

# JOINT BUDGET COMMITTEE

## APPROPRIATIONS REPORT FISCAL YEAR 2018-19



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# INTRODUCTION

This report is produced to assist members of the General Assembly, state personnel, and other interested parties in understanding state funding decisions made during the 2018 Regular Legislative Session. This report provides an overview of state revenues and expenditures, comparative and historical information regarding appropriations made during the 2018 Regular Session, and a detailed explanation of major funding changes for each state department. The FY 2018-19 Appropriations Report includes:

## PART I: OVERVIEW

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

## PART II: DEPARTMENT SUMMARIES

This section contains a summary of operating appropriations for each department for FY 2015-16 through FY 2018-19 and highlights the major appropriation changes from FY 2017-18 to FY 2018-19. This section also summarizes factors driving the budget for each state department and for capital construction projects.

## PART III: DEPARTMENT DETAILS

Detailed information regarding funding for the operations of each state department and for capital construction projects can be found in this section. The subsection for each department summarizes funding and FTE authorizations for FY 2017-18 and FY 2018-19. The format reflects appropriations by bill and by division or program area. Narrative sections describe major changes in funding from FY 2017-18 to FY 2018-19, fund sources for each division, and division responsibilities. This section also includes brief summaries of bills adopted during the 2017 and 2018 Regular Sessions that contained an appropriation, affected state revenues, or implemented a major policy change.

The footnotes to the 2018 Long Bill (H.B. 18-1322) can be found at the end of each departmental section in the 2018 Session Laws, or they can be accessed via the internet at the following address:

<https://leg.colorado.gov/bills/HB18-1322>

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

<https://leg.colorado.gov/content/budget>

## APPENDICES AND INDEX

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



# PART I

## OVERVIEW





# A: OVERVIEW OF GENERAL FUND REVENUES AND EXPENDITURES

## 1. GENERAL FUND OVERVIEW

This section provides an overview of General Fund revenues and expenditures based on the Office of State Planning and Budgeting March 2018 revenue estimate, which was used as the basis for making adjustments to the FY 2017-18 budget and preparing the FY 2018-19 budget.

### SUMMARY OF MAJOR ACTIONS TAKEN REGARDING THE GENERAL FUND BUDGET

The following is a summary of the major actions that occurred during the 2018 Regular Legislative Session that impacted the General Fund budget.

**GENERAL FUND REVENUE PROJECTIONS:** The General Assembly used the Office of State Planning and Budgeting (OSPB) March 2018 revenue estimates when making final adjustments to the FY 2017-18 budget and preparing the FY 2018-19 budget during the 2018 Session. The OSPB March 2018 projections were approximately \$535.2 million higher for FY 2017-18 than the Legislative Council Staff projections that were used during the 2017 Session to prepare the FY 2017-18 budget.

**STATUTORY CHANGES THAT IMPACTED GENERAL FUND REVENUE:** Table 1 contains a list of bills that were passed during the 2018 Session after the March forecast that had a significant impact on the amount of available General Fund revenue. Table 1 also includes an accounting action that reflects the receipt of settlement money from the Tobacco Master Settlement Agreement. See Appendix I for more information regarding the Tobacco Master Settlement Agreement.

TABLE 1

#### ACTIONS THAT IMPACTED THE AMOUNT OF AVAILABLE GENERAL FUND REVENUE (\$ IN MILLIONS)

BILLS PASSED DURING THE 2018 SESSION:		FY 2017-18	FY 2018-19
<i>Changes to General Fund Revenues:</i>			
S.B. 18-200	Modifications To PERA To Eliminate Unfunded Liability	(\$2.1)	(\$4.3)
H.B. 18-1060	Income Tax Deduction For Military Retirement Benefits	0.0	(1.1)
H.B. 18-1208	Expand Child Care Expenses Income Tax Credit	0.0	(1.9)
Accounting Action	Receipt of Tobacco Master Settlement Payment	<u>113.3</u>	<u>0.0</u>
	Total Changes to General Fund Revenues	<b>\$111.2</b>	<b>(\$7.3)</b>
<i>Transfers from the General Fund:</i>			
S.B. 18-001	Transportation Infrastructure Funding	\$0.0	(\$495.0)
S.B. 18-280	Tobacco Litigation Settlement Cash Fund Transfer	0.0	(19.7)
H.B. 18-1171	School Finance Mid-year Adjustments	(30.7)	0.0
H.B. 18-1323	Pay For Success Contracts Pilot Program Funding	0.0	(0.4)
H.B. 18-1338	Measures To Address Reduced Severance Tax Revenue	<u>(3.6)</u>	<u>(1.3)</u>
	Total Transfers from the General Fund	<b>(\$34.3)</b>	<b>(\$516.4)</b>

**APPROPRIATIONS:** The major changes in appropriations for FY 2017-18 and FY 2018-19 are explained in Part II and Part III of this document. Part II contains an overview at the department level of FY 2017-18 and FY 2018-19 appropriations and the general factors driving the budget. Part III provides detailed appropriations by division and by bill for each department for FY 2017-18 and FY 2018-19.

**STATUTORY RESERVE:** The statutory General Fund reserve requirement is 6.50 percent for FY 2017-18 and 7.25 percent for FY 2018-19.

## FY 2017-18 AND FY 2018-19 GENERAL FUND OVERVIEW

Table 2 provides an overview of General Fund revenues, spending obligations, and ending reserves for both FY 2017-18 and FY 2018-19. Please note that some of these amounts will change in the future with revised revenue forecasts and/or actions of the General Assembly. A description of each item follows the table.

TABLE 2 GENERAL FUND OVERVIEW (\$ IN MILLIONS)			
DESCRIPTION		FY 2017-18	FY 2018-19
<b><u>GENERAL FUND AVAILABLE:</u></b>			
Beginning General Fund Reserve		\$614.8	\$1,267.9
General Fund Nonexempt Revenues		9,193.3	9,644.3
General Fund Exempt Revenues		2,406.7	2,324.0
Transfers from Other Funds - Existing Law Prior to March 2018 Forecast		90.6	19.9
Changes to General Fund Revenue - Bills Passed during 2018 Session after March Forecast		<u>111.2</u>	<u>(7.3)</u>
<b>TOTAL GENERAL FUND AVAILABLE</b>		<b>\$12,416.6</b>	<b>\$13,248.8</b>
<b><u>GENERAL FUND OBLIGATIONS:</u></b>			
General Fund Appropriations (excluding rebates and expenditures)		\$10,430.9	\$11,217.7
Estimated TABOR Refund Pursuant to Section 20 (7)(d) of Article X of the State Constitution		0.0	0.0
Rebates and Expenditures		142.1	149.1
Senior Citizen and Disabled Veteran Property Tax Exemption		139.1	153.1
Transfer to Highway Users Tax Fund pursuant to Section 24-75-219, C.R.S.		79.0	0.0
Transfer to the Capital Construction Fund		112.1	180.4
Transfer to the State Education Fund pursuant to Section 24-75-220 (3)(b), C.R.S.		25.3	25.0
Transfers to Other Funds - Existing Law Prior to March 2018 Forecast		185.9	164.1
Transfers to Other Funds - Bills Passed During 2018 Session after March 2018 Forecast		<u>34.3</u>	<u>516.4</u>
<b>TOTAL GENERAL FUND OBLIGATIONS</b>		<b>\$11,148.7</b>	<b>\$12,405.8</b>
<b>YEAR END GENERAL FUND RESERVE (Available Funds Less Obligations)</b>		<b>\$1,267.9</b>	<b>\$843.0</b>
<b><u>General Fund Reserve Information</u></b>			
<b>STATUTORY RESERVE REQUIREMENT</b>		<b>\$674.9</b>	<b>\$813.3</b>
<b>GENERAL FUND RESERVE IN EXCESS OF THE STATUTORY REQUIREMENT</b>		<b>\$593.0</b>	<b>\$29.7</b>

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

**GENERAL FUND NONEXEMPT AND EXEMPT REVENUES:** These figures represent estimates of the total General Fund revenues as reflected in the March 2018 OSPB revenue estimate. The major components of state General Fund revenues include individual and corporate income, sales and use, insurance, liquor, and cigarette taxes. General Fund revenues must be applied to statutory obligations before the General Assembly can appropriate the remaining General Fund. These obligations include rebates and expenditures and the capital construction transfer (described below).

As a result of the passage of Referendum C in November 2005, the State is permitted to retain excess revenues that otherwise would have been refunded under the Taxpayer's Bill of Rights (TABOR). General Fund Exempt Revenues represent the estimate of those retained amounts as reflected in the March 2018 OSPB revenue estimate.

Please see the section titled “2. Statutory and Constitutional Restrictions” in this Part I-A for a more detailed overview of TABOR and Referendum C. In addition, Appendix D details General Fund Exempt appropriations for FY 2017-18 and FY 2018-19.

**TRANSFERS FROM OTHER FUNDS - EXISTING LAW PRIOR TO MARCH 2018 FORECAST:** This line reflects money transferred to the General Fund from various other funds based on existing statutes that were enacted before the March 2018 forecast was published.

**CHANGES TO GENERAL FUND REVENUE - BILLS PASSED DURING 2018 SESSION AFTER MARCH FORECAST:** This line identifies the impact of statutory changes and transfers of available General Fund revenues that were authorized after the March 2018 forecast was published. Table 1 in this section provides a list of these bills, and these bills are described at the end of each relevant department in Part III.

**GENERAL FUND APPROPRIATIONS (EXCLUDING REBATES AND EXPENDITURES):** These figures represent the total appropriations made in the annual appropriation bill (referred to as the Long Bill) and in any separate bills. These amounts exclude General Fund appropriations related to “rebates and expenditures”, which are described below and are not subject to the statutory restriction on General Fund appropriations. See Appendix D for details concerning General Fund appropriations for FY 2017-18 and FY 2018-19 that are excluded from these figures.

**ESTIMATED TABOR REFUND PURSUANT TO SECTION 20 (7)(d) OF ARTICLE X OF THE STATE CONSTITUTION:** These amounts represent the estimated refund that will result pursuant to TABOR because state revenues are estimated to exceed the amount permitted to be retained under the State Constitution. However, as reflected in the March 2018 OSPB revenue estimate, the state revenues are not expected to exceed the amount permitted to be retained in either FY 2017-18 or FY 2018-19. Please note these amounts may change based on actual revenue collections.

**REBATES AND EXPENDITURES:** The quarterly revenue forecasts prepared by the Legislative Council Staff (LCS) and the OSPB include dollar amounts referred to as "rebates and expenditures". These amounts reflect various expenditures or diversions of funds from the General Fund which are exempt from or are not subject to the statutory restriction on General Fund appropriations. Some of these items are not reflected in General Fund appropriations, and the amounts that are reflected in General Fund appropriations are not routinely adjusted to reflect changes in projected expenditures or diversions. Appendix D provides more detail concerning rebates and expenditures, including the associated appropriations for FY 2017-18 and FY 2018-19. For purposes of making final adjustments to the FY 2017-18 budget and preparing the FY 2018-19 budget, the General Assembly used the projections of rebates and expenditures that are included in the OSPB March 2018 revenue estimate. Table 3 lists these amounts.

TABLE 3 REBATES AND EXPENDITURES (\$ IN MILLIONS)		
DESCRIPTION	FY 2017-18	FY 2018-19
Sales and use taxes credited to the Old Age Pension Fund	\$101.6	\$106.2
Cigarette tax rebates to local governments	8.0	7.5
Old Age Heat and Fuel and Property Tax Assistance Grants	5.7	5.6
Retail marijuana sales tax distributions to local governments	17.8	20.3
Fire and police pension payments for local governments	4.3	4.3
Earnings related to cash flow loans to school districts	3.9	4.4
General Fund appropriations related to tobacco tax revenues	0.8	0.8
<b>TOTAL</b>	<b>\$142.1</b>	<b>\$149.1</b>

**SENIOR CITIZEN AND DISABLED VETERAN PROPERTY TAX EXEMPTION:** In 2000, Colorado voters approved a constitutional amendment that reduces property taxes for qualifying senior citizens. The property tax reduction, or

"homestead exemption", is available to senior citizens 65 years of age or older who have owned and lived in their home for at least ten years. In 2006, Colorado voters approved a constitutional amendment extending the homestead exemption to honorably discharged veterans who are 100 percent disabled as a result of a service-connected disability. The cost of the exemption is borne by the State rather than by local governments or other property owners. The amounts shown for FY 2017-18 and FY 2018-19 represent estimated state expenditures as reflected in the March 2018 OSPB revenue estimate (see Appendix D for additional information on related appropriations).

**TRANSFERS TO HIGHWAY USERS TAX FUND PURSUANT TO SECTION 24-75-219, C.R.S.:** Section 24-75-219, C.R.S., requires a transfer from the General Fund to the Highway Users Tax Fund in 2017-18.

**TRANSFERS TO THE CAPITAL CONSTRUCTION FUND:** Sections 24-75-219 and 24-75-302 (2), C.R.S., provide for transfers from the General Fund to the Capital Construction Fund. These transfers are not subject to the statutory restriction on General Fund appropriations. The General Assembly may change the amount of the annual transfer when necessary.

**TRANSFER TO THE STATE EDUCATION FUND PURSUANT TO SECTION 24-75-220 (3)(b), C.R.S.:** Senate Bill 13-234 required the State Treasurer to transfer \$45.3 million from the General Fund to the State Education Fund on April 30, 2014. The bill further directed the State Treasurer to transfer \$25.3 million from the General Fund to the State Education Fund on April 30 of each year from 2015 through 2018. Finally, on April 30, 2019, the State Treasurer is directed to transfer \$25.0 million from the General Fund to the State Education Fund.

**TRANSFERS TO OTHER FUNDS - EXISTING LAW PRIOR TO MARCH 2018 FORECAST:** These amounts reflect money that will be transferred from the General Fund to various other funds based on existing statutes that were signed into law prior to the March 2018 revenue forecast.

**TRANSFERS TO OTHER FUNDS - BILLS PASSED DURING 2018 SESSION AFTER MARCH 2018 FORECAST:** This line identifies statutory transfers of General Fund to various other funds that were enacted after the March 2018 forecast. Table 1 in this section also provides a list of these bills, and these bills are described at the end of each relevant department in Part III of this report.

**YEAR END GENERAL FUND RESERVE (AVAILABLE FUNDS LESS OBLIGATIONS):** These figures represent the amount of General Fund in reserve after the transfers and other obligations described above have occurred. The ending General Fund reserve for one fiscal year becomes the beginning General Fund reserve for the next fiscal year.

**STATUTORY RESERVE REQUIREMENT:** Section 24-75-201.1 (1)(d)(XIV), C.R.S., requires a reserve of 6.5 percent of General Fund appropriations for FY 2017-18 and FY 2018-19. Senate Bill 18-276 (Increase General Fund Reserve) increases the required General Fund reserve to 7.25 percent for FY 2018-19 and beyond. Senate Bill 18-276 also made changes to require certain capital lease purchases that had previously not been subject to the statutory reserve to now be considered as part of the base for the calculation of the statutory reserve. Table 4 provides the calculations for the statutory reserve.

TABLE 4  
CALCULATION OF STATUTORY RESERVE (\$ IN MILLIONS)

	FY 2017-18	FY 2018-19
Adjusted General Fund Appropriation Base	\$10,430.9	\$11,217.7
<i>Exceptions to Calculation of Statutory Reserve pursuant to Section 24-75-201.1 (2)(b), C.R.S.:</i>		
Department of Corrections - Capital Lease Purchase Payments	\$20.3	n/a
Department of Higher Education - Lease Purchase of Academic Facilities at Anschutz Medical Campus	5.5	n/a
Department of Higher Education - Lease Purchase of Academic Facilities	16.1	n/a
Judicial Department - Ralph L. Carr Colorado Judicial Center - Debt Service Payments	4.7	n/a
Department of Public Safety - Certificate of Participation for Labs	<u>1.6</u>	<u>n/a</u>
<i>Subtotal - Exceptions to Calculation of Reserve</i>	\$48.2	n/a
General Fund Appropriation Base for Calculation of Reserve	\$10,382.7	\$11,217.7
Percent Reserve Required pursuant to Section 24-75-201.1 (1)(d), C.R.S.	<u>6.50%</u>	<u>7.25%</u>
Required Statutory Reserve	\$674.9	\$813.3

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

## 2. STATUTORY AND CONSTITUTIONAL RESTRICTIONS

### STATUTORY RESTRICTION ON APPROPRIATIONS

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

Table 5 shows the calculation of statutorily allowable General Fund appropriations for FY 2018-19. 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 2018-19, and the difference between General Fund appropriations and the restriction for FY 2018-19.

TABLE 5 STATUTORY RESTRICTION ON GENERAL FUND APPROPRIATIONS (\$ IN MILLIONS)	
Calendar Year 2016 Colorado Personal Income (base as defined in Statute)	\$288,100.0
Multiplied by 5.0 Percent	<u>5.0%</u>
FY 2018-19 General Fund Appropriations Restriction	\$14,405.0
FY 2018-19 General Fund Appropriations	\$11,419.8
Less: General Fund Appropriations Exempt From/ Not Subject to Statutory Restriction	<u>(202.1)</u>
FY 2018-19 General Fund Appropriations Subject to Restriction	\$11,217.7
Over/(Under) FY 2018-19 General Fund Appropriations Restriction	(\$3,187.3)

### CONSTITUTIONAL RESTRICTIONS

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

TABOR has several key provisions that impact the state budget:

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

In order to comply with the limits contained in TABOR, several calculations are necessary. Because this provision makes no distinction between General Fund and cash fund revenues collected by the State, it is necessary to make forecasts of revenues for all the separate cash funds as well as the General Fund. The sum of estimated General

Fund and cash fund revenues is then increased by the estimated changes in inflation and population to project the allowable increase in state fiscal year spending.

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

- For FY 2005-06 through FY 2009-10, this measure authorized the State to retain and spend all state revenues in excess of the limitation on state fiscal year spending.
- For FY 2010-11 and each succeeding fiscal year, this measure authorizes the State to retain and spend all state revenues in excess of the limitation on state fiscal year spending, but less than a newly defined "excess state revenues" cap for the given fiscal year. The excess state 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 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 money in the Account would be appropriated or transferred to fund:

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

The measure clarified that the statutory restriction on General Fund appropriations and associated exceptions or exclusions applies to money 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.

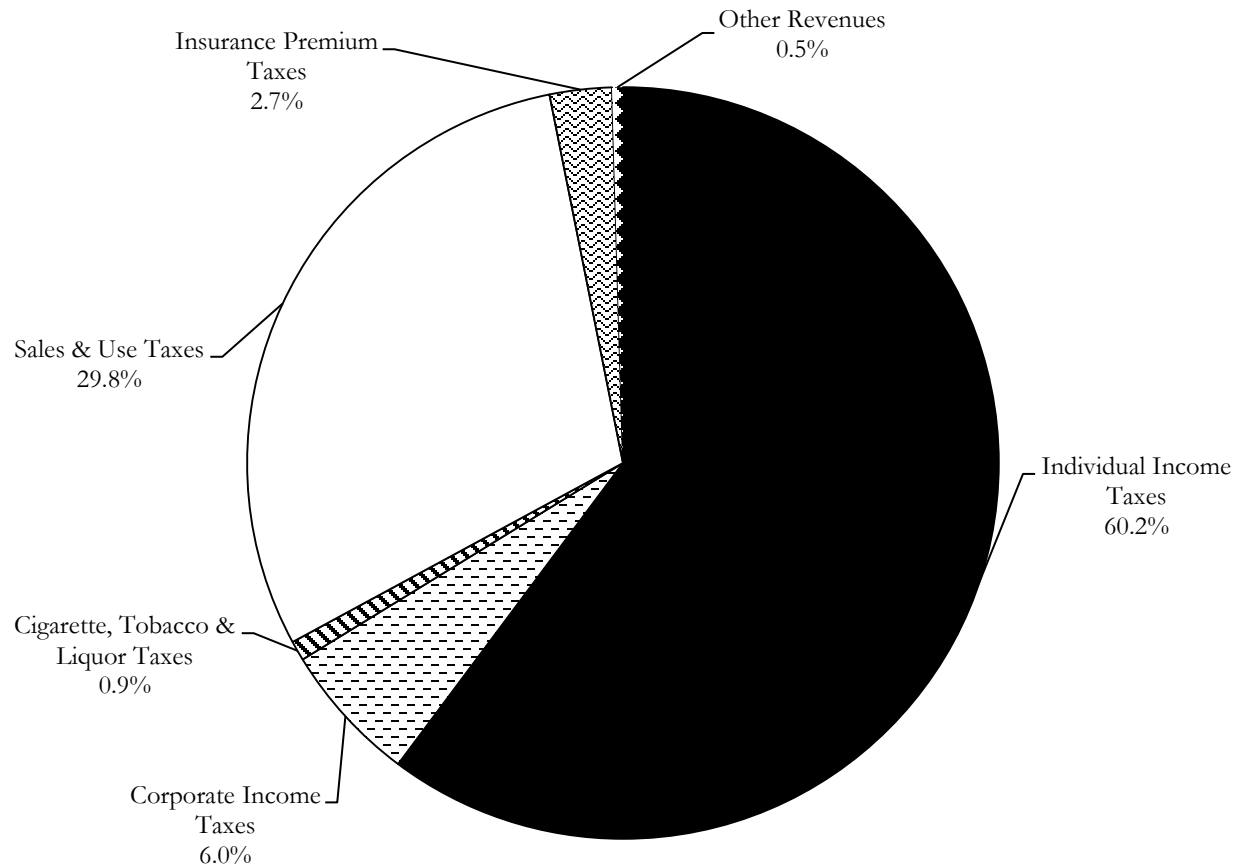
Table 6 summarizes the General Fund Exempt Account appropriations made in compliance with Referendum C (see Sections 24-77-103.6 and 24-77-104.5, C.R.S.).

