51,291,449	\$103,353	\$0	236.8
SB 11-076	(360,694)	(3,010)	(355,685)	(1,999)	0	0.0
HB 11-1043	(7,696)	0	(7,696)	0	0	0.0
HB 11-1300	<u>184,870</u>	<u>184,870</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2.7</u>
TOTAL	\$51,388,888	\$359,466	\$50,928,068	\$101,354	\$0	239.5
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$51,388,888	\$359,466	\$50,928,068	\$101,354	\$0	239.5

Enforcement Business Group						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Restore state PERA contribution	360,694	3,010	355,685	1,999	0	0.0
Purses and Breeders Awards true-up	293,858	0	293,858	0	0	0.0
Annualize prior year funding	4,251	(3,445)	7,696	0	0	(0.1)
Indirect cost assessment	(230,809)	(13,546)	(213,147)	(4,116)	0	0.0
Personal services base reduction	(156,295)	(4,438)	(151,857)	0	0	0.0
HB 12-1335	\$51,660,587	\$341,047	\$51,220,303	\$99,237	\$0	239.4
HB 12-1019	19,510	0	19,510	0	0	0.0
HB 12-1216	<u>(31,385)</u>	<u>0</u>	<u>(31,385)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$51,648,712	\$341,047	\$51,208,428	\$99,237	\$0	239.4
Increase/(Decrease)	\$259,824	(\$18,419)	\$280,360	(\$2,117)	\$0	(0.1)
Percentage Change	0.5%	(5.1)%	0.6%	(2.1)%	n/a	0.0%

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Purses and Breeders' awards true-up: The appropriation includes an adjustment to funding for the Purses and Breeders' awards to true the appropriation to actual recent expenditures.

Annualize prior year funding: The appropriation includes adjustments related to prior year legislation and budget actions. The decrease of 0.1 FTE was for the annualization of H.B. 11-1300 (Conservation Easement Dispute Resolution).

Indirect cost assessment: The appropriation includes a decrease to reflect changes in the statewide and department indirect cost assessments.

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services line items.

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 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 worker's compensation, variable vehicle expenses,

legal services, the purchase of services from the computer center, multiuse network payments, payments to risk management, vehicle lease payments, leased space, Capitol Complex leased space, and communications services payments are shown in consolidated budget lines within the Executive Director's Office.

State Lottery Division						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$97,538,539	\$0	\$97,538,539	\$0	\$0	117.1
SB 11-076	<u>(175,307)</u>	<u>0</u>	<u>(175,307)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$97,363,232	\$0	\$97,363,232	\$0	\$0	117.1
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$97,363,232	\$0	\$97,363,232	\$0	\$0	117.1
Restore state PERA contribution	175,307	0	175,307	0	0	0.0
Indirect cost assessment	(124,610)	0	(124,610)	0	0	0.0
Personal services base reduction	(79,743)	0	(79,743)	0	0	0.0
HB 12-1335	\$97,334,186	\$0	\$97,334,186	\$0	\$0	117.1
HB 12-1019	16,563	0	16,563	0	0	0.0
HB 12-1216	<u>(43,035)</u>	<u>0</u>	<u>(43,035)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$97,307,714	\$0	\$97,307,714	\$0	\$0	117.1
Increase/(Decrease)	(\$55,518)	\$0	(\$55,518)	\$0	\$0	0.0
Percentage Change	(0.1)%	n/a	(0.1)%	n/a	n/a	0.0%

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Indirect cost assessment: The appropriation includes a decrease to reflect changes in the statewide and department indirect cost assessments.

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services line items.

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

Recent Legislation

2011 Session Bills

S.B. 11-037: Creates the "Veteran of World War II" special license plates to identify that the owner of the motor vehicle is a veteran of World War II. Appropriates \$2,960 cash funds from the Colorado State Titling and Registration Account for implementation. These moneys are reappropriated to the Governor's Office of Information Technology. Also appropriates \$9,080 cash funds from the License Plate Cash Fund for the purchase of said license plates from Correctional Industries.

S.B. 11-051: Adds debts owed to the State as a justification for withholding lottery and gambling winnings from the payout to the winner of lottery prizes or gambling prizes at a casino. Appropriates \$94,600 cash funds from the Debt Collection Fund for computer programming changes required by the State Internet Portal Authority for implementation.

S.B. 11-076: For the 2011-12 state fiscal year only, reduces the employer contribution rate for the State and Judicial divisions of the Public Employee Retirement Association (PERA) by 2.5 percent and increases the member contribution rate for these divisions by the same amount. In effect, continues the FY 2010-11 PERA contribution adjustments authorized through S.B. 10-146 for one additional year. Reduces the Department's total appropriation by \$1,741,453, of which \$563,224 is General Fund, \$1,162,667 is cash funds, and \$15,562 is reappropriated funds.

S.B. 11-102: Establishes a new voluntary donation line on income tax forms for the Families in Action for Mental Health Fund, which will go into a queue that is established in the bill that provides procedures for putting the voluntary donation line on the income tax forms when there are more than 14 such donation lines already on the tax form. Appropriates \$29,600 from the Fund for programming of computer systems to implement the voluntary contribution line and reappropriates those moneys to the Governor's Office of Information Technology, which will implement those changes.

S.B. 11-109: Establishes a new voluntary donation line on income tax forms for the Public Education Fund, which will go into a queue that has been established for putting the voluntary donation line on the income tax forms when there are more than 14 such donation lines already on the tax form. Appropriates \$29,600 from the Fund for programming of computer systems to implement the voluntary contribution line and reappropriates those moneys to the Governor's Office of Information Technology, which will implement those changes. Also appropriates \$3,656 from the Fund for the annual expenses associated with crediting the donations to the Fund.

S.B. 11-163: Repeals the Alternative Fuels Rebate program, which provides a rebate to state and local governments and qualified non-profit organization that purchase certain high efficiency vehicles. Eliminates cash funds expenditures of \$310,000, and ends the diversion of approximately \$400,000 from the General Fund to the Alternative Fuels Rebate Fund. The net General Fund revenue impact will be an increase of \$400,000 less an undetermined amount that State agencies would have been eligible to receive from the rebate fund for purchases of vehicles with General Fund moneys.

S.B. 11-184: Establishes a tax amnesty program from October 1, 2011 to November 15, 2011 that allows taxpayers who owe taxes to the State to pay those taxes without penalty and at an interest rate set at one-half of the established rate. Also requires the Department of Revenue to prepare a "tax profile and expenditure"

report biennially. Appropriates \$12,096 General Fund to the Department of Revenue in FY 2010-11 to begin preparations for the tax amnesty. Appropriates \$483,895 cash funds (\$20,740 reappropriated to the Governor's Office of Information Technology) from the Tax Amnesty Cash Fund to the Department of Revenue in FY 2011-12 for implementation of the tax amnesty and for preparation of the first tax profile and expenditure report. The tax amnesty is expected to increase revenues to the State Education Fund by \$9.7 million in FY 2011-12.

S.B. 11-197: Establishes the "Girl Scout Centennial" special license plate. Appropriates \$2,960 cash funds from the Colorado State Titling and Registration Account to the Department of Revenue in FY 2011-12, and reappropriates those moneys to the Governor's Office of Information Technology for computer programming changes necessary to implement the license plate. Also appropriates \$17,760 cash funds from the License Plate Cash Fund for the purchase of the license plates from Correctional Industries.

S.B. 11-209: General appropriations act for FY 2011-12.

S.B. 11-223: Temporarily reduces the "vendor fee" (the fee that retailers are allowed to retain as compensation for their costs in collecting State sales tax) from 3.33 percent to 2.22 percent. The reduction will be in place for two years. Increases General Fund revenue by \$22.8 million in FY 2011-12.

H.B. 11-1004: Exempts a person whose vehicle is used primarily for agriculture on a farm or ranch classified as agricultural land for property tax purposes and repeals the farm truck and tractor exemption from having to pay the motorist insurance identification fee. Appropriates \$22,200 cash funds from the Colorado State Titling and Registration Account to the Department of Revenue in FY 2011-12 for implementation of bill. These moneys are reappropriated to the Governor's Office of Information Technology.

H.B. 11-1005: Reinstates the sales and use tax exemption for certain agricultural products. Decreases General Fund revenue by \$3.7 million in FY 2011-12.

H.B. 11-1014: Repeals, effective with the 2013 income tax year, the trigger for allowing taxpayers to claim an income tax credit for donations to child care facilities. Under the trigger, projected General Fund revenues must be sufficient to increase General Fund appropriations by at least 6.0 percent in the pertinent State fiscal year. For the 2013 income tax year, allows no more than 50.0 percent of the credit to be claimed in that tax year, and allows the remainder of the credit to be carried forward to the subsequent income tax year. For the 2014 income tax year, allows no more than 75.0 percent of the credit to be claimed in that tax year, and allows the remainder to be carried forward to the subsequent income tax year.

H.B. 11-1043: Revises statutes concerning medical marijuana. Appropriates \$7,696 cash funds from the Medical Marijuana License Cash Fund (MMLCF) to the Department of Revenue, Information Technology Division for reprogramming the Department's computers systems, and reappropriates those moneys to the Governor's Office of Information Technology which will perform the reprogramming services. Decreases the appropriation to the Department of Revenue, Enforcement Business Group, Medical Marijuana Enforcement, by \$7,696 cash funds from the MMLCF. For more information on H.B. 11-1043, please see the "Recent Legislation" Section at the end of the Department of Human Services section of this document.

H.B. 11-1071: Establishes a new voluntary donation line on income tax forms for the Roundup River Ranch Fund, which will go into a queue that has been established for putting the voluntary donation line on the income tax forms when there are more than 14 such donation lines already on the tax form. Appropriates \$29,600 from

the Fund for programming of computer systems to implement the voluntary contribution line and reappropriates those moneys to the Governor's Office of Information Technology, which will implement those changes.

H.B. 11-1097: Establishes a new voluntary donation line on income tax forms for the Goodwill Industries Fund, which will go into a queue that is established in the bill that provides procedures for putting the voluntary donation line on the income tax forms when there are more than 14 such donation lines already on the tax form. Appropriates \$29,600 from the Fund for programming of computer systems to implement the voluntary contribution line and reappropriates those moneys to the Governor's Office of Information Technology, which will implement those changes.

H.B. 11-1157: Allows the owner of a diesel powered vehicle registered in a vehicle emissions program area, but primarily based outside of that area, to be exempt from the requirements of vehicles based in the program area. Appropriates \$6,000 cash funds from the Highway Users Tax Fund and \$592 cash funds from the Colorado State Titling and Registration Account to the Department of Revenue in FY 2011-12 for implementation. Of this amount, \$592 is reappropriated to the Governor's Office of Information Technology for computer programming changes required for implementation.

H.B. 11-1161: Extends for FY 2011-12 the authorization to use Highway Users Tax Fund "off-the-top" moneys in the Department of Revenue, Division of Motor Vehicles, for the operation of driver's license offices.

H.B. 11-1163: Defines conditions under which the Department of Transportation may issue a "super-load" permit. Appropriates \$740 to the Department of Revenue in FY 2011-12 for implementation. For more information on H.B. 11-1163, please see the "Recent Legislation" section in the Department of Transportation section of this document.

H.B. 11-1166: Establishes the "Type I Diabetes" special license plate. Appropriates \$2,960 cash funds from the Colorado State Titling and Registration Account to the Department of Revenue in FY 2011-12, and reappropriates those moneys to the Governor's Office of Information Technology for computer programming changes necessary to implement the license plate, and appropriates \$17,760 cash funds from the License Plate Cash Fund for the purchase of the license plates from Correctional Industries.

H.B. 11-1182: Establishes a fee for registration of vehicles to support the Colorado State Titling and Registration (CSTAR) Account of the Highway Users Tax Fund (HUTF) and decreases the fee that supports the Motorist Insurance Identification (MII) Account of the HUTF. Increases revenues to the CSTAR Account by \$2.28 million and decreases revenues to the MII Account by \$1.96 million.

H.B. 11-1216: Authorizes public and private sales of unique combinations of letters and numbers on license plates by a license plate auction group created in the Governor's Office. Appropriates \$2,960 cash funds from the Colorado State Titling and Registration System to implement the bill. Those moneys are reappropriated to the Governor's Office for implementation of the bill.

H.B. 11-1234: Creates a taxicab license plate which will be required of all vehicles engaged in the taxicab business and only those vehicles authorized to provide taxicab service. Specifies that the taxicab license plate is to be used for vehicles that are used as both a taxicab and luxury limousine. Appropriates \$8,880 cash funds from the Colorado State Titling and Registration Account and \$2,072 cash funds from the Licensing Services Cash Fund to the Department of Revenue in FY 2011-12 for programming changes to the Department's computer systems. These moneys are reappropriated to the Governor's Office of Information Technology. In

addition, appropriates \$14,800 cash funds from the License Plate Cash Fund for the purchase of the license plates from Correctional Industries.

H.B. 11-1293: Repeals H.B. 10-1192 regarding sales and use tax on standardized software, effective July 1, 2012. Adopts in statutes standards for determining when sales and use tax applies to the purchase of software. Appropriates \$19,701 General Fund and 0.5 FTE to the Department of Revenue for FY 2011-12.

H.B. 11-1295: Establishes a new voluntary donation line on income tax forms for the Multiple Sclerosis Fund, which will go into a queue that is established in the bill that provides procedures for putting the voluntary donation line on the income tax forms when there are more than 14 such donation lines already on the tax form. Appropriates \$29,600 from the Fund for programming of computer systems to implement the voluntary contribution line and reappropriates those moneys to the Governor's Office of Information Technology, which will implement those changes.

H.B. 11-1296: Extends for two years, until July 1, 2013, the suspension of the exemption from State sales and use tax on the sale of cigarettes. Increases General Fund revenue by \$27.3 million in FY 2011-12.

H.B. 11-1298: Establishes the "Craig Hospital" special license plate to be sold to vehicle owners. Purchasers of the license plate must donate to Craig Hospital. Appropriates \$2,960 cash funds from the Colorado State Titling and Registration Account to the Department of Revenue in FY 2011-12, and reappropriates those moneys to the Governor's Office of Information Technology for computer programming changes necessary to implement the license plate. Also appropriates \$17,760 cash funds from the License Plate Cash Fund for the purchase of the license plates from Correctional Industries.

H.B. 11-1300: Authorizes the use of an expedited process for resolving disputed claims over conservation easement tax credits with the following provisions:

- Allows taxpayers to waive the hearing before the Executive Director of the Department of Revenue and instead appeal directly to a district court;
- establishes venues for the appeals in a manner that allows cases to be consolidated regionally;
- eliminates surety bond requirements for taxpayers appealing directly to district court;
- suspends the imposition of additional interest and penalties during the appeal for taxpayers who appeal directly to district court;
- provides procedures for the administrative process;
- establishes a process for courts to publish notices to taxpayers who cannot be located;
- allows taxpayer claims to be consolidated and settled, and allows additional parties to intervene at the discretion of the court; and
- specifies procedures related to discovery, case management conferences, disclosure of information by the parties, trial management orders, and the phasing of issue to be resolved by the court.

Modifies the aggregate cap for claims for conservation easements that was a part of H.B. 10-1197. For income tax years 2011 and 2012, the cap is lowered from \$26.0 million to \$22.0 million, and for income tax year 2013, the cap is increased to \$34.0 million from \$26.0 million. The reduction in the cap is slightly more than the General Fund appropriations listed below, making the act neutral with regard to the General Fund revenues and expenditures.

Appropriates from the General Fund to the Department of Revenue \$1,974 in FY 2010-11, and \$2,742,991 and 3.6 FTE in FY 2011-12. In addition, appropriates \$553,000 General Fund to the Judicial Department in FY 2011-12 for expenses related to the increased use of the district courts, including using retired judges to hear the cases, appropriates \$12,112 cash fund from the Conservation Easement Holder Certification Fund to the Department of Regulatory Agencies in FY 2011-12. Finally, the Department of Law is appropriated \$1,349,581 reappropriated funds and 9.1 FTE from the Department of Revenue and \$2,352 reappropriated funds from the Department of Regulatory Agencies in FY 2011-12.

H.B. 11-1316: Establishes the Denver Nuggets and Colorado Avalanche special license plates to be sold to vehicle owners. Purchasers of the license plate must make a contribution to Kroenke Sports Charities. Appropriates \$6,660 cash funds from the Colorado State Titling and Registration Account to the Department of Revenue in FY 2011-12, and reappropriates those moneys to the Governor's Office of Information Technology for computer programming changes necessary to implement the license plate. Also appropriates \$35,520 cash funds from the License Plate Cash Fund for the purchase of the license plates from Correctional Industries.

2012 Session Bills

S.B. 12-044: Repeals the crime of theft of public transportation services and creates a class B traffic infraction, failure to present a valid transit pass or coupon, that covers the same prohibited conduct as the former crime. Specified that if the violation occurs in Denver, the Denver County court keeps the fine revenue; in all other jurisdictions, the fine revenue is sent to the judicial department. If a person was convicted of theft of public transportation services by fare evasion prior to its repeal, and the person has completed the sentence at the time the act becomes law, the court that entered the conviction shall seal the conviction by January 1, 2013, or the person may petition the court for sealing if the person wants the conviction sealed before January 1, 2013. If a person was convicted of theft of public transportation services by fare evasion prior to its repeal, but has not completed the sentence at the time the act becomes law, that person can petition for sealing after completing the sentence. Provides an appropriation for FY 2011-12 of \$17,124 cash funds for the purchase of computer center services from the Governor's Office of Information Technology (OIT) and for the processing of fines and judgments for the new traffic infraction. Appropriates \$29,000 cash funds and 0.8 FTE for FY 2012-13 for the processing of fines and judgments for the new traffic infraction.

H.B. 12-1019: Abolishes the Motor Carrier Services Division in the Department of Revenue, transferring the Ports of Entry program to the Department of Public Safety, Colorado State Patrol and transfers the International Registration Program for commercial vehicles to the Division of Motor Vehicles in the Department of Revenue. Reduces FY 2012-13 cash funds appropriations to the Department of Revenue (DOR) by \$10.2 million and 122.3 FTE, increases General Fund appropriations to DOR by \$379,000 and increases reappropriated funds appropriations to DOR by \$36,000. For additional information on appropriations to the Department of Public Safety, see the Recent Legislation section of the Department of Public Safety.

H.B. 12-1023: Establishes the Fallen Heroes special license plate. In addition to paying the regular registration fees and special license plate fees, eligibility to purchase the license plate requires a \$50 donation to the Colorado Chapter of the Concerns of Police Survivors, Inc. Appropriates \$20,720 cash funds for the purchase of computer center services from OIT and the purchase of special license plates from the Department of Corrections.

H.B. 12-1038: Creates an alternate registration for interstate commercial trailers and semitrailers if the owner is based in a jurisdiction other than Colorado or, if the owner is based in Colorado, the trailer or semitrailer is at least 10 years old. The registration does not expire until the trailer is sold or transferred. The owner notifies the Department of Revenue (Department) when the trailer is sold or transferred. The Department will issue a report in 2014 making recommendations as to the cost-effectiveness of this system of registration. Expiration tabs and stickers for class A motor vehicles are eliminated. The act sets the specific ownership tax at \$95.50 and the registration fee at \$24.50. Of the fee, the Department or authorized agent that registers the vehicle retains \$2.00, the Department transfers \$1.50 of the fee to the county for the county road and bridge fund, the Statewide Bridge Enterprise Special Revenue Fund is credited with \$5.00, the Colorado State Titling and Registration Account is credited with \$0.50, the License Plate Cash Fund is credited with \$2.50, and the Highway Users Tax Fund is credited with \$13.00.

Appropriates \$118,000 cash funds for FY 2011-12 and \$32,000 cash funds for FY 2012-13 for the purchase of computer center services from OIT, and \$13,157 cash funds and 0.3 FTE for personal services for the processing of registrations related to this bill.

H.B. 12-1131: Establishes the Child Loss Awareness special license plate. Requires the payment of the regular registration fees and special license plates fee. Appropriates \$20,720 cash funds for the purchase of computer center services from OIT and the purchase of special license plates from the Department of Corrections.

H.B. 12-1153: Establishes the Distinguished Flying Cross special license plate. Those eligible to purchase the license plate shall have been awarded the Distinguished Flying Cross by a branch of the United States Military. Appropriates \$3,396 cash funds for the purchase of computer center services from OIT and the purchase of special license plates from the Department of Corrections.

H.B. 12-1162: Establishes the Desert Storm special license plate. Those eligible to purchase the license plate shall have served in the United States Military between the dates of August 2, 1990 and February 28, 1991. Appropriates \$4,936 cash funds for the purchase of computer center services from OIT and the purchase of special license plates from the Department of Corrections.

H.B. 12-1197: Supplemental appropriation to the Department of Revenue to modify FY 2011-12 appropriations included in the FY 2011-12 Long Bill (S.B. 11-209).

H.B. 12-1216: Extends for 3 years the current diversion, from the highway users tax fund to the licensing services cash fund, of revenue collected for examinations for driver's licenses and for the issuance or renewal of instruction permits, driver's licenses, and identification cards. In addition, it permits the use of funds in the motorist insurance identification account to be used for expenses incurred by the department of revenue in licensing drivers and issuing identification cards for 3 more years. Adjusts the Long Bill appropriations to the Department of Revenue, decreasing General Fund and increasing cash funds by \$22.7 million.

H.B. 12-1246: Eliminates payroll date shift for certain General Fund employees. Increases appropriations to the Department of Revenue by \$133,783 General Fund.

H.B. 12-1275: Establishes the Colorado Wildlife Sporting special license plate. In addition to paying the regular registration fees and special license plate fees, requires the payment of an annual \$25 fee which is credited to the Wildlife Cash Fund. The Wildlife Cash Fund is administered by the Division of Parks and Wildlife in the Department of Natural Resources and these moneys are to be used to create and enhance

shooting ranges throughout Colorado to increase public recreational shooting opportunities, including hunter education, marksmanship training, and youth shooting and provide grants to local and county governments, park and recreation departments, water districts, angling organizations, and others for projects to improve fishing opportunities in Colorado. Appropriates \$85,840 cash funds for FY 2012-13 for the purchase of computer center services from OIT and the purchase of special license plates from the Department of Corrections

H.B. 12-1295: Establishes the Colorado Rockies special license plate. In addition to paying the regular registration fees and special license plate fees, eligibility to purchase the license plate requires a \$52.80 donation to the Colorado Rockies Baseball Club Foundation. Appropriates \$20,720 cash funds for FY 2012-13 for the purchase of computer center services from OIT and the purchase of special license plates from the Department of Corrections.

H.B. 12-1302: Establishes the Flight for Life special license plate. In addition to paying the regular registration fees and special license plate fees, eligibility to purchase the license plate requires a \$25 donation to Flight for Life Colorado. Appropriates \$20,720 cash funds for FY 2012-13 for the purchase of computer center services from OIT and the purchase of special license plates from the Department of Corrections.

H.B. 12-1314: Creates an exception to the requirement that everyone subject to the severance tax on oil and gas must file a return with the department of revenue. This exception applies to any person who has less than \$250 withheld by all unit operators or first purchasers in a taxable year and whose withholding is greater than or equal to the taxes owed by the person for the taxable year. In addition, if any person fails to file a report related to the severance tax, the executive director of the department of revenue may estimate the amount of tax, interest, and penalties due and mail the estimate to the last-known address of the person. If, within 10 days of receiving the estimate, the person fails to file a correct report and payment, the estimate becomes the amount payable to the state. The act prohibits the executive director from sending this estimate to a person who has less than \$250 withheld by all unit operators or first purchasers for the taxable year, unless the executive director has good cause to believe that such person does not qualify for the filing exception. Appropriates \$14,800 General Fund for FY 2012-13 for the purchase of computer center services from OIT related to the implementation of this bill.

H.B. 12-1327: Concerning the regulation of tow truck drivers by the Department of Regulatory Agencies. Appropriates \$12,210 cash funds for FY 2012-13 for the purchase of computer center services from OIT to modify the Department's titling and registration information technology systems, and \$11,840 cash funds for the purchase of license plates. For more information on H.B. 12-1327, please see the Recent Legislation section of the Department of Regulatory Agencies.

H.B. 12-1335: General appropriations act for FY 2012-13.

S.B. 12S-001: Allows an owner of more than 10 pieces of special mobile machinery to register all new special mobile machinery quarterly with the county and to obtain and use special mobile machinery plates, identifying decals, or certificates to designate that the registration for the machinery is pending. This allows the owner to renew the registrations for all of the machinery on the same date each year. The license plate for special mobile machinery is not required to have an annual validating tab or sticker. Fees are set to implement the bill. Appropriates \$251,095 cash funds and 0.8 FTE from various cash funds sources for FY 2012-13 for expenses related to the implementation of this bill. Of this amount, \$76,220 is reappropriated to the Governor's Office of Information Technology for the purchase of Computer Center Services.

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, and administers funds received through the federal Help America Vote Act, 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.

Department Budget: Recent Appropriations

Funding Source	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
General Fund	\$0	\$0	\$0	\$0
Cash Funds	21,022,851	21,496,775	20,514,081	19,893,142
Reappropriated Funds	0	0	0	0
Federal Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Funds	\$21,022,851	\$21,496,775	\$20,514,081	\$19,893,142
Full Time Equiv. Staff	133.9	135.1	127.9	133.0

General Factors Driving the Budget

The Department of State is entirely cash funded, primarily through business filing fees. Additional cash fund sources are the Notary Administration Cash Fund and the Federal Elections Assistance Fund, which supports 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.

Elections

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. Many of the election-related

expenditures are not expressly labeled as such in the Long Bill, and are instead included in the Personal Services and Operating Expenses line items within the Administration Division.

Two line items that pertain solely to elections are Local Election Reimbursement and Initiative and Referendum. The Local Election Reimbursement line item reimburses counties for a portion of the costs related to having a statewide issue on the ballot. Section 1-5-505.5 (3), C.R.S., requires the Secretary of State to reimburse counties with fewer than 10,000 active registered voters at a rate of \$0.90 per active registered voter, and counties with more than 10,000 active registered voters are reimbursed at a rate of \$0.80 per active registered voter. This is the only state reimbursement to the counties for election costs. There were no expenditures from this line item for FY 2009-10 because the 2009 election did not include a statewide ballot issue.

The Initiative and Referendum line item provides funding for the costs of verifying signatures on ballot and initiative petitions. When verifying signatures on petitions, Section 1-40-116, C.R.S. requires the Secretary of State to use a random sampling method of verification, verifying no less than five 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, line by line.

The appropriation for the Initiative and Referendum line item is normally set at \$150,000 for fiscal years ending in even numbers and \$250,000 for fiscal years ending in odd numbers. The odd numbered fiscal years include general elections, therefore the number of petitions to verify is generally greater. For FY 2011-12, a petition was turned in that required line-by-line signature verification, requiring a supplemental appropriation to cover the additional expense.

Elections Division	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Approp.	FY 2012-13 Approp.
Local Election Reimbursement	\$2,042,250	\$0	\$1,666,033	\$1,725,699	\$1,958,827
Initiative and Referendum	301,007	149,420	40,493	234,000	250,000

Help America Vote Act Program

The goals of the federal Help America Vote Act of 2002 (HAVA) are to: (1) improve the administration of federal elections by creating a centralized, computerized statewide voter registration system; (2) replace punch-card ballots and lever voting machines; (3) ensure accessibility for disabled voters to polling places and voting equipment; and (4) adopt new rules for provisional ballots. In 2003, the Colorado General Assembly created the Federal Elections Assistance Fund to receive federal and state moneys appropriated for HAVA-related purposes (see Title 1, Article 1.5, C.R.S.). The Fund has received approximately \$44.7 million in federal funds and the State's required \$1.9 million match. Pursuant to Section 1-1.5-106 (2) (b), C.R.S., moneys in the Federal Elections Assistance Fund are continuously appropriated to the Department and are included in the Long Bill for informational purposes only.

Help America Vote Act	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Approp.	FY 2012-13 Approp.
Expenditure / Appropriation	\$9,405,516	\$2,972,923	\$2,681,433	\$3,018,274	\$349,222
FTE	9.5	10.9	6.0	11.0	0.0

Information Technology Services

The Information Technology Services division provides technical services, development, and support to the Department, including the electronic filing and online services that are offered by the Business division. Its functions also include: (1) ensures the Department is compliant with rules and policies as set forth by the Colorado Information Security Act; and (2) manages the State of Colorado Registration and Elections system (SCORE), which is the statewide computerized voter registration system.

Information Technology Services	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Approp.	FY 2012-13 Approp. /a
Expenditure / Appropriation	\$4,858,853	\$4,373,103	\$4,847,380	\$4,937,006	\$6,168,077
FTE	25.1	26.4	28.0	29.9	34.0

/a FY 2012-13 includes an increase of \$1.1 million and 4.0 FTE as a result of the transfer of maintenance of statewide SCORE database from federal funds to the Department of State Cash Fund.

Summary of FY 2011-12 and FY 2012-13 Appropriations

Department of State						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Total Appropriation:	\$20,514,081	\$0	\$20,514,081	\$0	\$0	127.9
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Administration	9,022,579	0	9,022,579	0	0	92.0
Special Purpose	4,977,973	0	4,977,973	0	0	6.0
Information Technology Services	6,513,529	0	6,513,529	0	0	29.9
<u>Breakdown of Total Appropriation by Bill</u>						
SB 11-209	18,770,670	0	18,770,670	0	0	128.9
SB 11-076	(184,245)	0	(184,245)	0	0	0.0
SB 11-191	20,128	0	20,128	0	0	0.0
HB 11-1080	(164,961)	0	(164,961)	0	0	(2.0)
HB 11-1095	360,956	0	360,956	0	0	1.0
HB 12-1198	1,627,533	0	1,627,533	0	0	0.0
HB 12-1335	84,000	0	84,000	0	0	0.0
FY 2012-13 Total Appropriation:	\$19,893,142	\$0	\$19,893,142	\$0	\$0	133.0
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Administration	9,601,979	0	9,601,979	0	0	99.0
Special Purpose	2,558,049	0	2,558,049	0	0	0.0
Information Technology Services	7,733,114	0	7,733,114	0	0	34.0

Department of State						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<u>Breakdown of Total Appropriation by Bill</u>						
HB 12-1335	18,871,474	0	18,871,474	0	0	133.0
SB 12-123	525,788	0	525,788	0	0	0.0
HB 12-1143	233,128	0	233,128	0	0	0.0
HB 12-1209	198,912	0	198,912	0	0	0.0
HB 12-1236	41,440	0	41,440	0	0	0.0
HB 12-1274	22,400	0	22,400	0	0	0.0
Increase/(Decrease)	(\$620,939)	\$0	(\$620,939)	\$0	\$0	5.1
Percentage Change	(3.0)%	n/a	(3.0)%	n/a	n/a	4.0%

Informational Funds: Beginning in FY 2012-13, the Long Bill and other legislation indicate when an amount is shown solely for informational purposes through a new "(I)" notation. The following amounts in the Department of State are annotated with the "(I)". For additional information, see Appendix J.

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2012-13 Appropriations containing an (I) notation	\$349,222	\$0	\$349,222	\$0	\$0

FY 2011-12 Appropriation - Mid-year Adjustment Highlights

The FY 2011-12 appropriation was modified during the 2012 Legislative Session to:

1. Add \$1.1 million cash funds to correct a technical error in the FY 2011-12 appropriation.
2. Add \$245,000 cash funds to provide moneys for participation in the Electronic Registration Information Center Project.
3. Add \$225,000 cash funds to provide moneys for improving access to ballots by overseas voters, including members of the U.S. military serving overseas.
4. Add \$84,000 cash funds to provide moneys for the process of verifying signatures for citizen initiative and candidate petitions.

FY 2012-13 Appropriation Highlights

The FY 2012-13 appropriation:

1. Adds \$411,000 cash funds for centrally appropriated line items.
2. Adds \$281,000 cash funds for a customer relations management system.

3. Adds \$175,000 cash funds for the military and overseas voter project.
4. Adds \$170,000 cash funds for the Electronic Registration Information Center (ERIC) project.
5. Refinances \$1.6 million and 11.0 FTE from the Federal Elections Assistance Cash Fund to the Department of State Cash Fund.
6. Reduces cash funds by \$1.1 million and adds 5.0 FTE to reflect efficiencies realized by in-house maintenance of the State of Colorado Registration and Elections system.
7. Reduces cash funds by \$800,000 to reflect the second of a three-part transfer of funding for the statewide disaster recovery center.
8. Reduces cash funds by \$650,000 to annualize prior year funding.
9. Reduces cash funds by \$88,000 for the 1.0 percent personal services base reduction.

Detail of Appropriation by Administrative Section

Administration

The Administration division provides general management supervision for the entire Department, including budgeting, accounting, and human resources services. Most of the Department's functions are carried out by three sections within this Division: (1) business filings, (2) elections, and (3) licensing and enforcement. These sections are funded by the Department of State Cash Fund and the Notary Administration Cash Fund.

Elections Section: This section 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 Section also helps the Secretary of State to supervise the 64 county clerks in the execution of their statutory responsibilities relating to voter registration and elections. During FY 2010-11, the Department processed 13,044 campaign finance disclosure reports and 6,843 conflict of interest disclosures.

Business Filings Section: This section is comprised of two subsections: (1) business organizations and entities and (2) Uniform Commercial Code (UCC). The business organizations section collects, stores and provides 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. The UCC section collects, stores and provides public access to a variety of UCC documents, including security interests, liens and other items that are utilized by lending institutions. During FY 2011-12, the Department will process approximately 665,000 business filings and 105,000 UCC filings. 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.

Licensing and Enforcement Section: The licensing and enforcement section is responsible for administering four programs: (1) the Administrative Rules Code, a body of statutes governing the rule-making authority of

many state agencies; (2) the bingo and raffles program pursuant to Article XVIII Section 3 of the Colorado Constitution; (3) the Charitable Solicitations Act, which forbids fraudulent charitable solicitations; and (4) the notaries public.

Administration						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$8,376,270	\$0	\$8,376,270	\$0	\$0	93.0
SB 11-076	(123,579)	0	(123,579)	0	0	0.0
HB 11-1080	(164,961)	0	(164,961)	0	0	(2.0)
HB 11-1095	360,956	0	360,956	0	0	1.0
HB 12-1198	<u>573,893</u>	<u>0</u>	<u>573,893</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$9,022,579	\$0	\$9,022,579	\$0	\$0	92.0
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$9,022,579	\$0	\$9,022,579	\$0	\$0	92.0
Transfer HAVA expenses to DOS Cash Fund	545,826	0	545,826	0	0	7.0
Centrally appropriated line items	404,963	0	404,963	0	0	0.0
ERIC Project	170,000	0	170,000	0	0	0.0
Restore state PERA contribution	123,579	0	123,579	0	0	0.0
COFRS modernization	40,140	0	40,140	0	0	0.0
Statewide IT common policy adjustments	34,915	0	34,915	0	0	0.0
Leased space adjustment	1,524	0	1,524	0	0	0.0
Annualize prior year funding	(652,164)	0	(652,164)	0	0	0.0
Personal services base reduction	(58,469)	0	(58,469)	0	0	0.0
Indirect cost assessment	(30,914)	0	(30,914)	0	0	0.0
HB 12-1335	<u>\$9,601,979</u>	<u>\$0</u>	<u>\$9,601,979</u>	<u>\$0</u>	<u>\$0</u>	<u>99.0</u>
TOTAL	\$9,601,979	\$0	\$9,601,979	\$0	\$0	99.0
Increase/(Decrease)	\$579,400	\$0	\$579,400	\$0	\$0	7.0
Percentage Change	6.4%	n/a	6.4%	n/a	n/a	7.6%

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1198 modified FY 2011-12 appropriations to:

- add \$327,000 cash funds to correct a technical error in the FY 2011-12 Long Bill appropriation; and
- add \$245,000 cash funds to begin participation in the Electronic Registration Information Center (ERIC). ERIC is a collaborative effort between a number states and the PEW Center on the States to improve the accuracy of those States' electronic voter registration system (known in Colorado as SCORE) and to reach out to unregistered potential voters to encourage them to register to vote.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Transfer HAVA expenses to DOS Cash Fund: The appropriation transfers funding and FTE from the Help America Vote Act (HAVA) to the Department of State (DOS) Cash Fund. These moneys and FTE were previously reflected in the Special Purpose Division, Help America Vote Act line item.

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for: state contributions to health, life, and dental benefits; 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; and payment to risk management and property funds.

ERIC project: The appropriation includes funding for the Elections Registration Information Center (ERIC) project, a collaborative effort by multiple states and the PEW Center on the States to improve the accuracy of data contained in voter registration databases and to identify and reach out to unregistered residents.

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

COFRS modernization: The appropriation includes an increase to fund the first two phases of a five-phase project to replace the statewide accounting system (COFRS) used by the Office of the State Controller to record all state revenues and expenditures.

Statewide IT common policy adjustments: The appropriation includes adjustments to line items appropriated for the purchase of services from the computer center and multiuse network payments.

Leased space adjustment: The appropriation includes an adjustment for the leased space rate paid by the Department to account for an escalator in the Department's lease.

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

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services line items.

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

Special Purpose

This division includes: (1) the State's Help America Vote Act (HAVA) program; (2) reimbursements to counties for certain election expenses; and (3) initiative and referendum appropriations, which fund petition-related activities such as signature verification and the Title Setting Board. The Federal Elections Assistance Fund supports the HAVA program, and the remainder of this division is funded through the Department of State Cash Fund.

Special Purpose						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$4,893,973	\$0	\$4,893,973	\$0	\$0	6.0
HB 12-1335	<u>84,000</u>	<u>0</u>	<u>84,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$4,977,973	\$0	\$4,977,973	\$0	\$0	6.0
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$4,977,973	\$0	\$4,977,973	\$0	\$0	6.0
Initiative and referendum	100,000	0	100,000	0	0	0.0
Transfer HAVA expenses to DOS Cash Fund	(1,608,100)	0	(1,608,100)	0	0	(11.0)
Reduction in SCORE expenses	(1,060,952)	0	(1,060,952)	0	0	5.0
Annualize prior year funding	(84,000)	0	(84,000)	0	0	0.0
HB 12-1335	\$2,324,921	\$0	\$2,324,921	\$0	\$0	0.0
HB 12-1143	<u>233,128</u>	<u>0</u>	<u>233,128</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$2,558,049	\$0	\$2,558,049	\$0	\$0	0.0
Increase/(Decrease)	(\$2,419,924)	\$0	(\$2,419,924)	\$0	\$0	(6.0)
Percentage Change	(48.6)%	n/a	(48.6)%	n/a	n/a	(100.0)%

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1335 modified FY 2011-12 appropriations to add \$84,000 cash funds for verification of signatures on an initiative petition that required line-by-line signature verification.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Initiative and referendum: The appropriation includes additional funding because the Department typically receives more initiative and candidate petitions during an even-year election cycle.

Transfer HAVA expenses to DOS Cash Fund: The appropriation transfers funding and FTE in the Help America Vote Act (HAVA) line from the Federal Elections Assistance Fund to the Department of State (DOS) Cash Fund. These appropriations were reflected in the Special Purpose Division and are now reflected in other divisions.

Reduction in SCORE expenses: The appropriation includes a reduction in funding and an increase in FTE for the Department's activities related to maintaining the SCORE (State of Colorado Registration and Elections) system. The reduction in funding is the result of bringing the maintenance of the system in-house. These moneys are from the Federal Elections Assistance Cash Fund, and pursuant to Section 1-1.5-106 (2) (b), C.R.S., these funds are continuously appropriated to the Department and are included in the Long Bill for informational purposes only.

Annualize prior year funding: The appropriation includes an adjustment related to prior year budget actions.

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

Information Technology Services

The Information Technology Services division 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 it processes over 1,200 web-based transactions daily. The Division also provides project direction and support for the statewide voter registration and election management system. This Division is primarily funded by the Department of State Cash Fund, with a small amount of funding by the Notary Administration Cash Fund.

Information Technology Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$5,500,427	\$0	\$5,500,427	\$0	\$0	29.9
SB 11-076	(60,666)	0	(60,666)	0	0	0.0
SB 11-191	20,128	0	20,128	0	0	0.0
HB 12-1198	<u>1,053,640</u>	<u>0</u>	<u>1,053,640</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$6,513,529	\$0	\$6,513,529	\$0	\$0	29.9
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$6,513,529	\$0	\$6,513,529	\$0	\$0	29.9
Transfer HAVA expenses to DOS Cash Fund	1,062,274	0	1,062,274	0	0	4.0
Customer relations management system	280,642	0	280,642	0	0	0.0
Military and overseas voter project	175,000	0	175,000	0	0	0.0

Information Technology Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Restore state PERA contribution	60,666	0	60,666	0	0	0.0
Transfer data recovery center	(800,026)	0	(800,026)	0	0	0.0
Annualize prior year funding	(318,440)	0	(318,440)	0	0	0.1
Personal services base reduction	(29,071)	0	(29,071)	0	0	0.0
HB 12-1335	\$6,944,574	\$0	\$6,944,574	\$0	\$0	34.0
SB 12-123	525,788	0	525,788	0	0	0.0
HB 12-1209	198,912	0	198,912	0	0	0.0
HB 12-1236	41,440	0	41,440	0	0	0.0
HB 12-1274	<u>22,400</u>	<u>0</u>	<u>22,400</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$7,733,114	\$0	\$7,733,114	\$0	\$0	34.0
Increase/(Decrease)	\$1,219,585	\$0	\$1,219,585	\$0	\$0	4.1
Percentage Change	18.7%	n/a	18.7%	n/a	n/a	13.7%

FY 2011-12 Appropriation - Mid-year Adjustments

House Bill 12-1198 modified FY 2011-12 appropriations to:

- add \$750,000 cash funds to correct a technical error in the FY 2011-12 Long Bill appropriation;
- add \$225,000 cash funds to provide moneys for increasing ballot access for military and overseas voters; and
- add \$80,000 cash funds to provide additional moneys for beginning work on the 2011-12 elections abstract.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Transfer HAVA expenses to DOS Cash Fund: The appropriation transfers funding and FTE from the Help America Vote Act (HAVA) to the Department of State (DOS) Cash Fund. These moneys and FTE were previously reflected in the Special Purpose Division, Help America Vote Act line item.

Customer relations management software: The appropriation includes funding to purchase and implement a customer relations management software system to enable the Department to improve its response to inquiries from members of the public.

Military and overseas voter project: The appropriation includes funding to purchase a system to provide secure on-line access to ballots for members of the military stationed overseas and other citizens living abroad.

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees Retirement Association (PERA) pursuant to Section 24-51-104 (1.7) (a), C.R.S.

Transfer data recovery center: The appropriation includes a reduction to reflect the transfer of the statewide disaster data recovery center to the Office of Information Technology. The reduction reflects the second year of a three-year time frame for the transfer.

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

Personal services base reduction: The appropriation includes a 1.0 percent reduction to certain personal services line items.

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

Recent Legislation

2011 Session Bills

S.B. 11-076: Reduces, for the 2011-12 state fiscal year only, the employer contribution rate for the State and Judicial divisions of the Public Employees' Retirement Association (PERA) by 2.5 percent and increases the member contribution rate for these divisions by the same amount. In effect, continues the FY 2010-11 PERA contribution adjustments authorized through S.B. 10-146 for one additional year. Reduces the Department's total appropriation by \$184,245 cash funds.

SB 11-191: Creates a new type of limited cooperative association that has two distinct categories of members: patron members and investor members. Allows the type of limited cooperative association defined by this legislation to organize to pursue any lawful purpose. Increases the appropriation for FY 2011-12 by \$20,128 cash funds.

S.B. 11-209: General appropriations act for FY 2011-12.

H.B. 11-1080: Transfers the Address Confidentiality Program from the Department of State to the Department of Personnel for FY 2011-12.

H.B. 11-1095: Permits the Department of State to implement a password-protected system for online business filings and to take appropriate action to address fraudulent activities involving business filings and records. Continues to allow for the access to and retrieval of publicly available records without a password. Appropriates \$360,956 cash funds and 1.0 FTE to the Department of State for FY 2011-12. The cash fund source is the Department of State Cash Fund.

2012 Session Bills

S.B. 12-123: Directs the Secretary of State to implement enhancements to the on-line business filing system, including enhancements to user accounts and for registered agents and records management, certifications, the integration of business documents with charitable solicitation documents, and greater search functionality; authorizes a registered agent to become a "commercial registered agent", which allows a registered agent to file

documents relating to multiple entities, thus saving the registered agent time and reducing filing fees; allows a reporting entity to change its anniversary month when it files a periodic report, its organic organizational document, or a restatement of its organic organizational document; allows the Secretary of State to charge a fee for the licensing or sale of business and licensing software developed by the secretary of state; and appropriates \$525,788 from the department of state cash fund to the department of state for implementation of the act.

H.B. 12-1143: Increases the rate at which the State is required to reimburse a particular county for the cost of the duties performed by the county clerk and recorder in conducting an election in which a state ballot issue or state ballot question is on the county ballot. Increases the reimbursement rate by \$0.10 for each registered active voter on the county's voter lists. Appropriates \$233,128 cash funds to the Department of State for FY 2012-13.

H.B. 12-1209: Enacts the "Uniform Electronic Legal Material Act" drafted by the National Conference of Commissioners on Uniform State Laws. Defines "legal material" as the constitution of this state, the session laws of Colorado, the Colorado Revised Statutes, and a state agency rule. Requires, if legal material is only published electronically, the official publisher to designate the record as official, but if it is published in another format, the publisher may make such designation (In either case, if electronic legal material is designated as official, the publisher is required to meet requirements related to the authentication and preservation of the electronic record and the availability of the preserved electronic record). Presumes that electronic legal material in an electronic record that is authenticated by the official publisher is an accurate copy of the legal material (this presumption applies to electronic legal material from states that have adopted a law that is substantially similar to the act). Requires the official comments issued by the commissioners to be published with the act. Appropriates \$198,912 cash funds to the Department of State for FY 2012-13.

H.B. 12-1236: Excludes grant writers from the definition of "paid solicitor" unless the grant writer's compensation is computed on the basis of funds raised from the grant, specifies that fundraising on behalf of a named individual is not a charitable appeal and therefore the fundraiser does not have to register with the secretary of state, eliminates the need for a charity to request a 3-month extension for the filing of its initial or annual financial report with the secretary of state if the charity has filed for an extension with the internal revenue service, clarifies that only monetary contributions must be deposited with a financial institution, and requires paid solicitors, near the beginning of a telephone solicitation, to disclose that a contribution is not tax-deductible, if that is the case, before soliciting the donation and to state their full and complete name. Appropriates \$41,440 cash funds to the Department of State for FY 2012-13.

H.B. 12-1274: Modifies the secretary of state's regulation of notaries public by:

- Allows, in the secretary of state's discretion, electronic filing of applications and renewals;
- Clarifies the disciplinary and nondisciplinary actions that the secretary of state may take against a notary public;
- Disallows the use of a seal embosser; and
- Updates the information a notary public includes on his or her official notary seal and requiring the seal to be rectangular.

Transfers fees collected in connection with the regulation of notaries public from the Notary Administration Cash Fund, which fund is repealed, to the Department of State Cash Fund.

Appropriates \$22,400 to the Department of State for FY 2012-13 for contract programming services. Adjusts appropriations made in the long bill to account for the repeal of the Notary Administration Cash Fund and transfer of that spending authority to the Department of State Cash Fund.

H.B. 12-1335: General appropriations act for FY 2012-13. Also includes supplemental adjustments to modify appropriations to the Department of State included in the FY 2011-12 Long Bill (S.B. 11-209).

DEPARTMENT OF TRANSPORTATION

The Department of Transportation is responsible for operating and maintaining Colorado's 9,156-mile state highway system, including more than 3,700 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. The Department's section of the Long Bill corresponds with legislative authority over particular areas of the Department's budget and does not exactly match the Department's administrative organization.

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 (created by S.B. 09-108); and the Statewide Bridge Enterprise (created by S.B. 09-108). These line items represent the "non-appropriated" portion of the budget and are included in the Long Bill as estimates of the anticipated revenues available to the Commission.

The General Assembly appropriates funding to two Long Bill line items: Administration (primarily from the State Highway Fund) and the First Time Drunk Driving Offenders Account (created pursuant to H.B. 08-1194 and funded with driver's license reinstatement fees connected with alcohol-related driving offenses). Finally, the General Assembly has statutory oversight of revenue-raising measures and the approval of the Governor's appointments to the Transportation Commission.

Department Budget: Recent Appropriations

Funding Source	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
General Fund	\$0	\$0	\$0	\$0
Cash Funds	614,161,434	658,329,628	699,088,197	706,181,582
Reappropriated Funds	3,950,128	4,986,153	4,886,656	3,763,059
Federal Funds	<u>355,397,188</u>	<u>369,101,388</u>	<u>404,145,023</u>	<u>409,409,045</u>
Total Funds	\$973,508,750	\$1,032,417,169	\$1,108,119,876	\$1,119,353,686
Full Time Equiv. Staff	3,366.5	3,307.5	3,315.5	3,308.8

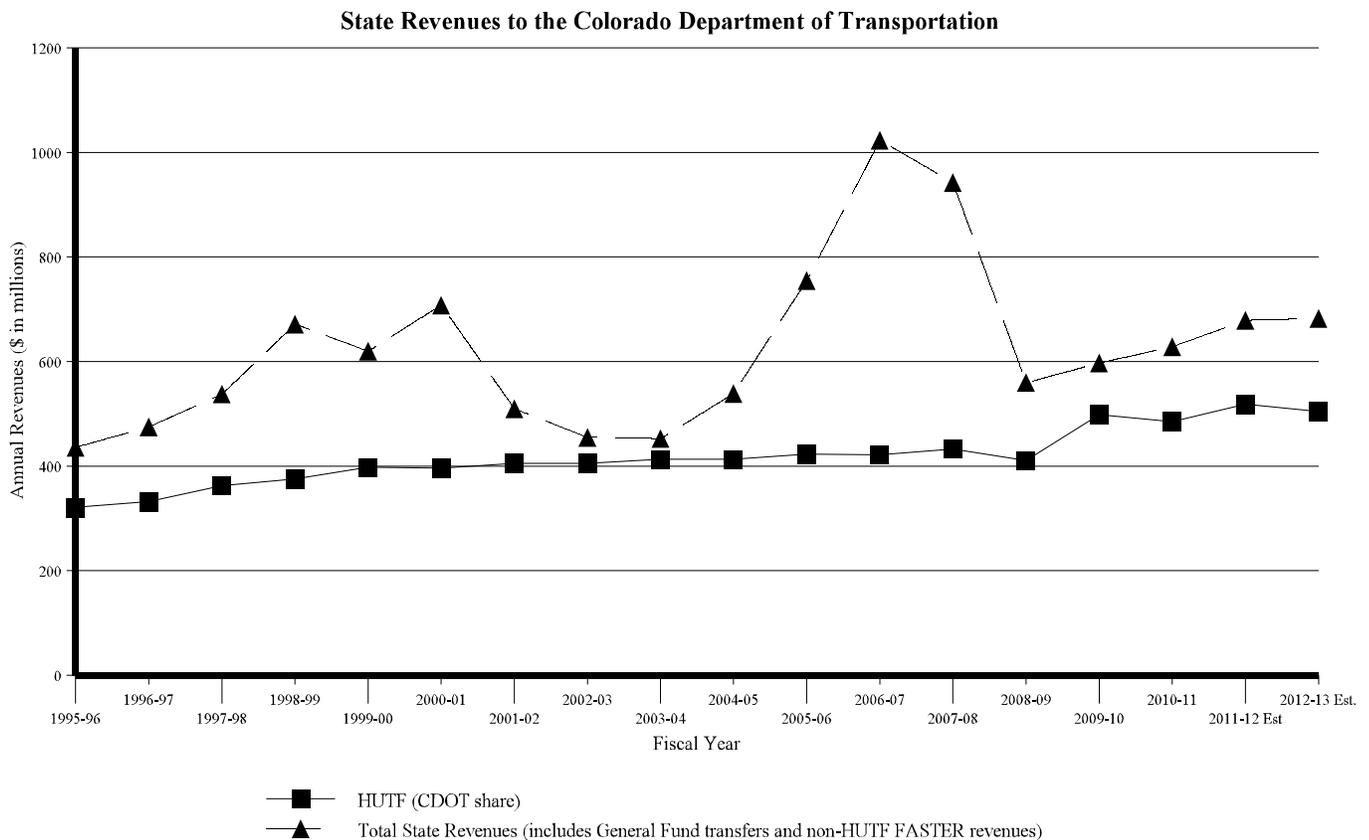
General Factors Driving the Budget

Funding for this department in FY 2012-13 consists of 63.1 percent cash funds, 0.3 percent reappropriated funds, and 36.6 percent federal funds. Important factors driving the budget are reviewed below.

Highway Users Tax Fund (HUTF) Revenues and S.B. 09-108

The primary source of state revenue for the Department is the Highway Users Tax Fund (HUTF). The major source of revenue for the HUTF is the State's motor fuel tax, which generates approximately two-thirds of the annual revenue collections for the HUTF. The remainder comes from motor vehicle registrations and other fees. The Department receives approximately half of the State's total HUTF collections. Fluctuations in HUTF revenues resulting from changes in behavior (e.g., increasing or decreasing vehicle miles of travel which affects fuel tax revenues) or policies affect the revenues available to the Department.

The following chart displays HUTF revenues and total state funding (including General Fund transfers to the HUTF, which are discussed on the next page) since FY 1995-96. Total state funding for the Department has fluctuated substantially, primarily as a result of changes in the amount of General Fund transferred to the HUTF. Non-General Fund HUTF revenues have remained relatively flat over the same time period, with the exception of a significant jump in FY 2009-10 related to fees, fines, and surcharges authorized in S.B. 09-108 (also known as FASTER).



The Department estimates that FASTER fees, fines, and surcharges will generate \$192.4 million in revenues for the Department in FY 2012-13. This includes \$84.3 million in the HUTF for highway purposes, \$15.0 million in the HUTF for transit purposes (including \$5.0 million for local entities), and \$93.1 million in the State Bridge Enterprise Fund (collected through bridge safety surcharges authorized in the act and provided to the Statewide Bridge Enterprise). The estimate represents an increase of approximately \$3.0 million above FASTER-associated revenues assumed in the FY 2011-12 Long Bill. FASTER also required changes in the Department's Long Bill format, including the creation of the Statewide Bridge Enterprise and the replacement of the Statewide Tolling Enterprise with the High Performance Transportation Enterprise.

General Fund Expenditures for Highway Construction

Since 1997, the General Assembly has passed a variety of legislation to assist in the completion of transportation projects. This legislation has provided additional funds to the State Highway Fund from General Fund sources, including: (1) Capital Construction Fund appropriations (which originate in the General Fund); (2) diversions of sales and use taxes from the General Fund to the Highway Users Tax Fund (S.B. 97-001); (3) Limited Gaming Fund appropriations (which use cash funds that would otherwise be credited to the Clean Energy Fund); and (4) two-thirds of the year-end General Fund surplus (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 repay bondholders over time.

Transfers from the General Fund to the State Highway Fund under the legislation discussed above 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. As shown in the table below, transfers pursuant to S.B. 97-001 and H.B. 02-1310 increased in FY 2006-07 (a total of \$520.2 million) and FY 2007-08 (a total of \$407.2 million) but declined to \$88.0 million in FY 2008-09.

General Fund Diversions to the HUTF Pursuant to S.B. 97-001 and H.B. 02-1310									
(in millions of dollars)									
Legislation	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07	FY 08	FY 09	Totals
S.B. 97-001	\$35.2	\$0.0	\$0.0	\$0.0	\$220.4	\$229.0	\$241.0	\$59.0	\$784.6
H.B. 02-1310	n/a	n/a	5.6	81.2	65.3	291.2	166.2	29.0	638.5
Totals	\$35.2	\$0.0	\$5.6	\$81.2	\$285.7	\$520.2	\$407.2	\$88.0	\$1,423.1

Senate Bill 09-228 repealed the transfers of General Fund associated with S.B. 97-001 and H.B. 02-1310, making transfers from the General Fund to the HUTF subject to annual appropriation by the General Assembly. Senate Bill 09-228 requires that 2.0 percent of General Fund revenues be transferred to the HUTF in fiscal years 2012-13 through 2016-17 under certain conditions, but it does not require any General Fund transfers prior to FY 2012-13. The five-year block of transfers is subject to a trigger based on growth in statewide personal income. Because personal income increased by less than 5.0 percent from calendar year 2011 to calendar year 2012, the entire five-year block of transfers has been postponed until the first state fiscal year in which the personal income trigger is met.

Availability of Federal Funds

The Department receives federal funding for four basic purposes, including:

- highways (Federal Highway Administration (FHWA) funds);
- highway safety (National Highway Traffic Safety Administration (NHTSA) funds);
- transit (Federal Transit Administration (FTA) funds); and
- aviation (Federal Aviation Administration (FAA) funds).