TABLE 6 REFERENDUM C: GENERAL FUND EXEMPT ACCOUNT APPROPRIATIONS BY PROGRAM (\$ IN MILLIONS)			
DEPARTMENT	LINE ITEM	FY 2017-18	FY 2018-19
Education	State Share of Districts' Total Program Funding	\$820.7	\$793.1
Health Care Policy and Financing	Medical Services Premiums	820.7	793.1
Higher Education	Various Line Items	760.6	733.0
Local Affairs	Volunteer Firefighter Retirement Plans	4.2	4.3
Transportation	Capital Construction - Transportation Highway Construction Projects	0.5	0.5
<b>TOTAL</b>		<b>\$2,406.7</b>	<b>\$2,324.0</b>

## B: SUMMARY CHARTS AND TABLES

### 1. SOURCES OF GENERAL FUND REVENUE

ESTIMATED TOTAL GENERAL FUND REVENUE FY 2018-19 = \$11,968.3 MILLION<sup>1</sup>

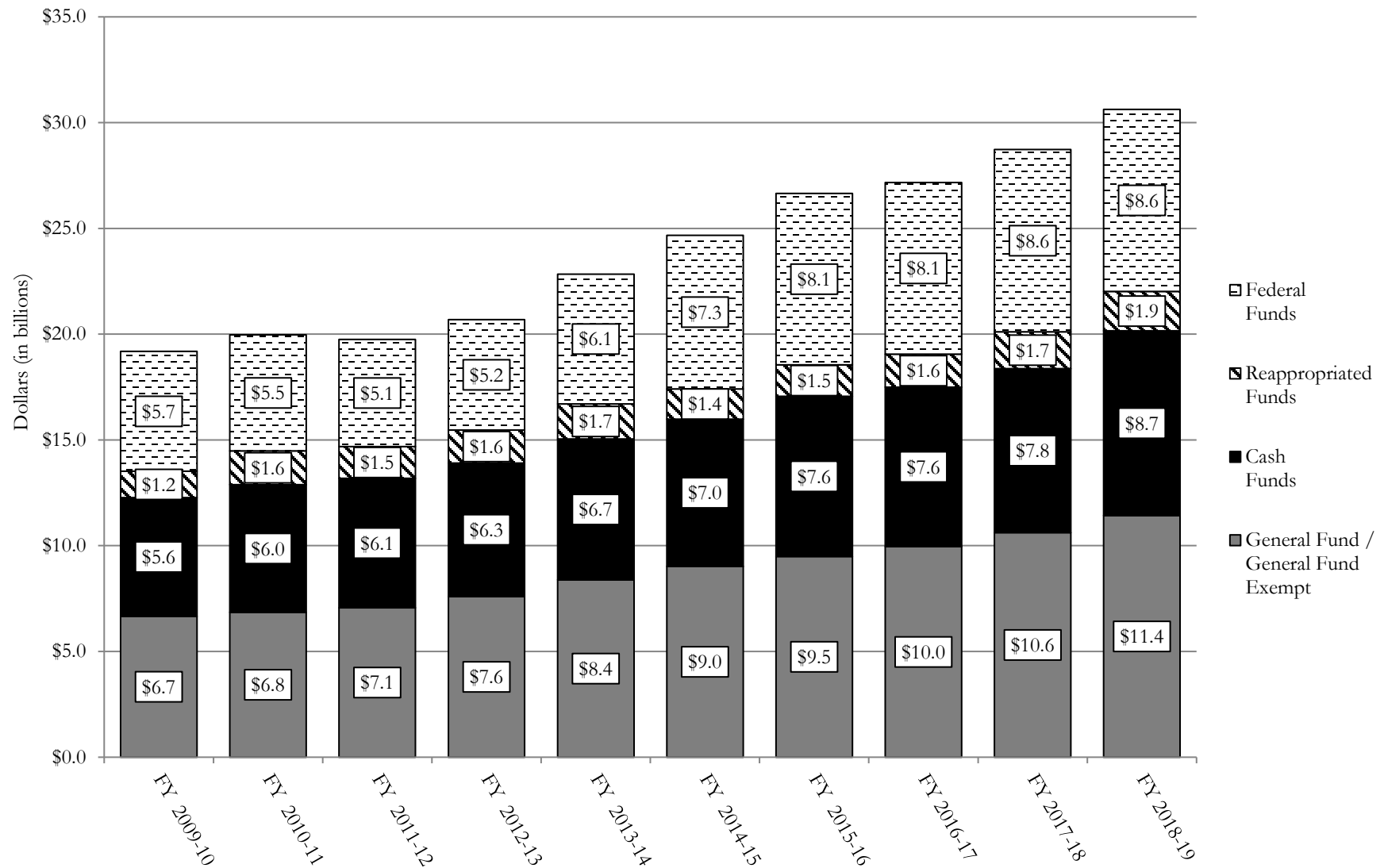


<sup>1</sup> Source: Office of State Planning and Budgeting March 2018 *The Colorado Outlook: Economic and Fiscal Review*. These percentages are net of income tax receipts that are credited to the State Education Fund (a total of \$633.6 million).



## 2. HISTORY OF APPROPRIATIONS BY FUND SOURCE

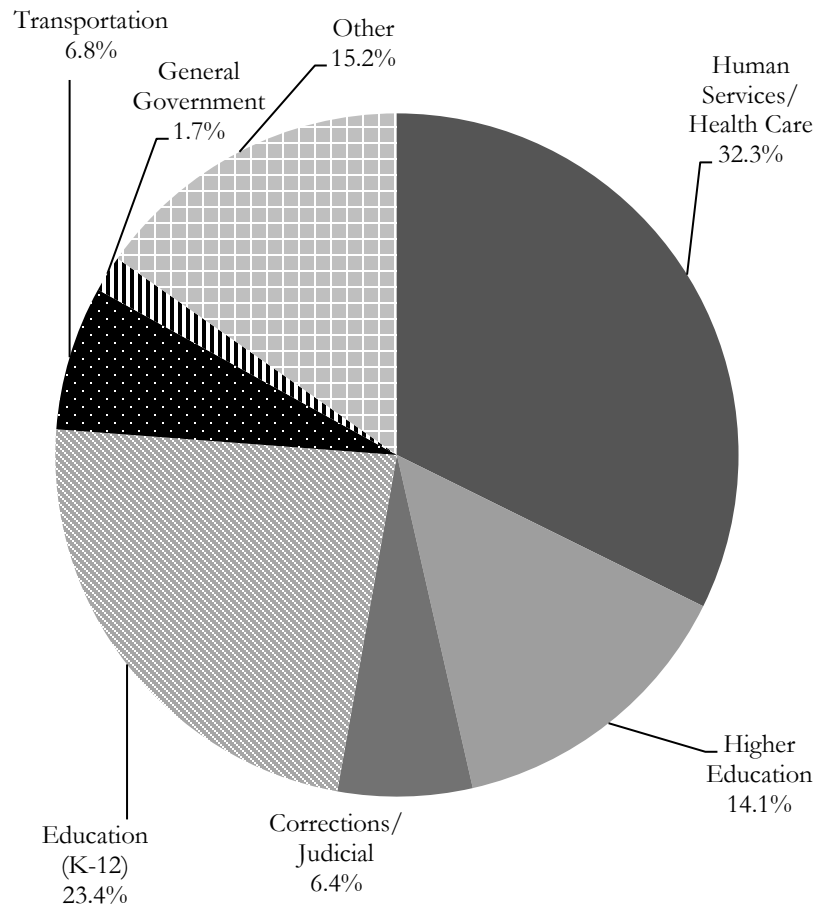
### Operating Budget Fiscal Years 2009-10 through 2018-19



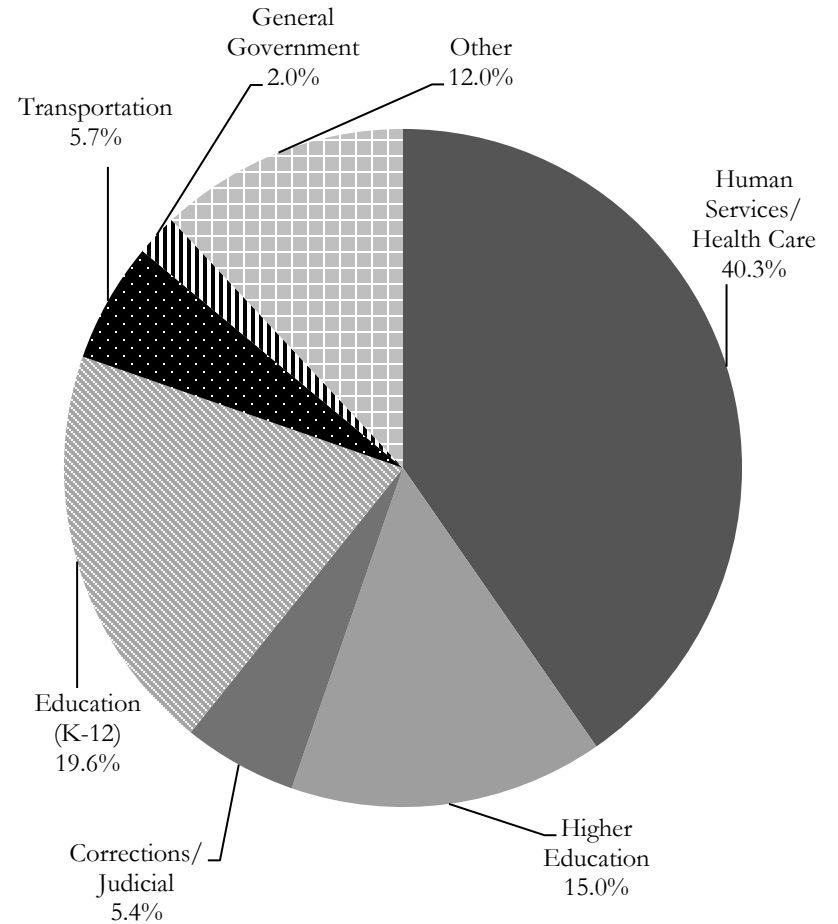
Note: Figures reflect appropriations made for each state fiscal year, including any adjustments that were made in subsequent fiscal years.

### 3. A. COMPARISON OF TOTAL OPERATING APPROPRIATIONS BY PROGRAM TYPE

**FY 2008-09 = \$18.68 billion**



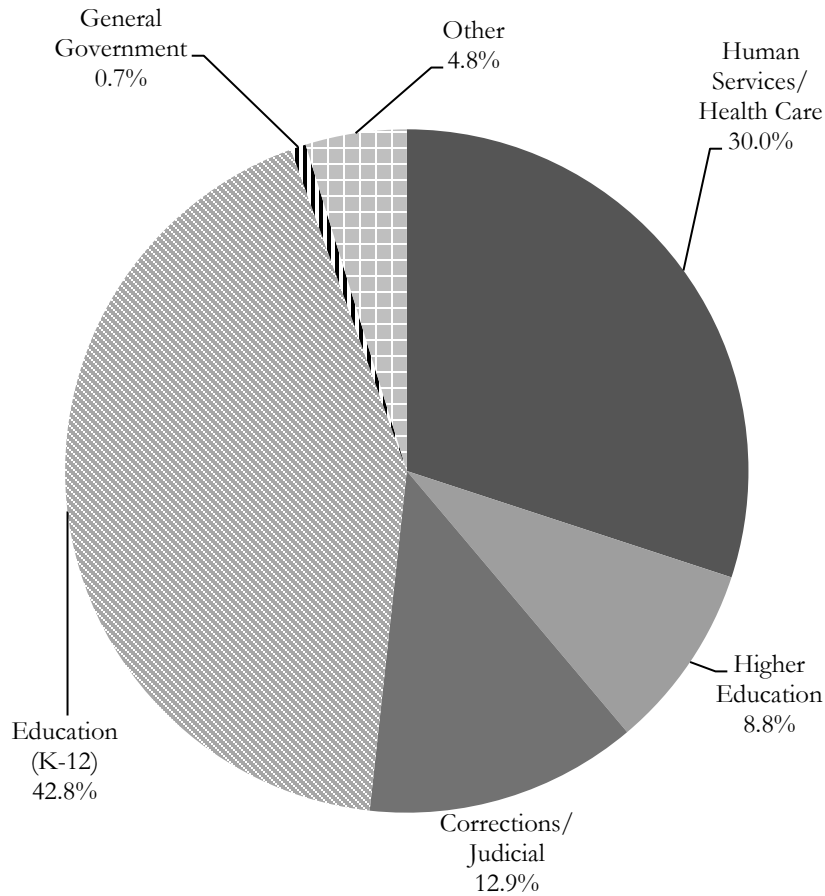
**FY 2018-19 = \$30.63 billion**



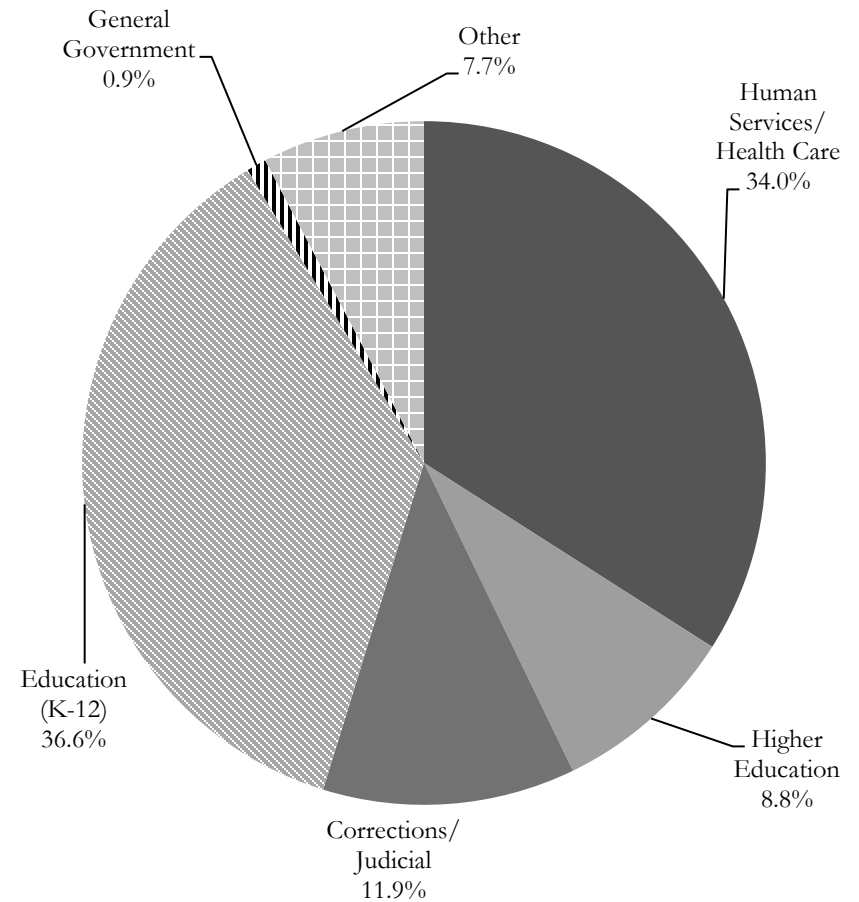
Note: The “General Government” category includes the Governor’s Office, the Legislative Department, and the Department of Personnel.

### 3. B. COMPARISON OF GENERAL FUND OPERATING APPROPRIATIONS BY PROGRAM TYPE

**FY 2008-09 = \$7.52 billion**



**FY 2018-19 = \$11.42 billion**



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

## 4. FY 2017-18 OPERATING APPROPRIATIONS BY DEPARTMENT

FY 2017-18 OPERATING APPROPRIATIONS BY DEPARTMENT AND FUND SOURCE						
	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Agriculture	\$50,246,919	\$10,506,004	\$33,408,408	\$2,371,548	\$3,960,959	291.4
Corrections	872,690,547	777,720,189	39,182,940	51,620,128	4,167,290	6,247.0
Education <sup>1</sup>	5,491,800,208	4,071,447,763	737,188,510	34,930,424	648,233,511	599.2
Governor	334,532,856	35,324,665	47,400,500	245,351,971	6,455,720	1,091.2
Health Care Policy and Financing <sup>1</sup>	9,896,328,729	2,810,881,032	1,212,347,879	77,491,711	5,795,608,107	459.3
Higher Education <sup>1</sup>	4,293,395,457	894,907,900	2,637,471,193	738,374,874	22,641,490	25,087.2
Human Services	2,077,373,159	888,859,937	421,971,649	183,915,841	582,625,732	4,935.5
Judicial	719,444,858	517,650,016	161,594,597	35,775,245	4,425,000	4,650.3
Labor and Employment	248,861,234	21,380,958	72,525,276	9,515,450	145,439,550	1,279.8
Law	81,077,081	16,214,183	17,314,175	45,720,252	1,828,471	473.4
Legislature	49,928,386	48,280,517	470,869	1,177,000	0	287.7
Local Affairs <sup>1</sup>	304,171,185	30,324,944	181,821,729	11,319,391	80,705,121	179.2
Military and Veterans Affairs	226,968,060	10,530,168	1,135,343	0	215,302,549	1,393.3
Natural Resources	295,292,465	30,864,532	230,795,872	6,932,593	26,699,468	1,458.6
Personnel	196,216,235	12,499,410	14,926,636	168,790,189	0	422.1
Public Health and Environment <sup>1</sup>	580,007,988	48,798,277	188,457,556	45,239,889	297,512,266	1,336.0
Public Safety	423,094,664	124,687,644	200,795,010	40,845,123	56,766,887	1,802.5
Regulatory Agencies	99,685,557	1,844,627	91,673,404	5,060,383	1,107,143	573.1
Revenue	357,248,771	108,468,830	241,710,307	6,245,246	824,388	1,437.2
State	22,995,624	0	22,995,624	0	0	137.4
Transportation	1,578,506,823	0	851,844,882	8,552,189	718,109,752	3,326.8
Treasury	524,095,035	151,447,545	354,874,465	17,773,025	0	32.9
<b>OPERATING TOTAL<sup>2</sup></b>	<b>\$28,723,961,841</b>	<b>\$10,612,639,141</b>	<b>\$7,761,906,824</b>	<b>\$1,737,002,472</b>	<b>\$8,612,413,404</b>	<b>57,501.1</b>

<sup>1</sup> Includes General Fund Exempt.

<sup>2</sup> For information about Capital Construction appropriations, see the Capital Construction Sections of this report.

## 5. FY 2018-19 OPERATING APPROPRIATIONS BY DEPARTMENT

FY 2018-19 OPERATING APPROPRIATIONS BY DEPARTMENT AND FUND SOURCE						
	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Agriculture	\$51,592,874	\$11,107,420	\$34,082,132	\$2,494,460	\$3,908,862	289.9
Corrections	907,143,985	810,881,347	38,410,054	54,336,517	3,516,067	6,245.9
Education <sup>1</sup>	5,991,583,120	4,180,288,239	1,154,714,411	39,385,509	617,194,961	602.5
Governor	352,019,297	42,340,000	47,889,843	255,022,179	6,767,275	1,101.5
Health Care Policy and Financing <sup>1</sup>	10,156,536,635	2,904,579,002	1,292,022,699	84,557,891	5,875,377,043	506.3
Higher Education <sup>1</sup>	4,590,031,718	1,003,593,739	2,744,061,460	819,590,900	22,785,619	26,150.0
Human Services	2,198,754,010	982,587,627	418,697,165	184,976,303	612,492,915	5,052.9
Judicial	760,194,547	553,074,423	165,722,088	36,973,036	4,425,000	4,745.3
Labor and Employment	259,549,084	19,475,174	80,841,770	7,521,018	151,711,122	1,280.6
Law	83,464,414	16,611,039	18,047,080	46,803,973	2,002,322	477.2
Legislative Department	51,720,061	50,287,893	470,869	961,299	0	289.5
Local Affairs <sup>1</sup>	316,144,475	37,086,367	186,097,459	12,147,248	80,813,401	181.1
Military and Veterans Affairs	232,023,683	11,110,115	1,203,530	0	219,710,038	1,407.2
Natural Resources	305,365,244	32,005,418	238,857,665	7,933,687	26,568,474	1,464.5
Personnel	206,449,496	14,074,381	14,016,747	178,358,368	0	425.6
Public Health and Environment <sup>1</sup>	590,707,821	52,020,069	192,576,513	47,088,905	299,022,334	1,345.8
Public Safety	512,902,340	183,106,198	216,527,076	43,430,450	69,838,616	1,854.3
Regulatory Agencies	99,618,283	1,951,431	91,205,734	5,211,298	1,249,820	574.7
Revenue	370,007,602	113,271,850	249,529,454	6,381,910	824,388	1,472.0
State	25,375,937	0	25,375,937	0	0	142.9
Transportation	1,753,538,544	0	1,134,947,195	6,672,645	611,918,704	3,326.8
Treasury	814,099,929	400,329,817	396,084,849	17,685,263	0	32.9
<b>OPERATING TOTAL<sup>2</sup></b>	<b>\$30,628,823,099</b>	<b>\$11,419,781,549</b>	<b>\$8,741,381,730</b>	<b>\$1,857,532,859</b>	<b>\$8,610,126,961</b>	<b>58,969.4</b>

<sup>1</sup> Includes General Fund Exempt.

<sup>2</sup> For information about Capital Construction appropriations, see the Capital Construction Sections of this report.

# C: SUMMARY OF MAJOR CHANGES

## FY 2017-18 ADJUSTED APPROPRIATION AND FY 2018-19 LONG BILL AND SPECIAL BILLS APPROPRIATIONS

ALL DEPARTMENTS						
	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2017-18 APPROPRIATION:</b>						
FY 2017-18 Appropriation	\$28,835,065,835	\$10,619,849,620	\$7,837,470,077	\$1,727,595,107	\$8,650,151,031	57,499.9
2018 legislative session bills	(111,103,994)	(7,210,479)	(75,563,253)	9,407,365	(37,737,627)	1.2
<b>TOTAL</b>	<b>\$28,723,961,841</b>	<b>\$10,612,639,141</b>	<b>\$7,761,906,824</b>	<b>\$1,737,002,472</b>	<b>\$8,612,413,404</b>	<b>57,501.1</b>
<b>FY 2018-19 APPROPRIATION:</b>						
FY 2017-18 Appropriation	\$28,723,961,841	\$10,612,639,141	\$7,761,906,824	\$1,737,002,472	\$8,612,413,404	57,501.1
Decision items	1,075,308,359	319,098,166	524,276,095	111,070,056	120,864,042	280.5
Technical changes	213,787,814	30,723,240	304,280,052	(2,050,945)	(119,164,533)	1,094.2
Centrally appropriated line items	86,121,207	50,830,088	27,223,624	(854,843)	8,922,338	0.0
Annualize prior year budget actions	(92,786,074)	(24,892,077)	(15,678,742)	(2,843,896)	(49,371,359)	45.1
Annualize prior year legislation	(13,789,903)	(5,192,273)	(17,884,326)	(7,953,616)	17,240,312	(6.9)
<b>TOTAL (LONG BILL AND LEGISLATIVE APPROPRIATION)</b>	<b>\$29,992,603,244</b>	<b>\$10,983,206,285</b>	<b>\$8,584,123,527</b>	<b>\$1,834,369,228</b>	<b>\$8,590,904,204</b>	<b>58,914.0</b>
Additional legislation	636,219,855	436,575,264	157,258,203	23,163,631	19,222,757	55.4
<b>TOTAL</b>	<b>\$30,628,823,099</b>	<b>\$11,419,781,549</b>	<b>\$8,741,381,730</b>	<b>\$1,857,532,859</b>	<b>\$8,610,126,961</b>	<b>58,969.4</b>
<b>INCREASE/(DECREASE)</b>	<b>\$1,904,861,258</b>	<b>\$807,142,408</b>	<b>\$979,474,906</b>	<b>\$120,530,387</b>	<b>(\$2,286,443)</b>	<b>1,468.3</b>
Percentage Change	6.6%	7.6%	12.6%	6.9%	(0.0%)	2.6%

<sup>1</sup> Includes General Fund Exempt. For additional information on General Fund Exempt appropriations, see Appendix D.