Federal funds provide a significant share of the Department's resources (47.7 percent of the Department's actual expenditures for FY 2010-11), and fluctuations in the availability of federal funds affect the Department's annual budgetary outlook. The availability of federal funds is determined by multi-year federal authorization bills. The most recent authorization bill, the *Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users* (SAFETEA-LU), expired in September 2009. The U.S. Department of Transportation is

currently operating under a short-term extension of SAFETEA-LU, the ninth extension to date, that will expire on June 30, 2012. Congress will have to act again by that date to keep federal funds flowing to the states.

The Department's total share of federal funds has fluctuated in recent years, increasing from \$359.7 million in FY 2000-01 to \$957.4 million in FY 2008-09, but declining to an estimated \$409.4 million in FY 2012-13 (see table below). Of note, the Department received \$404.2 million in FY 2008-09 and \$12.5 million in FY 2009-10 as a result of the *American Recovery and Reinvestment Act (ARRA)*. In recent years, federal budgetary conditions, including the depletion of the surplus in the federal Highway Trust Fund, have resulted in "obligation limits" that reduce the State's portion of federal funding below the full amounts authorized in SAFETEA-LU.

Federal Funding to CDOT (in millions of dollars)								
Source	FY 06	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12 Est	FY 13 Est
FHWA	\$434.2	\$527.6	\$533.8	\$536.9	\$568.8	\$349.3	\$390.7	\$397.3
FTA	9.1	10.9	10.2	13.9	13.3	13.2	10.4	10.6
FAA	0.3	0.2	0.3	0.3	0.3	0.3	0.2	0.2
NHTSA	5.0	3.4	8.1	2.1	6.3	6.3	2.8	1.3
ARRA	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>404.2</u>	<u>12.5</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>
Total	\$448.6	\$542.1	\$552.5	\$957.4	\$601.2	\$369.1	\$404.1	\$409.4

Because Congress has yet to pass another multi-year authorization bill and the U.S. Department of Transportation is currently operating under short-term extensions of SAFETEA-LU, the Department's expectations regarding future federal funds are uncertain. The FY 2012-13 budget assumes a total of \$409.4 million in federal funds, but these figures could change significantly based on Congressional action.

Summary of FY 2011-12 and FY 2012-13 Appropriations

Department of Transportation						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Total Appropriation:	\$1,108,119,876	\$0	\$699,088,197	\$4,886,656	\$404,145,023	3,315.5
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Administration	24,488,554	0	22,617,702	1,870,852	0	192.5
Construction, Maintenance, and Operations	988,331,322	0	581,170,495	3,015,804	404,145,023	3,122.0
High Performance Transportation Enterprise	2,500,000	0	2,500,000	0	0	1.0
First Time Drunk Driving Offenders Account	1,000,000	0	1,000,000	0	0	0.0
Statewide Bridge Enterprise	91,800,000	0	91,800,000	0	0	0.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 11-209	1,108,403,517	0	699,360,251	4,898,243	404,145,023	3,315.5
SB 11-076	(283,641)	0	(272,054)	(11,587)	0	0.0
FY 2012-13 Total Appropriation:	\$1,119,353,686	\$0	\$706,181,582	\$3,763,059	\$409,409,045	3,308.8
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Administration	23,771,617	0	21,959,110	1,812,507	0	178.3
Construction, Maintenance, and Operations	998,555,592	0	587,195,995	1,950,552	409,409,045	3,126.5
High Performance Transportation Enterprise	2,500,000	0	2,500,000	0	0	4.0
First Time Drunk Driving Offenders Account	1,500,000	0	1,500,000	0	0	0.0
Statewide Bridge Enterprise	93,026,477	0	93,026,477	0	0	0.0
<u>Breakdown of Total Appropriation by Bill</u>						
HB 12-1335	1,119,353,686	0	706,181,582	3,763,059	409,409,045	3,308.8
Increase/(Decrease)	\$11,233,810	\$0	\$7,093,385	(\$1,123,597)	\$5,264,022	(6.7)
Percentage Change	1.0%	n/a	1.0%	(23.0)%	1.3%	(0.2)%

Informational Funds: Beginning in FY 2012-13, the Long Bill and other legislation indicate when an amount is shown solely for informational purposes through a new "(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 2012-13 Appropriations containing an (I) notation	\$1,094,082,068	\$0	\$682,722,471	\$1,950,552	\$409,409,045

FY 2012-13 Appropriation Highlights

The FY 2012-13 appropriation:

1. Reflects a \$7.1 million increase in the Department's estimated share of cash funds relative to the FY 2011-12 Long Bill appropriation, including an additional \$1.2 million in revenues from the Statewide Bridge Enterprise Special Revenue Fund and \$500,000 from the First Time Drunk Driving Offender Account.
2. Reflects a \$5.3 million increase in the Department's estimated allocation of federal funds.
3. Includes a decrease of \$0.7 million and 14.2 FTE for the Administration line item, largely a result of personal services base reductions to better align with recent expenditures.
4. Reflects 4.5 additional FTE shown for informational purposes in the Construction, Maintenance, and Operations line item and 3.0 additional FTE shown for informational purposes in the High Performance Transportation Enterprise line item to reflect positions approved by the Transportation Commission.

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. This line item was created by Section 43-1-113 (2) (c) (III), C.R.S., and includes the salaries and

expenses for the numerous offices and programs within the Administration section. This line item is a "program" line item, which gives the Department discretion to move funds from personal services to operating expenses and also from one program within the line item to another. Section 43-1-113 (6) (a), C.R.S., limits the Administration line item to no more than 5.0 percent of the total Department of Transportation budget. The majority of the Administration line item is supported with cash funds from the State Highway Fund, 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 2011-12 Appropriation:						
SB 11-209	\$24,772,195	\$0	\$22,889,756	\$1,882,439	\$0	192.5
SB 11-076	<u>(283,641)</u>	<u>0</u>	<u>(272,054)</u>	<u>(11,587)</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$24,488,554	\$0	\$22,617,702	\$1,870,852	\$0	192.5
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$24,488,554	\$0	\$22,617,702	\$1,870,852	\$0	192.5
Centrally appropriated line items	851,178	0	829,318	21,860	0	0.0
Restore state PERA contribution	283,641	0	272,054	11,587	0	0.0
COFRS modernization	107,310	0	107,310	0	0	0.0
FTE adjustment	0	0	0	0	0	(14.2)
Personal services base reduction	(1,731,152)	0	(1,639,360)	(91,792)	0	0.0
Statewide IT common policy adjustments	(213,687)	0	(213,687)	0	0	0.0
Indirect cost assessment	(14,227)	0	(14,227)	0	0	0.0
HB 12-1335	<u>\$23,771,617</u>	<u>\$0</u>	<u>\$21,959,110</u>	<u>\$1,812,507</u>	<u>\$0</u>	<u>178.3</u>
TOTAL	\$23,771,617	\$0	\$21,959,110	\$1,812,507	\$0	178.3
Increase/(Decrease)	(716,937)	\$0	(\$658,592)	(\$58,345)	\$0	(14.2)
Percentage Change	(2.9)%	n/a	(2.9)%	(3.1)%	n/a	(7.4)%

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Centrally-appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions to health, life, and dental benefits; short-term disability; shift differential; state contributions to the Public Employees' Retirement Association (PERA) pension fund; workers' compensation; legal services; and payments to risk management and property funds.

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

COFRS modernization: The appropriation includes an increase to fund the first two phases of a five-phase project to replace the statewide accounting system (COFRS) used by the Office of the State Controller to record all state revenues and expenditures.

FTE adjustment: The appropriation reflects a decrease of 14.2 FTE to better align with recent expenditures.

Personal services base reduction: The appropriation includes a total personal services reduction of \$1,731,152, which is comprised of a \$1,590,194 reduction to better align with prior years' expenditures and a 1.0 percent common policy reduction of \$140,958.

Statewide IT common policy adjustments: The appropriation includes adjustments to line items appropriated for: purchase of services from the computer center; multiuse network payments; and management and administration of the Governor's Office of Information Technology (OIT).

Indirect cost assessment: The appropriation includes a net decrease in indirect cost assessments.

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. For example, the primary measure of roadway conditions is the percent of pavement that is in good or fair condition. Recent ratings for Colorado roadways are summarized below.

Colorado Roadways	2005	2006	2007	2008	2009	2010	2011
Percent Rated "Fair" or "Good"	65%	63%	59%	52%	50%	49%	48%

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. Appropriation authority over these revenues rests with the Transportation Commission.

Construction, Maintenance, and Operations						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$988,331,322	\$0	\$581,170,495	\$3,015,804	\$404,145,023	3,122.0
TOTAL	\$988,331,322	\$0	\$581,170,495	\$3,015,804	\$404,145,023	3,122.0

Construction, Maintenance, and Operations

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$988,331,322	\$0	\$581,170,495	\$3,015,804	\$404,145,023	3,122.0
Highway Users Tax Fund (HUTF)	5,566,500	0	5,566,500	0	0	0.0
Federal funds	5,264,022	0	0	0	5,264,022	0.0
Law Enforcement Assistance Fund (LEAF)	459,000	0	459,000	0	0	0.0
FTE adjustment	0	0	0	0	0	4.5
Reappropriated funds	(1,065,252)	0	0	(1,065,252)	0	0.0
HB 12-1335	<u>\$998,555,592</u>	<u>\$0</u>	<u>\$587,195,995</u>	<u>\$1,950,552</u>	<u>\$409,409,045</u>	<u>3,126.5</u>
TOTAL	<u>\$998,555,592</u>	<u>\$0</u>	<u>\$587,195,995</u>	<u>\$1,950,552</u>	<u>\$409,409,045</u>	<u>3,126.5</u>
Increase/(Decrease)	\$10,224,270	\$0	\$6,025,500	(\$1,065,252)	\$5,264,022	4.5
Percentage Change	1.0%	n/a	1.0%	(35.3)%	1.3%	0.1%

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Highway Users Tax Fund (HUTF): The appropriation reflects the Department's forecasted share of HUTF revenues.

Federal funds: The appropriation reflects the Department's estimated apportionment of federal funds under SAFETEA-LU.

Law Enforcement Assistance Fund (LEAF): The appropriation reflects the Department's forecasted share of LEAF revenues in FY 2012-13. The Department did not receive any LEAF funds in FY 2011-12.

FTE adjustment: The appropriation includes an increase of 4.5 FTE to reflect positions added by the Transportation Commission.

Reappropriated funds: The appropriation reflects a net decrease in reappropriated funds, largely a result of the elimination of \$1,082,890 in reappropriated funds from the Department of Public Safety.

High Performance Transportation Enterprise

This section, created in S.B. 09-108, 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 2011-12 Appropriation:						
SB 11-209	<u>\$2,500,000</u>	<u>\$0</u>	<u>\$2,500,000</u>	<u>\$0</u>	<u>\$0</u>	<u>1.0</u>
TOTAL	\$2,500,000	\$0	\$2,500,000	\$0	\$0	1.0
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$2,500,000	\$0	\$2,500,000	\$0	\$0	1.0
FTE adjustment	0	0	0	0	0	3.0
HB 12-1335	<u>\$2,500,000</u>	<u>\$0</u>	<u>\$2,500,000</u>	<u>\$0</u>	<u>\$0</u>	<u>4.0</u>
TOTAL	\$2,500,000	\$0	\$2,500,000	\$0	\$0	4.0
Increase/(Decrease)	\$0	\$0	\$0	\$0	\$0	3.0
Percentage Change	0.0%	n/a	0.0%	n/a	n/a	300.0%

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

FTE adjustment: The appropriation includes an increase of 3.0 FTE to reflect positions added by the Transportation Commission.

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 section was created because: (1) the program was not appropriate for inclusion in the legislatively appropriated Administration line item; and (2) the program requires annual appropriation by the General Assembly and therefore should not be included in the continuously appropriated Construction, Maintenance, and Operations line item. 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 2011-12 Appropriation:						
SB 11-209	<u>\$1,000,000</u>	<u>\$0</u>	<u>\$1,000,000</u>	<u>\$0</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$1,000,000	\$0	\$1,000,000	\$0	\$0	0.0

First Time Drunk Driving Offenders Account

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$1,000,000	\$0	\$1,000,000	\$0	\$0	0.0
Fund source adjustment	500,000	0	500,000	0	0	0.0
HB 12-1335	<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)	\$500,000	\$0	\$500,000	\$0	\$0	0.0
Percentage Change	50.0%	n/a	50.0%	n/a	n/a	n/a

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Fund source adjustment: The appropriation includes an increase of \$500,000 in First Time Drunk Driving Offenders Account funds.

Statewide Bridge Enterprise

created in Section 43-4-805 (3) (a), C.R.S. This section was created by S.B. 09-108 and 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 information purposes only.

Statewide Bridge Enterprise

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	<u>\$91,800,000</u>	<u>\$0</u>	<u>\$91,800,000</u>	<u>\$0</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	<u>\$91,800,000</u>	<u>\$0</u>	<u>\$91,800,000</u>	<u>\$0</u>	<u>\$0</u>	<u>0.0</u>
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$91,800,000	\$0	\$91,800,000	\$0	\$0	0.0
Statewide Bridge Enterprise	1,226,477	0	1,226,477	0	0	0.0

Statewide Bridge Enterprise						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 12-1335	\$93,026,477	\$0	\$93,026,477	\$0	\$0	0.0
TOTAL	\$93,026,477	\$0	\$93,026,477	\$0	\$0	0.0
Increase/(Decrease)	\$1,226,477	\$0	\$1,226,477	\$0	\$0	0.0
Percentage Change	1.3%	n/a	1.3%	n/a	n/a	n/a

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Statewide Bridge Enterprise: The appropriation reflects the Department's estimate of revenues for the Statewide Bridge Enterprise for FY 2012-13.

Recent Legislation

2011 Session Bills

S.B. 11-076: For the 2011-12 state fiscal year only, reduces the employer contribution rate for the State and Judicial divisions of the Public Employees' Retirement Association (PERA) by 2.5 percent and increases the member contribution rate for these divisions by the same amount. In effect, continues the FY 2010-11 PERA contribution adjustments authorized through S.B. 10-146 for one additional year. Reduces the Department of Transportation's total appropriation by \$283,641 total funds, of which \$272,054 is cash funds and \$11,587 is reappropriated funds. Although the change in allocation affects all Department employees, the bill only reduces the appropriation to the legislatively appropriated Administration Division.

S.B. 11-209: General appropriations act for FY 2011-12.

H.B. 11-1002: Requires the Department of Transportation to develop and maintain a publicly accessible, searchable, online database of its revenue and expenditure data prior to July 1, 2012. Requires the new database to link to the state's existing Transparency Online Project (TOP) website and sets requirements for information to be included in the database. For FY 2011-12, appropriates \$54,538 reappropriated funds to the Governor's Office of Information Technology for computer programming services associated with this bill.

H.B. 11-1163: Permits the Colorado Department of Transportation (CDOT) to issue "super-load" permits for vehicles that weigh 500,000 pounds or more and occupy two lanes, or unladen combination vehicles trailers that occupy two lanes. Creates requirements for super-load permit applications. Authorizes CDOT to place restrictions on permits and to deny future permit applications from applicants found to have disobeyed permit restrictions and requires CDOT to create a system to track permit holders' compliance. Restricts super-loads to no more than 25 miles per hour on highways and 10 miles per hour on structures, but authorizes CDOT to change those restrictions for specific loads when necessary for safety or to prevent structural damage. Requires CDOT, the Colorado State Patrol, or Ports of Entry to inspect super-loads to ensure compliance with permit restrictions. Creates a \$400 super-load permit application fee. For FY 2011-12, appropriates \$740 cash funds

from the Highway Users Tax Fund to the Department of Revenue, Information Technology Division, and reappropriates that sum to the Governor's Office of Information Technology.

2012 Session Bills

H.B. 12-1012: Increases from \$10,000 to \$50,000 the amount of expenses CDOT can pay to reestablish a farm, nonprofit organization, or small business that has been displaced by a highway program or project funded through the Federal Highway Administration. Increases state expenditures from the State Highway Fund by \$200,000 in FY 2012-13 and future years. Funds are continuously appropriated to the Department.

H.B. 12-1108: Allows CDOT to post directional signs for tourist attractions and advertising signs for food, fuel, and lodging in urban areas on the interstate highways in urbanized areas. Increases State Highway Fund revenues by \$200,000 per year through fees paid to CDOT for each additional sign. Funds are continuously appropriated to the Department.

H.B. 12-1222: Recreates the CDOT Renovation Fund and specifies that it consist of moneys remaining in the original account when it was repealed on July 1, 2007. Provides continuous spending authority to CDOT to pay for the renovation of real property and to make payments under any lease-purchase agreement authorized pursuant to H.B. 04-1456.

H.B. 12-1335: General appropriations act for FY 2012-13.

H.B. 12-1343: Requires the transfer of any unexpended and unencumbered moneys remaining in the State Rail Bank Fund to the General Fund on June 30, 2012.

DEPARTMENT OF THE TREASURY

The State Treasurer is one of five independently elected constitutional officers of the State. As the Chief Executive Officer of the Department of the Treasury, the State Treasurer has 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 and transmits moneys from the Unclaimed Property Trust Fund to CoverColorado; (3) reimburses local governments for property tax revenues foregone due to the senior citizen and disabled veteran property tax exemption; (4) provides short-term, interest-free financing to school districts by issuing tax and revenue anticipation notes and making loans from the General Fund; (5) assists charter schools with long-term financing by making direct bond payments; (6) transfers moneys to the Fire and Police Pension Association (FPPA) for local "old hire" pension plans; (7) distributes Highway Users Tax Fund (HUTF) revenues to counties and municipalities; (8) distributes federal "mineral leasing funds" received for the State's share of sales, bonuses, royalties, and rentals of public lands within Colorado; and, (9) pursuant to S.B. 12-150, manages certain state public financing transactions.

Department Budget: Recent Appropriations

Funding Source	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
General Fund/1	\$1,680,359	\$2,362,955	\$7,903,000	\$109,332,502
Cash Funds	293,936,308	354,602,533	358,523,119	369,576,443
Reappropriated Funds	0	0	0	0
Federal Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Funds	\$295,616,667	\$356,965,488	\$366,426,119	\$478,908,945
Full Time Equiv. Staff	31.5	31.5	31.5	31.5

/1 Includes General Fund Exempt for payments to the Fire and Police Pension Association "old-hire" pension plans.

General Factors Driving the Budget

The General Fund appropriation primarily supports the senior citizen and disabled veterans property tax exemption and the State's payments to the Fire and Police Pension Association "old-hire" pension plan, with the remainder covering department administrative expenses. The Department's cash fund appropriation includes: (a) transaction fee revenue, which supports department administrative expenses; (b) moneys in the Unclaimed Property Trust Fund, which support the Unclaimed Property Program; (c) transmittals from the Unclaimed Property Trust Fund to the CoverColorado program; and (d) distributions from the Highway Users Tax Fund to counties and municipalities. The Department's funding for FY 2012-13 consists of 22.8 percent General Fund and 77.2 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. The procedures for the implementation of the exemption are codified in Sections 39-3-201 to 208, C.R.S. 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 that previously qualified for the exemption. A disabled veteran is eligible for the property tax exemption if the owner-occupier has a 100 percent service connected disability (as determined by the U.S. Department of Veterans Affairs) on the assessment date.

This provision exempts 50.0 percent of the first \$200,000 of actual property value for qualifying homeowners from property taxes. The State Treasurer is required to reimburse local governments for the resulting lost 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 first year this exemption was made available, 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 fiscal years 2003-04, 2004-05, and 2005-06. 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.

These state payments are subject to the Taxpayer's Bill of Rights (TABOR) limitation on fiscal year spending¹, 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 Treasury's budget for informational purposes.

Senior Citizen and Disabled Veteran Homestead Property Tax Exemption					
	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Projected /b
<u>Number of Exemptions Granted</u>					
Senior Citizens /a	161,668	N/A	167,714	168,892	N/A
Disabled Veterans	<u>2,022</u>	<u>3,122</u>	<u>3,012</u>	<u>3,362</u>	N/A
Total	163,690	3,122	170,726	172,254	N/A
Percent of Residences with Approved Exemptions	9.2%	0.2%	9.4%	9.4%	N/A

¹ The provision specified that voter approval of the measure constituted a voter-approved revenue change, thereby allowing the TABOR limit for FY 2001-02 to increase by \$44.1 million. The provision further specified that such an amount should be included for the purpose of calculating subsequent fiscal year spending limits. However, by the time the State was required to pay the first year reimbursement in April 2003, state revenues no longer exceeded the TABOR limit. Thus, this measure never increased the State's TABOR limit.

Senior Citizen and Disabled Veteran Homestead Property Tax Exemption					
	FY 2008-09 Actual	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Projected /b
<u>Exempted Actual Value</u>					
Senior Citizens /a	\$13,524,666,674	\$0	\$0	\$0	N/A
Disabled Veterans	<u>168,440,714</u>	<u>211,183,290</u>	<u>249,884,832</u>	<u>269,347,199</u>	N/A
Total	\$13,693,107,388	\$211,183,290	\$249,884,832	\$269,347,199	N/A
<u>Property Taxes Exempted</u>					
Senior Citizens /a	\$82,932,319	\$0	\$0	\$0	\$96,600,000
Disabled Veterans	<u>1,032,867</u>	<u>1,335,704</u>	<u>1,578,459</u>	<u>1,756,475</u>	<u>1,900,000</u>
Total	\$83,965,186	\$1,335,704	\$1,578,459	\$1,756,475	\$98,500,000
Average Value of Exemption	\$513	\$428	\$524	\$522	N/A

/a The Senior Citizen Exemption was not available for FY 2009-10 through FY 2011-12. The numbers reported for exemptions granted referred to the number that county assessors had approved. County assessors continued taking applications for the exemption throughout the period where the exemption was set a \$0.

/b Projections for the number of exemptions and exempted value are not available for the next fiscal year (FY 2012-13).

State Contributions for Local Fire and Police Pension Plans

Section 31-30.5-307, C.R.S., requires the State to pay a portion of the unfunded liability of retirement plans that cover police officers and firefighters who were hired before 1978 ("old hire" pension plans). The Department annually transfers the required amount from the General Fund to the Fire and Police Pension Association (FPPA), which administers these plans. The annual General Fund Exempt transfer is included in the Long Bill for informational purposes; this appropriation is not subject to the statutory restriction on General Fund appropriations.

Senate Bill 09-227 suspended the contributions for FY 2008-09 through FY 2010-11, and extended state payments by three years until FY 2014-15, with a final payment to be made in April 2015. Current actuarial projections indicate that the required payment in April 2015 will be about \$84 million. Annual payments of \$25.3 million were scheduled to resume in April 2012, with a final balloon payment due in April 2016.

Senate Bill 11-221 reduced the payments scheduled for April 2012 (by \$20.0 million) and April 2013 (by \$15.3 million), and extended the repayment deadline to April 2019. The following table shows the new schedule of payments pursuant to S.B. 11-221.

Fire and Police Pension Association - State-Assisted "Old Hire" Pension Plans General Fund Exempt	
Payment Date	Contribution Schedule per S.B. 11-221
April 2012	\$5,321,079
April 2013	10,000,000
April 2014	25,321,079
April 2015	25,321,079

**Fire and Police Pension Association - State-Assisted "Old Hire" Pension Plans
General Fund Exempt**

Payment Date	Contribution Schedule per S.B. 11-221
April 2016	25,321,079
April 2017	25,321,079
April 2018	25,321,079
April 2019	49,443,768

CoverColorado

Colorado does not require insurance companies that offer individual health coverage to accept everyone who applies, regardless of their health status. The General Assembly created CoverColorado in 1990 to offer health insurance to those "high risk" individuals who are unable to obtain health insurance except at prohibitive rates or with restrictive exclusions. Although CoverColorado premiums are currently set at 140.0 percent of the industry average², premium revenues in 2012 are projected to cover only about 52.7 percent of program costs. Thus, the program requires a subsidy from one or more other sources of revenue. These other sources of revenue currently include: contributions from insurance companies provided in exchange for a 100.0 percent premium tax credit (a maximum of \$5.0 million total per year); interest and principal from the Unclaimed Property Trust Fund; and insurance carrier assessments.

CoverColorado: Recent Funding History and Projections /1						
Year	Claims and Administrative Costs	Premiums Paid by Enrollees	<i>Ratio: Premiums/ Total Costs</i>	Transfer from Unclaimed Property Trust Fund	Other Sources of Revenue /2	Annual Surplus/ (Deficit)
Actual Results						
2009	\$86,681,618	\$41,209,166	47.5%	\$24,255,430	\$31,725,587	\$10,508,565
2010	116,847,662	53,608,933	45.9%	29,142,431	36,330,966	2,234,668
2011	129,583,294	67,105,936	51.8%	34,694,251	43,245,719	15,462,612
Projections						
2012	176,133,796	92,795,059	52.7%	40,000,000	46,832,731	3,493,994
2013 /3	154,504,084	85,515,384	55.3%	38,626,021	44,901,498	14,538,819

/1 Projection from CoverColorado as of June 2012.

/2 Other sources of revenue include: interest earned on the CoverColorado Cash Fund, insurance carrier assessments, federal funds, annual contributions from insurance carriers in exchange for a premium tax credit, and grants.

/3 Premiums for 2013 assume a 9 percent increase.

The only appropriation that is reflected in the annual Long Bill is the amount anticipated to be transferred from the Unclaimed Property Trust Fund; this amount (\$41.0 million in FY 2011-12 and \$46.0 million in FY 2012-13) appears in the Treasury Department, Special Purpose section. CoverColorado is defined as a "special

² Reduced from 150.0 percent of the industry average, effective January 1, 2007.

purpose authority" for purposes of TABOR, so none of CoverColorado's expenditures are subject to TABOR limits, including moneys transferred from the Unclaimed Property Trust Fund.

Senate Bill 10-020 permits the CoverColorado Board of Directors (Board) to establish one or more fee schedules for compensating health care providers for services to CoverColorado members. The fee schedule(s) went into effect April 1, 2011 and a review of claims from that date through November 2011 indicated that the savings were approximately 18 percent over claims made during the same period in 2010.

National Health Care Reform - High Risk Pool

As part of the federal health care reform passed in 2010, the federal government established a temporary high risk pool program and allocated approximately \$90 million to fund Colorado's high risk plan through the end of 2013. The new high risk pool program is separate from Colorado's existing high risk pool (CoverColorado), and may not cover persons already covered under that plan, unless those participants go without insurance for at least six months. The State must maintain its funding for CoverColorado to be eligible to participate in the new federal program. From among the options given to states under the reform bill, the state has chosen to operate a new high risk pool alongside the existing high risk pool (CoverColorado).

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 2011-12 and FY 2012-13.

Highway Users Tax Fund (HUTF) /1 Revenues and Distributions (\$ millions)					
	Actual			Estimated	Projected
	FY 2007-08	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Total Revenues ¹	\$774.7	\$919.8	\$936.9	\$930.4	\$960.6
<i>Annual Percent Change</i>	<i>(3.6)%</i>	<i>18.7%</i>	<i>1.9%</i>	<i>(0.7)%</i>	<i>3.2%</i>
<u>Treasury Distributions:</u>					
Counties	\$155.4	\$182.9	\$185.4	\$186.8	\$190.0
Municipalities	101.1	125.0	127.3	127.7	130.5

/1 Data provided by Legislative Council Staff in the March 2011 revenue forecast.

Summary of FY 2011-12 and FY 2012-13 Appropriations

Department of Treasury						
	Total Funds	General Fund/1 /2	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Total Appropriation:	\$366,426,119	\$7,903,000	\$358,523,119	\$0	\$0	31.5
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Administration	2,002,769	881,921	1,120,848	0	0	16.0
Unclaimed Property Program	1,942,058	0	1,942,058	0	0	15.5
Special Purpose	362,481,292	7,021,079	355,460,213	0	0	0.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 11-209	386,470,593	27,932,150	358,538,443	0	0	31.5
SB 11-076	(45,974)	(29,150)	(16,824)	0	0	0.0
SB 11-221	(20,000,000)	(20,000,000)	0	0	0	0.0
HB 12-1199	1,500	0	1,500	0	0	0.0
FY 2012-13 Total Appropriation:	\$478,908,945	\$109,332,502	\$369,576,443	\$0	\$0	31.5
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Administration	2,007,979	832,502	1,175,477	0	0	16.0
Unclaimed Property Program	1,969,115	0	1,969,115	0	0	15.5
Special Purpose	474,931,851	108,500,000	366,431,851	0	0	0.0
<u>Breakdown of Total Appropriation by Bill</u>						
HB 12-1335	478,908,151	109,331,708	369,576,443	0	0	31.5
HB 12-1246	794	794	0	0	0	0.0
Increase/(Decrease)	\$112,482,826	\$101,429,502	\$11,053,324	\$0	\$0	0.0
Percentage Change	30.7%	1283.4%	3.1%	n/a	n/a	0.0%

/1 Includes \$8,721,079 in FY 2011-12 and \$108,500,000 in FY 2012-13 that is exempt from the statutory limit on state General Fund appropriations pursuant to Section 24-75-201.1, C.R.S. See Special Purpose Division detail for more information.