## SUMMARY OF MAJOR CHANGES

### FY 2017-18 APPROPRIATION – MID-YEAR ADJUSTMENTS

**2018 LEGISLATIVE SESSION BILLS:** Represents the FY 2017-18 impact of legislation passed in the 2018 legislative session. These items decrease the State budget by \$111.1 million total funds, including a decrease of \$7.2 million General Fund. Major highlights by department include:

- Human Services – Increase of \$41.8 million total funds (increase of \$21.9 million General Fund);
- Judicial – Increase of \$9.1 million total funds (increase of \$4.6 million General Fund);
- Education – Decrease of \$104.1 million total funds (decrease of \$30.7 million General Fund);
- Health Care Policy and Financing – Decrease of \$59.9 million total funds (decrease of \$11.9 million General Fund); and
- Higher Education – Decrease of \$8.2 million total funds.

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

## FY 2018-19 APPROPRIATION HIGHLIGHTS

**DECISION ITEMS:** Represents programmatic funding changes included in the FY 2018-19 appropriation. Examples include funding for new programs, expansion of existing programs, and reductions to or elimination of existing programs. These items increase the state budget by \$1.1 billion total funds, including an increase of \$319.1 million General Fund. Major highlights by department include:

- Education – Increase of \$298.3 million total funds (decrease of \$19.8 million General Fund);
- Health Care Policy and Financing – Increase of \$279.5 million total funds (increase of \$86.5 million General Fund);
- Higher Education – Increase of \$232.8 million total funds (increase of \$81.3 million General Fund);
- Human Services – Increase of \$103.7 million total funds (increase of \$57.4 million General Fund); and
- Public Safety – Increase of \$57.5 million total funds (increase of \$53.8 million General Fund).

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

**TECHNICAL CHANGES:** Represents revenue forecast adjustments and various technical adjustments included in the FY 2018-19 appropriation. These changes increase the state budget by \$213.8 million total funds, including an increase of \$30.7 million General Fund. Major highlights by department include:

- Transportation – Increase of \$175.0 million total funds;
- Treasury – Increase of \$27.5 million total funds (increase of \$14.8 million General Fund);
- Public Safety – Increase of \$16.3 million total funds (increase of \$4.1 million General Fund);
- Higher Education – Increase of \$11.6 million total funds (increase of \$2.0 million General Fund); and
- Revenue – Increase of \$5.5 million total funds (increase of \$5.5 million General Fund).

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

**CENTRALLY APPROPRIATED LINE ITEMS:** Represents the FY 2018-19 impact of changes to central appropriations, which are generally made to the Executive Director's Office (or a comparable division) of each agency for use department-wide. Examples include salary increases and benefits, vehicle lease payments, Capitol complex leased space, and information technology services. These items increase the state budget by \$86.1 million total funds, including an increase of \$50.8 million General Fund. Major highlights by department include:

- Human Services – Increase of \$14.9 million total funds (increase of \$15.1 million General Fund);
- Judicial – Increase of \$13.5 million total funds (increase of \$12.3 million General Fund);
- Corrections – Increase of \$13.2 million total funds (increase of \$14.0 million General Fund);
- Public Safety – Increase of \$10.5 million total funds (increase of \$1.5 million General Fund); and
- Natural Resources – Increase of \$9.9 million total funds (increase of \$1.0 million General Fund).

For more detailed information on specific centrally appropriated line items, see the relevant department sections in Parts II, III, and Appendix B (Common Policies) of this report.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** Represents the FY 2018-19 impact on appropriations of budgetary decision items approved in prior fiscal years. These items reduce the state budget by \$92.8 million total funds, including a decrease of \$24.9 million General Fund. Major highlights by department include:

- Health Care Policy and Financing – Decrease of \$61.9 million total funds (decrease of \$12.8 million General Fund);
- Judicial – Decrease of \$8.2 million total funds (decrease of \$4.6 million General Fund);
- Public Health and Environment – Decrease of \$6.3 million total funds (decrease of \$1.8 million General Fund);
- Human Services – Decrease of \$6.2 million total funds (decrease of \$19,532 General Fund); and
- Labor and Employment – Decrease of \$4.0 million total funds (decrease of \$3.4 million General Fund).

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

**ANNUALIZE PRIOR YEAR LEGISLATION:** Represents the FY 2018-19 impact on appropriations of legislation passed by the General Assembly in prior legislative sessions. These items reduce the state budget by \$13.8 million total funds, including a decrease of \$5.2 million General Fund. Major highlights by department include:

- Natural Resources – Decrease of \$34.1 million total funds;
- Corrections – Decrease of \$14.0 million General Fund;
- Human Services – Decrease of \$13.7 million total funds (decrease of \$5.4 million General Fund);
- Regulatory Agencies – Decrease of \$3.2 million total funds; and
- Revenue – Decrease of \$1.3 million total funds (decrease of \$1.0 million General Fund).

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

**ADDITIONAL LEGISLATION:** Represents the FY 2018-19 impact of legislation passed in the 2018 legislative session excluding the Long Bill (H.B. 18-1322) and Legislative Appropriation Bill (H.B. 18-1293). These items increase the state budget by \$636.2 million total funds, including an increase of \$436.6 million General Fund. Major highlights by department include:

- Education – Increase of \$230.8 million total funds (increase of \$129.2 million General Fund);
- Treasury – Increase of \$225.0 million General Fund;
- Higher Education – Increase of \$52.8 million total funds (increase of \$25.3 million General Fund);
- Natural Resources – Increase of \$27.7 million total funds; and
- Health Care Policy and Financing – Increase of \$26.0 million total funds (increase of \$12.8 million General Fund).

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



# PART II

## DEPARTMENT SUMMARIES



# DEPARTMENT OF AGRICULTURE

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

## DEPARTMENT BUDGET: RECENT APPROPRIATIONS

FUNDING SOURCE	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
General Fund	\$10,006,234	\$10,753,079	\$10,506,004	\$11,107,420
Cash Funds	30,998,626	32,772,130	33,408,408	34,082,132
Reappropriated Funds	1,881,548	2,371,548	2,371,548	2,494,460
Federal Funds	4,170,657	4,110,453	3,960,959	3,908,862
<b>TOTAL FUNDS</b>	<b>\$47,057,065</b>	<b>\$50,007,210</b>	<b>\$50,246,919</b>	<b>\$51,592,874</b>
Full Time Equiv. Staff	283.0	291.4	291.4	289.9

## GENERAL FACTORS DRIVING THE BUDGET

Funding for this department consists of 21.5 percent General Fund, 66.1 percent cash funds, 4.8 percent reappropriated funds, and 7.6 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

### AGRICULTURAL SERVICES

Funding appropriated to Agricultural Services is expended on four program areas: animal industry, plant industry, inspection and consumer services, and conservation services. Agricultural Services accounts for 32.4 percent of the Department's total appropriation in FY 2018-19, including 42.1 percent of the Department's total General Fund appropriation and 26.1 percent the of the Department's total cash fund appropriation. The primary source of funding for the section is cash fund revenue from license and inspection fees. The following table outlines some of the major workload measures driving the Agriculture Services budget.

AGRICULTURAL SERVICES WORKLOAD MEASURES				
	FY 2015-16 ACTUAL	FY 2016-17 ACTUAL	FY 2017-18 ESTIMATE	FY 2018-19 ESTIMATE
<b>Animal Industry Division</b>				
Exported livestock	2,654,514	2,884,820	2,928,052	3,100,000
Certificates of Veterinary Inspection issued	44,829	44,892	48,662	52,000
Animal abuse investigations <sup>1</sup>	12,000	12,400	n/a	n/a
Animal abuse assessments <sup>1</sup>	n/a	n/a	6,000	6,000
Disease traceability IDs	48,067	48,575	49,204	49,900
<b>Inspection and Consumer Services Division</b>				
Small & large devices tested	25,337	24,362	21,200	25,000
Egg inspections by facility	771	583	500	800
<b>Plant Industry Division</b>				
Pounds of seed sampled	1,326,042	875,025	987,497	900,000
Volume of nursery stock inspected	1,888,375	853,210	1,185,221	1,000,000

<sup>1</sup> Measure change. Investigations captured local law enforcement actions, assessments captures civil actions under the Department's statutory authority.

## DEPARTMENT WORKLOAD

Cash funds make up the majority of funding for this Department and these appropriations respond to changes in workload for products or services associated with specific cash funds. The Department's three largest cash funds are the: State Fair Cash Fund; Brand Inspection Cash Fund; and Plant Health, Pest Control, and Environmental Protection Cash Fund. Appropriations from these funds account for 59.2 percent of the Department's total cash funds appropriation in FY 2018-19.

## AGRICULTURE MANAGEMENT FUND

The Agriculture Management Fund (AMF) was created by H.B. 08-1399 (Ag Unclaimed Property Trust Fund Interest), which authorized the transfer of interest earned on the Unclaimed Property Tourism Promotion Trust Fund, once the debt on the State Fair Events Center was repaid. The AMF supports projects and programs in various divisions, as well as a portion of expenses for the recent consolidation of non-fair divisions into a new office building and lab facility. Interest transfers began in FY 2008-09 and are divided between the following funds:

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

The AMF has received, on average, approximately \$3.0 million annually since FY 2012-13 in interest transfers. The table below outlines the AMF's annual balance beginning in FY 2009-10.

Agriculture Management Fund 10-year Operating Revenue and Expenditures				
FISCAL YEAR	TOTAL REVENUE	TOTAL EXPENDITURE	NET ANNUAL CASH FLOW	EOY FUND BALANCE
2009-10	2,231,325	(1,154,398)	1,076,927	1,138,047
2010-11	2,308,865	(1,635,633)	673,232	1,811,279
2011-12	2,473,188	(2,095,963)	377,225	2,188,504
2012-13	2,689,156	(2,565,091)	124,065	2,312,569
2013-14	3,721,185	(3,747,514)	(26,329)	2,286,240
2014-15	3,111,889	(3,656,445)	(544,556)	1,741,684
2015-16	3,009,565	(1,897,231)	1,112,334	2,854,018
2016-17	2,696,909	(1,428,078)	1,268,831	4,122,849
2017-18 <sup>1</sup>	6,500,000	(5,195,000)	1,305,000	5,427,849
2018-19 <sup>1</sup>	\$3,000,000	(\$5,045,000)	(\$2,045,000)	\$3,382,849

<sup>1</sup> Figures are estimated.

## APPROPRIATION HIGHLIGHTS - 2018 LEGISLATIVE SESSION

DEPARTMENT OF AGRICULTURE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$50,246,919	\$10,506,004	\$33,408,408	\$2,371,548	\$3,960,959	291.4
<b>TOTAL</b>	<b>\$50,246,919</b>	<b>\$10,506,004</b>	<b>\$33,408,408</b>	<b>\$2,371,548</b>	<b>\$3,960,959</b>	<b>291.4</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$50,246,919	\$10,506,004	\$33,408,408	\$2,371,548	\$3,960,959	291.4
Centrally appropriated line items	1,036,508	401,112	678,451	1,548	(44,603)	0.0
Annualize prior year budget actions	302,965	91,131	208,899	0	2,935	0.0
Indirect cost adjustment	184,805	0	73,870	121,364	(10,429)	0.0
Federal lands management resources	66,016	66,016	0	0	0	0.9

DEPARTMENT OF AGRICULTURE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Conservation districts matching grants	0	0	0	0	0	0.0
Pesticide control and regulation of cannabis growing facilities	(287,496)	0	(287,496)	0	0	(2.7)
<b>HB 18-1322</b>	<b>\$51,549,717</b>	<b>\$11,064,263</b>	<b>\$34,082,132</b>	<b>\$2,494,460</b>	<b>\$3,908,862</b>	<b>289.6</b>
SB 18-042	43,157	43,157	0	0	0	0.3
<b>TOTAL</b>	<b>\$51,592,874</b>	<b>\$11,107,420</b>	<b>\$34,082,132</b>	<b>\$2,494,460</b>	<b>\$3,908,862</b>	<b>289.9</b>
<b>INCREASE/(DECREASE)</b>	<b>\$1,345,955</b>	<b>\$601,416</b>	<b>\$673,724</b>	<b>\$122,912</b>	<b>(\$52,097)</b>	<b>(1.5)</b>
Percentage Change	2.7%	5.7%	2.0%	5.2%	(1.3%)	(0.5%)

## FY 2018-19 APPROPRIATION HIGHLIGHTS

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

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions including salary survey increases and merit pay.

**INDIRECT COST ADJUSTMENT:** The appropriation includes an increase of \$184,805 total funds in the Department's indirect cost assessments, including an increase of \$73,870 cash funds, an increase \$121,364 reappropriated funds, and a decrease of \$10,429 federal funds.

**FEDERAL LANDS MANAGEMENT RESOURCES:** The appropriation includes an increase of \$66,016 General Fund and 0.9 FTE in FY 2018-19 for the Conservation Services Division to provide increased levels of technical assistance and stakeholder outreach for agriculture producers throughout the federal rangeland management planning process.

**CONSERVATION DISTRICTS MATCHING GRANTS:** The appropriation includes a budget neutral refinance of the cash funds appropriated to the Conservation Board's matching grants to districts, allocating \$100,000 cash funds from the Agriculture Management Fund (AMF) while reducing by the same amount the cash funds appropriation from Conservation District Grant Fund (CDGF), created in Section 35-1-106.7, C.R.S.

**PESTICIDE CONTROL AND REGULATION OF CANNABIS GROWING FACILITIES:** The appropriation includes a decrease of \$287,496 cash funds and 2.7 FTE for the control and regulation of pesticide use at cannabis growing facilities. The primary division responsible for this work is the Plant Industry Division in the Department's Agriculture Services section; however, this appropriation also affects the Commissioner's Office and the Inspection and Consumer Services Division. The appropriation for the control and regulation of pesticide use at cannabis growing facilities is from the Marijuana Tax Cash Fund created in Section 39-28.8-501 (1), C.R.S.

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

# DEPARTMENT OF CORRECTIONS

The Department is responsible for:

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

## DEPARTMENT BUDGET: RECENT APPROPRIATIONS

FUNDING SOURCE	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
General Fund	\$763,812,924	\$751,095,253	\$777,720,189	\$810,881,347
Cash Funds	39,346,724	42,473,383	39,182,940	38,410,054
Reappropriated Funds	46,665,389	49,183,898	51,620,128	54,336,517
Federal Funds	1,259,937	1,357,641	4,167,290	3,516,067
<b>TOTAL FUNDS</b>	<b>\$851,084,974</b>	<b>\$844,110,175</b>	<b>\$872,690,547</b>	<b>\$907,143,985</b>
Full Time Equiv. Staff	6,239.8	6,242.7	6,247.0	6,245.9

## GENERAL FACTORS DRIVING THE BUDGET

Funding for this department consists of 89.4 percent General Fund, 4.2 percent cash funds, 6.0 percent reappropriated funds, and 0.4 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

### OPERATING APPROPRIATIONS

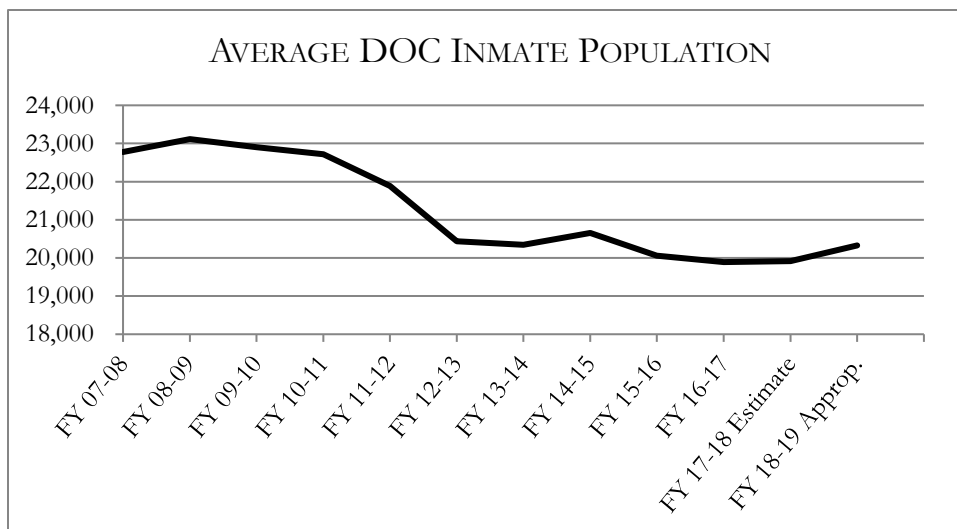
Appropriations for operating costs to the Department of Corrections (DOC) are largely dependent upon two key components of prison caseload:

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

### INMATE POPULATION

The following table and chart report the average DOC inmate population during recent fiscal years. This population peaked in FY 2008-09 and has subsequently twice dipped and risen.

AVERAGE DOC INMATE POPULATION						
	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 ACTUAL	FY 2016-17 ACTUAL	FY 2017-18 ESTIMATE	FY 2018-19 APPROPRIATION
Average DOC inmate population	20,346	20,652	20,062	19,891	19,913	20,330
Percentage change from prior year	(0.4%)	1.5%	(2.9%)	(0.9%)	0.1%	2.1



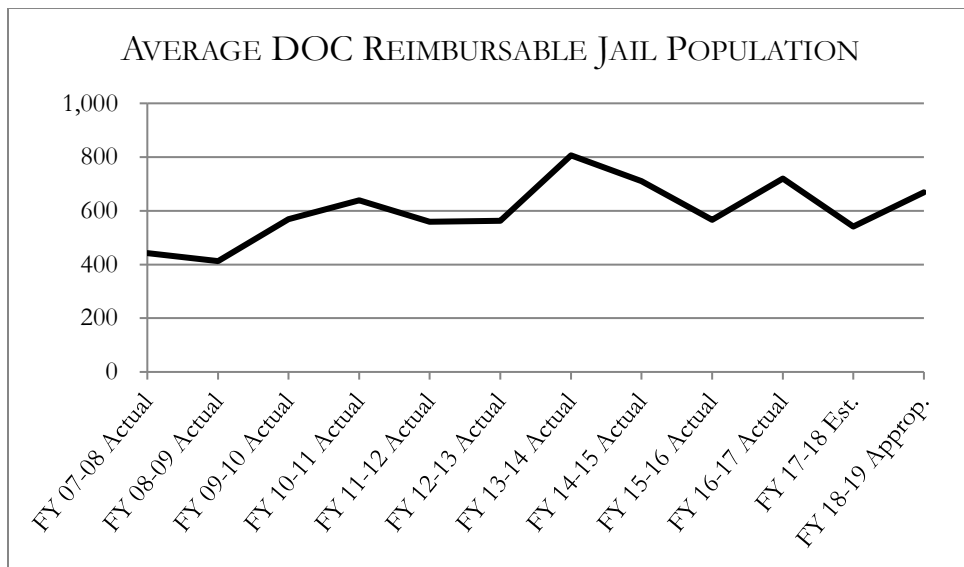
## DOC OFFENDERS IN COUNTY JAILS

At any given time, one to two thousand of DOC's inmates and parolees are housed in county jails. Some are newly sentenced by a court to the DOC and await transfer from jail to the DOC's reception and diagnostic center. Other offenders were paroled and, following a parole violation, have been placed in jail for a few days to deter further misbehavior. Others with more severe parole violations are awaiting a parole revocation hearing or are awaiting trial for a new crime. If parole is revoked, the parolee remains in jail until transferred to another facility. Still other DOC offenders may have been transported from prison to a jail on a writ from a judge who needs them to appear in court. In addition, the DOC sometimes contracts with county jails and places offenders in these facilities on a long term basis.

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

REIMBURSABLE DOC OFFENDERS IN COUNTY JAILS <sup>1</sup>						
	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 ACTUAL	FY 2016-17 ACTUAL	FY 2017-18 ESTIMATE	FY 2018-19 APPROPRIATION
Average DOC reimbursable <sup>1</sup> jail population	806	710	566	720	541	669
Percentage change from prior year	43.4%	(11.9%)	(20.3%)	27.1%	(24.9%)	23.7%
Daily reimbursement rate per offender	\$51.45	\$52.74	\$53.64	\$53.64	\$54.39	\$54.93
Percentage change from prior year	2.0%	2.5%	1.7%	0.0%	1.4%	1.0%
Total payments to jails	\$15,141,029	\$13,676,168	\$11,120,578	\$14,094,232	\$10,750,000	\$13,413,234
Percentage change from prior year	46.3%	(9.7%)	(18.7%)	26.7%	(23.7%)	24.8%

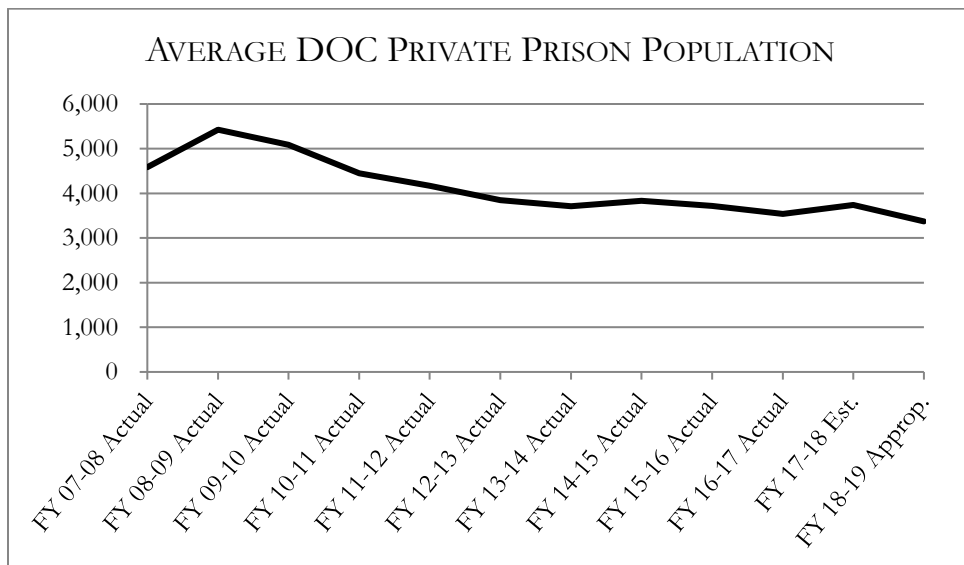
<sup>1</sup> DOC does not reimburse jails for all DOC offenders that jails hold. This table reports the average number of offenders for whom the DOC pays reimbursement.