/2 Includes \$5,321,079 in FY 2011-12 and \$10,000,000 in FY 2012-13 that is General Fund Exempt. See Special Purpose Division for more detail.

Informational Funds: Beginning in FY 2012-13, the Long Bill and other legislation indicate when an amount is shown solely for informational purposes through a new "(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 2012-13 Appropriations containing an (I) notation	\$475,736,851	\$108,500,000	\$367,236,851	\$0	\$0

FY 2012-13 Appropriation Highlights

The FY 2012-13 appropriation:

1. Reflects a \$96.8 million General Fund increase in the projected in the reimbursements for local governments' lost revenue due to the restoration of the senior citizen property tax exemption, *compared to amounts reflected in the FY 2011-12 Long Bill.*
2. Reflects a \$6.0 million cash funds increase in the projected disbursements of Highway Users Tax Fund revenues to counties and municipalities, *compared to amounts reflected in the FY 2011-12 Long Bill.*
3. Reflects a \$5.0 million increase in the amount that is anticipated to be transferred from the Unclaimed Property Trust Fund to CoverColorado.
4. Reflects a \$4.7 million increase in the amount appropriated to transfer to the Fire and Police Pension Association for the "Old-hire" pension plan.

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 2011-12 Appropriation:						
SB 11-209	\$2,031,919	\$911,071	\$1,120,848	\$0	\$0	16.0
SB 11-076	<u>(29,150)</u>	<u>(29,150)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$2,002,769	\$881,921	\$1,120,848	\$0	\$0	16.0
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$2,002,769	\$881,921	\$1,120,848	\$0	\$0	16.0
COFRS modernization	101,116	45,502	55,614	0	0	0.0
Restore state PERA contribution	29,150	29,150	0	0	0	0.0

Administration						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Centrally appropriated line items	17,608	18,593	(985)	0	0	0.0
Investment tools	2,470	2,470	0	0	0	0.0
Annualize prior year funding	800	800	0	0	0	0.0
Statewide IT common policy adjustments	(120,240)	(120,240)	0	0	0	0.0
Reduction in cyber-security expenses	(26,488)	(26,488)	0	0	0	0.0
HB 12-1335	\$2,007,185	\$831,708	\$1,175,477	\$0	\$0	16.0
HB 12-1246	<u>794</u>	<u>794</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$2,007,979	\$832,502	\$1,175,477	\$0	\$0	16.0
Increase/(Decrease)	\$5,210	(\$49,419)	\$54,629	\$0	\$0	0.0
Percentage Change	0.3%	(5.6)%	4.9%	n/a	n/a	0.0%

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

COFRS modernization: The appropriation includes an increase to fund the first two phases of a five-phase project to replace the statewide accounting system (COFRS) used by the Office of the State Controller to record all state revenues and expenditures.

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line item appropriations for the following: health, life, and dental benefits; short-term disability; amortization equalization disbursement; supplemental amortization equalization disbursement; workers' compensation; legal services; payment to risk management and property funds; and Capitol complex leased space.

Investment tools: The appropriation includes funding for rate increases for the subscriptions for information technology assets used in the Department's investment program.

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

Statewide IT common policy adjustments: The appropriation includes adjustments to line items appropriated for: purchase of services from the computers center; and multiuse network payments.

Reduction in cyber-security expenses: The appropriation includes a decrease in billings for cyber-security services provided by the Governor's Office of Information Technology.

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

Unclaimed Property Program

Pursuant to the Unclaimed Property Act, the State takes possession of dormant properties held by a wide range of institutions and attempts to return the properties to their rightful owners. The Department deposits recovered moneys in the Unclaimed Property Trust Fund, using the principal and interest to pay claims as well as the costs of operating the program. The Department anticipates paying approximately 20,000 claims valued at \$25.0 million in FY 2012-13. The remaining principal in the Fund and interest earnings help support the CoverColorado health insurance program as well as maintaining a reserve against future 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. The State uses the interest earned on this 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 2011-12 Appropriation:						
SB 11-209	\$1,957,382	\$0	\$1,957,382	\$0	\$0	15.5
SB 11-076	(16,824)	0	(16,824)	0	0	0.0
HB 12-1199	<u>1,500</u>	<u>0</u>	<u>1,500</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$1,942,058	\$0	\$1,942,058	\$0	\$0	15.5
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$1,942,058	\$0	\$1,942,058	\$0	\$0	15.5
Restore state PERA contribution	16,824	0	16,824			
Database support increase	8,500	0	8,500	0	0	0.0
Leased space	1,733	0	1,733	0	0	0.0
HB 12-1335	<u>\$1,969,115</u>	<u>\$0</u>	<u>\$1,969,115</u>	<u>\$0</u>	<u>\$0</u>	<u>15.5</u>
TOTAL	\$1,969,115	\$0	\$1,969,115	\$0	\$0	15.5
Increase/(Decrease)	\$27,057	\$0	\$27,057	\$0	\$0	0.0
Percentage Change	1.4%	n/a	1.4%	n/a	n/a	0.0%

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Restore state PERA contribution: The appropriation reflects a 2.5 percent increase to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to Section 24-51-401 (1.7) (a), C.R.S.

Database support increase: The appropriation includes in increase for the support fees charged by the vendor that provides the database software for the program.

Leased space: The appropriation reflects an increase due to escalators in the program's lease space agreement.

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) transmittals from the Unclaimed Property Trust Fund to CoverColorado; (3) transfers to the Fire and Police Pension Association for "old hire" fire and police pension plans (suspended, per S.B. 09-227, for FY 2009-10, FY 2009-10, and FY 2010-11); and (4) allocations of HUTF revenues to local governments. The General Fund and General Fund Exempt appropriations for the senior citizen property tax exemption and FPPA are not subject to the statutory restrictions on General Fund appropriations. The sources of cash funds are the Highway Users Tax Fund and the Unclaimed Property Trust Fund.

Special Purpose						
	Total Funds	General Fund /1 /2	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2011-12 Appropriation:						
SB 11-209	\$382,481,292	\$27,021,079	\$355,460,213	\$0	\$0	0.0
SB 11-221	<u>(20,000,000)</u>	<u>(20,000,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$362,481,292	\$7,021,079	\$355,460,213	\$0	\$0	0.0
FY 2012-13 Appropriation:						
FY 2011-12 Appropriation	\$362,481,292	\$7,021,079	\$355,460,213	\$0	\$0	0.0
Senior citizen and disabled veteran property tax exemption	96,800,000	96,800,000	0	0	0	0.0
HUTF disbursements	5,971,638	0	5,971,638	0	0	0.0
Transfer to CoverColorado	5,000,000	0	5,000,000	0	0	0.0
FPPA old-hire pension plan payments	4,678,921	4,678,921	0	0	0	0.0
HB 12-1335	<u>\$474,931,851</u>	<u>\$108,500,000</u>	<u>\$366,431,851</u>	<u>\$0</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$474,931,851	\$108,500,000	\$366,431,851	\$0	\$0	0.0
Increase/(Decrease)	\$112,450,559	\$101,478,921	\$10,971,638	\$0	\$0	0.0
Percentage Change	31.0%	1445.3%	3.1%	n/a	n/a	n/a

/1 These amounts are not subject to the statutory limitation on General Fund appropriations set forth in Section 24-75-201.1, C.R.S., for the senior citizen and disabled veteran property tax exemption (enactment of Article X, Section 3.5 of the State Constitution constitutes voter approval of a weakening of the limitation). Senate Bill 10-190 suspended the exemption for FY 2011-12 and FY 2012-13 for senior citizens, but continued the exemption for disabled veterans.

/2 Includes \$10,000,000 General Fund exempt in FY 2012-13 for payments to FPPA old-hire pension plans.

General Fund Summary			
	Total General Fund	General Fund	General Fund Exempt
FY 2011-12 Appropriation	\$7,021,079	\$1,700,000	\$5,321,079
Senior citizen and disabled veteran property tax exemption	96,800,000	96,800,000	0
FPPA - "old hire" plans	<u>4,678,921</u>	<u>0</u>	<u>4,678,921</u>
Total FY 2012-13 Appropriation	\$108,500,000	\$98,500,000	\$10,000,000

General Fund Exempt

In November 2005, Colorado voters passed Referendum C. Referendum C allowed the State to retain all revenue that is collected above the TABOR limit for FY 2005-06 through FY 2009-10. For FY 2011-12 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 cap³, for that fiscal year. This revenue must be placed in the General Fund Exempt Account. The above table shows the amount of General Fund that is appropriated from the General Fund Exempt Account for purposes of funding retirement plans for firefighters and police officers pursuant to Sections 24-77-103.6 (2) and 24-77-104.5 (1) (a), C.R.S.

FY 2012-13 Appropriation - H.B. 12-1335 (Long Bill) Issue Descriptions

Senior citizen and disabled veteran property tax exemption: The appropriation reflects a projected \$96.8 million increase, compared to the amounts reflected in the FY 2011-12 Long Bill, in payments to local governments to offset the local property tax revenues that will be foregone for tax year 2011 pursuant to Article X, Section 3.5 of the Colorado Constitution. This amount reflects the restoration of the property tax exemption to qualified senior citizens. Pursuant to Section 39-3-203 (1), C.R.S., the property tax exemption for senior citizens (but not disabled veterans) was suspended for property tax years 2009, 2010, and 2011.

HUTF disbursements: The appropriation reflects a \$6.0 million increase in the projected disbursements of Highway Users Tax Fund (HUTF) revenues to counties and municipalities, compared to the amounts reflected in the FY 2011-12 Long Bill.

Transfer to CoverColorado: The appropriation reflects a \$7.0 million increase in the amount that is anticipated to be transferred from the Unclaimed Property Trust Fund to CoverColorado, compared to the amount reflected in the FY 2011-12 Long Bill. The amount is based on projections of program claims and expenses, as well as other sources of revenues available to CoverColorado.

FPPA old-hire pension plan payments: The Long Bill appropriation reflects a \$4.7 million increase in payments to the Fire and Police Pension Association (FPPA) pursuant to S. B. 11-221.

³The "excess state revenues 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 changes.

Recent Legislation

2011 Session Bills

S.B. 11-076: For the 2011-12 state fiscal year only, reduces the employer contribution rate for the State and Judicial divisions of the Public Employees' Retirement Association (PERA) by 2.5 percent and increases the member contribution rate for these divisions by the same amount. In effect, continues the FY 2010-11 PERA contribution adjustments authorized through S.B. 10-146 for one additional year. Reduces the Department's total appropriation by \$45,974, of which \$29,150 is General Fund and \$16,824 is cash funds.

S.B. 11-209: General appropriations act for FY 2011-12.

S.B. 11-221: Reduces State contributions to the Fire and Police Pension Association "old-hire" pension plans. Reduces the FY 2011-12 appropriation by \$20.0 million and the FY 2012-13 appropriation by \$15.3 million.

2012 Session Bills

S.B. 12-150: Centralizes management of certain state public financing transactions. Requires the state treasurer to act as the issuing manager for certain approved issuances or incurrences of financial obligations by the state acting by and through any state agency. The bill further:

Specifies that the state treasurer has the sole discretion to manage the issuance or incurrence of such financial obligations, except for certain financial obligations of state institutions of higher education, subject to the criteria established in a state public financing policy to be promulgated as required;

- With respect to any state financial obligation, requires the state treasurer to, at minimum, determine the financing structure and term, decide the market timing, and select or hire, as applicable, the state financing team;
- Requires a state agency to provide written notice to the state treasurer of any anticipated issuance or incurrence of a financial obligation;
- Requires a state agency to provide the state treasurer with the information that the state treasurer considers necessary to act as the issuing manager for the issuance or incurrence of financial obligations and to comply with federal and state securities laws and contractual covenants;
- Requires the state treasurer, in performing his or her duties as the issuing manager, to consider any relevant factors that he or she considers necessary to protect the financial integrity of the state;
- Clarifies that the state treasurer is the elected representative and signatory for all forms required by the internal revenue code to be filed in connection with issuances or incurrences of financial obligations by the state acting by and through a state agency;
- Requires the state treasurer to collaborate with the state controller, the office of state planning and budgeting, bond counsel, the attorney general, and the capital development committee in developing and then promulgating by rule a state public financing policy and provides a list of items that must minimally be included in the policy;
- Requires all state institutions of higher education to report specific information to the state treasurer related to financial obligations, the principal amount of which is one million dollars or more, that the treasurer does not manage on an institution's behalf;
- Requires the Department of Transportation to report specific information to the state treasurer related to financial contracts or instruments;

- On and after July 1, 2012, requires the issuance or incurrence of every financial obligation that the state treasurer manages to include a specified amount to be paid to the state treasurer and credited to the state public financing cash fund, to be used to reimburse the state treasurer for verifiable costs incurred in performing or overseeing the state's primary issuance compliance and post-issuance compliance responsibilities over the term of a financial obligation;
- Requires the state treasurer to create and maintain a correct and current inventory of all state-owned real property that is used as leased property or as collateral in any type of financial obligation. The state treasurer must annually provide a copy of the inventory to the capital development committee; and
- Requires a certain group of state agencies to notify the state treasurer when they enter into agreements for an exchange of interest rates, cash flows, or payments as provided in law. The bill also requires a qualified charter school to provide the state treasurer with certain information when the state treasurer authorizes expenditures from the state charter school debt reserve fund or the state charter school interest savings account of the fund.

Reduces the General Fund appropriation for FY 2012-13 to the Department of Personnel, Division of Accounts and Control, Office of the State Controller by \$42,961 and 0.5 FTE. Moneys from the State Public Financing Cash Fund are continuously appropriated to the Department of the Treasury, but it is anticipated that the Treasury will expend \$28,761 and 0.4 FTE from the Fund.

H.B. 12-1199: Supplemental appropriation to the Department of the Treasury to modify FY 2011-12 appropriations included in the FY 2011-12 Long Bill (S.B. 11-209).

H.B. 12-1246: Reverses the paydate shift for state employees who are paid on a bi-weekly basis, starting with FY 2012-13. Appropriates \$794 to the Department of the Treasury for this purpose.

H.B. 12-1335: General appropriations act for FY 2012-13.

CAPITAL CONSTRUCTION

This section summarizes state agency capital construction and controlled maintenance projects. 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

Appropriations for Capital Construction and Controlled Maintenance Projects (Does not include appropriations and transfers to the Capital Construction Fund/1)				
Funding Source	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Capital Construction Fund/2	\$41,143,881	\$19,954,062	\$50,018,234	\$62,680,183
Cash Funds	651,881,101	77,000,821	106,707,598	87,677,809
Reappropriated Funds	0	0	0	8,626,790
Federal Funds	<u>76,313,852</u>	<u>10,172,610</u>	<u>33,160,699</u>	<u>11,913,436</u>
Total Funds	\$769,338,834	\$107,127,493	\$189,886,531	\$170,898,218

/1 See the table "Appropriations and Transfers to the Capital Construction Fund" for this information.

/2 For FY 2012-13, this amount does not include the \$13.0 million General Fund appropriation to the Controlled Maintenance Trust Fund.

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 dominant sources of revenue for capital construction projects include the Capital Construction Fund, the Corrections Expansion Reserve Fund, the Fitzsimons Trust Fund, various cash funds administered by the Department of Higher Education and the Department of Natural Resources, and federal funds. The revenues available to support state-funded appropriations for FY 2012-13 are detailed in the table on the following page.

State Funds Available for Capital Construction in FY 2012-13

	Fund Source					
	State Funds	Capital Construction Fund/1	Corrections Expansion Reserve	Federal Funds	FML Revenues Fund	Fitzsimons Trust Fund
Uncommitted balance from prior year	\$1,065,000	\$1,065,000	\$0	\$0	\$0	\$0
Adjustment for controlled maintenance projects	(126,131)	(126,131)	0	0	0	0
Statutory General Fund transfers - sentencing bills (including balance from prior year)	963,000	0	963,000	0	0	0
Interest (projection of FY 2011-12 earnings)	750,000	750,000	0	0	0	0
Tobacco settlement distribution	7,143,810	0	0	0	0	7,143,810
Federal match for readiness center (armory) projects	7,340,823	0	0	7,340,823	0	0
Higher Education Federal Mineral Lease Revenues Fund	<u>18,585,375</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>18,585,375</u>	<u>0</u>
Funds Available for Construction	\$35,721,877	\$1,688,869	\$963,000	\$7,340,823	\$18,585,375	\$7,143,810
Lease purchase of academic facilities at Fitzsimons	(14,646,801)	(7,502,991)	0	0	0	(7,143,810)
Lease purchase of Colorado State Penitentiary II	(18,430,500)	(17,467,500)	(963,000)	0	0	0
Higher Education Federal Mineral Lease Revenues Fund (lease purchase of various academic buildings)	(18,585,375)	0	0	0	(18,585,375)	0
Level I (life safety) controlled maintenance	(19,846,504)	(19,625,954)	0	(220,550)	0	0
Level II controlled maintenance	(5,383,367)	(5,383,367)	0	0	0	0
Colorado Integrated Tax Architecture	(3,940,000)	(3,940,000)	0	0	0	0
COFRS modernization	0	0	0	0	0	0
Relocation to 1525 Sherman St.	(3,060,278)	(3,060,278)	0	0	0	0
Data center consolidation	(1,900,000)	(1,900,000)	0	0	0	0
Alamosa readiness center	(9,848,361)	(2,728,088)	0	(7,120,273)	0	0
Highway construction projects	<u>(500,000)</u>	<u>(500,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
State-funded Appropriations	(\$96,141,186)	(\$62,108,178)	(\$963,000)	(\$7,340,823)	(\$18,585,375)	(\$7,143,810)
Transfer from the General Fund to the Capital Construction Fund in H.B. 12-1344	\$60,419,309	\$60,419,309	\$0	\$0	\$0	\$0

/1 Includes \$500,000 General Fund Exempt.

Summary of FY 2011-12 and FY 2012-13 Appropriations

Appropriations for Projects

The following table summarizes appropriations for capital construction and controlled maintenance projects. It does not include appropriations and transfers to the Capital Construction Fund. Appropriations and transfers intended to increase the balance in that fund (to support more expenditures for projects) are summarized in the table titled Appropriations and Transfers to the Capital Construction Fund.

Appropriations for Capital Construction and Controlled Maintenance Projects					
(Does not include appropriations and transfers to the Capital Construction Fund or Controlled Maintenance Trust Fund)					
	Total Funds	Capital Construction Funds	Cash Funds	Reappropriated Funds	Federal Funds
FY 2011-12 Total Appropriation:	\$189,886,531	\$50,018,234	\$106,707,598	\$0	\$33,160,699
<u>Breakdown of Total Appropriation by Department</u>					
Corrections	21,545,067	18,952,353	2,592,714	0	0
5-Year Sentencing Bills	1,126,485	1,126,485	0	0	0
Governor	876,057	876,057	0	0	0
Higher Education	31,586,357	8,708,997	22,877,360	0	0
Human Services	2,632,808	1,495,808	398,000	0	739,000
Judicial	33,140,000	0	33,140,000	0	0
Labor and Employment	442,891	0	332,168	0	110,723
Military and Veterans' Affairs	12,861,481	4,210,056	0	0	8,651,425
Natural Resources	25,943,489	0	20,418,938	0	5,524,551
Personnel	6,665,417	3,018,104	3,647,313	0	0
Public Health and Environment	33,056,315	0	14,921,315	0	18,135,000
Revenue	7,063,864	7,063,864	0	0	0
Transportation	500,000	500,000	0	0	0
Treasury	12,446,300	4,066,510	8,379,790	0	0
<u>Breakdown of Total Appropriation by Bill</u>					
SB 11-209	162,505,347	48,891,749	78,377,617	0	35,235,981
SB 07-096	750,990	750,990	0	0	0
SB 08-239	375,495	375,495	0	0	0
HB 12-1200	26,254,699	0	28,329,981	0	(2,075,282)

Appropriations for Capital Construction and Controlled Maintenance Projects

(Does not include appropriations and transfers to the Capital Construction Fund or Controlled Maintenance Trust Fund)

	Total Funds	Capital Construction Funds	Cash Funds	Reappropriated Funds	Federal Funds
FY 2012-13 Total Appropriation:	\$170,898,218	\$62,680,183	\$87,677,809	\$8,626,790	\$11,913,436
<u>Breakdown of Total Appropriation by Department</u>					
Agriculture	709,680	709,680	0	0	0
Corrections	23,178,000	20,798,083	1,573,000	0	806,917
5-Year Sentencing Bills	572,005	572,005	0	0	0
Education	900,575	900,575	0	0	0
Governor - Lieutenant Governor - State Planning and Budgeting	10,526,790	1,900,000	0	8,626,790	0
Higher Education	37,838,385	20,952,481	16,885,904	0	0
Human Services	4,500,214	2,766,814	606,690	0	1,126,710
Judicial	15,916,329	0	15,916,329	0	0
Military and Veterans Affairs	10,289,461	2,948,638	0	0	7,340,823
Natural Resources	29,636,279	0	26,997,293	0	2,638,986
Personnel	10,158,653	6,158,653	4,000,000	0	0
Public Health and Environment	850,000	0	850,000	0	0
Public Safety	2,263,218	0	2,263,218	0	0
Revenue	4,473,254	4,473,254	0	0	0
Transportation	500,000	500,000	0	0	0
Treasury	18,585,375	0	18,585,375	0	0
<u>Breakdown of Total Appropriation by Bill</u>					
HB 12-1335	170,326,213	62,108,178	87,677,809	8,626,790	11,913,436
SB 08-239	375,495	375,495	0	0	0
HB 08-1115	112,649	112,649	0	0	0
SB 10-128	83,861	83,861	0	0	0
HB 12-1019	0	0	0	0	0
Increase/(Decrease)	(\$18,988,313)	\$12,661,949	(\$19,029,789)	\$8,626,790	(\$21,247,263)
Percentage Change	(10.0)%	25.3%	(17.8)%	n/a	(64.1)%

Informational Funds: Beginning in FY 2012-13, the Long Bill and other legislation indicate when an amount is shown solely for informational purposes through a new "(I)" notation. The following capital construction amounts are annotated with the "(I)". For additional information, see Appendix J.

	Total Funds	Capital Construction Funds	Cash Funds	Reappropriated Funds	Federal Funds
FY 2012-13 Appropriations containing an (I) notation	\$11,913,436	\$0	\$0	\$0	\$11,913,436

FY 2012-13 Appropriation Highlights

1. The FY 2012-13 appropriation provides \$62.7 million of spending authority from the Capital Construction Fund for:
 - a. Statutory appropriations for sentencing bills;
 - b. Lease purchase payments;
 - c. Level I Controlled Maintenance and some Level II Controlled Maintenance projects;
 - d. Upgrading the State's tax system, the Colorado Integrated Tax Architecture (CITA);
 - e. Modernization of the statewide accounting system (COFRS);
 - f. Relocation of Department of Personnel offices to 1525 Sherman Street;
 - g. Consolidation of the State's data centers;
 - h. Alamosa Readiness Center (armory) construction; and
 - i. Highway construction projects.
2. House Bill 12-1344 transfers \$60.4 million from the General Fund and General Fund Exempt Account to the Capital Construction Fund in FY 2012-13.
3. Section 19 of the Long Bill includes a \$13.0 million General Fund appropriation to the Controlled Maintenance Trust Fund in FY 2012-13. Interest earnings on the Controlled Maintenance Trust Fund may be used to support controlled maintenance projects. The \$13.0 million appropriation has been designated in the headnotes to the Long Bill as a portion of the TABOR reserve.

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 2011-12 Total Appropriations and Transfers:	\$49,298,234	\$49,298,234	\$0	\$0	\$0
<i>Appropriations to Capital Construction Fund</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>General Fund transfers to Capital Construction Fund</i>	<u><i>48,171,749</i></u>	<u><i>48,171,749</i></u>	<u><i>0</i></u>	<u><i>0</i></u>	<u><i>0</i></u>
SB 11-222	48,171,749	48,171,749	0	0	0
<i>5-year sentencing bill transfers to Capital Construction Fund</i>					
SB 07-096	750,990	750,990	0	0	0
SB 08-239	<u><i>375,495</i></u>	<u><i>375,495</i></u>	<u><i>0</i></u>	<u><i>0</i></u>	<u><i>0</i></u>
<i>Subtotal - 5-year sentencing bill transfers</i>	<i>1,126,485</i>	<i>1,126,485</i>	<i>0</i>	<i>0</i>	<i>0</i>
<hr/>					
FY 2012-13 Total Appropriations and Transfers:	\$60,991,314	\$60,991,314	\$0	\$0	\$0
<i>Appropriations to Capital Construction Fund</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>General Fund transfers to Capital Construction Fund</i>	<u><i>60,419,309</i></u>	<u><i>60,419,309</i></u>	<u><i>0</i></u>	<u><i>0</i></u>	<u><i>0</i></u>
HB 12-1344/1	60,419,309	60,419,309	0	0	0
<i>5-year sentencing bill transfers to Capital Construction Fund</i>					
SB 08-239	375,495	375,495	0	0	0
HB 08-1115	112,649	112,649	0	0	0
SB 10-128	<u><i>83,861</i></u>	<u><i>83,861</i></u>	<u><i>0</i></u>	<u><i>0</i></u>	<u><i>0</i></u>
<i>Subtotal - 5-year sentencing bill transfers</i>	<i>572,005</i>	<i>572,005</i>	<i>0</i>	<i>0</i>	<i>0</i>
<hr/>					
Increase/(Decrease)	\$11,693,080	\$11,693,080	\$0	\$0	\$0
Percentage Change	23.7%	23.7%	n/a	n/a	n/a

/1 Includes \$500,000 General Fund Exempt.

General Fund Summary	Total General Fund	General Fund	General Fund Exempt
FY 2011-12 Appropriations & Transfers	\$1,126,485	\$1,126,485	\$0
Capital Construction transfer bill (S.B. 11-222)	<u>48,171,749</u>	<u>47,671,749</u>	<u>500,000</u>
FY 2011-12 Adjusted Appropriations & Transfers	\$49,298,234	\$48,798,234	\$500,000
Statutory transfers from sentencing bills	572,005	572,005	0
Capital Construction transfer bill (H.B. 12-1344)	<u>60,419,309</u>	<u>59,919,309</u>	<u>500,000</u>
Total FY 2012-13 Appropriations & Transfers	\$60,991,314	\$60,491,314	\$500,000

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 cap¹, for that fiscal year. This revenue must be placed in the General Fund Exempt Account. The above table shows the amount of General Fund Exempt that is appropriated for FY 2011-12 and FY 2012-13 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.

Recent Legislation

2011 Session Bills

S.B. 11-209: General appropriations act for FY 2011-12.

S.B. 11-222: Transfers \$1,128,624 from the Higher Education Maintenance and Reserve Fund to the General Fund to augment revenues in FY 2010-11, and transfers \$48,171,749 from the General Fund to the Capital Construction Fund in FY 2011-12 for capital construction projects.

H.B. 11-1115: Sets payment standards for construction contracts between contractors and public entities for contracts exceeding \$150,000 and reduces the amount that may be withheld from a contractor to ensure that work is satisfactorily completed from 10.0 percent to 5.0 percent of the total project. Removes the requirement that the State has to release the remaining installment payments without holding retainage after the project reaches 50.0 percent completion and is determined to have made satisfactory progress. Requires deposits and contract balances for completed work to be paid within 45 days of occupancy or use, and allows a public entity to retain double the amount of moneys necessary to complete or correct any work performed by a contractor that is unsatisfactory, for up to 30 days after the work is completed.

¹ The "excess state revenues 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 changes.

H.B. 11-1301: Clarifies that adjustments to cash-funded projects that have been approved prior to January 1, 2010, are subject to the same streamlined approval process established for projects approved after this date, and that these approved projects may be reported in an annual expenditure report to the State Controller instead of being reported quarterly. Exempts higher education institution cash-funded projects approved after January 1, 2010, from the appropriation process. Allows an institution to receive the full appropriation of state moneys at anytime prior to, during, or after the receipt of private money (rather than requiring proportional spending), but in the event there are moneys remaining after the project is completed, the institution is required to refund moneys to the State in proportion to the amount of state capital construction dollars appropriated for the project. Permits the institutions to purchase scientific equipment without approval or oversight by the Department of Personnel, if the purchase is made without state appropriations from the Capital Construction Fund. Also exempts this type of purchase from legislative oversight because it is no longer included in the definition of capital construction.