## DOC OFFENDERS IN PRIVATE PRISONS

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

DOC INMATES IN PRIVATE PRISONS						
	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 ACTUAL	FY 2016-17 ACTUAL	FY 2017-18 ESTIMATE	FY 2018-19 APPROPRIATION
Average private prison population	3,710	3,833	3,716	3,541	3,739	3,371
Percentage change from prior year	(3.6%)	3.3%	(3.1%)	(4.7%)	5.6%	(9.8%)
Daily reimbursement rate per offender	\$53.74	\$55.08	\$56.02	\$56.02	\$56.80	\$57.37
Percentage change from prior year	2.0%	2.5%	1.7%	0.0%	1.4%	1.0%
Total payments to private prisons	\$72,765,990	\$77,055,302	\$76,186,796	\$73,050,362	\$78,183,792	\$71,250,595
Percentage change from prior year	(1.7%)	5.9%	(1.1%)	(4.1%)	7.0%	(8.9%)





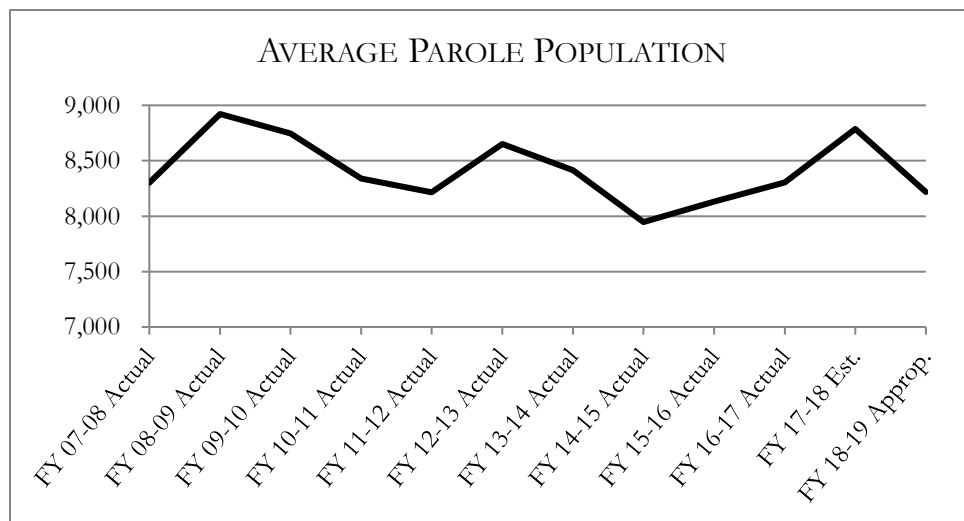
## TRANSITION AND PAROLE – RETURNING OFFENDERS TO THE COMMUNITY

The process of returning an offender to the community almost always involves a period of parole, but may include placement in a community corrections facility (also known as a halfway house) and a period of intensely supervised independent living in the community before parole begins (known as the *Intensive Supervision-Inmate* or *ISP-Inmate* Program). Inmates living in halfway houses or participating in the ISP-Inmate program are often referred to as "transition" offenders. A significant number of transition offenders return to prison for violating their transition conditions and a significant number of parolees are reincarcerated for violating their parole conditions.

The costs of returning offenders to the community are shared by the DOC and the Division of Criminal Justice (DCJ), which is part of the Department of Public Safety. The DCJ is responsible for payments to halfway houses, which are operated by private entities, non-profits, and local governments. The DOC shares responsibility with the halfway houses for oversight of DOC offenders in community corrections. The DOC alone is responsible for oversight of parolees and ISP-Inmate offenders. In addition, the DOC pays (1) some of the jail costs that arise when community-corrections offenders, ISP-Inmate offenders, and parolees are jailed for violations, and (2) all the incarceration costs following revocation.

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

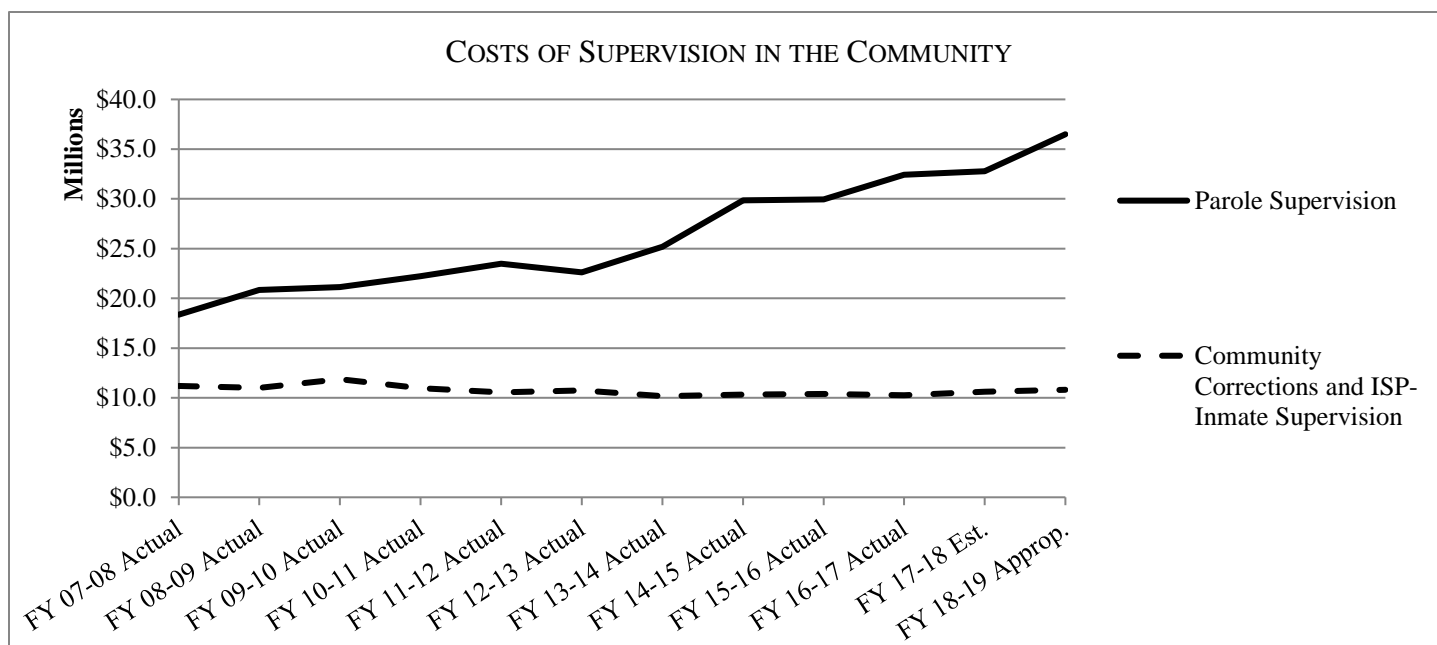
AVERAGE PAROLE POPULATION						
	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 ACTUAL	FY 2016-17 ACTUAL	FY 2017-18 ESTIMATE	FY 2018-19 APPROP.
Average parole population	8,415	7,947	8,133	8,306	8,786	8,218
Percentage change from prior year	(2.7%)	(5.6%)	2.3%	2.1%	5.8%	(6.5%)



The next table and chart summarize DOC's recent costs of transition and parole supervision and recent payments to Community Return-to-Custody facilities, a parole revocation option that has been phased out during FY 2017-18.

TRANSITION AND PAROLE COSTS						
	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 ACTUAL	FY 2016-17 ACTUAL	FY 2017-18 ESTIMATE	FY 2018-19 APPROPRIATION
Community Corrections and ISP-Inmate Supervision	\$10,168,595	\$10,322,433	\$10,389,637	\$10,262,112	\$10,613,556	\$10,791,424
% change from prior year	(5.2%)	1.5%	0.7%	(1.2%)	3.4%	1.7%
Parole Supervision	\$25,183,437	\$29,863,446	\$29,948,220	\$32,429,754	\$32,785,211	\$36,493,714
% change from prior year	11.4%	18.6%	0.3%	8.3%	1.1%	11.3%

TRANSITION AND PAROLE COSTS						
	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 ACTUAL	FY 2016-17 ACTUAL	FY 2017-18 ESTIMATE	FY 2018-19 APPROPRIATION
Payments to Community Return-to-custody Facilities	\$3,857,736	\$3,744,387	\$3,045,400	\$2,038,156	\$205,898	\$0
% change from prior year	(1.4%)	(2.9%)	(18.7%)	(33.1%)	(89.9%)	(100.0%)



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

## CAPITAL APPROPRIATIONS

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

CAPITAL CONSTRUCTION APPROPRIATIONS						
	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Capital Construction Fund appropriations	\$27,225,308	\$29,120,526	\$26,583,095	\$20,918,268	\$25,405,064	\$20,255,668

## APPROPRIATION HIGHLIGHTS - 2018 LEGISLATIVE SESSION

DEPARTMENT OF CORRECTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$862,934,388	\$767,386,310	\$39,760,660	\$51,620,128	\$4,167,290	6,246.2
HB 13-1154	76,655	76,655	0	0	0	0.0
SB 14-049	64,452	64,452	0	0	0	0.0
SB 14-176	64,452	64,452	0	0	0	0.0
HB 14-1037	21,484	21,484	0	0	0	0.0
HB 14-1214	20,052	20,052	0	0	0	0.0

DEPARTMENT OF CORRECTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 15-067	329,363	329,363	0	0	0	0.0
HB 15-1043	6,497,158	6,497,158	0	0	0	0.0
HB 15-1229	22,068	22,068	0	0	0	0.0
HB 15-1305	22,068	22,068	0	0	0	0.0
HB 15-1341	487,701	487,701	0	0	0	0.0
SB 16-142	21,864	21,864	0	0	0	0.0
HB 16-1080	43,727	43,727	0	0	0	0.0
HB 17-1326	(5,865,182)	(5,865,182)	0	0	0	0.8
HB 18-1158	7,950,297	8,528,017	(577,720)	0	0	0.0
<b>TOTAL</b>	<b>\$872,690,547</b>	<b>\$777,720,189</b>	<b>\$39,182,940</b>	<b>\$51,620,128</b>	<b>\$4,167,290</b>	<b>6,247.0</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$872,690,547	\$777,720,189	\$39,182,940	\$51,620,128	\$4,167,290	6,247.0
Centrally appropriated line items	16,642,479	16,036,017	603,832	2,630	0	0.0
Hepatitis C treatment	16,514,144	16,514,144	0	0	0	0.0
Nurse and mid-level provider compensation	5,400,000	5,400,000	0	0	0	0.0
Community provider rate	1,146,248	1,100,441	0	45,807	0	0.0
Inmate pay	194,000	100,000	94,000	0	0	0.0
DeCORuM operating	90,723	90,723	0	0	0	0.0
Education cash fund adjustment	0	0	0	0	0	0.0
Funding already in statute from 5-year sentencing appropriations	(10,673,375)	(10,673,375)	0	0	0	0.0
External capacity adjustment	(7,316,812)	(5,816,812)	(1,500,000)	0	0	0.0
Indirect cost adjustment	(618,624)	618,624	32,023	(618,048)	(651,223)	0.0
Medical and pharmaceutical	(427,296)	(427,296)	0	0	0	0.0
Annualize prior year budget actions	(270,967)	(268,226)	(2,741)	0	0	0.3
Annualize prior year legislation	(192,987)	(192,987)	0	0	0	0.6
Interstate probation position transfer	(104,264)	(104,264)	0	0	0	(2.0)
COP payment adjustment	(878)	(878)	0	0	0	0.0
<b>HB 18-1322</b>	<b>\$893,072,938</b>	<b>\$800,096,300</b>	<b>\$38,410,054</b>	<b>\$51,050,517</b>	<b>\$3,516,067</b>	<b>6,245.9</b>
SB 14-049	85,935	85,935	0	0	0	0.0
SB 14-176	82,534	82,534	0	0	0	0.0
HB 14-1037	21,484	21,484	0	0	0	0.0
HB 14-1214	59,295	59,295	0	0	0	0.0
SB 15-067	417,635	417,635	0	0	0	0.0
HB 15-1043	9,397,689	9,397,689	0	0	0	0.0
HB 15-1229	22,068	22,068	0	0	0	0.0
HB 15-1305	11,034	11,034	0	0	0	0.0
HB 15-1341	487,701	487,701	0	0	0	0.0
SB 16-142	546	546	0	0	0	0.0
HB 16-1080	87,454	87,454	0	0	0	0.0
SB 18-119	22,072	22,072	0	0	0	0.0
SB 18-150	89,600	89,600	0	0	0	0.0
HB 18-1176	3,286,000	0	0	3,286,000	0	0.0
<b>TOTAL</b>	<b>\$907,143,985</b>	<b>\$810,881,347</b>	<b>\$38,410,054</b>	<b>\$54,336,517</b>	<b>\$3,516,067</b>	<b>6,245.9</b>
<b>INCREASE/(DECREASE)</b>	<b>\$34,453,438</b>	<b>\$33,161,158</b>	<b>(\$772,886)</b>	<b>\$2,716,389</b>	<b>(\$651,223)</b>	<b>(1.1)</b>
Percentage Change	3.9%	4.3%	(2.0%)	5.3%	(15.6%)	(0.0%)

## FY 2017-18 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 18-1158 modifies the FY 2017-18 appropriation to:

- Increase external capacity appropriations by \$5,465,336, comprised of a \$6,043,056 General Fund increase and a \$577,720 cash funds decrease, to fund additional payments to the jails and private prisons that hold some of the Department's offenders,
- Increase medical appropriations for inmates by \$2,156,130 General Fund, which reflects revised offender population projections and revised medical and pharmaceutical costs per offender,
- Increase inmate food appropriations by \$172,514 General Fund to pay for higher food service costs at LaVista Correctional Facility, which purchases food service from the Department of Human Services,
- Increase General Fund appropriations by \$156,317 to purchase additional safety equipment for corrections officers, and
- Make offsetting corrections to cash-fund sources for operating expenses in the Education Subprogram.

## FY 2018-19 APPROPRIATION HIGHLIGHTS

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items, as detailed in the following table.

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey	\$10,825,001	\$10,516,363	\$308,638	\$0	\$0	0.0
Payments to OIT	3,035,944	3,019,359	16,585	0	0	0.0
Health, life, and dental	1,666,559	1,556,187	110,372	0	0	0.0
Workers' compensation	559,506	541,826	17,680	0	0	0.0
Fleet	382,355	316,819	65,536	0	0	0.0
Payment to risk management / property funds	157,472	151,267	6,205	0	0	0.0
Leased space	151,856	140,966	10,890	0	0	0.0
Legal services	140,530	135,752	4,778	0	0	0.0
CORE	46,209	40,780	2,799	2,630	0	0.0
Amortization equalization disbursement (AED)	(95,735)	(119,622)	23,887	0	0	0.0
Supplemental amortization equalization disbursement (SAED)	(95,735)	(119,622)	23,887	0	0	0.0
Short-term disability	(70,061)	(69,010)	(1,051)	0	0	0.0
Shift differential	(54,292)	(69,955)	15,663	0	0	0.0
Capitol complex leased space	(7,130)	(5,093)	(2,037)	0	0	0.0
<b>TOTAL</b>	<b>\$16,642,479</b>	<b>\$16,036,017</b>	<b>\$603,832</b>	<b>\$2,630</b>	<b>\$0</b>	<b>0.0</b>

**HEPATITIS C TREATMENT:** The appropriation increases the amount of General Fund provided for hepatitis C drug treatment of inmates by \$16.5 million General Fund, which brings the total appropriation for hepatitis C treatment to \$20.5 million General Fund. The increase will pay for treatment of approximately 630 additional inmates who are seriously ill with hepatitis C.

**NURSE AND MID-LEVEL PROVIDER COMPENSATION:** The appropriation includes an increase of \$5.4 million General Fund for nurse and mid-level provider compensation adjustments that will align the compensation of Department of Corrections providers with the compensation of Department of Human Services nurses at the Mental Health Hospital – Pueblo.

**COMMUNITY PROVIDER RATE:** The appropriation includes an increase of \$1.1 million total funds for the 1.0 percent community provider rate increase, which increases payments to external capacity providers and others. All but \$45,807 of this increase is General Fund.

**INMATE PAY:** The appropriation includes an increase of \$194,000 total funds for inmate pay, including \$100,000 General Fund.

**DECORUM OPERATING:** The appropriation includes an increase of \$90,723 General Fund for costs associated with the Department of Corrections Offender Records Management System (DeCORuM).

**EDUCATION CASH FUND ADJUSTMENT:** The appropriation includes offsetting adjustments to inmate-education cash fund sources.

**FUNDING ALREADY IN STATUTE FROM 5-YEAR SENTENCING APPROPRIATIONS:** The appropriation reduces the General Fund appropriation that would otherwise be in the Long Bill for inmate housing and security by \$10.7 million, which is the amount already appropriated in criminal sentencing bills with five-year statutory appropriations.

**EXTERNAL CAPACITY ADJUSTMENT:** The appropriation includes a reduction of \$7.3 million total funds, including a \$5.8 million General Fund decrease, for external capacity, which pays for the placement of inmates and parolees in jails, private prisons, and community return to custody facilities.

CHANGES TO EXTERNAL CAPACITY APPROPRIATIONS			
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS
Payments to local jails	\$635,275	\$635,275	\$0
Payments to private prisons			
Usage adjustment	(8,137,141)	(8,137,141)	0
Eliminate appropriation from State Alien Criminal Assistance Cash Fund	0	1,500,000	(1,500,000)
Temporary beds for Buena Vista controlled maintenance project	185,054	185,054	0
<b>TOTAL EXTERNAL CAPACITY APPROPRIATION ADJUSTMENTS</b>	<b>(\$7,316,812)</b>	<b>(\$5,816,812)</b>	<b>(\$1,500,000)</b>

**INDIRECT COST ADJUSTMENT.** The appropriation includes a net decrease of \$618,624 in the Department's indirect cost assessments, comprised of a decrease of \$651,223 in assessments from federal funds and increases of \$32,023 and \$576 in assessments from cash and reappropriated funds, respectively. The reduced assessments necessitate an increase of \$618,624 General Fund and an offsetting reduction of \$618,624 reappropriated funds in the Department's business operations subprogram where the assessments offset General Fund.

**MEDICAL AND PHARMACEUTICAL:** The appropriation includes a decrease of \$427,296 General Fund for medical and pharmaceutical expenditures for inmates based projections of the number of offenders in state prisons and the cost per inmate.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second- and third-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Superintendents start-up cost	(\$156,317)	(\$156,317)	\$0	\$0	\$0	0.0
FY 17-18 merit base pay	(105,470)	(102,960)	(2,510)	0	0	0.0
FY 17-18 salary survey	(8,480)	(8,249)	(231)	0	0	0.0
FY 17-18 Sterling Correctional Facility restrictive housing changes	(700)	(700)	0	0	0	0.3

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>TOTAL</b>	<b>(\$270,967)</b>	<b>(\$268,226)</b>	<b>(\$2,741)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.3</b>

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments for the second- and third-year impact of prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 16-180 DOC for Juvenile Offenders	\$8,359	\$8,359	\$0	\$0	\$0	0.4
HB 17-1326 Justice Reinvestment Crime Prevention Initiative	(201,346)	(201,346)	0	0	0	0.2
<b>TOTAL</b>	<b>(\$192,987)</b>	<b>(\$192,987)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.6</b>

**INTERSTATE PROBATION POSITION TRANSFER:** The appropriation includes a reduction of \$104,264 General Fund and 2.0 FTE to transfer FTE positions that work on the Interstate Compact to the Division of Probation Services in the Judicial Department.

**COP PAYMENT ADJUSTMENT:** The request includes a reduction of \$878 General Fund for the certificate of participation (COP) payments for the Centennial South Correctional Facility. These are the final COP payments.

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

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# 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 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
General Fund <sup>1</sup>	\$3,478,443,043	\$3,764,862,059	\$4,071,447,763	\$4,180,288,239
Cash Funds	1,146,145,308	1,012,079,491	737,188,510	1,154,714,411
Reappropriated Funds	31,757,276	33,261,008	34,930,424	39,385,509
Federal Funds	650,649,929	648,328,512	648,233,511	617,194,961
<b>TOTAL FUNDS</b>	<b>\$5,306,995,556</b>	<b>\$5,458,531,070</b>	<b>\$5,491,800,208</b>	<b>\$5,991,583,120</b>
Full Time Equiv. Staff	598.8	599.5	599.2	602.5

<sup>1</sup> Includes General Fund Exempt.

## GENERAL FACTORS DRIVING THE BUDGET

Although local government revenues provide a significant source of funding for K-12 education in Colorado (\$2.5 billion anticipated in FY 2018-19), local funds are not reflected in the State's annual appropriations to the Department of Education. Funding for this department consists of 69.8 percent General Fund, 19.3 percent cash funds, 0.7 percent reappropriated funds, and 10.3 percent federal funds. Two primary factors driving the Department's budget, public school finance and categorical programs, are reviewed below.

## PUBLIC SCHOOL FINANCE

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

The formula provides the same statewide base per-pupil funding amount for every school district (\$6,769 per pupil for FY 2018-19). 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 2018-19, per-pupil funding allocations are anticipated to range from \$7,668 to \$17,280, with a statewide average of \$8,137 per pupil. Each district's per-pupil funding allocation is multiplied by its funded-pupil count to determine its total program funding. For FY 2018-19, pursuant to the formula, a total of \$7.1 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 2018-19, the General Assembly was required to increase the statewide base per-pupil funding amount by at least \$223 (from \$6,546 to \$6,769, or 3.4 percent), based on the actual 3.4 percent increase in the Denver-Boulder-Greeley consumer price index in calendar year 2017. Given an estimated funded-pupil count of more than 870,000, the General Assembly was thus required to provide a minimum of \$5.9 billion in state and local funds for FY 2018-19, equal to 83.1 percent of the \$7.1 billion in total program funding.

## FACTORS CONSIDERED IN PUBLIC SCHOOL FINANCE FORMULA

The remaining 16.9 percent of state and local funds that will be allocated among school districts in FY 2018-19 is driven by other factors in the statutory school finance formula that add varying amounts to the base per-pupil funding for each district to account for individual district characteristics. The formula includes three primary factors:

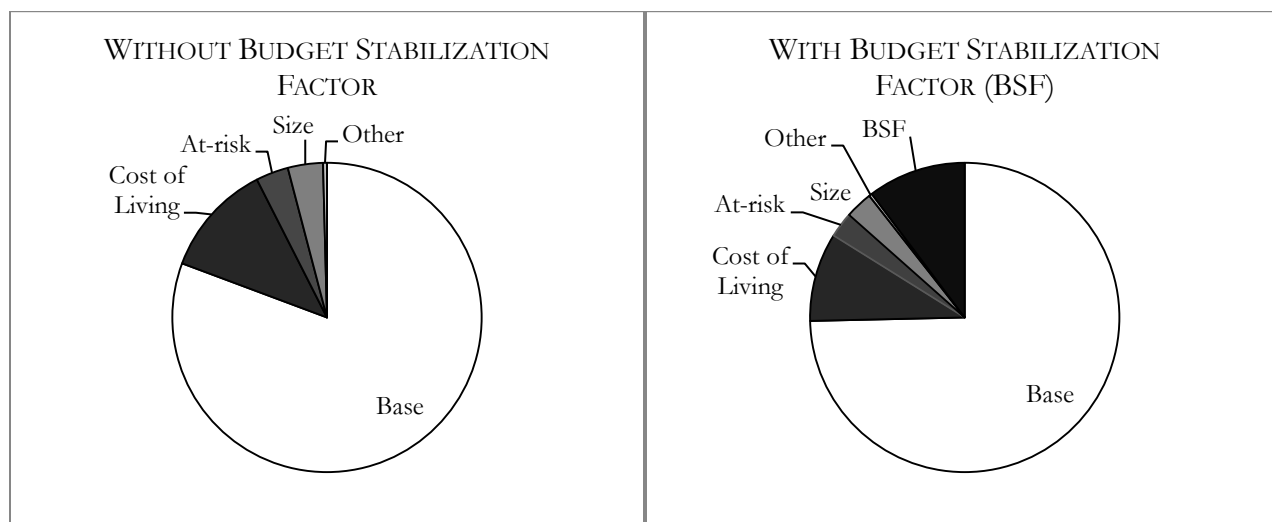
- Cost of Living Factor - Recognizes that the cost of living in a community affects the salaries required to attract and retain qualified personnel.
- Size Factor - Compensates districts lacking enrollment-based economies of scale.
- At-risk Factor - Provides additional funding for districts serving 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 (\$7,730 per pupil for FY 2018-19), regardless of the impact of the above factors. For FY 2018-19, 12 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 \$7,455 for FY 2018-19) 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 budget stabilization factor (previously known as the negative factor) designed to reduce districts' total program funding to a specified total amount. For FY 2018-19, this factor is estimated to be -8.7 percent, requiring a \$672.4 million reduction in total program funding. Thus, the Department will calculate total program funding for each district based on the formula described above, and then reduce each district's total program funding by 8.7 percent. Because the General Assembly cannot decrease base per-pupil funding, the budget stabilization factor has the effect of reducing the funding attributed to the other formula factors, as illustrated in the following graphic.