H.B. 11-1310: Transfers up to \$5.0 million from the State Historical Fund to the Capitol Dome Restoration Fund for FY 2013-14. Requires that all moneys transferred from the State Historical Fund be reduced, dollar for dollar, by the combined total of moneys deposited in the Capitol Dome Restoration Trust Fund from fundraising efforts on behalf of the State Capitol Dome Restoration Project, or from grants made by the State Historical Society for the project. States that this dollar for dollar reduction shall not reduce any authorized fees and expenses of Colorado Preservation, Inc., the fundraising firm selected by the Capital Development Committee (CDC) to manage the private fund-raising effort. Permits the Department of Personnel, in cooperation with Colorado Preservation, Inc., to calculate the value of any in-kind gifts and donations that result in the reduction of the total project cost (the department shall present the calculation of value to the CDC for approval, no later than 60 days after the receipt of an in-kind gift and donation). Extends the authorization for the fundraising program approved by the CDC to December 31, 2014. Allows the Governor's Office of State Planning and Budgeting and the CDC to approve emergency contingency expenditures for the project from the Capitol Dome Restoration Fund or the Capitol Dome Restoration Trust Fund. Requires, prior to the end of FY 2014-15, a complete accounting of the total of in-kind and monetary donations received on behalf of the project and of project expenditures in order to ensure that all contributions from the State Historical Fund are reduced dollar for dollar.

2012 Session Bills

H.B. 12-1019: Transfers the authority for Colorado ports of entry from the Department of Revenue to the Department of Public Safety. Transfers \$2,263,218 cash funds of capital construction appropriations from the Department of Revenue to the Department of Public Safety. For additional information, see the "Recent Legislation" section for the Department of Public Safety.

H.B. 12-1200: Supplemental appropriation to modify capital construction appropriations for FY 2011-12.

H.B. 12-1318: Codifies existing practice regarding determining eligibility for state controlled maintenance funding, expenditures for emergency controlled maintenance, and the reporting of such expenditures. Creates the Emergency Controlled Maintenance Account within the Capital Construction Fund, and allows the Office of the State Architect (OSA), within the Department of Personnel, to use the fund for emergency controlled maintenance. Requires the OSA to provide an annual status report to the Capital Development Committee showing spending for emergency controlled maintenance projects from that account.

H.B. 12-1335: General appropriations act for FY 2012-13.

H.B. 12-1344: For FY 2011-12, reduces the transfer from the General Fund to the Capital Construction Fund (CCF) by \$500,000, and transfers \$500,000 from the General Fund Exempt account to the CCF, which results in a net change of \$0 to the CCF. For FY 2012-13, transfers \$60,419,309 to the CCF for capital construction and controlled maintenance projects, including \$59,919,309 from the General Fund and \$500,000 from the General Fund Exempt account.

H.B. 12-1357: Makes provisions for the use of unspent moneys for capital construction projects financed in whole or in part through a 2008 issuance of certificates of participation. Transfers a proportion of the unspent moneys to two institutions of higher education (the Auraria Higher Education Center and Colorado Northwestern Community College) and allows the Capital Development Committee to determine how the remaining unspent moneys should be spent, so long as the moneys are spent for a capital construction or eligible controlled maintenance project or projects at a state-supported institution of higher education.

APPENDICES

A. GLOSSARY OF TERMS

Capital Construction Fund: A fund that receives transfers from the General Fund and Lottery Fund for capital construction purposes. This fund is used to build, renovate, and repair state buildings, to purchase major equipment, and to 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: One full-time equivalent (FTE) equals one staff position filled for approximately 2,080 hours during a fiscal year. 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 into which general tax revenues, such as state sales and income taxes, are deposited. The General Fund is used to pay for state programs which benefit the majority of state citizens, such as education and corrections.

General Fund Exempt: TABOR places restrictions on the amount of General Fund and cash fund revenues that can be collected, and consequently spent, by the State. Certain General Fund revenues are exempt from these provisions: (1) tobacco tax revenues received pursuant to Article X, Section 21 of the Colorado Constitution; and (2) General Fund revenues that exceed the TABOR limit but are less than the revenue cap established by Referendum C (see 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: Prior to FY 2009-10, Section 24-75-201.1, C.R.S., restricted the annual General Fund appropriations to the lesser of 5.0 percent of Colorado personal income or 6.0 percent more than the total General Fund appropriations for the previous fiscal year. Senate Bill 09-228 amended Section 24-75-201.1, C.R.S., beginning in FY 2009-10 and each fiscal year thereafter, to restrict total State General Fund appropriations to an amount equal to 5.0 percent of Colorado personal income. There are three specific exemptions to the statutory limitation 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.

Long Bill: Colorado's annual general appropriations act, which provides most of the funding to support state government operations.

Informational Funds: Beginning in FY 2012-13, 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.

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 transferred, or 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 between July 1, 2005 and July 1, 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 annual total state revenues between FY 2005-06 and 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 shall be appropriated by the General Assembly for the following purposes only: (a) health care; (b) education, including related capital construction projects related thereto; (c) retirement plans for firefighters and police officers, if the General Assembly determined such funding is needed; and (d) strategic transportation projects.

Supplemental Appropriation: Legislation authorizing changes in appropriated funds or FTE for the current fiscal year or previous fiscal years.

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' ability 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

Several line item appropriations are determined by general policies applied consistently to State agencies. 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. State agency allocations are calculated by identifying the prior fiscal year's actual costs, then distributing these costs for the upcoming fiscal year according to percentage use. For FY 2012-13, statewide allocations for ALJ services total \$4.8 million, that include \$3.8 million in Division line item appropriations, \$1.2 million in centrally-appropriated amounts in the Executive Director's Office, and a -\$0.3 million adjustment to the fund balance for the Administrative Courts Cash Fund created in Section 24-30-1001 (3), C.R.S.

ADP Capital Outlay and Information Technology Asset Maintenance

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

Capitol Complex Leased Space

This line item is for departments occupying space in the Capitol Complex, the North Campus facility, the Pierce Street Building, the Grand Junction State Office Building, and Camp George West, located in Golden. 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 2012-13, statewide agency allocations total \$11.1 million, that include \$9.7 million in Facilities Maintenance – Capitol Complex Subdivision line item appropriations, \$0.3 million in pass-through utility expenses for the Camp George West properties, \$0.6 million in centrally-appropriated amounts in the Executive Director's Office, \$1.8 million in depreciation and Central Services Division overhead expenses, and a -\$1.2 million adjustment to the fund balance for the Capitol Complex Facilities Account within the Department of Personnel Revolving Fund created in Section 24-30-1108 (1), C.R.S.

Communication Services Payments

This line item appears in each department's Executive Director's Office, with some exceptions, and represents each department's share of the overhead related to the State's public safety communications infrastructure. Billings are sufficient to fund personal services, operating expenses, and indirect costs for the Communication Services program in the Governor's Office of Information Technology (OIT). For FY 2012-13, appropriations include recoverable costs totaling \$5.3 million.

Community Provider Rates

Historically, community provider rate adjustments have been applied to programs and services which, if not provided by contracted provider organizations or county staff, would need to be provided by state staff. For FY 2012-13, no statewide common policy adjustments were established.

Health, Life, and Dental

This line item appears in each department's Executive Director's Office, with some exceptions. For FY 2012-13, the total statewide appropriations for health, life, and dental benefits, except for the non-appropriated portions of

the Departments of Higher Education and Transportation, are approximately \$170.2 million (\$102.7 million General Fund). This is an increase of \$20.1 million (\$16.1 million General Fund) compared to the FY 2011-12 appropriation.

Indirect Costs

Indirect costs are the overhead costs associated with the operation of general government functions and departmental administrative duties. Indirect cost recoveries offset the costs of providing central services for cash-funded and federally-funded programs that otherwise would be supported by General Fund. For FY 2012-13, the statewide indirect cost recovery plan is estimated to recover \$15.6 million from cash-funded and federally-funded programs, a decrease from \$18.2 million in FY 2011-12. 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 appropriated as reappropriated funds in the Executive Director's Office to offset General Fund.

Lease Purchase

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

Leased Space

This line item is for leased space outside of the Capitol Complex facilities, and it appears in each department's Executive Director's Office, with some exceptions. Each Executive Director is responsible for reviewing and managing a department's use of leased space.

Legal Services

This line item appears in the Executive Director's Office, with some exceptions, providing funding for the purchase of legal services from the Department of Law. For FY 2012-13, agencies will pay an average rate of \$77.25 per hour for legal services, that are provided by both attorneys and legal assistants. 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 374,478 hours of legal services to client agencies in FY 2012-13.

Management and Administration of OIT

This line item appears in each department's Executive Director's Office, with some exceptions, and represents each department's share of the division-level management of the Governor's Office of Information Technology (OIT) and "back office" functions as authorized by S.B. 08-155. For FY 2012-13, appropriations include recoverable costs totaling \$3.4 million.

Multiuse Network Payments

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 data, voice, video, text, and graphics communications needs. Costs for the multiuse network include the Governor's Office of Information Technology (OIT) overhead, internet access, and contractual obligations that provide the State with a reserved amount of bandwidth at each network access point. For FY 2012-13, appropriations include recoverable costs totaling \$19.5 million.

Payment to Risk Management and Property Funds

This line item appears in each department's Executive Director's Office, with some exceptions. The bill represents each department's share of the statewide cost of property and liability insurance coverage, based on a three-year

average loss history as verified by an independent actuarial firm. A matching amount of spending authority is provided to the Department of Personnel to pay administrative, legal, and claims costs for the State's liability self-insurance and to pay premiums. For FY 2012-13, appropriations for the risk management and property program total \$14.7 million.

Performance-based Pay Awards

The FY 2012-13 Long Bill does not include appropriations for performance-based pay increases. Performance-based pay increases for department staff, when provided, are funded through centrally-appropriated line items in the Executive Director's Office section of the department's budget in the year of the award and are incorporated into base funding for each division in the subsequent year.

Personal Services

The FY 2012-13 appropriations for Personal Services line items include a 1.0 percent base reduction with the following exceptions: the base reduction for the Judicial Department is 0.5 percent; statutorily/constitutionally set salaries are exempted; line items of 20.0 FTE or fewer are exempted; and, 24/7 public safety positions are exempted. These savings are generated when a department holds a position vacant, or when a senior employee is replaced by someone who earns a smaller salary.

Purchase of Services from Computer Center

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 data center and computing infrastructure that is operated by the Governor's Office of Information Technology. For FY 2012-13, recoverable costs total \$68.4 million.

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

Pursuant to S.B. 04-257, 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. 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 3.0 percent for calendar year 2012, and 3.4 percent for calendar year 2013. The appropriations for FY 2012-13 total approximately \$44.6 million, including \$24.1 million General Fund.

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

In addition to the AED contribution amounts, S.B. 06-235 provides a second supplemental PERA contribution. The intended fund source is money that would otherwise be available for use but not yet awarded as salary increases. However, the General Assembly still appropriates money for this purpose even though appropriations do not include salary increases for FY 2012-13. The appropriation amount is based on employees' base salaries, including shift differential pay. The contribution amount 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 2.5 percent for calendar year 2012, and 3.0 percent for calendar year 2013. The appropriations for FY 2012-13 total approximately \$38.0 million, including \$20.5 million General Fund.

Salary Survey and Senior Executive Service

Appropriations for FY 2012-13 do not include salary survey, senior executive service, or performance-based pay increases. These increases for department staff, when provided, are funded through centrally-appropriated line items in the department's Executive Director's Office in the year of the award, and are incorporated into the base funds for each division for the subsequent year.

Shift Differential

Shift differential payments provide higher wages for evening, night, and weekend shifts. The FY 2012-13 appropriations were calculated based on 80.0 percent of a department's actual shift differential expenditures for FY 2010-11. The appropriations for FY 2012-13 total approximately \$10.9 million, including \$9.6 million General Fund, primarily for the Departments of Corrections and Human Services.

Short-term Disability

All state employees are eligible for employer-paid, short-term disability insurance. The appropriations are calculated based on 0.177 percent 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. The statewide short-term disability appropriation for FY 2012-13 is approximately \$2.4 million, including \$1.3 million General Fund.

Utilities

In general, departments pay for utility costs from either operating expenses appropriations or from a separate utilities line item, and support the utility costs of operating a state-owned facility. Utilities costs for offices are also built into Capitol Complex leased space and other leased space rates. The appropriation for FY 2012-13 is dependent upon the specific circumstances regarding utilities in each department.

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 2012-13, appropriations include funding to replace 585 vehicles and to acquire six new vehicles. The appropriations for FY 2012-13 total \$15.7 million.

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 the Colorado State University, which operate separate, self-insured programs). The corresponding appropriation to the Department of Personnel is \$40.9 million for total workers' compensation premiums for FY 2012-13.

**C. 2012 SESSION SUPPLEMENTAL ADJUSTMENTS TO APPROPRIATIONS
FOR FY 2010-11 AND PRIOR YEARS**

DEPARTMENT / DIVISION	TOTAL	GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
OPERATING BUDGET							
Adjustments to FY 2010-11 Appropriations:							
DEPARTMENT OF EDUCATION:							
S.B. 12-1335 (Section 4)							
Public School Finance	\$0	\$3,976,005	(\$3,976,005)	\$0	\$0	\$0	0.0
TOTAL - Education	\$0	\$3,976,005	(\$3,976,005)	\$0	\$0	\$0	0.0
DEPARTMENT OF HEALTH CARE POLICY AND FINANCING:							
H.B. 12-1184: (Section 3)							
Medical Services Premiums	\$40,106,865	\$8,471,270	\$0	\$31,635,595	\$0	\$0	0.0
Medicaid Mental Health Community Programs	3,045,815	3,045,815	0	0	0	0	0.0
Indigent Care Program	42,646	42,646	0	0	0	0	0.0
Other Medical Services	<u>396,329</u>	<u>396,329</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
H.B. 12-1184	\$43,591,655	\$11,956,060	\$0	\$31,635,595	\$0	\$0	0.0
H.B. 12-1335: (Section 5)							
Medical Services Premiums	\$0	\$3,976,005	(\$3,976,005)	\$0	\$0	\$0	0.0
TOTAL - Health Care Policy and Financing	\$43,591,655	\$15,932,065	(\$3,976,005)	\$31,635,595	\$0	\$0	0.0

DEPARTMENT / DIVISION	TOTAL	GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
DEPARTMENT OF HIGHER EDUCATION:							
H.B. 12-1335: (Section 6)							
College Opportunity Fund Program	\$0	\$3,976,004	(\$3,976,004)	\$0	\$0	\$0	0.0
Governing Boards	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
H.B. 12-1335	\$0	\$3,976,004	(\$3,976,004)	\$0	\$0	\$0	0.0
TOTAL - Higher Education	\$0	\$3,976,004	(\$3,976,004)	\$0	\$0	\$0	0.0
DEPARTMENT OF PERSONNEL:							
H.B. 12-1193: (Section 2)							
Division of Accounts and Control - Controller	\$77,973	\$0	\$0	\$77,973	\$0	\$0	0.0
TOTAL - Personnel	\$77,973	\$0	\$0	\$77,973	\$0	\$0	0.0
DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT:							
H.B. 12-1194: (Section 2)							
Administration and Support	\$609,320	\$0	\$0	\$609,320	\$0	\$0	0.0
TOTAL - Public Health and Environment	\$609,320	\$0	\$0	\$609,320	\$0	\$0	0.0
TOTAL - OPERATING BUDGET FY 2010-11	\$44,278,948	\$23,884,074	(\$11,928,014)	\$32,322,888	\$0	\$0	0.0

DEPARTMENT	TOTAL	CAPITAL CONSTRUCTION FUNDS	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
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CAPITAL CONSTRUCTION PROJECTS

Adjustments to FY 2009-10 Appropriations:

H.B. 12-1200:

(Section 3)

Higher Education	\$700,000	\$0	\$700,000	\$0	\$0	0.0
Natural Resources	<u>(7,224,617)</u>	<u>0</u>	<u>(7,165,063)</u>	<u>0</u>	<u>(59,554)</u>	<u>0.0</u>
H.B. 12-1200	(\$6,524,617)	\$0	(\$6,465,063)	\$0	(\$59,554)	\$0

TOTAL - CAPITAL CONSTRUCTION - FY2009-10

(\$6,524,617)	\$0	(\$6,465,063)	\$0	(\$59,554)	0.0
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Adjustments to FY 2010-11 Appropriations:

H.B. 12-1200:

(Section 4)

Natural Resources	(\$949,458)	\$0	(\$848,570)	\$0	(\$100,888)	0.0
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TOTAL - CAPITAL CONSTRUCTION - FY 2010-11

(\$949,458)	\$0	(\$848,570)	\$0	(\$100,888)	0.0
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In addition to the adjustments noted above, H.B. 12-1200 extended the availability of previous capital construction appropriations for two Higher Education projects: one initially appropriated in FY 2002-03 and one initially appropriated in FY 2008-09.

D. STATE EDUCATION FUND 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:

- to comply with the requirement to annually increase base per pupil funding for public school finance;
- to comply with the requirement to annually increase funding for categorical programs;
- for accountable education reform;
- for accountable programs to meet state academic standards;
- for class size reduction;
- for expanding technology education;
- for improving student safety;
- for expanding the availability of preschool and kindergarten programs;
- for performance incentives for teachers;
- for accountability reporting; or
- for public school building capital construction.

Table 1 provides a summary of appropriations from the SEF for FY 2001-02 through FY 2009-10, and it details appropriations from the SEF for FY 2010-11 through FY 2012-13. To date, nearly \$3.8 billion has been appropriated from the SEF for public school finance, representing 81 percent of all SEF appropriations. Appropriations for categorical programs (\$605 million to date) and capital construction programs (\$102 million to date) comprise another 15 percent of SEF appropriations to date.

Appropriations from the SEF for FY 2012-13 are significantly lower than for FY 2011-12, decreasing 25 percent from \$654.0 million to \$489.7 million. The FY 2011-12 appropriation reflects a significant one-time transfer from the General Fund to the SEF that was authorized by S.B. 11-156. Largely as a result of this transfer, the appropriation from the SEF for the School Finance Act increased by \$224.4 million in FY 2011-12, offset by a \$126.0 million decrease in the General Fund appropriation for the Act.

Despite the significant decrease in SEF appropriations for FY 2012-13, annual SEF appropriations continue to significantly exceed annual SEF revenues. In seven of the twelve fiscal years for which moneys have been appropriated from the SEF, actual appropriations have exceeded annual revenues (including transfers from the General Fund). For FY 2012-13, appropriations are projected to exceed SEF revenues by \$87.2 million based on the revenue forecast that was used for purposes of preparing the FY 2012-13 budget. As a result, the SEF balance is projected to decline from \$363.4 million at the end of FY 2010-11 to \$93.8 million by the end of FY 2012-13.

¹ Given the current state income tax rate of 4.63 percent, this equates to 7.20 percent of state income tax revenues (0.0033/0.0463). However, due to certain state tax credits which reduce income tax revenue, deposits to the State Education Fund actually represent a slightly larger percent of state income tax revenues (*e.g.*, 7.58 percent in FY 2010-11).

TABLE 1
History of Appropriations from the State Education Fund

Description	Cumulative: FY 2001-02 thru FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Public School Finance:				
Funding for the State Share of Districts' Total Program Funding (including Colorado Preschool Program and full-day kindergarten funding)	\$2,596,184,458	\$284,307,808	\$515,485,287	\$324,236,331
Facility school funding (H.B. 08-1388)	36,275,256	16,779,077	14,222,000	14,508,000
Hold-harmless full-day kindergarten funding (H.B. 08-1388)	15,054,459	7,264,394	6,913,913	6,919,157
District Per Pupil Reimbursements for Juveniles Held in Jail (S.B. 10-054)	0	0	0	120,418
Declining enrollment study (H.B. 08-1388)	200,000	0	0	0
Mid-year appropriation adjustments	(7,202,832)	(506,161)	(4,425,519)	0
Subtotal: School Finance	2,640,511,341	307,845,118	532,195,681	345,783,906
<i>Percent of Total Appropriations</i>	<i>84.1%</i>	<i>72.1%</i>	<i>81.4%</i>	<i>70.6%</i>
Categorical Programs	319,838,789	89,348,909	93,740,082	102,453,788
<i>Percent of Total Appropriations</i>	<i>10.2%</i>	<i>20.9%</i>	<i>14.3%</i>	<i>20.9%</i>
School Capital Construction:				
Charter school capital construction	52,219,995	5,000,000	5,000,000	6,000,000
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	1,000,000	0	0	0
Full-day Kindergarten Capital Construction Grant Program	0	0	0	0
Subtotal: Capital Construction	86,191,107	5,000,000	5,000,000	6,000,000
<i>Percent of Total Appropriations</i>	<i>2.7%</i>	<i>1.2%</i>	<i>0.8%</i>	<i>1.2%</i>
Professional Development and Instructional Support:				
Stipends for nationally board certified teachers (H.B. 08-1384)	0	0	0	604,800
Content specialists	868,367	437,392	434,102	441,808
Closing the Achievement Gap	3,501,000	1,800,000	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
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
Teaching and learning conditions survey (H.B. 08-1384)	85,000	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	20,004,412	2,237,392	434,102	1,046,608
<i>Percent of Total Appropriations</i>	<i>0.6%</i>	<i>0.5%</i>	<i>0.1%</i>	<i>0.2%</i>
Other Grants, Distributions, and Assistance:				
School Counselor Corps Grant Program (H.B. 08-1370)	9,998,154	4,998,500	5,000,000	5,000,000
Assistance to BOCES (H.B. 12-1345)	0	0	0	1,300,000
Child Nutrition School Lunch Protection Program (S.B. 08-123)	1,700,000	850,000	850,000	850,000
Interstate compact on educational opportunities for military	62,370	30,185	22,832	24,061
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

TABLE 1				
History of Appropriations from the State Education Fund				
Description	Cumulative: FY 2001-02 thru FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
STEM After-school Education Pilot Grant Program (H.B. 07-1243)	0	0	0	0
Subtotal: Other Grants, Distributions, and Assistance	33,255,534	5,878,685	5,872,832	7,174,061
<i>Percent of Total Appropriations</i>	<i>1.1%</i>	<i>1.4%</i>	<i>0.9%</i>	<i>1.5%</i>
Accountability/ Reform:				
Colorado Student Assessment Program	31,436,870	15,756,521	15,879,370	15,885,363
Educator Effectiveness Implementation (S.B. 10-191)	0	0	0	6,426,830
Early Literacy Assessment Tool (H.B. 12-1345)	0	0	0	3,000,000
Basic Skills Placement or Assessment Tests (H.B. 12-1345)	0	0	0	1,000,000
Preschool to postsecondary alignment (S.B. 08-212)	1,545,142	569,332	563,176	567,685
Division of On-line Learning (S.B. 07-215)	96,449	371,720	334,134	337,334
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
Review and update of non-English assessments	411,953	0	0	0
Longitudinal assessment data analyses	388,000	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	50,000	0	0	0
Subtotal: Accountability/ Reform	39,926,982	16,697,573	16,776,680	27,217,212
<i>Percent of Total Appropriations</i>	<i>1.3%</i>	<i>3.9%</i>	<i>2.6%</i>	<i>5.6%</i>
TOTAL	\$3,139,728,165	\$427,007,677	\$654,019,377	\$489,675,575
<i>Annual Dollar Change</i>		<i>(\$57,269,894)</i>	<i>\$227,011,700</i>	<i>(\$164,343,802)</i>
<i>Percent Annual Change</i>		<i>-11.8%</i>	<i>53.2%</i>	<i>-25.1%</i>

TABLE 2			
Comparison of State Education Fund Revenues and Expenditures/Appropriations (\$ millions)			
Description	FY 10-11	FY 11-12	FY 12-13
Beginning Fund Balance	\$188.2	\$363.4	\$180.9
Actual/ Projected Revenues /1	376.8	403.0	402.3
Appropriations/ Transfers to the SEF /2	221.9	68.6	0.2
Actual Expenditures/ Appropriation /3	(423.5)	(654.0)	(489.7)
Ending Fund Balance /4	\$363.4	\$180.9	\$93.8

/1 Projected State Education Fund revenues for FY 2011-12 and FY 2012-13 are based on the amount of General Fund revenues anticipated to be directed or transferred to the Fund pursuant to the *March 2012* Office of State Planning and Budgeting 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 Projected transfers from the General Fund to the State Education Fund for FY 2011-12 and FY 2012-13 are based on H.B. 12-1338 and the *March 2012* Office of State Planning and Budgeting Revenue Forecast, plus projections of State Education Fund interest earnings based on the model utilized by Legislative Council and Joint Budget Committee staff. The projection for FY 2011-12 also includes transfers made by the Department of Revenue pursuant to S.B. 11-184 as of June 11, 2012.

/3 Actual expenditures are reflected for FY 2010-11; appropriations are reflected for FY 2011-12 and FY 2012-13.

/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 spent 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., off-the-top appropriations are limited to: (1) the Colorado State Patrol in the Department of Public Safety; (2) the Department of Revenue for the Ports of Entry program (H.B. 12-1019 transferred Port of Entry to the State Patrol starting with FY 2012-13); and (3) related capital projects. The General Assembly also 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) (B), C.R.S., limits the annual growth of off-the-top appropriations for highway supervision to no more than 6.0 percent, regardless of any increase or decrease in overall highway-related revenues. The off-the-top growth limit is calculated based on the previous year's off-the-top appropriations and is not a proportion of revenues to the HUTF. Statute limits the total share of off-the-top appropriations to no more than 23.0 percent of the net HUTF revenue for the prior fiscal year. The following table shows the off-the-top appropriations from the HUTF for FY 2012-13 compared to FY 2011-12, and the limit for FY 2012-13:

Statutory HUTF Off-the-Top Appropriations Limit Section 43-4-201, C.R.S.	
FY 2011-12 HUTF Off-the-Top Appropriations Base	\$112,247,504
Multiplied by the 6 Percent Allowable Growth	<u>1.06</u>
FY 2012-13 HUTF Off-the-Top Appropriations Limit	\$118,982,354
FY 2012-13 HUTF Off-the-Top Appropriations:	
Department of Public Safety, State Patrol (H.B. 12-1335)	\$105,474,910
Department of Revenue, Ports of Entry (H.B. 12-1335)	10,186,163
Capital Construction (H.B. 12-1335)	2,263,218
H.B. 12-1019 Transfer Ports of Entry to State Patrol (State Patrol Appropriation)	10,325,884
H.B. 12-1019 Transfer Ports of Entry to State Patrol (Revenue Appropriation)	(10,131,106)
H.B. 12-1216 Financing of the Division of Motor Vehicles (Revenue Appropriation)	<u>(55,057)</u>
Total FY 2012-13 HUTF Off-the-Top Appropriations	\$118,064,012
Over / (Under) FY 2012-13 HUTF Off-the-Top Appropriations Limit	(\$918,342)

F. SEVERANCE TAX TRUST FUND OPERATIONAL ACCOUNT FUNDS OVERVIEW

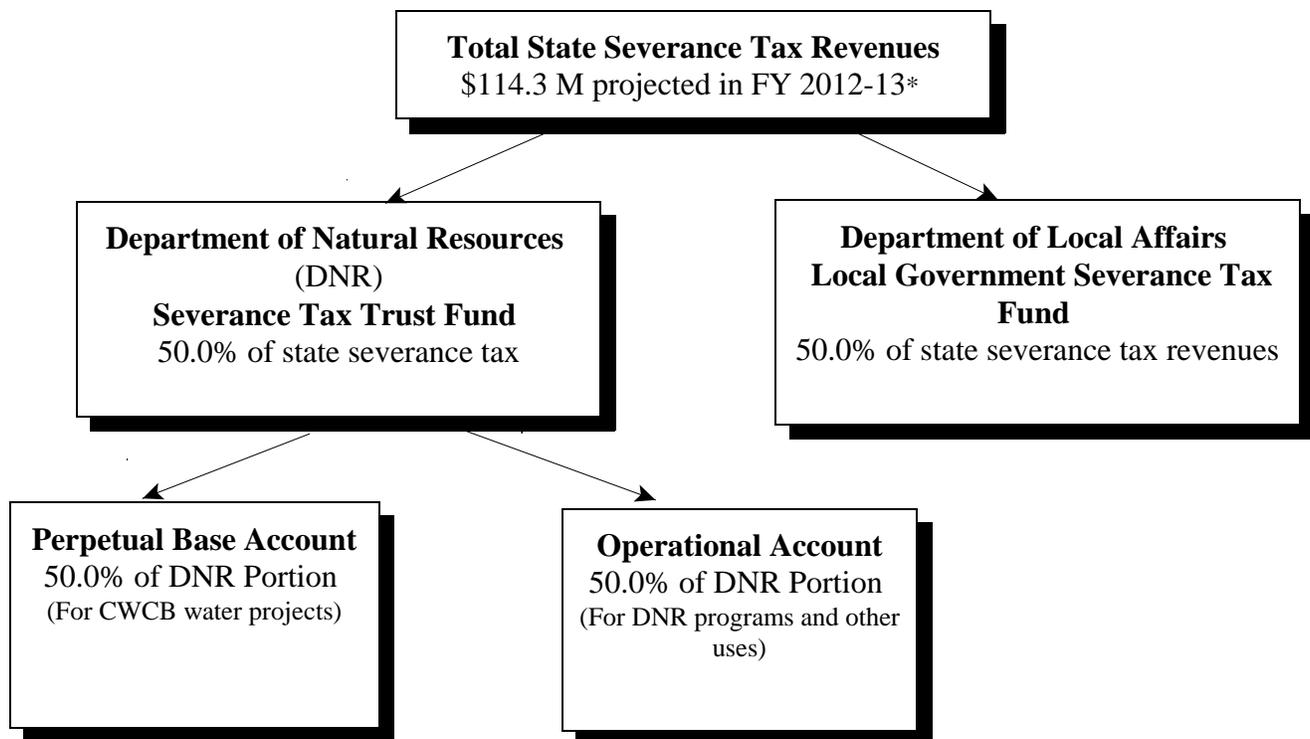
Under Section 39-29-108 (2), C.R.S., 50.0 percent of severance tax revenues are credited to the Severance Tax Trust Fund for the Department of Natural Resources, and the remaining 50.0 percent are credited to the Local Government Severance Tax Fund to be used by the Department of Local Affairs for grants and distributions to local governments affected by mining activities.