## DETERMINING THE STATE AND LOCAL SHARES OF FUNDING

Once the total program funding amount is determined for each district, the state and local share of such funding is calculated for each district. Local property and specific ownership taxes provide the first source of revenue for each district's total program funding. Property taxes are based on each district's tax rate (the mill levy) and the portion of property value that is taxable (the assessment rate). Specific ownership taxes are paid when registering a motor vehicle. These local tax revenues are collected and expended by each school district, and thus are not reflected in the state budget. For FY 2018-19, \$2.5 billion in local tax revenues are anticipated to be available to support public schools pursuant to the statutory school finance formula. State funding is appropriated to fill the gap between local tax revenues and total program funding. Thus, the General Assembly appropriated \$4.5 billion in state funding for FY 2018-19 to provide a total of \$7.1 billion for school district operations.

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

- In 1982, voters approved a property tax reform measure that included a provision (generally called the "Gallagher amendment") which initially reduced the residential assessment rate from 30.0 percent to 21.0 percent, and capped the residential share of property taxes.

- In 1992 voters approved the Taxpayer's Bill of Rights (TABOR). Prior to TABOR, local governments could generally collect and spend the same amount of property tax revenue each year by periodically increasing or decreasing mill levies. With respect to school district property taxes, TABOR: (1) imposes a property tax revenue limit based on inflation and changes in student enrollment; (2) prohibits districts from increasing a mill levy without voter approval; and (3) requires voter approval for any increase in the assessment rate for a class of property.

As a result of the Gallagher amendment, the residential assessment rate has declined from 30.00 percent to 7.20 percent. Most recently, H.B. 17-1349 (Assessment Ratio for Residential Real Property) reduced the residential assessment rate from 7.96 percent to 7.20 percent beginning in FY 2017-18) to keep the residential share of property tax revenues at about 45.8 percent. Similarly, TABOR has reduced school district mill levies from the uniform mill of 40.080 (established by the General Assembly in 1988) to disparate mill levies that currently range from 1.680 to 27.000. These reductions, in combination with the inflationary spending increases required by Amendment 23, have caused the local share of total program funding to increase at a slower rate than overall funding, requiring the State's relative share of funding to increase. Specifically, from CY 1988 to FY 2006-07, the state share of funding rose from 43 percent to 64 percent, while the local share fell from 57 percent to 36 percent.

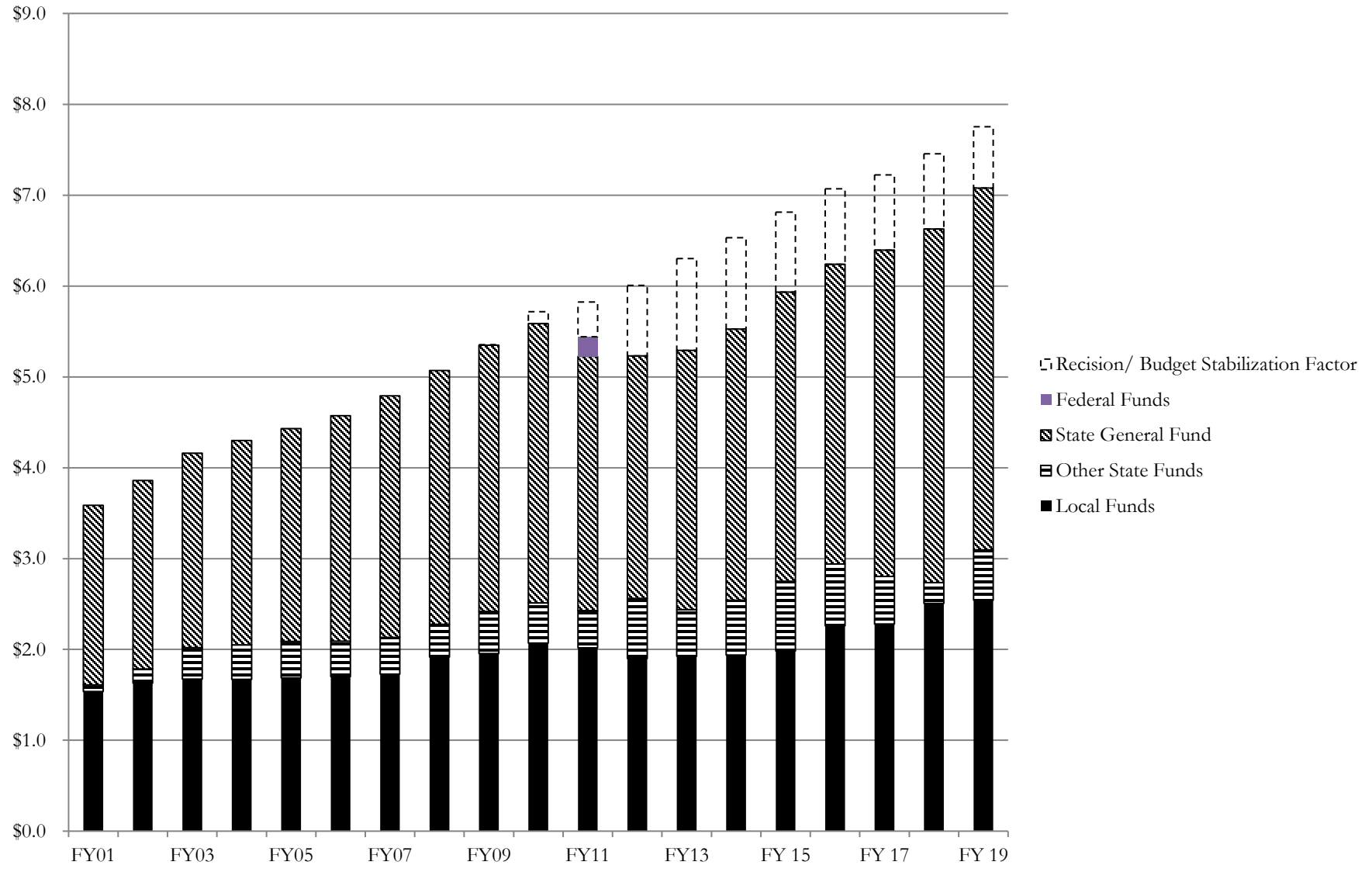
Senate Bill 07-199 (School Finance) changed the method for calculating school district property taxes, thereby allowing property tax revenues to increase at a rate more commensurate with overall funding. Due to the passage of S.B. 07-199 and increases in assessed valuation, the state share of funding (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 increased to 66.6 percent of total program funding in FY 2014-15. The state share is projected to provide 64.1 percent of total program funding in FY 2018-19.

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 2018-19. 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 budget stabilization 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 2017-18 and FY 2018-19.

# SCHOOL DISTRICTS' TOTAL PROGRAM FUNDING (\$ in billions)



SCHOOL DISTRICTS' TOTAL PROGRAM FUNDING: KEY DATA						
DESCRIPTION	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 ACTUAL	FY 2016-17 ACTUAL	FY 2017-18 ACTUAL	FY 2018-19 APPROP.
<b>Funded Pupil Count</b>	<b>830,831</b>	<b>844,546</b>	<b>853,251</b>	<b>858,872</b>	<b>865,017</b>	<b>871,141</b>
<i>Annual Percent Change</i>	<i>1.6%</i>	<i>1.7%</i>	<i>1.0%</i>	<i>0.7%</i>	<i>0.7%</i>	<i>0.7%</i>
<i>Change in Denver-Boulder Consumer Price Index for Previous Calendar Year</i>	<i>1.9%</i>	<i>2.8%</i>	<i>2.8%</i>	<i>1.2%</i>	<i>2.8%</i>	<i>3.4%</i>
Statewide <u>Base</u> Per Pupil Funding	<b>\$5,954</b>	<b>\$6,121</b>	<b>\$6,292</b>	<b>\$6,368</b>	<b>\$6,546</b>	<b>\$6,769</b>
<i>Annual Percent Change</i>	<i>1.9%</i>	<i>2.8%</i>	<i>2.8%</i>	<i>1.2%</i>	<i>2.8%</i>	<i>3.4%</i>
Statewide <u>Average</u> Per Pupil Funding	<b>\$6,652</b>	<b>\$7,026</b>	<b>\$7,313</b>	<b>\$7,420</b>	<b>\$7,662</b>	<b>\$8,137</b>
<i>Annual Percent Change</i>	<i>2.7%</i>	<i>5.6%</i>	<i>4.1%</i>	<i>1.5%</i>	<i>3.3%</i>	<i>6.2%</i>
<b>Total Program Funding<sup>1</sup></b>	<b>\$5,526,933,750</b>	<b>\$5,933,444,389</b>	<b>\$6,239,564,775</b>	<b>\$6,372,827,460</b>	<b>\$6,627,917,199</b>	<b>\$7,088,830,951</b>
<i>Annual Percent Change</i>	<i>4.3%</i>	<i>7.4%</i>	<i>5.2%</i>	<i>2.1%</i>	<i>4.0%</i>	<i>7.0%</i>
<u>Local Share</u> of Total Program Funding	\$1,938,833,490	\$1,982,831,906	\$2,259,785,802	\$2,257,704,955	\$2,506,844,504	\$2,542,655,348
<i>Annual Percent Change</i>	<i>1.1%</i>	<i>2.3%</i>	<i>14.0%</i>	<i>-0.1%</i>	<i>11.0%</i>	<i>1.4%</i>
<u>State Share</u> of Total Program Funding	\$3,588,100,260	\$3,950,612,483	\$3,979,778,973	\$4,115,122,505	\$4,121,072,695	\$4,546,175,603
<i>Annual Percent Change</i>	<i>6.2%</i>	<i>10.1%</i>	<i>0.7%</i>	<i>3.4%</i>	<i>0.1%</i>	<i>10.3%</i>
<i>State Share as Percent of Districts' Total Program Funding</i>	<i>64.9%</i>	<i>66.6%</i>	<i>63.8%</i>	<i>64.6%</i>	<i>62.2%</i>	<i>64.1%</i>

<sup>1</sup> These figures reflect total program funding after application of the budget stabilization factor.

## CATEGORICAL PROGRAMS

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

However, Section 17 of Article IX of the Colorado Constitution requires the General Assembly to increase total state funding for all categorical programs annually by at least the rate of inflation plus one percent for FY 2001-02 through FY 2010-11, and by at least the rate of inflation for subsequent fiscal years. For example, in calendar year 2017 the percentage change in the Denver-Boulder-Greeley consumer price index was 3.4 percent, so the General Assembly was required to increase state funding for categorical programs by at least that amount (\$10,119,156) for FY 2018-19.

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 \$165.6 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 \$67.3 million higher than the minimum amount that would have otherwise been required.

The following table details the allocation of the \$165.6 million increase since FY 2000-01 among categorical programs. For details concerning the allocation of the funding increase provided for FY 2018-19, please see the Assistance to Public Schools, Categorical Programs section of Part III of this department.

INCREASES IN STATE FUNDING FOR CATEGORICAL PROGRAMS SINCE FY 2000-01				
LONG BILL LINE ITEM	FY 2000-01 APPROPRIATION	FY 2018-19 APPROPRIATION	TOTAL INCREASE IN ANNUAL APPROPRIATION OF STATE FUNDS SINCE FY 2000-01	
Special Education - Children with Disabilities	\$71,510,773	\$176,129,215	\$104,618,442	146.3%
English Language Proficiency Program	3,101,598	21,608,211	18,506,613	596.7%
Public School Transportation	36,922,227	59,099,150	22,176,923	60.1%
Career and Technical Education Programs	17,792,850	26,675,279	8,882,429	49.9%
Special Education - Gifted and Talented Children	5,500,000	12,528,041	7,028,041	127.8%
Expelled and At-risk Student Services Grant Program	5,788,807	9,493,560	3,704,753	64.0%
Small Attendance Center Aid	948,140	1,076,550	128,410	13.5%
Comprehensive Health Education	600,000	1,131,396	531,396	88.6%
<b>Total</b>	<b>\$142,164,395</b>	<b>\$307,741,402</b>	<b>\$165,577,007</b>	<b>116.5%</b>

## APPROPRIATION HIGHLIGHTS - 2018 LEGISLATIVE SESSION

DEPARTMENT OF EDUCATION						
	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$5,595,962,364	\$4,102,153,140	\$811,003,279	\$34,572,434	\$648,233,511	598.5
SB 17-025	47,000	0	47,000	0	0	0.0
SB 17-296	500,000	0	500,000	0	0	0.4
HB 17-1181	(642,786)	0	(642,786)	0	0	0.0
HB 17-1276	18,414	18,414	0	0	0	0.3
HB 18-1159	357,990	0	0	357,990	0	0.0
HB 18-1171	(103,938,958)	(30,723,791)	(73,215,167)	0	0	0.0
HB 18-1322	(503,816)	0	(503,816)	0	0	0.0
<b>TOTAL</b>	<b>\$5,491,800,208</b>	<b>\$4,071,447,763</b>	<b>\$737,188,510</b>	<b>\$34,930,424</b>	<b>\$648,233,511</b>	<b>599.2</b>

# DEPARTMENT OF EDUCATION

	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$5,491,800,208	\$4,071,447,763	\$737,188,510	\$34,930,424	\$648,233,511	599.2
Total program increase	266,612,335	(29,248,005)	295,860,340	0	0	0.0
CSI mill levy equalization	11,047,724	5,523,862	0	5,523,862	0	0.0
Categorical programs increase	10,119,157	0	10,119,157	0	0	0.0
BEST lease payments increase	6,000,000	0	6,000,000	0	0	0.0
Information management systems	2,649,721	2,649,721	0	0	0	2.7
Facility schools adjustment	1,508,255	0	1,478,682	29,573	0	0.0
Centrally appropriated line items	1,447,684	496,133	287,654	92,578	571,319	0.0
Career development success pilot increase	1,000,000	1,000,000	0	0	0	0.0
Financial transparency system maintenance	600,000	0	600,000	0	0	0.0
Computer science education grants increase	500,000	0	500,000	0	0	0.0
Supplemental on-line education increase	200,000	0	200,000	0	0	0.0
State Board meeting transcription	140,408	140,408	0	0	0	0.0
Educator licensure increase	138,000	0	138,000	0	0	0.0
CSDB teacher salary increase	87,666	87,666	0	0	0	0.0
Fund source adjustments	0	(11,425)	0	11,425	0	0.0
Breakfast after the bell adjustment	(29,389,256)	0	0	0	(29,389,256)	0.0
Annualize prior year budget actions	(1,642,094)	(997,855)	568,992	(1,213,231)	0	0.0
Assessment adjustments	(1,602,362)	0	484,592	0	(2,086,954)	0.0
Annualize prior year legislation	(239,048)	3,508	(242,556)	0	0	(0.3)
Indirect cost assessment adjustment	(141,687)	0	(45,166)	0	(96,521)	0.0
HCPF interagency agreement	(26,260)	0	0	10,878	(37,138)	0.0
Interstate compact adjustment	(1,437)	0	(1,437)	0	0	0.0
<b>HB 18-1322</b>	<b>\$5,760,809,014</b>	<b>\$4,051,091,776</b>	<b>\$1,053,136,768</b>	<b>\$39,385,509</b>	<b>\$617,194,961</b>	<b>601.6</b>
SB 18-013	564,279	564,279	0	0	0	0.0
SB 18-085	240,000	0	240,000	0	0	0.0
HB 18-1019	30,000	30,000	0	0	0	0.0
HB 18-1070	34,000,000	0	34,000,000	0	0	0.0
HB 18-1189	600,000	600,000	0	0	0	0.0
HB 18-1193	260,937	0	260,937	0	0	0.3
HB 18-1309	1,019,110	1,019,110	0	0	0	0.3
HB 18-1379	189,504,911	123,428,205	66,076,706	0	0	0.0
HB 18-1393	1,000,000	0	1,000,000	0	0	0.0
HB 18-1396	554,869	554,869	0	0	0	0.3
HB 18-1412	3,000,000	3,000,000	0	0	0	0.0
<b>TOTAL</b>	<b>\$5,991,583,120</b>	<b>\$4,180,288,239</b>	<b>\$1,154,714,411</b>	<b>\$39,385,509</b>	<b>\$617,194,961</b>	<b>602.5</b>
<b>INCREASE/(DECREASE)</b>	<b>\$499,782,912</b>	<b>\$108,840,476</b>	<b>\$417,525,901</b>	<b>\$4,455,085</b>	<b>(\$31,038,550)</b>	<b>3.3</b>
Percentage Change	9.1%	2.7%	56.6%	12.8%	(4.8%)	0.6%

<sup>1</sup> Includes General Fund Exempt.

## FY 2017-18 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 18-1159 modifies the FY 2017-18 appropriation to:

- Add \$350,000 reappropriated funds for the Reading Services for the Blind line item to allow for the expansion of services provided to the blind and visually impaired; and
- Add \$7,990 reappropriated funds for the S.B. 97-101 Public School Health Services program.

House Bill 18-1171 reduces state funding distributed to public schools through the School Finance Act by \$103.9 million total funds (including \$30.7 million General Fund and \$73.2 million cash funds from the State Public School Fund) to account for higher-than-anticipated local revenues and lower-than-anticipated student counts. The reduction in state funds maintained statewide average per pupil funding at the level anticipated in the original FY

2017-18 appropriation (\$7,662 per pupil). By maintaining statewide average per pupil funding at a constant level with lower-than-anticipated student counts and at-risk student counts, the bill reduced the value of the budget stabilization factor by \$5.9 million.

House Bill 18-1322 includes a net decrease of \$503,816 cash funds from the State Education Fund to FY 2017-18 appropriations to account for an increase in local revenues available to support school finance. The bill also adjusts the portion of General Fund appropriations from the General Fund Exempt account.

## FY 2018-19 APPROPRIATION HIGHLIGHTS

**TOTAL PROGRAM INCREASE:** The appropriation increases total state and local funding that is distributed to public schools through the School Finance Act by \$460.9 million, increasing average per pupil funding to \$8,137 (an increase of \$475 per pupil or 6.2 percent). The appropriation anticipates that local tax revenues for school finance will increase by \$35.3 million, so appropriations of state funds increase by \$426.1 million (\$266.6 million through the Long Bill and \$159.5 million through H.B. 18-1379<sup>1</sup>). The total increase in state funds includes increases of \$94.2 million General Fund and \$331.9 million cash funds.

**CSI MILL LEVY EQUALIZATION:** The appropriation includes an increase of \$11.0 million total funds (including \$5.5 million General Fund appropriated to the Mill Levy Equalization Fund and \$5.5 million reappropriated funds to appropriate those funds out of the cash fund) for distribution to Colorado Charter School Institute (CSI) schools to equalize local mill levy override revenues that are not available to CSI schools.

**CATEGORICAL PROGRAMS INCREASE:** The appropriation includes an increase of \$10.1 million cash funds from the State Education Fund in order to increase total *state* spending on categorical programs by 3.4 percent, based on the rate of inflation from CY 2017. The State Constitution requires the General Assembly to increase *total state funding* for all categorical programs (in aggregate) by at least the rate of inflation in FY 2018-19.

**BEST LEASE PAYMENTS INCREASE:** The appropriation includes an increase of \$6.0 million cash funds from the Public School Capital Construction Assistance Fund to support additional lease-purchase payments by the Building Excellent Schools Today (BEST) program.

**INFORMATION MANAGEMENT SYSTEMS:** The appropriation includes an increase of \$2.6 million General Fund and 2.7 FTE to update the Department's information management systems and to support additional information technology (IT) staff. The increase includes the following components: (1) \$2.3 million in one-time funding to allow the Department to update its IT infrastructure and make security and data privacy improvements; and (2) \$318,721 and 2.7 FTE to support additional IT staff focused on information security and the modernization and re-design of the Department's public and private data reporting processes and systems.

**FACILITY SCHOOLS ADJUSTMENT:** The appropriation includes an increase of \$1.5 million cash funds from the State Education Fund for distributions to facility schools based on the Department's current estimates of facility school pupil counts in FY 2018-19 and the required per pupil funding for facility school students. The appropriation also includes a related increase of \$29,573 reappropriated funds to align the appropriation for the Facility Schools Unit and Facility Schools Board with the statutory direction that the Department withhold 2.0 percent of facility school funding to support the operations of the Facility Schools Unit and Board.

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<sup>1</sup> House Bill 18-1379 also appropriates \$30.0 million cash funds from the State Education Fund for distribution to rural schools outside of the School Finance Act. For additional information see the "Recent Legislation" section at the end of Part III for this department.

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

**CAREER DEVELOPMENT SUCCESS PILOT INCREASE:** The appropriation includes an increase of \$1.0 million General Fund for the Career Development Success Pilot Program created in H.B. 16-1289 (Incentives to Complete Career Development Courses).

**FINANCIAL TRANSPARENCY SYSTEM MAINTENANCE:** The appropriation includes an increase of \$600,000 cash funds from the Financial Reporting Fund to support the ongoing maintenance of the financial transparency system authorized in H.B. 14-1292 (Student Success Act).

**COMPUTER SCIENCE EDUCATION GRANTS INCREASE:** The appropriation includes an increase of \$500,000 cash funds from the State Education Fund for the Computer Science Education Grants for Teachers program.

**SUPPLEMENTAL ON-LINE EDUCATION INCREASE:** The appropriation includes an increase of \$200,000 cash funds from the State Public School Fund for the Supplemental On-line Education Services program.

**STATE BOARD MEETING TRANSCRIPTION:** The appropriation includes an increase of \$140,408 General Fund to support the transcription of all State Board of Education meetings from January 2014 through FY 2018-19 in response to a finding by the U.S. Department of Education's Office of Civil Rights (OCR) requiring the transcription of all meetings.

**EDUCATOR LICENSURE INCREASE:** The appropriation includes an increase of \$138,000 cash funds from the Educator Licensure Cash Fund to align appropriations with anticipated expenditures for the Office of Professional Services. Because the Educator Licensure Cash Fund is continuously appropriated to the Department, the appropriation is reflected for informational purposes only.

**CSDB TEACHER SALARY INCREASE:** The appropriation adds \$87,666 General Fund for salary increases for teachers employed at the Colorado School for the Deaf and the Blind (CSDB) based on the Colorado Springs District 11 salary schedule, as required by Section 22-80-106.5, C.R.S.