With respect to the Severance Tax Trust Fund:

- Section 39-29-109 (2) (a), C.R.S., provides that 50.0 percent of revenues deposited into the Severance Tax Trust Fund shall be allocated to the Perpetual Base Account of the Severance Tax Trust Fund (or 25.0 percent of total severance tax revenues), and is 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 Severance Tax Trust Fund revenues (or 25.0 percent of total severance tax revenues) shall be allocated to the Operational Account to fund programs that "promote and encourage sound natural resource planning, management, and development related to minerals, energy, geology, and water".

The following table illustrates the State's distribution of severance tax revenues.

Total Severance Tax Statutory Allocations



* Based on March 2012 Legislative Council Staff Revenue Forecast.

The Operational Account consists of two tiers of programs. The tier 1 programs support the day-to-day operations of the Department of Natural Resources, including funding salaries for employees. The tier 2 programs support grants, loans, research, and construction. The required reserve for tier 1 programs is equal to the annual appropriation for tier 1, while the required reserve for tier 2 programs is equal to 15.0 percent of the annual authorized expenditures for those programs.

The distribution of funding for tier 2 programs is staggered with 40.0 percent released July 1, 30.0 percent released January 4, and the remaining 30.0 percent released April 1. Low-income energy assistance programs are also supported by tier 2 funding and have a slightly different schedule for the release of funds. Tier 2 programs are subject to proportional reductions if revenue projections indicate there are insufficient funds to support appropriations and authorized expenditures within a given fiscal year. For example, revenues anticipated under the March 2012 Legislative Council Staff Revenue Forecast would require \$17.6 million in proportional reductions to tier 2 programs in FY 2012-13, reducing tier 2 expenditures by approximately 49.1 percent. House Bill 12-1353 modified the schedule for these proportional reductions so that they will be applied throughout the year with adjustments based on the most current revenue forecast.

The table on the next page provides an overview of projected revenues and expenditures from the Operational Account based on the March 2012 Legislative Council Staff Revenue Forecast.

Severance Tax Trust Fund Operational Account							
	Statutory Cite	Actual FY 10-11		Appropriation FY 11-12		Estimated FY 12-13	
Beginning balance		\$31,181,533		\$18,206,983		\$16,514,200	
Revenue		35,233,283		42,232,343 (est.)		28,743,873 (est.)	
Revenue for H.B. 12-1315		0		0		(375,000)	
Public School Energy Fund	39-29-109.5	(\$19,487)		TBD		TBD	
TOTAL Available for Expenditure		\$66,395,329		\$60,439,326		\$44,883,073	100.0%
Roll-forwards		\$0		\$1,007,687		\$0	
Tier 1	<u>39-29-109.3 (1)</u>						
Colorado Geological Survey	(b)	\$2,457,218	3.7%	\$2,400,175	4.0%	\$2,459,265	5.5%
Oil and Gas Conservation Commission	(a)	3,234,045	4.9%	3,182,569	5.3%	3,212,561	7.2%
Division of Reclamation, Mining, and Safety	(c)	4,222,288	6.4%	4,265,933	7.1%	4,358,723	9.7%
Colorado Water Conservation Board	(d)	1,285,999	1.9%	1,319,250	2.2%	1,319,250	2.9%
Division of Parks and Outdoor Recreation	(f)	3,829,397	5.8%	2,498,440	4.1%	2,497,022	5.6%
Division of Wildlife	(e)	<u>1,484,286</u>	<u>2.2%</u>	<u>0</u>	<u>0.0%</u>	<u>0</u>	<u>0.0%</u>
SUBTOTAL Tier 1		\$16,513,233	24.9%	\$13,666,367	22.6%	\$13,846,821	30.9%
Tier 2	<u>39-29-109.3 (2)</u>						
Water infrastructure development	(a)	\$6,000,000		\$7,000,000		\$5,076,177	
Soil Conservation Districts matching grants	(b)	450,000		450,000		228,428	
Water efficiency grants	(c)	0		0		279,190	
Species Conservation Trust Fund	(d) & (e)	11,000,000		3,600,000		2,030,471	
Low income energy assistance	(f)	6,500,000 *		6,500,000		6,640,585	
Renewable energy - Higher ed consortium	(g)	0		0		0	
Renewable energy - Agriculture	(h)	500,000		500,000		253,809	
Interbasin water compacts	(i)	745,067		745,067		378,209	
CO Water Research Institute - CSU	(j)	0		0		0	
Forest restoration grants/ bark beetle	(k) and (n)	2,500,000		2,500,000		1,269,044	
Tamarisk control	(l)	0		0		0	
Aquatic Nuisance Species Fund	(m)	<u>3,980,046</u>		<u>4,006,005</u>		<u>2,033,519</u>	
SUBTOTAL Tier 2		\$31,675,113	47.7%	\$25,301,072	41.9%	\$18,189,431	40.5%
TOTAL Expenditures		\$48,188,346		\$39,975,126		\$32,036,252	
Transfer to General Fund	39-29-109.3 (6)	\$0		\$3,950,000		\$0	
Ending Balance		\$18,206,983		\$16,514,200		\$12,846,821	
Tier 1 Reserve	39-29-109.3 (3)	16,513,233		13,666,367		12,846,821	
Tier 2 Reserve	39-29-109.3 (3)	<u>4,755,161</u>		<u>3,795,161</u>		<u>5,362,661</u>	
TOTAL Reserve Requirement		\$21,268,394	32.0%	\$17,461,528	28.9%	\$18,209,482	40.6%
UNOBLIGATED BALANCE		(\$3,061,411)	-4.6%	(\$947,327)	-1.6%	(\$5,362,661)	-11.9%

(est.) = estimate. Revenue estimates are based on the Legislative Council Staff's March 2012 Revenue Forecast and include \$228,261 in estimated interest in FY 2011-12, \$179,102 in FY 2012-13, and \$164,055 in FY 2013-14. Anticipated Tier 2 distributions include \$17.6 million in proportional reductions in FY 2012-13.
TBD = To be determined

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 Amendment 35 to the Colorado Constitution.

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 by 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 tobacco-settlement-program funding rules are contained in Section 24-75-1104.5, C.R.S. House Bills 12-1247 and 12-1249 modified these formulas, which are very complex. In brief:

- The total amount of tobacco settlement funds distributed to programs equals 98.5 percent of the total settlement payments received by the State during the prior fiscal year. Annual distributions are based on Colorado's base Settlement Agreement and Strategic Contribution Fund payments but do not include disputed amounts that have been withheld by tobacco companies.
- Dollars distributed 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 the allocation, a percentage subject to certain conditions such as a minimum or maximum, or a fixed amount. Funding is first distributed to tier 1 programs (receiving approximately two-thirds of total revenues), with most of the remaining balance distributed to tier 2 programs.
- Most programs cannot spend their distribution 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 Distributed

Colorado's annual revenue from the Tobacco MSA is comprised of a base Settlement Agreement Payment (to be received in perpetuity) and a Strategic Contribution Payment (additional funds of approximately \$15 million per year received for ten years between April 2008 and 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 2011-12) drive total funding allocations for the current year (*e.g.*, FY 2012-13). However, pursuant to current law as amended by S.B. 12-114, special ("disputed") payments received as legal issues are resolved are deposited into the General Fund instead of being allocated to programs.

Fiscal Year Payment Is Received	This Payment Determines Allocations in FY:	Full Payment	Amount Withheld	Total Received Before Special Payments	% Change of Total Before Special/ Disputed Payments	Special/ Disputed Payments
Actual Payments:						
2003-04	2004-05	\$86.1	\$0.0	\$86.1	n/a	\$0.0
2004-05	2005-06	87.4	0.0	87.4	1.5%	0.0
2005-06	2006-07	91.1	(10.9)	80.2	(8.2)%	0.0
2006-07	2007-08	92.7	(8.8)	83.9	4.6%	0.0
2007-08	2008-09	111.4	(7.7)	103.7	23.6%	0.0
2008-09	2009-10	112.5	(7.1)	105.4	1.7%	7.4
2009-10	2010-11	103.3	(8.7)	94.6	(10.3)%	0.0
2010-11	2011-12	102.7	(13.6)	89.1	(5.8)%	0.0
2011-12	2012-13	102.4	(11.6)	90.8	1.9%	0.0

Based on amounts received in FY 2011-12, a total of \$90.8 million, will be distributed in FY 2012-13 consistent with Colorado's tobacco MSA funding allocation formula. Virtually all of this sum will be allocated to programs for use in FY 2012-13, with small percentages allocated to the General Fund or retained in the Tobacco Litigation Settlement Cash Fund.

Use of Current and Prior-year Revenue to Support Allocations - Accelerated Payments

Since FY 2008-09, distributions during a given year have been a combination of current-year and prior-year revenue. Prior to FY 2007-08, all distributions 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 tobacco MSA 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 tobacco MSA programs. Because of these bills, tobacco MSA programs operate for ten months of each fiscal year before the majority of their tobacco settlement revenue arrives. To do so, the programs receive advances from the Treasury, which are repaid in April.

House Bill 12-1247 begins 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. Pursuant to the bill, the spending from current year revenue (\$80.4 million as of FY 2011-12) is reduced each year by any unallocated Tobacco Settlement funds and other residual funds in the Tobacco Litigation Settlement Cash Fund (approximately \$1.5 million per year total). Thus, in FY 2012-13 an estimated \$78.9 million (\$80.4 million less \$1.5 million) would be paid from current year funds. Allocations from reserves in the Tobacco Litigation Settlement Cash Fund will compensate for the decline in spending from current year revenue, so that programs supported by Tobacco MSA revenue will receive no less than they would have under the previous formula.

Fiscal Year	Total Distributed to Settlement-supported Programs and Funds
2007-08 and earlier	Payments received during the prior fiscal year
2008-09	Payments received during the prior fiscal year (FY 2007-08) - \$15.4 million of Strategic Contribution Fund (SCF) payments received during FY 2007-08 or minus the actual SCF payment if less + \$15.4 million of the SCF payments received during FY 2008-09 or plus the actual SCF payment if less
2009-10	\$100.0 million of the payments received during the prior fiscal year (FY 2008-09) - \$15.4 million of SCF payments received during FY 2007-08 or minus the actual SCF payment if less + \$15.4 million of the SCF payments received during FY 2009-10 or plus the actual SCF payment if less (Payments received during FY 2008-09 in excess of \$100.0 million were transferred to the General Fund (GF) to augment FY 2008-09 GF revenues.)
2010-11 to 2011-12	Payments received during the prior fiscal year - \$15.4 million of SCF payments received during the prior year or minus the actual SCF payment if less + \$15.4 million of SCF payments received during the current year or plus the actual SCF payment if less - \$65.0 million of base payments received during the prior year or minus the actual base payment if less + \$65.0 million of base payments received during the current year or plus the actual base payment if less
2012-13	Payments received during the prior fiscal year - Payments received during the prior year that were spent in the prior year (\$80.4 million received and expended in FY 2011-12) + Reserves in Tobacco Litigation Settlement Cash Fund at end of prior fiscal year (estimated \$1.5 million) + Payments received in the current year that are spent in the current year = \$80.4 million received in current year less reserves in the Tobacco Litigation Settlement Cash Fund at end of FY 2011-12 (estimated at \$80.4 million - \$1.5 million = \$78.9 million)
2013-14 to 2016-17	Payments received during the prior fiscal year - Payments received during the prior year that were spent in the prior year (estimated \$78.9 million received and expended in FY 2012-13; amount will reduce each year by approximately \$1.5 million) + Reserves in Tobacco Litigation Settlement Cash Fund at end of prior fiscal year (estimated \$1.5 million each year) + Payments received in the current year that are spent in the current year = payments received in the prior fiscal year that were spent in the prior year less reserves in the Tobacco Litigation Settlement Cash fund at the end of the prior fiscal year. For FY 2013-14, this is estimated at \$78.9 million (the FY 2012-13 amount) - \$1.5 million (Tobacco Litigation Settlement Cash Fund reserves) = \$77.4 million. The amount will reduce by approximately \$1.5 million each year.
2017-18	Payments received during the prior fiscal year - Payments received during the prior year that were spent in the prior year + Reserves in Tobacco Litigation Settlement Cash Fund at end of prior fiscal year (estimated \$1.5 million each year) + Payments received in the current year that are spent in the current year = payments received in the prior fiscal year that were spent in the prior year less reserves in the Tobacco Litigation Settlement Cash fund at the end of the prior fiscal year - \$15.0 million (due to end of Strategic Contribution Payments)
2018-19 and later	Payments received during the prior fiscal year - Payments received during the prior year that were spent in the prior year + Reserves in Tobacco Litigation Settlement Cash Fund at end of prior fiscal year (estimated \$1.5 million each year) + Payments received in the current year that are spent in the current year = payments received in the prior fiscal year that were spent in the prior year less reserves in the Tobacco Litigation Settlement Cash fund at the end of the prior fiscal year

Distributions to Programs

Section 24-75-1104.5, C.R.S., divides tobacco-settlement 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 settlement programs and provide an overview of each program's statutory funding rule. Note that the Children's Basic Health Plan receives allocations from both tier 1 and tier 2.

Tier 1 Programs

Recipient	Portion of the Total Amount Distributed
Children's Basic Health Plan	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)	<ul style="list-style-type: none"> The combined allocation to the NHV program and the GF equals 15.0% of the total amount distributed in FY 2011-12, 16.0% in FY 2012-13, rising 1.0% annually to 19.0% in FY 2015-16, not to exceed \$19.0 million in any year. The NHV allocation equals 14.0% of the total amount distributed in FY 2011-12 and 2012-13, 15.0% in FY 2013-14, 16.0% in FY 2014-15, rising 1.0% annually to 19.0% in FY 2017-18, not to exceed \$19.0 million in any year and not less than \$12.7 million in FY 2011-12 or FY 2012-13. The difference between the combined allocation and the NHV allocation is transferred to the GF.
Fitzsimons lease purchase	8.0%, not to exceed \$8.0 million or the actual lease purchase payment
Early Literacy Program (H.B. 12-1238)	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)
Autism Treatment Fund	\$1,000,000 annually (fixed)
Child Mental Health Treatment Act	\$300,000 annually (fixed)
Dental Loan Repayment Program	\$200,000 annually (fixed)

Tier 2 Programs

Recipient	Portion of the Residual Distributed after Tier 1 Program Allocations
University of Colorado Health Sciences Center	49.0%
Children's Basic Health Plan	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 and treatment programs	3.0%
Health Services Corps (Health Care Professional Loan Forgiveness Program)	\$250,000 (fixed)
State Auditor's Office	\$89,000 (fixed)

Recipient	Portion of the Residual Distributed after Tier 1 Program Allocations
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 prior-year appropriations reports. Most recently, H.B. 12-1247 and H.B. 12-1249 modified formulas to: (1) eliminate allocations to the Short-term Innovative Health Programs Grant Fund; and (2) modify the formula for allocations to the State Auditor's Office to provide a flat tier 2 allocation.

The table below summarizes the combined total allocations to programs from tier 1 and tier 2 for FY 2011-12 and FY 2012-13. Because FY 2011-12 actual revenue is slightly higher than the projection used for FY 2012-13 appropriations, most programs will only be allowed to fully spend these allocations if the General Assembly increases appropriations from the tobacco Litigation Settlement Cash Fund by an average of 1.7 percent for FY 2012-13 to align with these allocations.

Program Allocations (Includes Tier 1 and Tier 2)	FY 2011-12 Distribution	FY 2012-13 Distribution
Department of Education		
Early Literacy Program	\$4,457,736	\$4,540,498
Department of Health Care Policy and Financing		
Children's Basic Health Plan Trust	28,322,469	28,712,284
State share of funding for the Children with Autism Act	1,000,000	1,000,000
Subtotal - Department of Health Care Policy and Financing	29,322,469	29,712,284
Department of Higher Education (includes Capital Construction)		
University of Colorado, Health Sciences Center	14,364,414	14,171,456
Fitzsimons lease purchase	7,145,538	7,264,797
Subtotal - Department of Higher Education	21,509,952	21,436,253
Department of Human Services		
Mental Health Services for Juvenile and Adult Offenders	3,517,816	3,470,561
Child Mental Health Treatment Act	300,000	300,000
Alcohol and drug abuse programs	879,454	867,640
Subtotal - Department of Human Services	4,697,270	4,638,201
Legislative Department		
Office of the State Auditor	94,587	89,000
Department of Military and Veterans Affairs		
Colorado State Veterans Trust	891,547	908,100
Department of Personnel		
Supplemental state contribution for group benefit plans	1,319,181	1,301,460
Department of Public Health and Environment		
Nurse Home Visitor Program	12,737,350	12,737,350

Program Allocations (Includes Tier 1 and Tier 2)	FY 2011-12 Distribution	FY 2012-13 Distribution
Tony Gramscas Youth Services Program	3,566,189	3,632,399
AIDS Drug Assistance Program	3,120,415	3,178,349
Local public health agencies	2,052,059	2,024,494
AIDS and HIV Prevention Grant Program	1,783,094	1,816,199
Colorado Immunization Program	1,172,605	1,156,854
Short-term Innovative Health Programs Grant Fund /1	1,508,908	0
Health Services Corps Fund (Health Care Professional Loan Repayment Program)	250,000	250,000
Dental Loan Repayment Program	200,000	200,000
Subtotal - Department of Public Health and Environment	26,390,620	24,995,645
Allocate to General Fund (statutory diversion from Home Visitor Program)	635,858	1,792,244
Unallocated (contributes to reserve in Tobacco Litigation Settlement Fund and the H.B. 12-1247 reduction in accelerated payments)	0	1,396,279
Total	\$89,319,220	\$90,809,964

1/ The FY 2011-12 allocation for the Short-term Innovative Health Programs Grant Fund is transferred to the Tobacco Litigation Settlement Cash Fund at the end of FY 2011-12, pursuant to H.B. 12-1247.

Amendment 35 Tobacco-tax Revenue Allocation

In November 2004 voters approved Amendment 35, Tobacco Taxes for Health Related Purposes, which imposed a 64¢ tax on each pack of cigarettes sold in Colorado and imposed related taxes on other tobacco products. The amendment, which is contained in Section 21 of Article 10 of the Colorado Constitution, and the implementing statute in Section 24-22-117, C.R.S., established or expanded the funds and programs listed in the table below and allocated the Amendment's tobacco-tax revenue among them in the percentages indicated.

Amendment 35 Fund or Program (Department), Purpose	Percent
Health Care Expansion Fund (DHCPF), to provide funding to the Children's Basic Health Plan and Medicaid	46.3%
Primary Care Fund (DHCPF), to provide funding to clinics and hospitals that offer health care services to the uninsured or medically indigent	19.0%
Tobacco Education Programs Fund (DPHE), to support the tobacco education, prevention, and cessation program and grants for tobacco education, prevention, and cessation	16.0%
Prevention, Early Detection and Treatment Fund (DPHE), to support cancer, cardiovascular, and pulmonary disease grants; breast and cervical cancer screening and treatment; and Medicaid disease management	13.6%
Health Disparities Grant Program Fund (DPHE), to support the Health Disparities Program and support grants to reduce health disparities	2.4%

Amendment 35 Fund or Program (Department), Purpose	Percent
Old Age Pension Fund (DHS)	1.5%
Local governments (DR), to compensate for lost tobacco tax revenue	0.9%
Immunizations by local public health agencies formerly classified as county nursing services (DPHE)	0.3%
Total	100.0%

DHCPF = Department of Health Care Policy and Financing, DHS = Department of Human Services, DPHE = Department of Public Health and Environment, and DR = Department of Revenue.

Amendment 35 states that its tobacco-tax revenue can be used for any health-related purpose for one year if a joint resolution declaring a fiscal emergency for that year is passed by a two thirds vote of both houses of the General Assembly and is signed by the Governor. During the 2011 session, the General Assembly and the Governor approved S.J.R. 11-009, which declared such an emergency for FY 2011-12. Using the authority resulting from this emergency, the General Assembly passed S.B. 11-211 and S.B. 11-219, which appropriated moneys from (1) the Primary Care Fund, (2) the Tobacco Education Programs Fund, (3) the Prevention, Early Detection and Treatment Fund, and (4) the Health Disparities Grant Program Fund to health-related programs whose purposes differed from the statutory purposes of these funds. In the case of S.B. 11-219, the appropriation from the Primary Care Fund exceeded the fund's projected allocation of FY 2011-12 tobacco-tax revenues, meaning that some of the appropriation came from the fund's reserves, *i.e.* from its carryforward balance from the prior year, and the net "allocation" of Amendment 35 dollars to the fund for its statutory purpose is negative.

The table below shows the resulting net "allocation" of tobacco-tax revenue for FY 2011-12. The final column in this table equals the allocation of new tobacco tax revenue, based on the June 2012 Legislative Council Staff tobacco-tax revenue forecast, minus appropriations for health-related "non-statutory" or "non-fund" purposes in S.B. 11-211 and S.B. 11-219. Thus, the final column shows the amount of new revenue that is available for the statutory purposes of each fund.

Fund or Program	FY 2011-12 share of new tobacco tax revenue	Minus: FY 2011-12 appropriations for "non-statutory" purposes in S.B. 11-211 or S.B. 11-219	= Net FY 2011-12 "allocation" for the statutory purpose of the fund or program
Health Care Expansion Fund	\$67,542,000	\$0	\$67,542,000
Primary Care Fund	27,717,000	(28,253,000)	(536,000)
Tobacco Education Programs Fund	23,341,000	(17,758,594)	5,582,406
Prevention, Early Detection and Treatment Fund	19,840,000	(11,955,055)	7,884,945
Health Disparities Grant Program Fund	3,501,000	(3,286,351)	214,649
Old Age Pension Fund	2,188,000	0	2,188,000
Local governments	1,313,000	0	1,313,000
Immunizations by local public health agencies	438,000	0	438,000
Total	\$145,880,000	(\$61,253,000)	\$84,627,000

No fiscal emergency was declared for FY 2012-13; as a consequence the full allocations will be available to the programs that normally receive tobacco-tax dollars. Based on the June 2012 Legislative Council Staff revenue forecast, the following amounts of tobacco-tax revenue are projected to be allocated to each fund.

Fund or Program	FY 2012-13 share of new tobacco tax revenue
Health Care Expansion Fund	\$68,137,000
Primary Care Fund	27,961,000
Tobacco Education Programs Fund	23,546,000
Prevention, Early Detection and Treatment Fund	20,014,000
Health Disparities Grant Program Fund	3,532,000
Old Age Pension Fund	2,207,000
Local governments	1,324,000
Immunizations by local public health agencies	441,000
Total	\$147,162,000

Recent Legislation

2011 Session Bills

S.J.R. 11-009: Declares a state fiscal emergency for FY 2011-12, which allows Amendment 35 tobacco-tax revenues to be appropriated for any health-related purpose during FY 2011-12. For more information see the corresponding bill description for the Department of Public Health and Environment.

S.B. 11-210: Appropriates \$2,230,000 million from the Tobacco Tax Cash fund to support health-related costs of Old Age Pension (OAP) clients served through the Medicaid program for FY 2011-12. Transfers any fund balance in the Supplemental OAP Health and Medical Care Fund to the General Fund on June 30, 2012. For more information see the corresponding bill description for the Department of Public Health and Environment.

S.B. 11-211: Utilizes the state fiscal emergency declared for FY 2011-12 by S.J.R. 11-009 to appropriate \$33.0 million of Amendment 35 revenue to the Department of Health Care Policy and Financing (DHCPF) to support Medical Services Premiums and reduces the General Fund appropriation for Medical Services Premiums to DHCPF by an equal amount. Reduces appropriations of Amendment 35 revenue to the Department of Public Health and Environment by a corresponding amount. For more information see the corresponding bill description for the Department of Public Health and Environment.

S.B. 11-216: Alters the allocation of Amendment 35 revenues. Eliminates the 0.3 percent tier 1 allocation to the Pediatric Specialty Hospital Fund and redirects the allocation to the Children's Basic Health Plan (CBHP). Eliminates the 1.0 percent tier 2 allocation to the Pediatric Specialty Hospital Fund and redirects the allocation to the CBHP. For more information see the corresponding bill description for the Department of Health Care Policy and Financing.

S.B. 11-219: Utilizing the state fiscal emergency declared for FY 2011-12 by S.J.R. 11-009, for FY 2011-12 allows certain Amendment 35 revenues to be used to offset expenditures in the Department of Health Care Policy and Financing. For FY 2011-12, makes several transfers between funds to increase use of federal moneys to offset state expenditures under the Colorado Indigent Care Program and to make payments to certain primary care providers that do not receive moneys under the Indigent Care Program. For more information see the corresponding bill description for the Department of Health Care Policy and Financing.

S.B. 11-224: Suspends growth of the Nurse Home Visitor Program for two years, transferring the resulting savings to the General Fund. For more information see the corresponding bill description for the Department of Public Health and Environment.

S.B. 11-225: Redirects certain transfers of tobacco-settlement moneys from the Short-term Innovative Health Program Grant Fund to the General Fund and transfers the balance of the Short-term Innovative Health Program Grant Fund to the General Fund at the end of FY 2011-12. (This provision was subsequently modified by H.B. 12-1347, as described below.) For more information see the corresponding bill description for the Department of Public Health and Environment.

S.B. 11-226: Transfers the balance of the Health Care Supplemental Appropriations and Overexpenditures Account of the Tobacco Litigation Settlement Cash Fund to the General fund and transfers \$1,864,845 from the Read to Achieve Cash Fund to the General Fund. For more information see the corresponding bill description for the Department of Education.

H.B. 11-1281: Increases the annual diversion of tobacco settlement revenue to the Health Care Professional Loan Forgiveness Program from \$90,070 to \$250,000. For more information see the corresponding bill description for the Department of Public Health and Environment.

2012 Session Bills

S.B. 12-114: Extends in perpetuity a provision allowing any disputed tobacco litigation settlement payments received by the state to continue to be credited to the General Fund. Previously, this diversion was set to expire on June 30, 2011. No disputed payments are anticipated to be received in FY 2012-13. However, payments may be received in future years depending upon the outcome of ongoing litigation. If Colorado prevails in arbitration proceedings for 2003 disputed payments, it could receive up to an estimated \$12 million in FY 2013-14.

H.B. 12-1202: Allows the General Assembly to annually appropriate moneys in the Tobacco Education Programs Fund to the Department of Health Care Policy and Financing (DHCPF) so that DHCPF can receive additional federal matching funds for the Colorado Quitline Program. For FY 2011-12 appropriates \$577,316 to the DHCPF for Medical Services Premiums, comprised of \$288,658 cash funds from the Tobacco Education Programs Fund and \$288,658 of federal funds. Decreases appropriations to the Department of Public Health and Environment by \$288,658, comprised of an increase of \$577,316 reappropriated funds from the DHCPF and a decrease of \$288,658 cash funds from the Tobacco Education Programs Fund. For more information see the corresponding bill descriptions for the Department of Public Health and Environment and the DHCPF.

H.B. 12-1238: Makes a number of changes to policies, programs, and procedures associated with early literacy skills. Creates the Early Literacy Grant Program in the Department of Education and replaces the Read-to-Achieve Grant Program with the new program. All tobacco settlement allocations previously allocated to the Read-to-Achieve Grant Program are transferred to the new program (5.0 percent of tobacco settlement moneys up to \$8.0 million each year). For additional information, see the bill description in the Department of Education.

H.B. 12-1247: Annually reduces the amount of Tobacco Master Settlement Agreement (MSA) funds that are allocated in the year in which they are received (accelerated payments). The funding for this comes from eliminating allocations to the Short-term Innovative Health Programs Grant Fund.

Short-term Innovative Health Programs Grant Fund: The bill eliminates the Short-term Innovative Health Programs Grant Fund in the Department of Public Health and Environment and the Tobacco MSA allocation to the Grant Fund and makes various conforming amendments. This program previously received 6 percent of tier 2 Tobacco Settlement allocations (about \$1.5 million per year). However, the program had not been active since FY 2009-10 due to previous legislative action to direct Grant Fund amounts to the General Fund. The bill also transfers the June 30, 2012 Short-term Innovative Health Programs Grant Fund balance to the Tobacco Litigation Settlement Cash Fund. Because this bill passed before the Long Bill, an FY 2012-13 appropriation of \$1,365,880 cash funds and 1.0 FTE for the Department of Public Health and Environment was not included in the Long Bill.

Accelerated Payments: Previously, statute specified that \$65.0 million in annual Tobacco MSA revenue plus \$15.4 million in Strategic Contribution Payment Tobacco MSA revenue (\$80.4 million total) would be allocated in the year received, with the balance derived from the prior year's Tobacco MSA revenue. As modified by the bill, the \$80.4 million figure is reduced each year by the amount that would, in the past, have been allocated to the Short-term Innovative Health Programs Grant Fund and any other residual funds in the Tobacco Litigation Settlement Cash Fund (approximately \$1.5 million per year total; actual amount will vary by year).

With the exception of the Short-term Innovative Health Programs Grant Fund, programs supported by Tobacco MSA revenue receive no less than they would have under the previous formula. The table below provides a simplified model of the impact on programs supported by Tobacco Settlement revenue.

Changes to Accelerated Payment Structure pursuant to H.B. 12-1247*				
	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
Balance of Funds Received in Prior Year (Tobacco Litigation Settlement Cash Fund balance)	\$8.6	\$10.1	\$11.6	\$13.1
Tobacco MSA funds distributed in the current year from April 15 revenue ("accelerated payments")	<u>80.4</u>	<u>78.9</u>	<u>77.4</u>	<u>75.9</u>
Total Program Allocation	\$89.0	\$89.0	\$89.0	\$89.0

*For purposes of this model, assumes no change to total annual tobacco revenue or allocation formula.

Also requires an annual report from the State Treasurer on Tobacco MSA accelerated payment amounts.

H.B. 12-1249: Changes the mechanism for allocating funding to the State Auditor's Office (SAO) for review of programs funded through the Tobacco Litigation Settlement Cash Fund. Previously, the SAO received one-tenth of one percent of the total funds received pursuant to the Tobacco Master Settlement Agreement (MSA) in the previous calendar year. This amount was proportionately reduced from some of the tier 1 Tobacco Settlement programs. This bill instead provides for a flat tier 2 allocation of \$89,000 per year for the SAO. Unspent amounts revert to the Tobacco Litigation Settlement Cash Fund.

H. AMOUNTS DEEMED EXEMPT FROM THE RESTRICTION ON GENERAL FUND APPROPRIATIONS SET FORTH IN SECTION 24-75-201.1, C.R.S.

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". It was also referred to as the Arveschoug or Arveschoug/Bird limit after the prime sponsors of the bill that established this limit, Representative Arveschoug and Senator Bird.

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 limitation on General Fund appropriations shall not apply to:

- A. Any state 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 state 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 state 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 limitation for reasons other than the exceptions listed in Section 24-75-201.1 (1) (a) (III), C.R.S. 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 limitation; and the General Fund appropriation related to the senior citizen and disabled veteran property tax exemption is not subject to the statutory limitation because enactment of Article X, Section 3.5 (3) of the Colorado Constitution constitutes voter approval of a weakening of the limitation. These other exceptions are noted in each relevant department section of this report.

The tables included in this appendix list the General Fund amounts that were exempt from or were not subject to the statutory limitation on General Fund appropriations in FY 2011-12 and FY 2012-13. These amounts are organized into three sections, described below. Note that while these amounts are used to determine the limit on General Fund appropriations, some of these amounts do not appear in the Long Bill or other appropriations bills. Further, of the amounts that do appear in appropriations bills, some are shown solely for informational purposes to reflect estimated expenditures. Notations to the table below provide additional detail.

Section 1 - Rebates and Expenditures

The quarterly revenue forecasts prepared by the Legislative Council Staff and the Office of State Planning and Budgeting often include dollar amounts referred to as "rebates and expenditures". These amounts reflect various

annual expenditures that are exempt from or not subject to the statutory limitation on General Fund appropriations pursuant to statutory or constitutional provisions. These statutory and constitutional obligations include the following:

- the Old Age Pension program [Article XXIV of the Colorado Constitution];
- cigarette tax rebates to local governments [Section 39-22-623 (1) (a) (II) (A), C.R.S.];
- fire and police pension payments for local governments [Sections 31-30-1112 (2) (i) and 31-30.5-307 (3), C.R.S.];
- Old Age Heat or Fuel Property Tax Assistance Grants [Section 39-31-102 (1), C.R.S.];
- loans to school districts [Sections 22-54-110 and 29-15-112, 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].

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 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.

General Fund Appropriations Deemed Exempt from Statutory Restriction

	Department	Amount	Reason
FY 2011-12			
<u>Section 1 - Rebates and Expenditures</u>			
Old Age Pensions/1	Human Services	\$100,100,000	Voter Approved
Volunteer Firefighter Benefit Plans/2	Local Affairs	4,294,753	Other
Cigarette Tax Rebate/2	Revenue	11,500,000	Other
Old Age Heat and Fuel and Property Tax Assistance Grant/2	Revenue	7,800,000	Other
Fire and Police Pension Association (FPPA) - Old Hire Plans/3	Treasury	5,321,079	Other
Loans to School Districts/1	Treasury	1,400,000	Other
Pediatric Specialty Hospital (Amendment 35)/2	Health Care Policy and Financing	446,100	Voter Approved
Immunizations (Amendment 35)/2	Public Health and Environment	<u>446,100</u>	Voter Approved
Total Rebates and Expenditures		\$131,308,032	
<u>Section 2 - Homestead Exemption</u>			
Senior Citizen and Disabled Veteran Property Tax Exemption/2	Treasury	\$1,700,000	Voter Approved
Revenue Forecast Adjustment		<u>0</u>	
Total Homestead Exemption		\$1,700,000	
<u>Section 3 - Amounts Deemed Exempt</u>			
Total Amounts Deemed Exempt		\$0	
FY 2011-12 TOTAL		\$133,008,032	
FY 2012-13			
<u>Section 1 - Rebates and Expenditures</u>			
Old Age Pensions/1	Human Services	\$96,100,000	Voter Approved
Volunteer Firefighter Benefit Plans/4	Local Affairs	4,294,753	Other
Cigarette Tax Rebate/4	Revenue	10,300,000	Other
Old Age Heat and Fuel and Property Tax Assistance Grant/4	Revenue	7,400,000	Other

General Fund Appropriations Deemed Exempt from Statutory Restriction

	Department	Amount	Reason
Fire and Police Pension Association (FPPA) - Old Hire Plans/4	Treasury	10,000,000	Other
Loans to School Districts/1	Treasury	1,600,000	Other
Pediatric Specialty Hospital (Amendment 35)/4	Health Care Policy and Financing	441,600	Voter Approved
Immunizations (Amendment 35)/4	Public Health and Environment	<u>441,600</u>	Voter Approved
Total Rebates and Expenditures		\$130,577,953	
<u>Section 2 - Homestead Exemption</u>			
Senior Citizen and Disabled Veteran Property Tax Exemption/4	Treasury	\$98,500,000	Voter Approved
Revenue Forecast Adjustment		<u>0</u>	
Total Homestead Exemption		\$98,500,000	
<u>Section 3 - Amounts Deemed Exempt</u>			
Total Amounts Deemed Exempt		\$0	
FY 2012-13 TOTAL		\$229,077,953	

/1 These amounts are constitutionally or statutorily diverted prior to being deposited in the General Fund; therefore, they are not appropriated from the General Fund in any bill. The amounts shown are taken from the March 2012 revenue forecast prepared by the Governor's Office of State Planning and Budgeting, which was used to set the FY 2012-13 budget.

/2 These amounts are included in S.B. 11-209, the General Appropriations Act for FY 2011-12.

/3 This amount is the sum of the amount shown in S.B. 11-209 and the reduction included in S.B. 11-221.

/4 These amounts are included in H.B. 12-1335, the General Appropriations Act for FY 2012-13.

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), the Secretary of State (Department of State) and the Treasurer (Department of Treasury) follow in that order.

Responses to these requests for information are typically summarized in Joint Budget Committee staff briefing documents (available at http://www.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

REPRESENTATIVES

Cheri Gerou, Chair
Jon Becker
Claire Levy

SENATORS

Mary Hodge, Vice-Chair
Pat Steadman
Kent Lambert



STAFF DIRECTOR

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April 25, 2012

Hon. John Hickenlooper, Governor
136 State Capitol
Denver, CO 80203-1792

Dear Governor Hickenlooper:

The General Assembly is currently finalizing the FY 2012-13 Long Bill. Historically, Long Bill footnotes contained the General Assembly's requests for information. However, pursuant to Section 24-75-112 (2), C.R.S., the Long Bill no longer includes 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. It is the hope of the Joint Budget Committee that the state departments will comply with these requests for information to the fullest extent possible.

Please notify us by May 11th if you do not intend to comply with any requests.

Sincerely,

Representative Cheri Gerou
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: Three (3) hard copies 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 responsible for the specified budget area
 - 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 2012-13 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 #7 in the Department of Health Care Policy and Financing would be entitled: **Health Care Policy and Financing FY 2012-13 RFI #7**

REQUESTS AFFECTING MULTIPLE DEPARTMENTS

1. **Department of Health Care Policy and Financing, Executive Director's Office; and Department of Human Services, Division of Child Welfare, Mental Health and Alcohol and Drug Abuse Services, and Division of Youth Corrections** -- The Departments are requested to submit a report by November 1, 2012, that examines how to provide an effective system of care for youth who are involved in the child welfare, youth corrections, and behavioral health systems. The services provided within such a system of care may include, but need not be limited to, multi-systemic therapy; functional family therapy, targeted case management, and similar intensive, evidence-based therapies that support family preservation and reunification. The report is specifically requested to examine whether related General Fund expenditures could be refinanced with Medicaid funds for Medicaid-eligible youth and families and whether this could be done in a manner that would promote more coordinated service delivery and would not drive an overall increase in state General Fund costs.
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 to provide the Joint Budget Committee with 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 2011-12 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 2010-11 and actual district expenditures for each program in fiscal year 2010-11. 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 2010-11 and actual district expenditures in fiscal year 2010-11.
3. **Governor - Lieutenant Governor - State Planning and Budgeting, Office of State Planning and Budgeting; and Department of Local Affairs, Division of Emergency Management, Disaster Response and Recovery** -- The Division of Emergency Management is requested to work with the Office of State Planning and Budgeting to provide a report to the Joint Budget Committee by November 1, 2012, concerning revenues credited to and expenditures made from the Disaster Emergency Fund in fiscal years 2011-12 and 2012-13 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.
4. **All Departments, Totals** -- Every department is requested to submit to the Joint Budget Committee, by November 1, 2012, information on the number of additional federal and cash funds FTE associated with any federal grants or private donations that were received in FY 2011-12. The Departments are also requested to identify the number of additional federal

and cash funds FTE associated with any federal grants or private donations that are anticipated to be received during FY 2012-13.

5. **Department of Health Care Policy and Financing, Executive Director's Office; and Department of Human Services, Services for People with Disabilities** -- The Departments are requested to submit to the Joint Budget Committee by October 15, 2012, a report on the high-level outline of the initial steps required to modify Colorado long-term care system into a new model of service delivery. The report is requested to include the following information: summary of the information gathered through community forums including participants of the forums; the status and results of the fiscal and programmatic analysis done of the existing waivers, including what methods were explored for streamlining existing waivers while maintaining waiver expenditures at current levels; and the status of the nationwide search of best practice service delivery models and the advantages and disadvantages of implementation of the alternative models.

DEPARTMENT OF CORRECTIONS

1. **Department of Corrections, Institutions, Medical Services Subprogram, Purchase of Pharmaceuticals** -- The Department is requested to report by November 1, 2012, on progress in obtaining 340B pricing for AIDS and HIV drugs for the Department's HIV-positive offenders and on progress in obtaining 340B pricing for hepatitis C drugs for HIV-positive offenders who are also infected with hepatitis C. The report should discuss obstacles that may exist and indicate how those obstacles can be overcome.
2. **Department of Corrections, Institutions, Mental Health Subprogram** -- It is requested that the Department of Corrections submit a report to the House Judiciary Committee and the Senate Judiciary Committee by January 31, 2013, detailing the progress related to the mental health unit at Colorado State Penitentiary.
3. **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, 2013, summarizing the outcomes of offenders who were provided psychotropic medication from this line item. The report is requested to include the number of mentally ill offenders who receive medication from this line item, the regression rate of the offenders, and the number of offenders who commit new crimes. The report is requested to compare these outcomes with the population of mentally ill offenders in community corrections programs in FY 2005-06.

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, 2012, information concerning the Colorado Preschool Program. The information provided is requested to include the following for fiscal year 2011-12: (a) data reflecting the ratio of the total funded head count for the Program to the total funded head 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 is attributable to the Program.

2. **Department of Education, Assistance to Public Schools, Grant Programs, Distributions, and Other Assistance** -- The Department is requested to provide information to the Joint Budget Committee by November 1, 2012, 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 2010-11 and 2011-12.
3. **Department of Education, Management and Administration, State Charter School Institute, State Charter School Institute Emergency Reserve** -- The State Charter School Institute is requested to include in its annual budget request a report detailing all expenditures made in the previous year from this line item.

GOVERNOR-LIEUTENANT GOVERNOR-STATE PLANNING AND BUDGETING

1. **Governor - Lieutenant Governor - State Planning and Budgeting, Office of the Governor, Governor's Energy Office** -- Senate Bill 07-246 requires a post-enactment review be conducted to determine the Department's efficacy in implementing the desired result and benefit of the act to advance energy efficiency and renewable energy throughout the state. The Department is requested to submit an annual report by November 1 of each year to the Joint Budget Committee on the status of the Department's efficacy in implementing the desired result and benefit of the provisions of S.B. 07-246. At a minimum, the report should include a narrative overview of the programs implemented with descriptions of each and should itemize how the moneys appropriated have been applied, by program, to advance energy efficiency and renewable energy throughout the state.
2. **Governor - Lieutenant Governor - State Planning and Budgeting, Economic Development Programs, Bioscience Discovery Evaluation** -- The Department is requested to submit an annual report to the Joint Budget Committee by November 1 of each year. At a minimum, the report shall specify the following information with regard to the bioscience research projects that received funding under the program during the preceding fiscal year: (1) the amount of funding distributed to each bioscience research project and a description of each bioscience research project; (2) the manner in which each bioscience research project applied the funding received under the program; and (3) the results achieved by each bioscience research project, including identifiable monetary returns to the grantee and others since the receipt of the grant.
3. **Governor - Lieutenant Governor - State Planning and Budgeting, Economic Development Programs, Colorado Office of Film, Television, and Media** -- The Department is requested to submit an annual report to the Joint Budget Committee by October 15 of each year. At a minimum, the report shall specify the following information with regard to the performance-based incentives provided to entities under the program during the preceding and current fiscal year: (1) name of entity receiving (or scheduled to receive) a performance-based incentive; (2) dollar amount of incentive received by entity (or scheduled to be received); and (3) an estimate of the total direct taxes, total indirect taxes, and any other fee-based revenue, such as loan guarantee program fees, generated from the

provision of each performance-based incentive (or scheduled provision of a performance-based incentive).

DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

1. **Department of Health Care Policy and Financing, Executive Director's Office --** The Department is requested to submit monthly Medicaid expenditure and caseload reports on the Medical Services Premiums and mental health capitation line items to the Joint Budget Committee, by the fifteenth or first business day following the fifteenth of each month. The Department is requested to include in the report the managed care organization caseload by aid category. The Department is also requested to provide caseload and expenditure data for the Children's Basic Health Plan, the Medicare Modernization Act State Contribution Payment, and the Old Age Pension State Medical Program within the monthly report.
2. **Department of Health Care Policy and Financing, Medical Services Premiums; Indigent Care Program --** The Department is requested to submit a report by November 1, 2012, to the Joint Budget Committee describing the success of providers in collecting co-payments from clients for medical service programs financed by the Department, including Medicaid, the Children's Basic Health Plan, and the Colorado Indigent Care Program. The report should also discuss the impact of co-payment requirements on enrollment and utilization.
3. **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.
4. **Department of Health Care Policy and Financing, Executive Director's Office, Information Technology Contracts and Projects, Centralized Eligibility Vendor Contract Project --** The Department of Health Care Policy and Financing is requested to submit a report by November 1, 2012, to the Joint Budget Committee providing information on the current contract expenditures and the strategic plan for the centralized eligibility vendor contract project. In the report, the Department is requested to provide the following information:
 - (a) a three-year expenditure plan for the contract;
 - (b) information comparing the cost effectiveness of this contract when compared to eligibility performed by the counties;
 - (c) information regarding the number of clients who have eligibility performed by the centralized eligibility vendor but may also be eligible for other state assistance programs with eligibility determined by the counties;
 - (d) information comparing the ability of the contractor to meet federal guidelines for determining eligibility compared to eligibility performed by the counties; and
 - (e) information about the amount of oversight the Governor's Office of Information Technology provides on the contract.
5. **Department of Health Care Policy and Financing, Medical Services Premiums --** The Department is requested to submit a report by November 1, 2012, to the Joint Budget

Committee regarding the Department's efforts to ensure that pharmaceuticals are purchased at the lowest possible price.

6. **Department of Health Care Policy and Financing, Medical Services Premiums --** The Department is requested to submit a report by November 1, 2012, 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 any initial results that demonstrate savings for the pilot program. If data is not available to determine saving results, the Department shall note when such data is anticipated to be available.
7. **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.

DEPARTMENT OF HIGHER EDUCATION

1. **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, Services for People with Disabilities, Community Services for People with Developmental Disabilities, Program Costs, Early Intervention Services --** The Department is requested to notify the Joint Budget Committee before implementing any cost containment strategy expected to result in a decrease in the number of people eligible for early intervention services. The notification should include discussion of alternative strategies, including but not limited to provider rate reductions and increasing payments from non-General Fund sources, and an estimate of the cost of serving the projected population without reducing eligibility.

2. **Department of Human Services, Division of Child Welfare, Training --** The Department is requested to provide, by November 1, 2012, an assessment of how the child welfare training academy could be improved, including, but not limited to: (1) changes that would make training more accessible for participants who come from counties that are located far from academy training centers; and (2) expanding training to county staff on an ongoing basis to ensure that all staff have a common understanding of current law, rule, and best practice. The response should include an estimate of the additional funding that would be required to implement such changes.
3. **Department of Human Services, Division of Youth Corrections --** The Division is requested to provide a report to the Joint Budget Committee by November 1 of each year concerning its proposed and actual use of budgetary flexibility. The report should specify funds that have been or are anticipated to be transferred and how the changes will affect services, including the numbers and types of institutional and community placements anticipated to be used for youth in commitment and detention placements.
4. **Department of Human Services, Office of Information Technology Services, Child Care Automated Tracking System; and Division of Child Care, Child Care Assistance Program --** The Department is requested to submit a report, by November 1, 2012, on the impact of the new Child Care Automated Tracking System on counties, providers, and families. The report should include, but need not be limited to, the impacts of the new system on: (1) county and provider administrative activities for the Colorado Child Care Assistance Program (CCCAP); (2) county expenditures for CCCAP; (3) provider revenue from CCCAP; and (4) family access to CCCAP.
5. **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. The Department is further requested to provide an update to this information reflecting year-to-date federal Title IV-E revenue and projected federal Title IV-E revenue and expenditures for the current state fiscal year by January 15 of each year.
6. **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 each of 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 forecast 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 as of the close of the federal fiscal year should be provided to the Joint Budget Committee annually on or before January 1.

7. **Department of Human Services, Totals --** The Department is requested to submit annually, on or before November 1, a report to the Joint Budget Committee concerning federal Child Care Development Funds. The requested report should include the following information related to these funds for state fiscal years 2010-11, 2011-12 and 2012-13 (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.
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, an evaluation of Division placements, community placements, and nonresidential placements. The evaluation should include, but not be limited to, the number of juveniles served, length of stay, and recidivism data per placement.
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, 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.

11. **Department of Human Services, Office of Self Sufficiency, Special Purpose Welfare Programs, Refugee Assistance** -- The Department is requested to submit a report by November 1 of each fiscal year on the size of the Colorado refugee population, the percent that is TANF-eligible, federal funding received from the Department of Health and Human Services, Office of Refugee Resettlement in the most recent actual fiscal year, and federal funding projected to be received in the current and next fiscal year from the Office of Refugee Resettlement.
12. **Department of Human Services, Adult Assistance Programs, 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.
13. **Department of Human Services, Services for People with Disabilities, Community Services for People with Developmental Disabilities, Regional Centers** -- The Department is requested to submit a report to the Joint Budget Committee by October 15, 2012 on the policy options for how Regional Centers are most effective in serving individuals with developmental disabilities and the associated cost analysis of each of the policy options. The report is requested to include: (1) what services are provided at regional centers which can be provided by community providers and the associated cost analysis; (2) what current funding and fiscal policies of the Regional Centers have been reviewed and the outcome; (3) what issues will need to be addressed related to community capacity, transition, and the establishment of a safety net and the associated fiscal impact; (4) how the Department will ensure an integrated health care system is available to those who are transitioned to the community and require specialized health care and the associated cost analysis; (5) whether an individual currently served at a Regional Center is periodically assessed to determine whether they are able to successfully transition into the community, and (6) steps the Department has taken to ensure stakeholders are involved in the discussions about the policy and fiscal options.

DEPARTMENT OF NATURAL RESOURCES

1. **Department of Natural Resources, Executive Director's Office, Integrated Resource Services** -- The Department of Natural Resources is requested to provide a report, by November 1, 2012, 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, 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.
3. **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.

4. **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 include an analysis of lottery funds and Great Outdoors Colorado Board Grants used for operations and capital projects. The report is requested to be submitted by November 1, 2012.

DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT

1. **Department of Public Health and Environment, Water Quality Control Division** -- The Department is requested to submit a report on the Water Quality Control Division. This report is requested to include a summary of the Division's current and anticipated workload levels, including the impact of existing and proposed federal and state program requirements, as well as the associated funding and staffing needs based on the workload levels. This report is requested to include information on the upcoming fiscal year and out-years. The Department is requested to submit this report to the Joint Budget Committee by November 1, 2012.
2. **Department of Public Health and Environment, Air Pollution Control Division** -- The Department is requested to submit a report on the Air Pollution Control Division. This report is requested to include a summary of the Division's current and anticipated workload, including the impact of existing and proposed federal and state program requirements, as well as the associated funding and staffing needs, and the impact of the new resources added in FY 2012-13 on the backlog of permit applications and any additional resources need to completely eliminate the backlog. This report is requested to include information on the upcoming fiscal year and out-years. The Department is requested to submit this report to the Joint Budget Committee by November 1, 2012.
3. **Department of Public Health and Environment, Hazardous Materials and Waste Management Division, Contaminated Site Cleanups and Remediation Programs** -- The Department is requested to submit a report on its CERCLA program. This report is requested to include detailed expenditures for the program, including out-year estimates by project and associated project financing. The report should also include an analysis of long-term funding needs of the State in responding to, litigating, and cleaning up CERCLA sites, including estimated long-term maintenance costs for these sites. The report should also provide information on the Hazardous Substance Response Fund balance and out-year fiscal estimates. The Department is requested to submit this report to the Joint Budget Committee by November 1, 2012.
4. **Department of Public Health and Environment, Water Quality Control Division** -- The Department is requested to submit a report on the National Pollutant Discharge Elimination System pesticide permit program. This report is requested to include a summary of the Water Quality Division's work, in collaboration with the Department of Agriculture, on establishing a pesticide permit. The report is requested to include a description of the permit options explored, funding options, staffing needs, and associated workload numbers for the

upcoming fiscal year and out-years. The Department is requested to submit this report to the Joint Budget Committee by November 1, 2012.

DEPARTMENT OF PUBLIC SAFETY

1. **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.
2. **Department of Public Safety, Division of Criminal Justice, Community Corrections, Community Corrections Placement** -- As part of its FY 2013-14 budget request, the Department is requested to report actual average daily community corrections placements and daily rates for the two most recently completed fiscal years in a format compatible with the community corrections table in the Long Bill footnote for the Division of Criminal Justice, Community Corrections, Community Corrections Placement line item.
3. **Department of Public Safety, Totals** -- The Department is requested to submit to the Joint Budget Committee, on November 1 of each year, a detailed report on the Department's use of HUTF funds, by division and program. Each annual report should include the amount of HUTF spent and the FTE employed for each program in the prior fiscal year, including detail on Colorado State Patrol FTE performing work for other divisions.

DEPARTMENT OF REVENUE

1. **Department of Revenue, Executive Director's Office, Taxation Business Group, Taxation and Compliance Division, Taxpayer Service Division, and Tax Conferee** -- The Department is requested to provide to the Joint Budget Committee, no later than September 30, 2012, a report detailing the amount of additional General Fund revenue realized during the fiscal year ending on June 30, 2012 from the General Assembly's funding of the Department's decision item to address the "conservation easement backlog".
2. **Department of Revenue, Taxation Business Group, Taxation and Compliance Division** -- The Department is requested to provide to the Joint Budget Committee, by September 30, 2012, a report detailing the amount of additional General Fund revenue realized during FY 2011-12 by the General Assembly's funding of 2009 Decision Item #1 - "Out-of-state tax law compliance and enforcement".

DEPARTMENT OF TRANSPORTATION

1. **Department of Transportation, Administration** -- The Department is requested to complete state budget forms for Administration personal services that provide information for each office or section within the Administration line item. This information should be sufficiently detailed to allow calculation for Option 8 purposes. PERA and Medicare should also be provided by the individual section or office. Additionally, the Department should include subtotals for salary and FTE for each of the offices within the Administration line item.

2. **Department of Transportation, Administration** -- The Department is requested to submit, with the November 1, 2012 budget request, decision items for any changes made within the Administration program line item during either FY 2011-12 or FY 2012-13 that the Department wishes to have recognized during the FY 2013-14 figure setting process.

STATE OF COLORADO

REPRESENTATIVES

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Jon Becker
Claire Levy

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STAFF DIRECTOR

John Ziegler

JOINT BUDGET COMMITTEE

200 East 14th Avenue, 3rd Floor
LEGISLATIVE SERVICES BUILDING
Denver, CO 80203
Telephone 303-866-2061
www.state.co.us/gov_dir/leg_dir/jbc/jbchome.htm

April 25, 2012

Hon. Michael L. Bender, Chief Justice of the Colorado Supreme Court
101 West Colfax Avenue, Suite 800
Denver, CO 80202

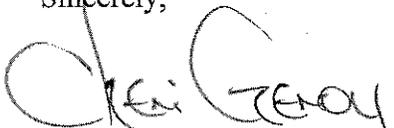
Dear Chief Justice Bender:

The General Assembly is currently finalizing the FY 2012-13 Long Bill. Historically, Long Bill footnotes contained the General Assembly's requests for information. However, pursuant to Section 24-75-112 (2), C.R.S., the Long Bill no longer includes 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.

To assist our staff in organizing and tracking submissions, we would appreciate if the Judicial Department would follow the protocol outlined in an attachment to this letter with respect to submitting hard copies and electronic responses. It is the hope of the Joint Budget Committee that the department will comply with these requests for information to the fullest extent possible.

Please notify us by May 11th if you do not intend to comply with any requests.