**FUND SOURCE ADJUSTMENTS:** The appropriation includes a reduction of \$11,425 General Fund that is offset by an equal increase of reappropriated funds to reflect the anticipated transfer of facility school funding to the Colorado School for the Deaf and the Blind in FY 2018-19. The appropriation also adjusts the portion of General Fund appropriations reflected from the General Fund Exempt account.

**BREAKFAST AFTER THE BELL ADJUSTMENT:** The appropriation includes a decrease of \$29.4 million federal funds previously reflected in the Breakfast After the Bell line item because those funds are accounted for in the Federal Nutrition Program line item.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments related to budget actions and decision items included in prior year Long Bill appropriations. The table below summarizes each annualization for FY 2018-19.



ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Contingency Reserve Fund	(\$1,000,000)	(\$1,000,000)	\$1,000,000	(\$1,000,000)	\$0	0.0
FY 17-18 Academic standards revision	(340,840)	0	(340,840)	0	0	0.0
FY 17-18 Supplemental bill	(207,990)	0	0	(207,990)	0	0.0
FY 17-18 CPP tax checkoff	(59,957)	0	(59,957)	0	0	0.0
FY 17-18 School health professionals	(14,109)	0	(14,109)	0	0	0.0
FY 17-18 Salary survey	(13,992)	1,493	(11,849)	(3,636)	0	0.0
FY 17-18 Merit based pay	(5,206)	652	(4,253)	(1,605)	0	0.0
<b>TOTAL</b>	<b>(\$1,642,094)</b>	<b>(\$997,855)</b>	<b>\$568,992</b>	<b>(\$1,213,231)</b>	<b>\$0</b>	<b>0.0</b>

**ASSESSMENT ADJUSTMENTS:** The appropriation includes a net decrease of \$1.6 million total funds, including an increase of \$484,592 cash funds from the State Education Fund that is offset by a reduction in federal funds, to align appropriations associated with the statewide assessment program with anticipated revenues and expenditures.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments for the out-year impact of prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 17-296 School Finance	\$48,375	\$0	\$48,375	\$0	\$0	0.0
HB 17-1276 Restrict Restraints	3,508	3,508	0	0	0	0.0
HB 14-1118 AP Incentives Pilot Program	(260,931)	0	(260,931)	0	0	(0.3)
SB 17-025 Marijuana Resource Bank	(30,000)	0	(30,000)	0	0	0.0
<b>TOTAL</b>	<b>(\$239,048)</b>	<b>\$3,508</b>	<b>(\$242,556)</b>	<b>\$0</b>	<b>\$0</b>	<b>(0.3)</b>

**INDIRECT COST ADJUSTMENT:** The appropriation includes adjustments based on the Department's indirect cost assessment plan.

**HCPF INTERAGENCY AGREEMENT:** The appropriation adjusts appropriations related to the S.B. 97-101 Public School Health Services line item to align with the Department's interagency agreement with the Department of Health Care Policy and Financing (HCPF), resulting in a net decrease of \$26,260 total funds.

**INTERSTATE COMPACT ADJUSTMENT:** The appropriation includes a decrease of \$1,437 cash funds from the State Education Fund to align appropriations with the State's dues for the Interstate Compact on Educational Opportunity for Military Children in FY 2018-19.

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

# 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 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
General Fund	\$41,871,028	\$35,966,004	\$35,324,665	\$42,340,000
Cash Funds	42,239,163	44,733,104	47,400,500	47,889,843
Reappropriated Funds	181,708,763	220,765,787	245,351,971	255,022,179
Federal Funds	6,492,609	6,511,867	6,455,720	6,767,275
<b>TOTAL FUNDS</b>	<b>\$272,311,563</b>	<b>\$307,976,762</b>	<b>\$334,532,856</b>	<b>\$352,019,297</b>
Full Time Equiv. Staff	1,088.7	1,090.0	1,091.2	1,101.5

## GENERAL FACTORS DRIVING THE BUDGET

Funding for this department consists of 12.0 percent General Fund, 13.6 percent cash funds, 72.4 percent reappropriated funds, and 1.9 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

### OFFICE OF THE GOVERNOR (DIVISION)

#### CENTRALLY APPROPRIATED LINE ITEMS

The budget for the Office of the Governor (division) is driven by the centrally appropriated line items (e.g. health, life, and dental insurance coverage, short-term disability payments, and payments to PERA) supporting over 150 staff within several agencies of the department. The amount of funding provided is determined by common policies adopted by the General Assembly. Prior to FY 2015-16, the appropriations for centrally appropriated line items included moneys to support the employees of the Governor's Office of Information Technology. Beginning in FY 2015-16, appropriations supporting this purpose were moved to the Governor's Office of Information Technology division. This resulted in a decrease of \$23.4 million reappropriated funds in this division and an increase of a like amount in the Governor's Office of Information Technology division.

### COLORADO ENERGY OFFICE

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

To address the future of the Office, H.B. 12-1315 (Reorganization Of Governor's Energy Office) changed the statutory mission of CEO from promoting renewable energy and energy efficiency to encouraging all sources of energy development and created two dedicated funding streams to support the Office (Clean and Renewable Energy Cash Fund and the Innovative Energy Fund). For FY 2016-17, the budget for CEO is steered by transfers

of money from severance tax revenue and the General Fund into numerous cash funds, per statute. The primary transfers that fund the operations of the agency are as follows:

COLORADO ENERGY OFFICE CASH FUND TRANSFERS			
CASH FUND	SOURCE	AMOUNT	FINAL STATUTORY TRANSFER
Weatherization Low-Income Energy Assistance Fund	Severance Tax, Tier 2	*\$6,500,000 <sup>1</sup>	July 1, 2023
Energy Outreach Low-Income Energy Assistance Fund	Severance Tax, Tier 2	*3,250,000 <sup>1</sup>	July 1, 2023
Clean and Renewable Energy Fund	General Fund	1,600,000	July 1, 2016
Innovative Energy Fund	Severance Tax, Off-the-top	1,500,000	July 1, 2016
Public School Energy Efficiency Fund	Severance Tax, Interest	210,000	September 1, 2015

\*This transfer may fluctuate based on the amount of severance taxes collected by the state.

The General Assembly did not reauthorize the transfer of money into the Clean and Renewable Energy Fund and the Innovative Energy Fund during the 2017 legislative session. Thus, for FY 2017-18, funding for the Office decreased by \$3.1 million compared to the prior fiscal year. For FY 2018-19, the Office is appropriated \$3.1 million General Fund and 16.5 FTE to fund its operations.

## OFFICE OF THE LIEUTENANT GOVERNOR

Base funding for the Office of the Lieutenant Governor has remained relatively constant in recent fiscal years, with nearly all money coming from the General Fund. Beginning in FY 2015-16, the General Assembly provided an increase in appropriations for two projects:

- Senate Bill 15-290 (Colorado Student Leaders Institute) created the Colorado Student Leaders Institute, a competitive summer residential education program for high school students. The initiative is funded by a transfer of \$218,825 from the Department of Education's State Education Fund to the Office. Senate Bill 17-060 (Colorado Student Leaders Institute Relocation To Colorado Department Of Higher Education) transferred this program to the Department of Higher Education, thus reducing reappropriated funds in this Office.
- Serve Colorado, the Governor's Commission on Community Service, received an ongoing increase of \$100,000 General Fund beginning in FY 2015-16. The initiative seeks to build a culture of civic engagement in the state by working in partnership with community-based organizations. The program is appropriated an additional \$100,000 General Fund for this purpose in FY 2018-19.

## OFFICE OF STATE PLANNING AND BUDGETING (OSPB)

Base funding for the Office of State Planning and Budgeting has remained relatively constant in recent fiscal years at a level of approximately \$1.5 million reappropriated funds transferred to the agency from the collection of statewide indirect costs in other departments. Additionally, the General Assembly has provided funding to the Office for a variety of special projects in recent years, increasing General Fund appropriations gradually from zero in FY 2011-12 to \$1.1 million for FY 2017-18. These projects have included a prison utilization study, the implementation of a continuous incremental process improvement program known as LEAN, and the implementation of a cost-benefit analysis tool dubbed Results First.

For FY 2017-18, the Office received an appropriation of \$500,000 cash funds from the Marijuana Tax Cash Fund to fund a grant program for state agencies to embark on projects to evaluate and/or assist in the implementation of programs funded from the Marijuana Tax Cash Fund. Program evaluations assist the General Assembly in determining if investments of state resources are improving outcomes. This amount is decreased by \$64,325 cash funds for FY 2018-19 as part of a statewide effort to reduce appropriations by 2.0 percent across-the-board, pursuant to S.B. 17-267 (Sustainability Of Rural Colorado).

## ECONOMIC DEVELOPMENT PROGRAMS

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

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

LIMITED GAMING TAX REVENUE TRANSFERS TO OEDIT PER S.B. 13-133	
Travel and Tourism Promotion Fund	\$15,000,000
Advanced Industries	\$5,500,000
Creative Industries	\$2,000,000
Film, TV, and Media	\$500,000

In addition to limited gaming tax revenue, for FY 2017-18, the legislature provided OEDIT with \$5.0 million General Fund to provide new job creation incentives for companies relocating to Colorado and expanding in Colorado via the reauthorization of the Economic Development Commission included in S.B. 17-280 (Extending The Economic Development Commission), \$4.0 million General Fund for tourism promotion, and \$750,000 General Fund to provide job creation incentives for the film industry.

It is important to note that OEDIT is also responsible for implementing the State's Job Growth Incentive Tax Credit program established via H.B. 09-1001 (Income Tax Credit For CO Job Growth). The incentive provides a State income tax credit equal to 50.0 percent of the Federal Insurance Contributions Act (FICA) money paid by the business on the net job growth for each calendar year in the credit period. Businesses need to create at least 20 new jobs in Colorado, with an average yearly wage of at least 110 percent of the county average wage rate based on where the business is located, and all new jobs must be maintained for at least one year after the positions are hired to qualify. For FY 2016-17, tax credits in the amount of \$12.6 million were issued based on the creation of 4,829 jobs. During the same time period, 33 projects received approval for up to \$195.0 million in tax credits associated with the creation of 9,414 jobs. While the Job Growth Incentive Tax Credit program does not impact State appropriations, it decreases the amount of General Fund revenue available to the State for appropriations.

## OFFICE OF INFORMATION TECHNOLOGY

In May 2007, the Governor issued an executive order to begin centralizing the management of executive branch information technology resources in the Governor's Office of Information Technology (OIT). The purpose was to address infrastructure, purchasing, project planning and delivery, asset management, and strategic leadership needs. Senate Bill 08-155 (Centralize IT Management In OIT) statutorily consolidated the responsibility for information technology oversight of most of the state's executive branch agencies in OIT.

Specifically, S.B. 08-155 transferred several information technology functions and staff positions from various State agencies to OIT in FY 2008-09. The largest single agency transfer involved moving the Division of Information Technology from the Department of Personnel and Administration, along with its 178.8 FTE, to OIT. The Division of Information Technology transfer included the General Government Computer Center (GGCC), telecommunications coordination, public safety communications planning and maintenance, and statewide information technology management and support functions. Additionally, the Department'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 FY 2010-11 appropriation included a transfer of 680.7 FTE and \$57.7 million from state agencies to OIT.

Funding historically dedicated to the associated information technology staff in specific State agencies and programs continues to be appropriated to those agencies in order for them to maintain consistency of program, state, and federal funding streams and reporting standards. Agencies make payments to OIT for their share of information technology staff payroll costs, including centrally appropriated items and personal services expenses. The payments are made from an information technology common policy line item (Payments to OIT) appropriation.

Outside of OIT's collection of recoverable costs associated with the information technology common policy, expenses for the operation of the Colorado Benefits Management System (CBMS) are billed directly to the Department of Human Services and Department of Health Care Policy and Financing. The following table highlights appropriations made to OIT for CBMS over the past six fiscal years.

APPROPRIATIONS TO OIT FOR CBMS (REAPPROPRIATED FUNDS)					
FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
\$41,330,303	\$64,996,580	\$30,529,339	\$53,026,031	\$60,743,224	\$61,868,613

## APPROPRIATION HIGHLIGHTS - 2018 LEGISLATIVE SESSION

GOVERNOR - LIEUTENANT GOVERNOR - STATE PLANNING AND BUDGETING						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$327,294,670	\$30,301,603	\$44,200,500	\$246,336,847	\$6,455,720	1,087.9
SB 17-028	12,960	0	0	12,960	0	0.0
SB 17-060	(218,825)	0	0	(218,825)	0	(1.0)
SB 17-255	3,200,000	0	3,200,000	0	0	0.0
SB 17-280	5,000,000	5,000,000	0	0	0	4.0
HB 17-1090	23,062	23,062	0	0	0	0.3
HB 17-1165	20,000	0	0	20,000	0	0.0
HB 17-1204	108,710	0	0	108,710	0	0.0
HB 17-1221	21,603	0	0	21,603	0	0.0
HB 17-1313	44,486	0	0	44,486	0	0.0
HB 17-1326	152,112	0	0	152,112	0	0.0
SB 18-027	110,000	0	0	110,000	0	0.0
HB 18-1160	(1,235,922)	0	0	(1,235,922)	0	0.0
<b>TOTAL</b>	<b>\$334,532,856</b>	<b>\$35,324,665</b>	<b>\$47,400,500</b>	<b>\$245,351,971</b>	<b>\$6,455,720</b>	<b>1,091.2</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$334,532,856	\$35,324,665	\$47,400,500	\$245,351,971	\$6,455,720	1,091.2
Microsoft operating system and Microsoft Office productivity suite service offerings	5,228,160	0	0	5,228,160	0	0.0
CBMS/PEAK base adjustment	4,990,762	0	0	4,990,762	0	0.0
Voice and data services spending authority alignment	4,098,059	0	0	4,098,059	0	0.0

GOVERNOR - LIEUTENANT GOVERNOR - STATE PLANNING AND BUDGETING						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Funding for the operations of the Colorado Energy Office	3,100,000	3,100,041	0	(41)	0	16.5
Annualize HB 18-1160 (supplemental bill)	1,235,922	0	0	1,235,922	0	0.0
Indirect cost assessment	822,648	0	285,793	412,925	123,930	0.0
Governor's Office administration line item refinance	562,240	562,240	0	0	0	0.0
Rural tourism promotion increase	500,000	500,000	0	0	0	0.0
Sex Offender Management Board data collection system build	361,424	0	0	361,424	0	0.0
Department of Health Care Policy and Financing Benefits Utilization Services application final year support	230,040	0	0	230,040	0	0.0
State Broadband Office staffing retention	224,992	224,992	0	0	0	0.0
Department of Health Care Policy and Financing information technology security upgrades	194,302	0	0	194,302	0	0.0
Funding for the Education Leadership Council	100,000	100,000	0	0	0	0.0
Additional information technology services for the Department of Natural Resources	98,995	0	0	98,995	0	1.0
Department of Corrections offender records management system operating increase	90,723	0	0	90,723	0	0.0
Colorado Commission of Indian Affairs staffing increase	90,000	90,000	0	0	0	(0.2)
Peace Officers Mental Health Support Grant Program	23,825	0	0	23,825	0	0.0
Centrally appropriated line items	(4,792,936)	156,900	20,338	(5,157,799)	187,625	0.0
Annualize prior year budget actions	(2,453,465)	(26)	(470,875)	(1,982,564)	0	0.0
Human Resources Information System (HRIS) timekeeping solution savings	(1,649,287)	0	0	(1,649,287)	0	0.0
Division of Motor Vehicles information technology service reduction	(499,917)	0	0	(499,917)	0	(8.0)
Annualize prior year legislation	(450,555)	0	0	(450,555)	0	0.0
Disabled parking education program reduction	(250,000)	(250,000)	0	0	0	0.0
Serve Colorado reduction	(100,000)	(100,000)	0	0	0	0.0
Office of State Planning and Budgeting reduction	(64,325)	0	(64,325)	0	0	0.0
<b>HB 18-1322</b>	<b>\$346,224,463</b>	<b>\$39,708,812</b>	<b>\$47,171,431</b>	<b>\$252,576,945</b>	<b>\$6,767,275</b>	<b>1,100.5</b>
SB 18-036	4,630	0	0	4,630	0	0.0
SB 18-086	250,000	250,000	0	0	0	1.0
SB 18-150	89,600	0	0	89,600	0	0.0
HB 18-1017	80,000	0	0	80,000	0	0.0
HB 18-1042	16,016	0	0	16,016	0	0.0
HB 18-1135	350,000	175,000	0	175,000	0	0.0
HB 18-1256	10,000	0	0	10,000	0	0.0
HB 18-1267	65,508	0	0	65,508	0	0.0
HB 18-1323	718,412	0	718,412	0	0	0.0
HB 18-1324	200,000	200,000	0	0	0	0.0
HB 18-1325	4,000,000	2,000,000	0	2,000,000	0	0.0
HB 18-1339	6,188	6,188	0	0	0	0.0
HB 18-1353	4,480	0	0	4,480	0	0.0
<b>TOTAL</b>	<b>\$352,019,297</b>	<b>\$42,340,000</b>	<b>\$47,889,843</b>	<b>\$255,022,179</b>	<b>\$6,767,275</b>	<b>1,101.5</b>
<b>INCREASE/(DECREASE)</b>	<b>\$17,486,441</b>	<b>\$7,015,335</b>	<b>\$489,343</b>	<b>\$9,670,208</b>	<b>\$311,555</b>	<b>10.3</b>
Percentage Change	5.2%	19.9%	1.0%	3.9%	4.8%	0.9%

## FY 2017-18 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 18-1160 modifies FY 2017-18 appropriations to:

- Add \$3,865,373 reappropriated funds transferred from the Department of Health Care Policy and Financing and the Department of Human Services to the Governor's Office of Information Technology to cover the costs associated with an increase in the number of mailings sent out to citizens applying for and/or enrolled in public assistance programs from the Colorado Benefits Management System (CBMS) and the Program Eligibility and Application Kit (PEAK). Additionally, the increase includes funds for a variety of CBMS and PEAK infrastructure costs (e.g. software licensing) and information technology security enhancements.
- Add \$278,356 reappropriated funds transferred from the Department of Health Care Policy and Financing to the Governor's Office of Information Technology to address information technology security issues within the Department; and
- Decrease \$5,379,651 reappropriated funds transferred to the Governor's Office of Information from state agencies through information technology common policy for the operations and maintenance costs associated with the Human Resources Information System, known as HRWorks. The decrease in funding is driven by a delay in the implementation of the HRWorks caused by a change in the technical approach to implementing the time and leave tracking component of the system. This change delays the operational date of HRWorks until October 2018 and postpones the need for funding to cover the system's operations and maintenance costs until a future fiscal year.

Senate Bill 18-027 modifies FY 2017-18 appropriations to add \$110,000 reappropriated funds transferred from the Department of Regulatory Agencies for information technology services associated with implementing the Enhanced Nurse Licensure Compact.

## FY 2018-19 APPROPRIATION HIGHLIGHTS

**MICROSOFT OPERATING SYSTEM AND MICROSOFT OFFICE PRODUCTIVITY SUITE SERVICE OFFERINGS:** The appropriation includes an increase of \$5.2 million reappropriated funds transferred from state agencies to the Governor's Office of Information Technology to transition from a non-consolidated licensing approach for operating system and Microsoft Office applications to a centralized approach managed by the Office for all state agencies. A portion of the total funds needed for this item is offset by reductions across nearly all agencies from operating line items that historically funded operating system and Microsoft Office licenses.

**CBMS/PEAK BASE ADJUSTMENT:** The appropriation includes an increase of \$5.0 million reappropriated funds transferred from the Departments of Health Care Policy and Financing and Human Services to the Governor's Office of Information Technology to meet increasing costs associated with the operation of the Colorado Benefits Management System (CBMS). The funds will be used for producing and mailing client correspondence, meeting federal security requirements, and covering the software licensing, maintenance, and support costs associated with existing capacity and performance issues.

**VOICE AND DATA SERVICES SPENDING AUTHORITY ALIGNMENT:** The appropriation includes an increase of \$4.1 million reappropriated funds to align the Long Bill with the Office of Information Technology's expenditures for voice and data services. State agencies are transitioning away from legacy phone systems and onto the Office's managed internet protocol communications platform, which necessitates additional spending authority for OIT to provide these services back to agencies. Note, the appropriation does not include companion increases in agency appropriations for voice and data services, as base-level appropriations in agency operating budgets are driving the Office's need for increased spending authority.

**FUNDING FOR THE OPERATIONS OF THE COLORADO ENERGY OFFICE:** The appropriation includes an increase of \$3.1 million General Fund and 16.5 FTE to provide the Colorado Energy Office with a base budget to fulfill its statutory obligations.

**ANNUALIZE HB 18-1160 (SUPPLEMENTAL BILL):** The appropriation includes an increase of \$1.2 million reappropriated funds to reverse appropriation changes included in the Department's FY 2017-18 supplemental bill. The table below itemizes each supplemental bill annualization for FY 2018-19.

ANNUALIZE HB 18-1160 (SUPPLEMENTAL BILL)						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Human Resources Information System (HRIS) timekeeping solution savings	\$5,379,651	\$0	\$0	\$5,379,651	\$0	0.0
CBMS/PEAK annual funding adjustment	(3,865,373)	0	0	(3,865,373)	0	0.0
Department of Health Care Policy and Financing information technology security upgrades	(278,356)	0	0	(278,356)	0	0.0
<b>TOTAL</b>	<b>\$1,235,922</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,235,922</b>	<b>\$0</b>	<b>0.0</b>

**INDIRECT COST ASSESSMENT:** The appropriation includes an increase of \$822,648 total funds to the Department's indirect cost assessments.

**GOVERNOR'S OFFICE ADMINISTRATION LINE ITEM REFINANCE:** The appropriation includes an increase of \$562,240 General Fund to meet payroll and operating expenses in the Governor's Office. In prior fiscal years, these costs were covered by off-budget federal funds from the Jobs and Growth Tax Relief Reconciliation Act of 2003. This source of funds will be exhausted during FY 2018-19. This increase is a one-to-one refinance of federal funds with General Fund and does not increase the total amount of funds available to the Governor's Office.

**RURAL TOURISM PROMOTION INCREASE:** The appropriation includes an increase of \$500,000 General Fund for the Destination Development Program in the Office of Economic Development and International Trade. The Program supports rural tourism partners and assists in creating new tourism assets in less visited regions of the state.

**SEX OFFENDER MANAGEMENT BOARD DATA COLLECTION SYSTEM BUILD:** The appropriation includes an increase of \$361,424 reappropriated funds transferred from the Department of Public Safety to the Governor's Office of Information Technology to build a data collection system for the Sex Offender Management Board that can be used to determine the impact of policy decisions on the assessment, evaluation, treatment, and behavioral monitoring of sex offenders.

**DEPARTMENT OF HEALTH CARE POLICY AND FINANCING BENEFITS UTILIZATION SERVICES APPLICATION FINAL YEAR SUPPORT:** The appropriation includes an increase of \$230,040 reappropriated funds transferred from the Department of Health Care Policy and Financing to the Governor's Office of Information Technology to maintain the Department's Benefits Utilization Services (BUS) application, which is the official document of record for Long Term Services and Support (LTSS), functional level of care determination, service benefits planning, program certification, and case management operations. The BUS tool is slated for replacement after FY 2018-19.