Sincerely,


Representative Cheri Gerou
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: Three (3) hard copies 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 responsible for the specified budget area
 - 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 2012-13 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 #7 in the Department of Health Care Policy and Financing would be entitled: **Health Care Policy and Financing FY 2012-13 RFI #7**

REQUESTS AFFECTING MULTIPLE DEPARTMENTS

[Note: numbered requests other than #4 do not affect the Judicial Department]

4. **All Departments, Totals --** Every department is requested to submit to the Joint Budget Committee, by November 1, 2012, information on the number of additional federal and cash funds FTE associated with any federal grants or private donations that were received in FY 2011-12. The Departments are also requested to identify the number of additional federal and cash funds FTE associated with any federal grants or private donations that are anticipated to be received during FY 2012-13.

JUDICIAL DEPARTMENT

1. **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.
2. **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 return to probation as the result of violations.
3. **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

REPRESENTATIVES

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JOINT BUDGET COMMITTEE

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www.state.co.us/gov_dir/leg_dir/jbc/jbchome.htm

April 25, 2012

Hon. John Suthers, Attorney General
Colorado Department of Law
1525 Sherman St.
Denver, CO 80203

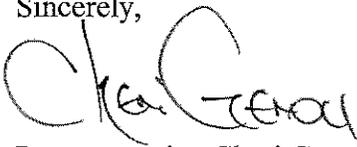
Dear Attorney General Suthers:

The General Assembly is currently finalizing the FY 2012-13 Long Bill. Historically, Long Bill footnotes contained the General Assembly's requests for information. However, pursuant to Section 24-75-112 (2), C.R.S., the Long Bill no longer includes 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.

To assist our staff in organizing and tracking submissions, we would appreciate if the Department of Law would follow the protocol outlined in an attachment to this letter with respect to submitting hard copies and electronic responses. It is the hope of the Joint Budget Committee that the department will comply with these requests for information to the fullest extent possible.

Please notify us by May 11th if you do not intend to comply with any requests.

Sincerely,


Representative Cheri Gerou
Chair

cc:

Hugh Wilson, Director of Administration, Colorado Department of Law
Jon Reitan, Budget Director, Colorado Department of Law
Cynthia Coffman, Deputy Attorney General, Colorado Department of Law
John Ziegler, Joint Budget Committee Staff

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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.

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 - Name of Department
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For example, the attachment providing the response to RFI #7 in the Department of Health Care Policy and Financing would be entitled: **Health Care Policy and Financing FY 2012-13 RFI #7**

REQUESTS AFFECTING MULTIPLE DEPARTMENTS

[Note: numbered requests other than #4 do not affect the Department of Law]

4. **All Departments, Totals** -- Every department is requested to submit to the Joint Budget Committee, by November 1, 2012, information on the number of additional federal and cash funds FTE associated with any federal grants or private donations that were received in FY 2011-12. The Departments are also requested to identify the number of additional federal and cash funds FTE associated with any federal grants or private donations that are anticipated to be received during FY 2012-13.

DEPARTMENT OF LAW

1. **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.

STATE OF COLORADO

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April 25, 2012

Hon. Scott Gessler, Secretary of State
Colorado Secretary of State's Office
1700 Broadway
Denver, CO 80290

Dear Secretary Gessler:

The General Assembly is currently finalizing the FY 2012-13 Long Bill. Historically, Long Bill footnotes contained the General Assembly's requests for information. However, pursuant to Section 24-75-112 (2), C.R.S., the Long Bill no longer includes 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.

To assist our staff in organizing and tracking submissions, we would appreciate if the Department of State would follow the protocol outlined in an attachment to this letter with respect to submitting hard copies and electronic responses. It is the hope of the Joint Budget Committee that the department will comply with these requests for information to the fullest extent possible.

Please notify us by May 11th if you do not intend to comply with any requests.

Sincerely,

A handwritten signature in black ink that reads "Cheri Gerou". The signature is stylized and written in a cursive-like font.

Representative Cheri Gerou
Chair

cc:

Heather Lizotte, Chief Financial Officer, Colorado Secretary of State's Office
John Ziegler, Joint Budget Committee Staff

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REQUESTS AFFECTING MULTIPLE DEPARTMENTS

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DEPARTMENT OF STATE

1. **Department of State, Administration, Personal Services** -- The Department of State is requested to provide to the Joint Budget Committee, as part of the Department's annual budget request, a breakdown of how FTE and funds are distributed amongst the Administration, Elections, and Business sections within the Administration Division.

STATE OF COLORADO

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JOINT BUDGET COMMITTEE
200 East 14th Avenue, 3rd Floor
LEGISLATIVE SERVICES BUILDING
Denver, CO 80203
Telephone 303-866-2061
www.state.co.us/gov_dir/leg_dir/jbc/jbchome.htm

April 25, 2012

Hon. Walker Stapleton, State Treasurer
140 State Capitol
Denver, CO 80203-1792

Dear Treasurer Stapleton:

The General Assembly is currently finalizing the FY 2012-13 Long Bill. Historically, Long Bill footnotes contained the General Assembly's requests for information. However, pursuant to Section 24-75-112 (2), C.R.S., the Long Bill no longer includes 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.

To assist our staff in organizing and tracking submissions, we would appreciate if the Department of Treasury would follow the protocol outlined in an attachment to this letter with respect to submitting hard copies and electronic responses. It is the hope of the Joint Budget Committee that the department will comply with these requests for information to the fullest extent possible.

Please notify us by May 11th if you do not intend to comply with any requests.

Sincerely,

A handwritten signature in black ink that reads "Cheri Gerou".

Representative Cheri Gerou
Chair

cc:

Brett J. Johnson, Deputy Treasurer
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: Three (3) hard copies 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 responsible for the specified budget area
 - 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 2012-13 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 #7 in the Department of Health Care Policy and Financing would be entitled: **Health Care Policy and Financing FY 2012-13 RFI #7**

REQUESTS AFFECTING MULTIPLE DEPARTMENTS

[Note: numbered requests other than #4 do not affect the Department of Treasury]

4. **All Departments, Totals** -- Every department is requested to submit to the Joint Budget Committee, by November 1, 2012, information on the number of additional federal and cash funds FTE associated with any federal grants or private donations that were received in FY 2011-12. The Departments are also requested to identify the number of additional federal and cash funds FTE associated with any federal grants or private donations that are anticipated to be received during FY 2012-13.

DEPARTMENT OF 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 by November 1, 2012.
2. **Department of the Treasury, Special Purpose, CoverColorado** -- Pursuant to Section 10-8-530 (4) (c) (I), C.R.S., the Executive Director of CoverColorado is required to report annually to the Joint Budget Committee concerning actual program receipts and expenditures. In addition, the Department is requested to work with the Executive Director to provide reports to the Joint Budget Committee by October 1, 2012, and by February 1, 2013, that contain enrollment, revenue, expenditure, and assessment projections for the CoverColorado program for FY 2012-13 and FY 2013-14.

J. INFORMATIONAL "(I)" NOTATIONS

Beginning in FY 2012-13, the Long Bill and other legislation indicate when an amount is shown for informational purposes through a new "(I)" notation. As defined in the Long Bill headnotes (Section (2) (I) (I) of H.B. 12-1335):

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. It 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.

The table below summarizes, by department and bill, those appropriations annotated with the "(I)".

Department	Bill	General Fund /1	Cash Funds	Reappropriated Funds	Federal Funds	Total Funds	% of Total Operating Budget (I) Notations /2
FY 2012-13 OPERATING BUDGET "(I)" NOTATIONS							
Agriculture	HB 12-1335	\$0	\$1,019,606	\$0	\$3,887,150	\$4,906,756	0.1%
Corrections	HB 12-1335	0	14,711,917	0	1,014,328	15,726,245	0.3%
Education	HB 12-1335	0	3,510,583	0	628,704,003	632,214,586	10.8%
Governor	HB 12-1335	0	6,707,975	0	16,698,840	23,406,815	
	HB 12-1315	<u>0</u>	<u>3,660,491</u>	<u>0</u>	<u>0</u>	<u>3,660,491</u>	
Subtotal - Gov		0	10,368,466	0	16,698,840	27,067,306	0.5%
Health Care Policy	HB 12-1335	0	10,000,000	0	226,395,675	236,395,675	4.0%
Higher Education	HB 12-1335	0	1,795,716,556	0	19,113,229	1,814,829,785	31.0%
Human Services	HB 12-1335	0	217,894,509	1,330,200	273,375,213	492,599,922	
	HB 12-1326	<u>0</u>	<u>6,695,581</u>	<u>0</u>	<u>0</u>	<u>6,695,581</u>	
Subtotal - Hum		0	224,590,090	1,330,200	273,375,213	499,295,503	8.5%
Judicial	HB 12-1335	0	37,510,000	0	4,425,000	41,935,000	0.7%
Labor	HB 12-1335	0	8,190,763	0	96,976,002	105,166,765	1.8%
Law	HB 12-1335	0	1,102,298	0	39,285	1,141,583	0.0%
Legislature	None	0	0	0	0	0	0.0%
Local Affairs	HB 12-1335	4,294,753	204,508,785	0	117,458,122	326,261,660	5.6%
Military Affairs	HB 12-1335	0	0	0	214,128,024	214,128,024	3.7%
Natural Resources	HB 12-1335	0	24,876,190	0	20,744,426	45,620,616	0.8%
Personnel	HB 12-1335	0	1,278,660	15,833,706	0	17,112,366	0.3%
Public Health	HB 12-1335	0	0	0	222,743,309	222,743,309	3.8%
Public Safety	HB 12-1335	0	0	0	28,065,034	28,065,034	0.5%
Regulatory Agencies	HB 12-1335	0	2,539,591	0	1,314,203	3,853,794	0.1%
Revenue	HB 12-1335	17,700,000	36,204,816	0	824,388	54,729,204	0.9%
State	HB 12-1335	0	349,222	0	0	349,222	0.0%
Transportation	HB 12-1335	0	682,722,471	1,950,552	409,409,045	1,094,082,068	18.7%
Treasury	HB 12-1335	108,500,000	367,236,851	0	0	475,736,851	8.1%
Total "(I)" Notations		\$130,494,753	\$3,426,436,865	\$19,114,458	\$2,285,315,276	\$5,861,361,352	100.0%

Department	Bill	General Fund /1	Cash Funds	Reappropriated Funds	Federal Funds	Total Funds	% of Total Operating Budget (I) Notations /2
FY 2012-13 CAPITAL CONSTRUCTION "(I)" NOTATIONS							
Total "(I)"							
Notations	HB 12-1335	\$0	\$0	\$0	\$11,913,436	\$11,913,436	n/a
GRAND TOTAL "(I)"							
Notations		\$116,200,000	\$3,426,436,865	\$19,114,458	\$2,297,228,712	\$5,873,274,788	n/a

1/ Includes General Fund Exempt.

2/ Total may not sum due to rounding.

The table below reflects operating budget appropriations with "(I)" notations as a percentage of the total state operating budget for FY 2012-13. As shown, informational funds represent 28.5 percent of all operating appropriations, consisting primarily of federal funds and cash funds.

FY 2012-13 Operating Budget Appropriations and Informational "(I)" Notations			
	Operating Budget Appropriations	Informational "(I)" Notation Totals	Informational as Percent of Appropriations
General Fund/General Fund Exempt	\$7,569,462,062	\$130,494,753	1.7%
Cash Funds	6,292,356,225	3,426,436,865	54.5%
Reappropriated Funds	1,522,988,961	19,114,458	1.3%
Federal Funds	<u>5,197,826,303</u>	<u>2,285,315,276</u>	<u>44.0%</u>
Total	\$20,582,633,551	\$5,861,361,352	28.5%

General Fund: As shown in the table, a small portion of General Fund amounts are reflected in the budget solely for informational purposes. This includes amounts in the Departments of Local Affairs, Revenue, and Treasury associated with firefighter and police pension plans, as well as cigarette tax rebate, old age heat and fuel, and property tax assistance grants that are based on state constitutional or statutory provisions and which are therefore not controlled by annual appropriations bills.

Cash Funds: More than half of all cash funds amounts are shown for informational purposes only. The largest components include:

- ▶ Amounts in the Department of Higher Education for student tuition and fees;
- ▶ Amounts in the Department of Transportation that reflect Highway Users Tax Fund allocations determined by the Statewide Transportation Commission rather than the General Assembly based on state constitutional and statutory provisions;
- ▶ Amounts in the Department of Treasury that reflect estimated Highway Users Tax Fund County and Municipality Payments; and
- ▶ Amounts in the Department of Human Services for the local county share for various programs and for Old Age Pension Program constitutionally-authorized payments.

Federal Funds: Based on state Supreme Court decisions, the General Assembly does not have the authority to appropriate federal funds, with limited exceptions. However, some federal fund sources require matching expenditures to draw down federal dollars. Many such amounts, including the vast majority of federal funds that support the Medicaid and Children's Basic Health Plan programs in the Department of Health Care Policy and Financing, are subject to the "(M)" or "(H)" notations, which require a *reduction* in General Fund or cash funds spending authority in a line item when federal funding increases or decreases. While federal funds in line items with the "(M)" and "(H)" notations are not appropriations, the associated adjustments to General Fund and cash funds spending authority represent a level of General Assembly control over total related expenditures. These amounts are therefore not annotated with the "(I)".

In sum, the "(I)" notation applies to **all** federal funds shown in appropriation bills *except*:

- ▶ Approximately \$250 million of funding from the Social Services (Title XX) Block Grant, Maternal and Child Health Block Grant, Temporary Assistance for Needy Families Block Grant, and Child Care Development Funds that are subject to appropriation by the General Assembly based on federal law and state Supreme Court decisions; and
- ▶ Over \$2.5 billion in federal funds annotated with the "(M)" notation or the "(H)" notation.

INDEX OF APPROPRIATIONS, BY SUBJECT

<u>DIVISION / UNIT / PROGRAM</u>	<u>DEPARTMENT</u>	<u>PAGE</u>
Accounts and Control - Controller, Division of	Personnel	422
Adams State University (formerly Adams State College; Governing Boards)	Higher Education	195
Administrative Courts	Personnel	424
Administrative Review Unit	Human Services	230
Adult Assistance Programs	Human Services	266
Agricultural Markets Division	Agriculture	32
Agricultural Products Inspection	Agriculture	32
Agricultural Services Division	Agriculture	30
Aid to the Needy Disabled	Human Services	221
Air National Guard	Military and Veterans Affairs	378
Air Pollution Control Division	Public Health and Environment	406
Alcohol and Drug Abuse Division	Human Services	249
Alternate Defense Counsel, Office of the	Judicial	283
Animal Industry	Agriculture	30
Area Agencies on Aging	Human Services	269
Area Vocational Schools	Higher Education	201
Army National Guard	Military and Veterans Affairs	374
Assessment Appeals, Board of	Local Affairs	362
Attorney General	Law	331
Auraria Higher Education Center	Higher Education	202
Banking, Division of	Regulatory Agencies	460
Bioscience Discovery Evaluation Program	Governor - Lt. Governor	123
Brand Board	Agriculture	33
Bridge Enterprise, Statewide	Transportation	532
Business Filings	State	513
Cancer, Cardiovascular and Pulmonary Disease Grant Program	Public Health and Environment	418
Canteen Operation	Corrections	64
Capital Construction Assistance, Division of Public School (Assistance to Public Schools)	Education	85
Capital Construction Projects	Capital Construction	587
Categorical Programs (Assistance to Public Schools)	Education	92
Center for Health and Environmental Information	Public Health and Environment	402
Central Services	Personnel	420
Child Care Assistance Program, Colorado	Human Services	219
Child Care, Division of	Human Services	240
Child Support Enforcement	Human Services	241
Child Welfare, Division of	Human Services	237
Children's Basic Health Plan	Health Care Policy and Financing	138
Child's Representative, Office of the	Judicial	284
Cigarette Tax Rebate (Taxation Business Group)	Revenue	493
Civil Air Patrol	Military and Veterans Affairs	374
Civil Rights Division	Regulatory Agencies	461
Clean Energy	Governor - Lt. Governor	112
College Opportunity Fund Program	Higher Education	183
Colorado Benefits Management System (CBMS)	Governor - Lt. Governor	114
Colorado Bureau of Investigation (CBI)	Public Safety	444
Colorado Commission on Higher Education (CCHE)	Higher Education	189
Colorado Mesa University (formerly Mesa State College; Governing Boards)	Higher Education	195
Colorado School of Mines (Governing Boards)	Higher Education	195
Colorado State Patrol	Public Safety	437
Colorado State Titling and Registration System (CSTARS)	Revenue	490
Colorado State University System (Governing Boards)	Higher Education	195
Colorado State Veterans Trust Fund	Military and Veterans Affairs	372

INDEX OF APPROPRIATIONS, BY SUBJECT

<u>DIVISION / UNIT / PROGRAM</u>	<u>DEPARTMENT</u>	<u>PAGE</u>
Colorado Student Assessment Program or CSAP (Management and Administration)	Education	83
Colorado Vocational Act (Division of Occupational Education)	Higher Education	201
Colorado Water Conservation Board	Natural Resources	401
Colorado Works Program	Human Services	241
Commission on Family Medicine Residency and Training Programs	Health Care Policy and Financing	166
Community Colleges and Occupational Education State System Colleges, State Board for (Governing Boards)	Higher Education	195
Community Corrections	Public Safety	430
Community Services	Corrections	59
Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) Litigation (Water and Natural Resources)	Law	337
Conservation Board	Agriculture	37
Conservation Trust Fund (Division of Local Governments)	Local Affairs	364
Construction, Maintenance and Operations	Transportation	529
Consumer Counsel, Office of (OCC)	Regulatory Agencies	462
Consumer Protection	Law	339
Consumer Protection	Public Health and Environment	413
Controlled Maintenance Projects	Capital Construction	587
Co-occurring Behavioral Health Services	Human Services	256
Correctional Industries	Corrections	63
Council on Creative Industries	Governor - Lt. Governor	130
County Administration	Human Services	223
County Courts (Trial Courts)	Judicial	296
Court of Appeals (Supreme Court/ Court of Appeals)	Judicial	288
Courts Administration	Judicial	290
CoverColorado	Treasury	538
Criminal Justice and Appellate	Law	327
Criminal Justice, Division of	Public Safety	442
Demography Office, State (Division of Local Governments)	Local Affairs	364
Developmental Disabilities, Community Services for People with	Human Services	257
Disabilities, Services for People with	Human Services	257
Disability Determination Services	Human Services	248
Disease Control and Environmental Epidemiology Division	Public Health and Environment	415
District Attorney Mandated Costs (Trial Courts)	Judicial	296
District Attorney Salaries (Special Purpose)	Law	340
District Courts (Trial Courts)	Judicial	296
Driver and Vehicle Services	Revenue	477
Drunk Driving Offenders Account, First Time	Transportation	531
Early Intervention Services	Human Services	258
Economic Development Programs	Governor - Lt. Governor	113
Elderly, Community Services for the	Human Services	269
Elections	State	513
Electronic Benefits Transfer Service (EBTS)	Human Services	245
Emergency Management, Division of	Local Affairs	367
Emergency Medical Services	Public Health and Environment	421
Emergency Preparedness and Response Division	Public Health and Environment	422
Employment and Training, Division of	Labor and Employment	315
Energy Office, Colorado	Governor - Lt. Governor	117
Enforcement Business Group	Revenue	499
Facility Schools Unit and Board (Assistance to Public Schools)	Education	85
Film, Television, and Media, Office of	Governor - Lt. Governor	122
Financial Aid, Colorado Commission on Higher Education	Higher Education	191
Financial Services, Division of	Regulatory Agencies	463
Fire and Police Pension Association (FPPA) - "Old Hire" Pension Plans	Treasury	537

INDEX OF APPROPRIATIONS, BY SUBJECT

<u>DIVISION / UNIT / PROGRAM</u>	<u>DEPARTMENT</u>	<u>PAGE</u>
Fire Prevention and Control, Division of	Public Safety	441
Food Distribution Program	Human Services	245
Food Stamps (Supplemental Nutrition Assistance Program in County Administration)	Human Services	236
Fort Lewis College (Governing Boards)	Higher Education	195
Gaming Impact Grants (Division of Local Governments)	Local Affairs	364
General Assembly	Legislative Branch	349
Geological Survey	Natural Resources	395
Governing Boards	Higher Education	195
Governor, Office of the	Governor - Lt. Governor	117
Hazardous Materials and Waste Management Division	Public Health and Environment	410
Health Facilities and Emergency Medical Services Division	Public Health and Environment	421
Health Statistics and Vital Records	Public Health and Environment	402
Help America Vote Act (HAVA)	State	510
High Performance Transportation Enterprise	Transportation	530
Highway Users Tax Fund (HUTF) Payments to Counties and Municipalities	Treasury	539
HIV/AIDS Prevention and Treatment	Public Health and Environment	415
Homelake Domiciliary	Human Services	257
Homeland Security and Emergency Management, Division of	Public Safety	446
Homeland Security, Office of	Governor - Lt. Governor	117
Housing, Division of	Local Affairs	363
Human Resources, Division of	Personnel	416
Ignition Interlock Subsidy Program	Revenue	478
Immunizations	Public Health and Environment	415
Independent Ethics Commission	Judicial	305
Indian Affairs, Commission on	Governor - Lt. Governor	120
Indigent Care Program	Health Care Policy and Financing	137
Information Technology Consolidation	Governor - Lt. Governor	113
Information Technology, Office of	Governor - Lt. Governor	124
Inmate Programs	Corrections	57
Inspection and Consumer Services	Agriculture	29
Institutions	Corrections	51
Insurance, Division of	Regulatory Agencies	463
International Trade, Economic Development and	Governor - Lt. Governor	113
Joint Budget Committee	Legislative Branch	352
Juvenile Parole Board	Human Services	230
Labor Market Information	Labor and Employment	315
Labor, Division of	Labor and Employment	319
Laboratory Services	Public Health and Environment	404
Legal Services to State Agencies	Law	326
Legal Services, Committee on	Legislative Branch	354
Legislative Council	Legislative Branch	353
Library Programs	Education	96
Lieutenant Governor, Office of the	Governor - Lt. Governor	120
Limited Gaming Division	Revenue	479
Liquor Enforcement	Revenue	480
Local District Junior College Grants	Higher Education	200
Local Governments, Division of	Local Affairs	364
Local Public Health Planning and Support	Public Health and Environment	399
Low-income Energy Assistance Program (LEAP)	Human Services	241
Low-income Telephone Assistance Program	Human Services	245
Medicaid (Medical Services Premiums)	Health Care Policy and Financing	148
Medicaid Fraud (Criminal Justice and Appellate)	Law	327
Medicaid Mental Health Community Programs	Health Care Policy and Financing	156

INDEX OF APPROPRIATIONS, BY SUBJECT

<u>DIVISION / UNIT / PROGRAM</u>	<u>DEPARTMENT</u>	<u>PAGE</u>
Medical Marijuana Registry	Public Health and Environment	402
Medical Marijuana State Licensing Authority	Revenue	499
Medical Services Premiums	Health Care Policy and Financing	134
Medicare Modernization Act State Contribution Payment (Other Medical Services)	Health Care Policy and Financing	164
Mental Health Community Programs	Human Services	252
Mental Health Institutes	Human Services	253
Metropolitan State University of Denver (formerly Metropolitan State College of Denver; Governing Boards)	Higher Education	195
Mineral and Energy Impact Grants (Division of Local Governments)	Local Affairs	364
Mineral Audit Program	Revenue	493
Motor Carrier Services Division	Revenue	497
Motor Vehicle Dealer Licensing Board	Revenue	481
Motor Vehicles, Division of	Revenue	495
National Guard Tuition Assistance	Military and Veterans Affairs	374
Nurse Home Visitor Program	Public Health and Environment	418
Nursing Homes, State and Veterans	Human Services	257
Occupational Education, Division of	Higher Education	201
Oil and Gas Conservation Commission	Natural Resources	396
Oil and Public Safety, Division of	Labor and Employment	320
Old Age Heat and Fuel and Property Tax Assistance Grant	Revenue	493
Old Age Pension Health and Medical Program	Health Care Policy and Financing	164
Old Age Pension Program	Human Services	266
On-line Learning, Division of (Management and Administration)	Education	83
Parks and Outdoor Recreation (Division of Parks and Wildlife)	Natural Resources	399
Parole Board	Corrections	61
Peace Officers Standards and Training (P.O.S.T.) Board (Criminal Justice and	Law	327
Personnel Board, State	Personnel	418
Plant Industry	Agriculture	30
Preparedness, Security, and Fire Safety, Office of	Public Safety	439
Prevention Services Division	Public Health and Environment	417
Private prisons (External Capacity Subprogram)	Corrections	48
Probation and Related Services	Judicial	284
Property Taxation, Division of	Local Affairs	362
Public School Finance (Assistance to Public Schools)	Education	85
Public School Health Services (Other Medical Services)	Health Care Policy and Financing	164
Public Utilities Commission (PUC)	Regulatory Agencies	465
Racing Events, Division of	Revenue	481
Radiation Management Program	Public Health and Environment	411
Ralph L. Carr Colorado Judicial Center (Courts Administration)	Judicial	290
Real Estate, Division of	Regulatory Agencies	466
Reclamation, Mining, and Safety, Division of	Natural Resources	393
Regional Centers for People with Developmental Disabilities	Human Services	257
Registrations, Division of	Regulatory Agencies	468
Safe2Tell (Criminal Justice and Appellate)	Law	327
School for the Deaf and the Blind	Education	98
Secretary of State	State	509
Securities, Division of	Regulatory Agencies	469
Self Sufficiency, Office of	Human Services	241
Senior Citizen and Disabled Veteran Property Tax Exemption	Treasury	536
Special Education for Children With Disabilities (Categorical Programs)	Education	79
State Architect, Office of the	Personnel	414
State Auditor	Legislative Branch	351
State Board of Education (Mgmt. and Admin.)	Education	83
State Board of Equalization	Local Affairs	362

INDEX OF APPROPRIATIONS, BY SUBJECT

<u>DIVISION / UNIT / PROGRAM</u>	<u>DEPARTMENT</u>	<u>PAGE</u>
State Board of Land Commissioners	Natural Resources	397
State Charter School Institute (Mgmt. and Admin.)	Education	83
State Employees Assistance Program	Personnel	414
State Fair, Colorado	Agriculture	36
State Historical Society	Higher Education	203
State Lottery Division	Revenue	500
State Planning and Budgeting, Office of (OSPB)	Governor - Lt. Governor	121
State Public Defender, Office of the	Judicial	301
State Treasurer	Treasury	535
Suicide Prevention	Public Health and Environment	418
Supplemental Nutrition Assistance Program (County Administration)	Human Services	236
Supreme Court (Supreme Court/ Court of Appeals)	Judicial	288
Taxation Business Group	Revenue	492
Teacher/ Educator Licensure (Mgmt. and Admin.)	Education	83
Temporary Assistance for Needy Families (TANF; Colorado Works)	Human Services	211
Tobacco Cessation, Education and Prevention Program	Public Health and Environment	418
Tobacco Enforcement	Revenue	480
Tobacco Funding	Public Health and Environment	394
Tony Gramscas Youth Services Program	Public Health and Environment	418
Tourism Office, Colorado	Governor - Lt. Governor	122
Trial Courts	Judicial	296
Tuberculosis Control	Public Health and Environment	415
Unclaimed Property Program	Treasury	543
Unemployment Insurance Programs	Labor and Employment	315
University of Colorado (Governing Boards)	Higher Education	195
University of Northern Colorado (Governing Boards)	Higher Education	195
Uranium Mill Tailings Remedial Action (UMTRA) Program	Public Health and Environment	411
Vehicle Emissions	Revenue	478
Vehicle Titles	Revenue	478
Veterans Affairs, Division of	Military and Veterans Affairs	376
Veterans Nursing Homes	Human Services	257
Vocational Education	Higher Education	201
Vocational Rehabilitation, Division of	Human Services	257
Volunteer Firefighter Retirement and Insurance (Division of Local Governments)	Local Affairs	364
Water and Natural Resources	Law	337
Water Courts (Trial Courts)	Judicial	296
Water Quality Control Division	Public Health and Environment	408
Water Resources Division	Natural Resources	402
Western Slope Veterans Cemetery	Military and Veterans Affairs	376
Western State College (Governing Boards)	Higher Education	195
Wildlife (Division of Parks and Wildlife)	Natural Resources	399
Women's Health - Family Planning	Public Health and Environment	418
Work Therapy Program	Human Services	257
Workers' Compensation, Division of	Labor and Employment	322
Youth Corrections, Division of (DYC)	Human Services	271
Youthful Offender System (YOS)	Corrections	51