**STATE BROADBAND OFFICE STAFFING RETENTION:** The appropriation includes an increase of \$224,992 General Fund to retain an existing 2.0 FTE in the State Broadband Office. These employees were previously funded by the federal National Telecommunications and Information Administration and are tasked with supporting the Office's endeavors related to increasing broadband availability across Colorado, as well as supporting the state's implementation of the FirstNet initiative to create a dedicated public safety broadband network.



**DEPARTMENT OF HEALTH CARE POLICY AND FINANCING INFORMATION TECHNOLOGY SECURITY UPGRADES:** The appropriation includes an increase of \$194,302 reappropriated funds transferred from the Department of Health Care Policy and Financing to the Governor's Office of Information Technology to migrate the Department to the state's enterprise firewalls, to contract for security architecture support to advise in positioning security countermeasures and relating these measures to the overall systems architecture, and to implement two-factor authentication for the Department's email system (including encryption) and the network layer.

**FUNDING FOR THE EDUCATION LEADERSHIP COUNCIL:** The appropriation includes an increase of \$100,000 General Fund to support the administrative functions of the Education Leadership Council.

**ADDITIONAL INFORMATION TECHNOLOGY SERVICES FOR THE DEPARTMENT OF NATURAL RESOURCES:** The appropriation includes an increase of \$98,995 reappropriated funds and 1.0 FTE transferred from the Department of Natural Resources to the Governor's Office of Information Technology to purchase additional hours of application development and support from the Office.

**DEPARTMENT OF CORRECTIONS OFFENDER RECORDS MANAGEMENT SYSTEM OPERATING INCREASE:** The appropriation includes an increase of \$90,723 reappropriated funds transferred from the Department of Corrections to the Governor's Office of Information Technology for the operating expenses associated with implementation of a capital construction project called DeCORuM. FY 2018-19 represents the first year that appropriations for DeCORuM are transitioning from the capital construction budget to the operating budget to cover ongoing system support, including licensing and maintenance expenses.

**COLORADO COMMISSION OF INDIAN AFFAIRS STAFFING INCREASE:** The appropriation includes an increase of \$90,000 General Fund and a decrease 0.2 FTE to add a Program Assistant position to support the Commission's Executive Director, to provide additional funding for existing services and programs that the Commission delivers to fulfill its statutory obligations, as set forth in Section 24-44-103, C.R.S., and to true-up the number of FTE supporting the Commission.

**PEACE OFFICERS MENTAL HEALTH SUPPORT GRANT PROGRAM:** The appropriation includes \$23,825 reappropriated funds for information technology services provided by the Governor's Office of Information Technology to the Department of Local Affairs associated with the implementation of the Peace Officers Mental Health Support Grant Program, which was created through H.B. 17-1215 (Mental Health Support For Peace Officers).

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items, as detailed in the following table.

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey adjustment	\$2,904,533	\$235,931	\$110,736	\$2,502,528	\$55,338	0.0
Health, life, and dental adjustment	732,439	336,681	(42,525)	378,661	59,622	0.0
AED adjustment	235,866	44,793	(18,212)	168,484	40,801	0.0
SAED adjustment	235,866	44,793	(18,212)	168,484	40,801	0.0
Payment to risk management / property funds adjustment	12,807	(6,751)	0	19,558	0	0.0
Leased space adjustment	10,749	0	0	10,749	0	0.0
Shift differential adjustment	6,797	0	0	6,797	0	0.0
Vehicle lease payments adjustment	6,694	1,968	0	4,726	0	0.0
CORE adjustment	3,360	(37,452)	(10,023)	60,911	(10,076)	0.0
Payments to OIT adjustment	(8,599,047)	(208,383)	0	(8,390,664)	0	0.0

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Legal services adjustment	(148,172)	(169,736)	0	21,564	0	0.0
Workers' compensation adjustment	(130,676)	(19,414)	0	(111,262)	0	0.0
Capitol Complex leased space adjustment	(54,650)	(65,811)	0	11,161	0	0.0
Short-term disability adjustment	(9,502)	281	(1,426)	(9,496)	1,139	0.0
<b>TOTAL</b>	<b>(\$4,792,936)</b>	<b>\$156,900</b>	<b>\$20,338</b>	<b>(\$5,157,799)</b>	<b>\$187,625</b>	<b>0.0</b>

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second- and third-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 Office of Information Technology deskside staffing	\$43,583	\$0	\$0	\$43,583	\$0	0.0
FY 2017-18 Department of Revenue tax system maintenance, support, and hosting	(1,418,292)	0	0	(1,418,292)	0	0.0
FY 2017-18 Marijuana data coordination	(470,875)	0	(470,875)	0	0	0.0
FY 2017-18 Department of Health Care Policy and Financing Benefits Utilization System (BUS)	(325,000)	0	0	(325,000)	0	0.0
FY 2016-17 Office of Information Technology end user configuration management tool	(174,404)	0	0	(174,404)	0	0.0
FY 2017-18 Department of Revenue telephone replacement	(67,500)	0	0	(67,500)	0	0.0
FY 2017-18 Department of Personnel Office of Administrative Court's electronic case management system	(38,000)	0	0	(38,000)	0	0.0
FY 2017-18 Merit pay	(1,964)	(18)	0	(1,946)	0	0.0
FY 2017-18 Salary survey	(1,013)	(8)	0	(1,005)	0	0.0
<b>TOTAL</b>	<b>(\$2,453,465)</b>	<b>(\$26)</b>	<b>(\$470,875)</b>	<b>(\$1,982,564)</b>	<b>\$0</b>	<b>0.0</b>

**HUMAN RESOURCES INFORMATION SYSTEM (HRIS) TIMEKEEPING SOLUTION SAVINGS:** The appropriation includes a decrease of \$1.6 million reappropriated funds transferred from state agencies to the Office for the operating expenses associated with the time and leave tracking component of the HRIS, known as HRWorks. This savings is a due to a technology change for this component from Kronos, as was originally proposed, to a CGI-based solution that requires less money to operate and maintain.

**DIVISION OF MOTOR VEHICLES INFORMATION TECHNOLOGY SERVICE REDUCTION:** The appropriation includes a reduction of \$499,917 reappropriated funds and 8.0 FTE previously transferred from the Department of Revenue to the Governor's Office of Information Technology to support legacy systems used by the Division of Motor Vehicles. These support functions are no longer required, as the Division migrated to new systems through the DRIVES project.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments for the second- and third-year impact of prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 17-1057 Interstate Physical Therapy Licensure Compact	\$80,000	\$0	\$0	\$80,000	\$0	0.0
HB 17-1326 Justice Reinvestment Crime Prevention Initiative	(145,520)	0	0	(145,520)	0	0.0
SB 18-027 Enhanced Nurse Licensure Compact	(110,000)	0	0	(110,000)	0	0.0
HB 17-1204 Juvenile Delinquency Record Expungement	(108,710)	0	0	(108,710)	0	0.0
HB 16-1047 Interstate Medical Licensure Compact	(41,200)	0	0	(41,200)	0	0.0
HB 17-1313 Civil Forfeiture Reform	(38,662)	0	0	(38,662)	0	0.0
SB 16-069 Community Paramedicine Regulation	(38,080)	0	0	(38,080)	0	0.0

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 17-1165 Department Of Regulatory Agencies Boards Disciplinary Action Resolution Process	(20,000)	0	0	(20,000)	0	0.0
HB 17-1221 Grey And Black Market Marijuana Enforcement Efforts	(15,423)	0	0	(15,423)	0	0.0
SB 17-028 Healthy Families And Military Preparedness Act	(12,960)	0	0	(12,960)	0	0.0
<b>TOTAL</b>	<b>(\$450,555)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$450,555)</b>	<b>\$0</b>	<b>0.0</b>

**DISABLED PARKING EDUCATION PROGRAM REDUCTION:** The appropriation includes a decrease of \$250,000 General Fund for the disabled parking education program administered by the Colorado Advisory Council for Persons with Disabilities. The statutory authorization for the Colorado Advisory Council for Persons with Disabilities is repealed on July 1, 2018.

**SERVE COLORADO REDUCTION:** The appropriation includes a reduction of \$100,000 General Fund to eliminate funding in the Long Bill for the Lieutenant Governor's community service program, Serve Colorado. The program is not authorized in statute and thus cannot receive appropriations of state funds.

**OFFICE OF STATE PLANNING AND BUDGETING REDUCTION:** The appropriation includes a one-time reduction of \$64,325 cash funds from the Marijuana Tax Cash Fund in the line item in the Office that is to be used for grants to agencies to evaluate and/or assist in the implementation of programs funded from the Marijuana Tax Cash Fund. Additionally, the bill makes the FY 2018-19 appropriation for this purpose available through FY 2019-20.

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

# DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

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

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

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

## DEPARTMENT BUDGET: RECENT APPROPRIATIONS

FUNDING SOURCE	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
General Fund <sup>1</sup>	\$2,500,545,586	\$2,630,255,841	\$2,810,881,032	\$2,904,579,002
Cash Funds	1,167,365,312	1,030,963,941	1,212,347,879	1,292,022,699
Reappropriated Funds	17,072,325	15,828,008	77,491,711	84,557,891
Federal Funds	5,438,943,180	5,420,330,083	5,795,608,107	5,875,377,043
<b>TOTAL FUNDS</b>	<b>\$9,123,926,403</b>	<b>\$9,097,377,873</b>	<b>\$9,896,328,729</b>	<b>\$10,156,536,635</b>
Full Time Equiv. Staff	422.2	435.8	459.3	506.3

<sup>1</sup> Includes General Fund Exempt.

## GENERAL FACTORS DRIVING THE BUDGET

Funding for this department consists of 28.6 percent General Fund, 12.7 percent cash funds, 0.8 percent reappropriated funds, and 57.8 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

## MEDICAID

Medicaid provides health insurance to people with low income and to people needing long-term care. Participants generally do not pay annual premiums<sup>1</sup> and copayments at the time of service are either nominal or not required. Administration and policy-making responsibilities for the program are shared between the federal and state governments.

Medicaid should not be confused with the similarly named Medicare that provides insurance for people who are elderly or have a specific eligible diagnosis regardless of income. Medicare is federally administered and financed with a combination of federal funds and annual premiums charged to participants. While the two programs are distinct, they do interact with each other as some people are eligible for both Medicaid, due to their income, and Medicare, due to their age. For these people (called "dual eligible"), Medicaid pays the Medicare premiums and may assist with copayments, depending on the person's income. Also, there are some differences in the coverage provided by Medicaid and Medicare. Most notably from a budgeting perspective, Medicaid covers long-term services and supports (LTSS) while Medicare coverage for LTSS is limited to post-acute care.

The federal government matches state expenditures for the Medicaid program. The federal match rate, called the Federal Medical Assistance Percentage (FMAP), can vary based on economic conditions in the state, the type of services being provided, and the population receiving services. For state fiscal year 2018-19 the average FMAP for the majority of Colorado Medicaid expenditures is 50.0 percent. For adults "newly eligible" pursuant to the federal Affordable Care Act, Colorado will receive a 94.0 percent federal match in calendar year 2018 and a 93.0 percent federal match in calendar year 2019 for an average match of 93.5 percent for the state fiscal year. The federal match for the "newly eligible" is scheduled to step down in increments annually until it reaches 90 percent in calendar year 2020.

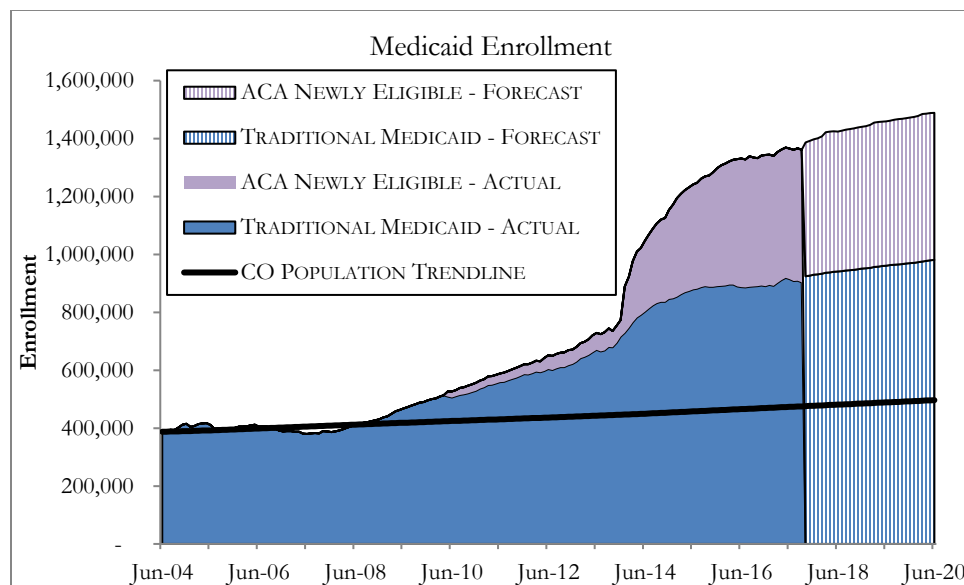
Medicaid generally operates as an entitlement program, meaning the people deemed eligible have a legal right to the plan benefits. As a result, if the eligible population and/or the eligible services utilized are greater than expected, then the state and federal government must pay the resulting higher cost, regardless of the initial appropriation. There are exceptions where federal waivers allow enrollment and/or expenditure caps for expansion populations and services. In the event that the State's Medicaid obligation is greater than anticipated, the Department has statutory authority to overexpend the Medicaid appropriation.<sup>2</sup>

The most significant factor affecting Medicaid expenditures is enrollment. Medicaid enrollment has increased significantly in recent years, due to increases in the state population, economic conditions that impact the number of people who meet the income eligibility criteria, and state and federal policy changes regarding eligibility. The following chart shows the actual and forecasted Colorado Medicaid population. The chart highlights the population that is "newly eligible" pursuant to the federal Affordable Care Act and therefore qualifies for the enhanced federal match. The "CO Population Trendline" shows the projected trajectory of enrollment if Medicaid had grown at the same rate as Colorado's population since June 2004.

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<sup>1</sup> The exception where participants would pay a premium is the voluntary "buy-in" program for people with disabilities whose income is above the standard Medicaid eligibility criteria but below 400 percent of the federal poverty guidelines.

<sup>2</sup> See Section 24-75-109 (1)(a), C. R. S.



## MEDICAL SERVICES PREMIUMS

Medical Services Premiums is a subset of Medicaid expenditures that pays for acute care services (such as physician visits, prescription drugs, and hospital visits) and long-term care services (provided within nursing facilities and community settings).<sup>3</sup> The Department contracts with health care providers through fee-for-service and managed care organizations in order to provide these services to eligible clients. Total costs for the program are driven by the number of clients, the costs of providing health care services, and the utilization of health care services.

The table below summarizes recent changes in enrollment, expenditures, and per capita costs by broad eligibility category. A more detailed breakout of enrollment and expenditures by eligibility category is available for FY 2017-18 and FY 2018-19 in Part III.

MEDICAL SERVICES PREMIUMS							
	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18 PROJ	FY 18-19 PROJ
<b>Medicaid Enrollment</b>							
Elderly	62,033	65,214	69,862	74,988	77,750	81,002	84,335
People with Disabilities	71,859	76,837	80,641	85,546	85,111	87,068	90,896
Adults	163,246	276,262	494,831	589,823	628,160	635,196	645,897
Children	385,856	442,644	515,872	546,629	555,153	532,081	529,317
<b>TOTAL Enrollment</b>	<b>682,994</b>	<b>860,957</b>	<b>1,161,206</b>	<b>1,296,986</b>	<b>1,346,174</b>	<b>1,335,347</b>	<b>1,350,445</b>
Percent Change	n/a	26.1%	34.9%	11.7%	3.8%	(0.8%)	1.1%
<b>Medical Services Premiums Expenditures</b>							
Elderly	\$865,395,490	\$926,387,416	\$991,476,023	\$1,064,612,128	\$1,209,899,318	\$1,329,263,483	\$1,403,010,301
People with Disabilities	1,034,033,614	1,171,010,351	1,240,011,362	1,362,315,393	1,316,597,343	1,502,576,021	1,505,022,824
Adults	611,667,325	991,963,184	1,819,184,764	2,145,557,380	2,028,017,221	2,458,098,849	2,342,905,573
Children	654,410,185	797,220,755	963,947,712	1,053,299,277	998,390,930	1,131,534,778	1,090,321,313
<b>Medical Services Expenditures</b>	<b>\$3,165,506,614</b>	<b>\$3,886,581,706</b>	<b>\$5,014,619,861</b>	<b>\$5,625,784,178</b>	<b>\$5,552,904,812</b>	<b>\$6,421,473,131</b>	<b>\$6,341,260,011</b>
Percent Change	n/a	22.8%	29.0%	12.2%	(1.3%)	15.6%	(1.2%)
Supplemental Payments	771,894,120	732,188,494	714,020,263	1,213,503,759	777,373,946	1,160,540,929	1,290,219,918
<b>TOTAL Expenditures</b>	<b>\$3,937,400,734</b>	<b>\$4,618,770,200</b>	<b>\$5,728,640,124</b>	<b>\$6,839,287,937</b>	<b>\$6,330,278,758</b>	<b>\$7,582,014,060</b>	<b>\$7,631,479,929</b>
Percent Change	n/a	17.3%	24.0%	19.4%	(7.4%)	19.8%	0.7%

<sup>3</sup> Medicaid expenditures not included in Medical Services Premiums are behavioral health services, long-term services and supports for people with intellectual and developmental disabilities, financing through the indigent care program, the State's obligation under the Medicare Modernization Act, programs administered by other departments, and department administration.

MEDICAL SERVICES PREMIUMS							
	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18 PROJ	FY 18-19 PROJ
Per Capita Expenditures							
Elderly	\$13,951	\$14,205	\$14,192	\$14,197	\$15,561	\$16,410	\$16,636
People with Disabilities	14,390	15,240	15,377	15,925	15,469	17,258	16,558
Adults	3,747	3,591	3,676	3,638	3,229	3,870	3,627
Children	1,696	1,801	1,869	1,927	1,798	2,127	2,060
<b>Overall</b>	<b>\$4,635</b>	<b>\$4,514</b>	<b>\$4,318</b>	<b>\$4,338</b>	<b>\$4,125</b>	<b>\$4,809</b>	<b>\$4,696</b>
Percent Change	n/a	(2.6%)	(4.3%)	0.4%	(4.9%)	16.6%	(2.4%)

## BEHAVIORAL HEALTH CAPITATION PAYMENTS

Behavioral health services, which include both mental health and substance use-related services, are generally provided to Medicaid clients through a statewide managed care or "capitated" program. The Department contracts with regional entities to provide or arrange for behavioral health services for clients within their geographic region who are enrolled in the Medicaid program. For several years through FY 2017-18, these regional entities were known as "behavioral health organizations" (BHOs). Starting July 1, 2018, these entities will be "regional accountable entities" (RAEs), which have additional responsibilities related to Medicaid clients' physical healthcare. In order to receive behavioral health services through a RAE, a client must have a covered diagnosis and receive a covered service or procedure that is medically necessary<sup>4</sup>.

The enrollment changes that are described in detail above for the Medical Services Premiums section also apply to services that are funded in this section, with two exceptions. Two Medicaid populations that are eligible for certain medical benefits are not eligible for behavioral health services: (1) non-citizens; and (2) adults who are eligible for both Medicaid and Medicare but for whom the Medicaid benefit is limited to payment of Medicare premiums and co-insurance payments.

With respect to behavioral healthcare, each RAE receives a pre-determined monthly amount for each Medicaid client who is eligible for behavioral health services within its geographic area. The "per-member-per-month" rates paid to each RAE are unique for each Medicaid eligibility category in each geographic region. These rates are adjusted periodically based on clients' actual utilization of behavioral health services and the associated expenditures.

Capitated behavioral health program expenditures are thus affected by changes in the number of individuals who are eligible for Medicaid, client utilization and the associated costs of providing behavioral health services, and changes to the Medicaid State Plan or waiver program that affect the diagnoses, services, and procedures that are covered for Medicaid clients. The State's share of expenditures is also affected by changes in the federal match rate for various eligibility categories. The following three tables show the year-over-year changes projected for FY 2018-19 in Medicaid enrollment, payments made to BHOs/RAEs through the capitation program, and expenditures per capita by enrollment category.

<sup>4</sup> The Department plans to relax the requirement that a client have a covered diagnosis to receive behavioral health services to allow clients to receive certain therapies in a physical healthcare setting.

BEHAVIORAL HEALTH CAPITATION PROGRAM: ENROLLMENT				
CATEGORY	FY 17-18 REVISED	FY 18-19	DIFFERENCE	PERCENT
Children to 147% FPL	510,652	506,801	(3,851)	(0.8%)
Adults w/out Dependent Children to 138% FPL	361,574	366,408	4,834	1.3%
Parents/Caretakers to 68% FPL; Pregnant Adults to 200% FPL	193,496	197,683	4,187	2.2%
Parents/Caretakers 69% to 138% FPL	77,128	78,809	1,681	2.2%
Individuals with Disabilities to age 64 (to 450% FPL)	87,068	90,896	3,828	4.4%
Adults age 65+ (to SSI)	45,945	47,392	1,447	3.1%
Foster Care to 26 years	21,429	22,516	1,087	5.1%
Breast & Cervical Cancer to 250% FPL	142	116	(26)	(18.3%)
<b>TOTAL</b>	<b>1,297,434</b>	<b>1,310,621</b>	<b>13,187</b>	<b>1.0%</b>

BEHAVIORAL HEALTH CAPITATION PROGRAM: ANNUAL EXPENDITURES				
CATEGORY	FY 17-18 REVISED	FY 18-19	DIFFERENCE	PERCENT
Children to 147% FPL	\$120,949,199	\$124,357,037	\$3,407,838	2.8%
Adults w/out Dependent Children to 138% FPL	202,230,159	216,304,837	14,074,678	7.0%
Parents/Caretakers to 68% FPL; Pregnant Adults to 200% FPL	68,525,178	73,876,912	5,351,734	7.8%
Parents/Caretakers 69% to 138% FPL	13,480,728	14,555,303	1,074,575	8.0%
Individuals with Disabilities to age 64 (to 450% FPL)	139,270,054	147,266,817	7,996,763	5.7%
Adults age 65+ (to SSI)	10,209,413	11,037,037	827,624	8.1%
Foster Care to 26 years	31,222,098	33,342,223	2,120,125	6.8%
Breast & Cervical Cancer to 250% FPL	48,627	41,848	(6,779)	(13.9%)
Risk corridor and other payment adjustments for prior fiscal years	(65,849,746)	0	65,849,746	n/a
Health insurance provider fee payments	5,891,487	0	(5,891,487)	n/a
Estimated incentive payments (for previous year)	0	26,717,069	26,717,069	n/a
<b>TOTAL</b>	<b>\$525,977,197</b>	<b>\$647,499,083</b>	<b>\$121,521,886</b>	<b>23.1%</b>

BEHAVIORAL HEALTH CAPITATION PROGRAM: ANNUAL PER CAPITA EXPENDITURES				
CATEGORY	FY 17-18 REVISED	FY 18-19	DIFFERENCE	PERCENT
Children to 147% FPL	\$237	\$245	\$9	3.6%
Adults w/out Dependent Children to 138% FPL	559	590	31	5.5%
Parents/Caretakers to 68% FPL; Pregnant Adults to 200% FPL	354	374	20	5.5%
Parents/Caretakers 69% to 138% FPL	175	185	10	5.7%
Individuals with Disabilities to age 64 (to 450% FPL)	1,600	1,620	21	1.3%
Adults age 65+ (to SSI)	222	233	11	4.8%
Foster Care to 26 years	1,457	1,481	24	1.6%
Breast & Cervical Cancer to 250% FPL	342	361	18	5.3%
<b>TOTAL <sup>a</sup></b>	<b>\$452</b>	<b>\$474</b>	<b>\$22</b>	<b>4.9%</b>

<sup>a</sup> Staff has not attempted to reflect bottom-line expenditure adjustments (risk corridor payment adjustments for prior fiscal years, health insurance provider fee payments, and estimated incentive payments) by eligibility category. If these adjustments were included, the average Capitation payment per Medicaid client for FY 2018-19 would be \$494.

## OFFICE OF COMMUNITY LIVING

### DIVISION OF INTELLECTUAL AND DEVELOPMENTAL DISABILITIES

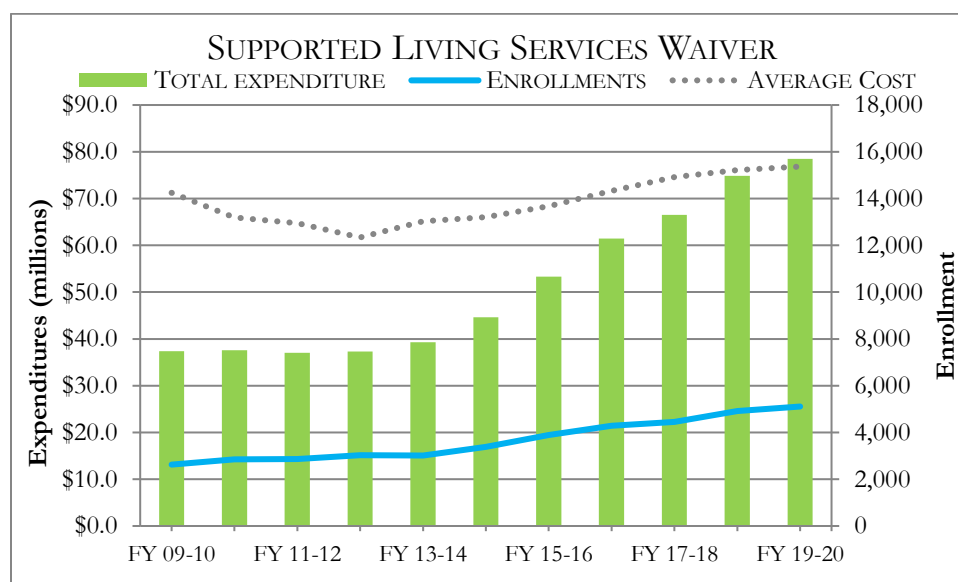
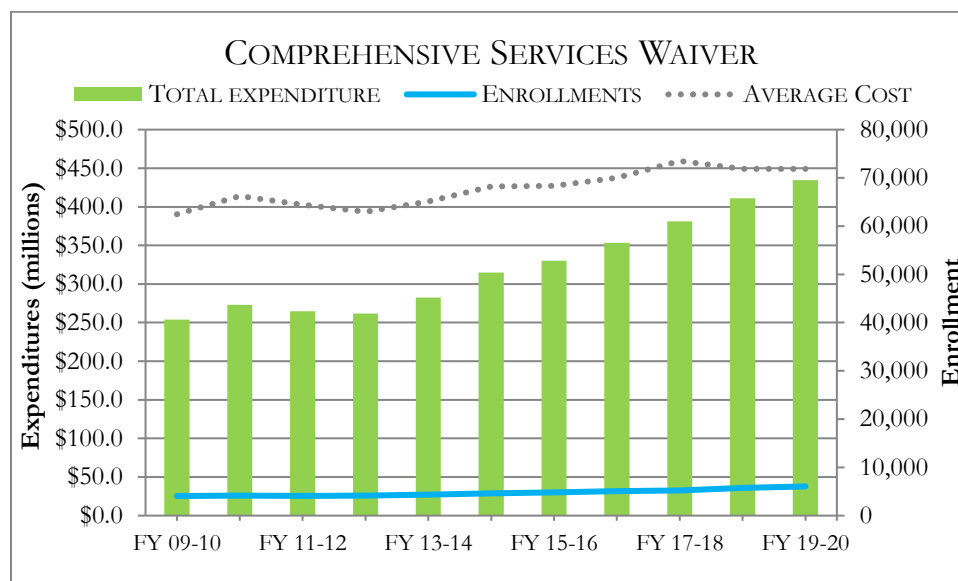
Intellectual and developmental disability waiver services are not subject to standard Medicaid State Plan service and duration limits. Instead, these services are provided under a Medicaid waiver program. As part of the waiver, Colorado is allowed to limit the number of waiver program participants which has resulted in some individuals being unable to immediately access the services they need. Colorado has four Medicaid waivers for intellectual and developmental disability services:

- Comprehensive waiver for individuals over the age of eighteen who require residential and daily support services to live in the community;

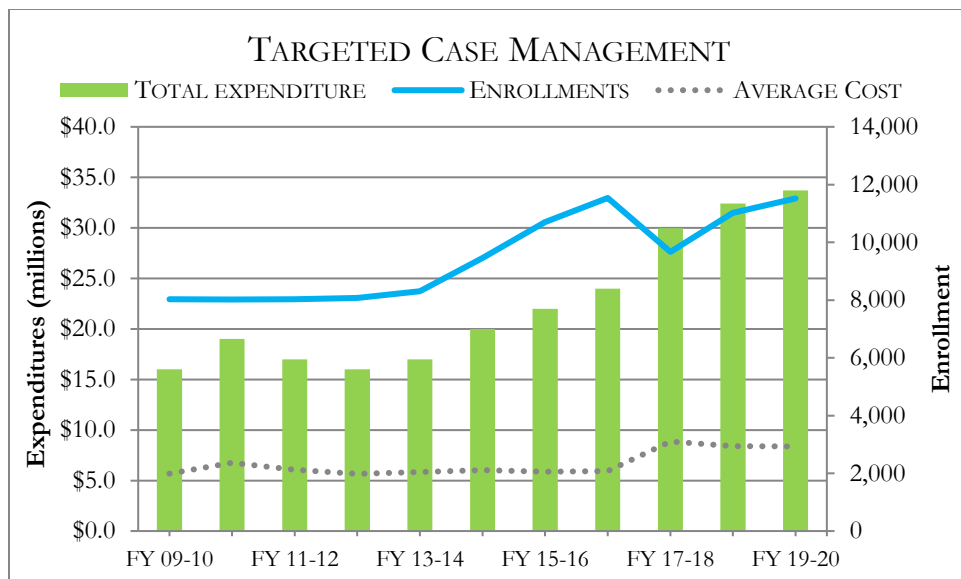
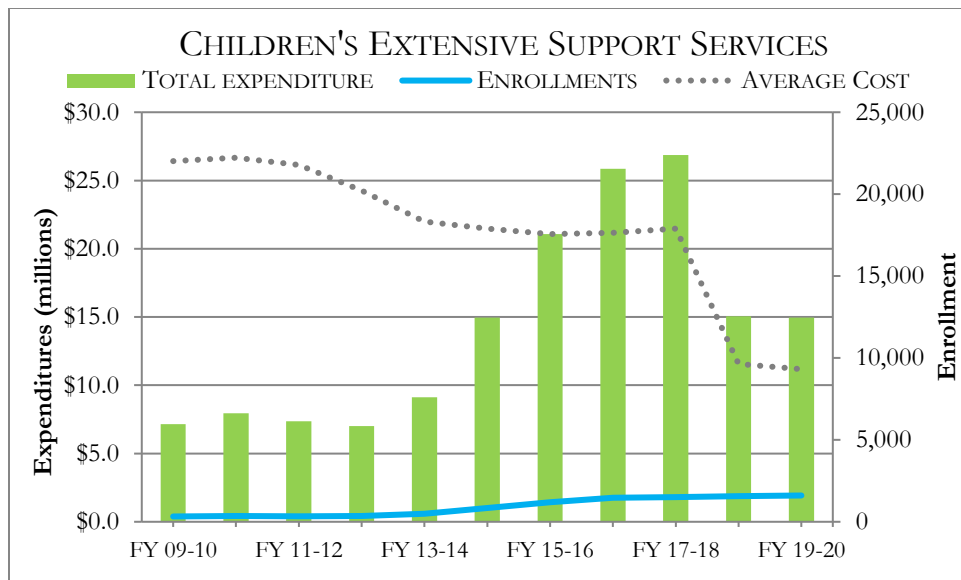


- Supported Living Services waiver (SLS waiver) for individuals over the age of eighteen who do not require residential services but require daily support services to live in the community;
- Children's Extensive Services waiver (CES waiver) for youth ages five to eighteen who do not require residential services but do require daily support services to be able to live in their family home; and
- Children's Habilitation Residential Program waiver (CHRP) for children with intellectual and developmental disabilities and complex behavioral support needs requiring home- and community-based services.

New enrollments have historically been funded for youth transitioning to adult services, individuals requiring services resulting from emergency situations, and all individuals eligible for the Supported Living Services (SLS) and Children's Extensive Services (CES) waivers. The following graphs illustrate the growth in adult and children enrollments respectively.



Please note that in the following chart, the FY 2018-19 reduction in the costs associated with CES waiver services is due to a portion of those services being moved to the Medicaid State Plan, including behavioral services, personal care, assistive technology, specialized medical equipment and supplies, and vision services.



## COMMUNITY PROVIDER RATE CHANGES

Two primary factors driving the Division's budget are the amount of services consumed and the cost of those services. As more individuals are served the total cost of services increases. This increase is compounded either positively or negatively by adjustments made to provider rates through the annual budget process. For FY 2018-19 the appropriation includes a 1.0 percent community provider rate increase, which equates to a \$4,738,826 increase in funding for FY 2018-19 for line items in the Office of Community Living.

## INDIGENT CARE PROGRAM

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

COLORADO INDIGENT CARE PROGRAM						
	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 ACTUAL	FY 2016-17 ACTUAL	FY 2017-18 APPROPRIATION	FY 2018-19 APPROPRIATION
Safety Net Provider Payments	\$309,976,756	\$309,470,584	\$310,125,957	\$311,296,186	\$311,296,186	\$311,296,186
Clinic Based Indigent Care	6,119,760	6,119,760	6,119,760	6,119,760	6,119,760	6,090,896
Pediatric Specialty Hospital	11,799,938	13,455,012	13,455,012	13,455,012	13,455,012	13,455,012
<b>TOTAL</b>	<b>\$327,896,454</b>	<b>\$329,045,356</b>	<b>\$329,700,729</b>	<b>\$330,870,958</b>	<b>\$330,870,958</b>	<b>\$330,842,094</b>
General Fund	8,959,849	9,639,107	9,632,746	9,748,236	9,787,386	9,758,522
Cash Funds	152,391,319	153,201,150	152,556,889	155,073,238	155,648,093	155,648,093
Federal Funds	166,545,286	166,205,099	167,511,094	166,049,484	165,435,479	165,435,479
Total Funds Change		\$1,148,902	\$655,373	\$1,170,229	\$0	(\$28,864)
Percent Change		0.7%	0.4%	0.7%	0.0%	0.0%

## CHILDREN'S BASIC HEALTH PLAN

The Children's Basic Health Plan (marketed by the Department as the Children's Health Plan *Plus* and abbreviated as CHP+) compliments the Medicaid program, providing low-cost health insurance for children and pregnant women in families with slightly more income than Medicaid eligibility criteria allow. Annual membership premiums are variable based on income, with an example being \$75 to enroll one child in a family earning 205 percent of the federal poverty guidelines. Coinsurance costs are nominal. The federal match rate is indexed to the match rate for Medicaid and can change based on economic conditions in the state. For FY 2018-19 federal funds pay 88.0 percent of the program costs not covered by member contributions, and state funds pay the remaining 12.0 percent as a match. CHP+ typically receives approximately \$15 million in revenue from the Tobacco Master Settlement Agreement, and any remaining state match comes from the General Fund.

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

CHILDREN'S BASIC HEALTH PLAN			
	TOTAL	CHILDREN	PRENATAL
FY 2017-18			
Caseload	73,372	72,602	770
Per Capita	\$2,547	\$2,397	\$16,670
Expenditures	\$186,868,751	\$174,033,056	\$12,835,695
Recoveries/disallowances	\$621,616		
<b>TOTAL</b>	<b>\$187,490,367</b>		
FY 2018-19			
Caseload	77,119	76,230	889
Per Capita	\$2,528	\$2,407	\$12,911
Expenditures	\$194,981,200	\$183,503,231	\$11,477,969
Recoveries/disallowances	\$0		
<b>TOTAL</b>	<b>\$194,981,200</b>		
Difference			
Caseload	3,747	3,628	119
Per Capita	(\$19)	\$10	(\$3,759)
Expenditures	\$8,112,449	\$9,470,175	(\$1,357,726)
Percent Difference			
Caseload	5.1%	5.0%	15.5%
Per Capita	(0.7%)	0.4%	(22.5%)
Expenditures	4.3%	5.4%	(10.6%)

## MEDICARE MODERNIZATION ACT STATE CONTRIBUTION

The federal Medicare Modernization Act requires states to reimburse the federal government for a portion of prescription drug costs for people dually eligible for Medicare and Medicaid. In 2006 Medicare took over responsibility for these drug benefits, but to defray federal costs the federal legislation required states to make an annual payment based on a percentage of what states would have paid for this population in Medicaid, as estimated by a federal formula. This payment is sometimes referred to as the "clawback." From FY 2012-13 through FY 2014-15, in order to offset General Fund costs, Colorado applied bonus payments received from the federal government for meeting performance goals in CHP+ toward this obligation. The table below summarizes Colorado's payments to the federal government.

MEDICARE MODERNIZATION ACT STATE CONTRIBUTION					
FISCAL YEAR	TOTAL FUNDS	GENERAL FUND	FEDERAL FUNDS	TOTAL CHANGE	PERCENT CHANGE
FY 08-09	\$73,720,837	\$73,720,837	\$0	n/a	n/a
FY 09-10	57,624,126	57,624,126	0	(16,096,711)	(21.8%)
FY 10-11	72,377,768	72,377,768	0	14,753,642	25.6%
FY 11-12	93,582,494	93,582,494	0	21,204,726	29.3%
FY 12-13	101,817,855	52,136,848	49,681,007	8,235,361	8.8%
FY 13-14	106,376,992	68,306,130	38,070,862	4,559,137	4.5%
FY 14-15	107,620,224	107,190,799	429,425	1,243,232	1.2%
FY 15-16	114,014,334	114,014,334	0	6,394,110	5.9%
FY 16-17	129,807,096	129,807,096	0	15,792,762	13.9%
FY 17-18 proj.	144,919,479	144,919,479	0	15,112,383	11.6%
FY 18-19 proj.	151,835,471	151,835,471	0	6,915,992	4.8%

## DEPARTMENT OF HUMAN SERVICES MEDICAID-FUNDED PROGRAMS

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

## APPROPRIATION HIGHLIGHTS - 2018 LEGISLATIVE SESSION

DEPARTMENT OF HEALTH CARE POLICY AND FINANCING						
	TOTAL FUNDS	GENERAL FUND <sup>1,2</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$9,954,228,476	\$2,821,961,889	\$1,217,535,979	\$77,268,980	\$5,837,461,628	456.8
SB 17-091	2,211,530	1,025,567	18,216	0	1,167,747	0.0
SB 17-121	283,781	95,662	46,228	0	141,891	0.7
SB 17-256	(528,200,000)	0	(264,100,000)	0	(264,100,000)	0.0
SB 17-267	526,381,099	(320,035)	264,035,165	0	262,665,969	0.0
HB 17-1343	222,794	0	111,398	0	111,396	1.0
HB 17-1351	75,000	37,500	0	0	37,500	0.0
HB 18-1161	338,122,444	62,308,625	6,528,987	(202,310)	269,487,142	0.8
HB 18-1322	(405,342,210)	(82,573,991)	(11,828,094)	425,041	(311,365,166)	0.0
HB 18-1329	7,591,815	7,591,815	0	0	0	0.0
HB 18-1330	754,000	754,000	0	0	0	0.0
<b>TOTAL</b>	<b>\$9,896,328,729</b>	<b>\$2,810,881,032</b>	<b>\$1,212,347,879</b>	<b>\$77,491,711</b>	<b>\$5,795,608,107</b>	<b>459.3</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$9,896,328,729	\$2,810,881,032	\$1,212,347,879	\$77,491,711	\$5,795,608,107	459.3

DEPARTMENT OF HEALTH CARE POLICY AND FINANCING						
	TOTAL FUNDS	GENERAL FUND <sup>1,2</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Enrollment/utilization trends						
Behavioral Health	96,261,039	3,964,955	5,669,602	0	86,626,482	0.0
Office of Community Living	28,524,900	19,358,199	(5,095,768)	0	14,262,469	0.0
Medical Services Premiums	23,709,908	34,215,228	61,220,308	77,582	(71,803,210)	0.0
Children's Basic Health Plan	7,480,402	(191,707)	593,840	0	7,078,269	0.0
Medicare Modernization Act	6,915,992	6,915,992	0	0	0	0.0
Public school health services	<u>5,045,159</u>	<u>0</u>	<u>2,590,298</u>	<u>0</u>	<u>2,454,861</u>	<u>0.0</u>
<i>Subtotal - Enrollment/ utilization trends</i>	<i>167,937,400</i>	<i>64,262,667</i>	<i>64,978,280</i>	<i>77,582</i>	<i>38,618,871</i>	<i>0.0</i>
Provider rate changes						
Community provider rate adjustment	43,041,910	14,875,733	1,559,021	0	26,607,156	0.0
Targeted rate adjustments	31,017,803	14,742,076	406,361	0	15,869,366	0.0
Emergency transport CPE	18,627,725	(710,560)	9,547,069	0	9,791,216	0.0
CU School of Medicine payment	<u>13,521,050</u>	<u>0</u>	<u>0</u>	<u>6,760,525</u>	<u>6,760,525</u>	<u>0.0</u>
<i>Subtotal - Provider rate changes</i>	<i>106,208,488</i>	<i>28,907,249</i>	<i>11,512,451</i>	<i>6,760,525</i>	<i>59,028,263</i>	<i>0.0</i>
Human Services programs	8,344,960	4,185,377	0	0	4,159,583	0.0
Centrally appropriated items	2,870,908	770,809	(1,240)	237,600	1,863,739	0.0
Home care visit verification	2,668,570	568,836	0	0	2,099,734	6.9
Administrative contracts	1,905,636	1,282,614	894,387	0	(271,365)	0.0
Yearly contraceptive supply	1,802,293	43,504	88,871	0	1,669,918	0.0
Hospital payment oversight	1,068,901	0	527,920	5,564	535,417	9.9
Safety net programs	749,728	0	749,728	0	0	0.0
Family medicine residencies	600,000	300,000	0	0	300,000	0.0
IDD waiver consolidation	478,500	239,250	0	0	239,250	0.0
CBMS-PEAK	467,661	500,178	(267,342)	1,501	233,324	0.0
Options counseling	241,942	120,971	0	0	120,971	0.0
Transfers to other agencies	173,343	69,355	0	3,831	100,157	0.0
Drug cost containment	132,777	(24,407)	(39,129)	0	196,313	0.0
Veterans outreach	25,000	12,500	0	0	12,500	0.0
Annualize prior year budget actions	(54,876,146)	(15,509,552)	(2,830,271)	(24,574)	(36,511,749)	9.4
Single assessment tool	(5,282,225)	(2,529,518)	0	0	(2,752,707)	0.0
Medicaid savings initiatives	(819,702)	(1,891,328)	2,865,970	4,151	(1,798,495)	5.9
All-payer claims database	(500,000)	(500,000)	0	0	0	0.0
<b>HB 18-1322</b>	<b>\$10,130,526,763</b>	<b>\$2,891,689,537</b>	<b>\$1,290,827,504</b>	<b>\$84,557,891</b>	<b>\$5,863,451,831</b>	<b>491.4</b>
SB 18-145	27,675	27,675	0	0	0	0.4
SB 18-231	109,500	109,500	0	0	0	0.0
SB 18-266	(2,061,973)	(730,316)	222,613	0	(1,554,270)	6.8
HB 18-1003	925,000	0	925,000	0	0	0.0
HB 18-1136	473,655	155,193	81,634	0	236,828	1.5
HB 18-1321	(104,303)	0	(34,052)	0	(70,251)	0.8
HB 18-1326	(684,116)	(477,058)	0	0	(207,058)	0.0
HB 18-1327	2,640,790	1,570,395	0	0	1,070,395	0.9
HB 18-1328	97,263	48,630	0	0	48,633	1.8
HB 18-1407	24,586,381	12,185,446	0	0	12,400,935	2.7
<b>TOTAL</b>	<b>\$10,156,536,635</b>	<b>\$2,904,579,002</b>	<b>\$1,292,022,699</b>	<b>\$84,557,891</b>	<b>\$5,875,377,043</b>	<b>506.3</b>
<b>INCREASE/(DECREASE)</b>	<b>\$260,207,906</b>	<b>\$93,697,970</b>	<b>\$79,674,820</b>	<b>\$7,066,180</b>	<b>\$79,768,936</b>	<b>47.0</b>
Percentage Change	2.6%	3.3%	6.6%	9.1%	1.4%	10.2%

<sup>1</sup> Includes General Fund Exempt.

<sup>2</sup> Includes \$440,340 in FY 2017-18 and \$429,909 in FY 2018-19 that is not subject to the statutory restriction on state General Fund appropriations imposed by Section 24-75-201.1, C.R.S.

## FY 2017-18 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 18-1161 includes a net increase of \$338.1 million total funds to existing FY 2017-18 appropriations, including \$62.3 million General Fund, and 0.8 FTE primarily for revised caseload and expenditure estimates for the following programs:

- Medical Services Premiums – An increase of \$353.4 million total funds, including \$53.9 million General Fund, for medical services and long-term services and supports provided through Medicaid
- Office of Community Living – An increase of \$20.6 million total funds, including \$5.1 million General Fund, for services to people with intellectual and developmental disabilities through the Office of Community Living
- Public School Health Services – An increase of \$12.8 million total funds for expenditures by school districts and Boards of Cooperative Education Services (BOCES) in support of Medicaid eligible children with an Individual Education Plan (IEP) or Individualized Family Services Plan (IFSP)
- Behavioral health programs – A net decrease of \$66.9 million total funds, including an increase of \$789,423 General Fund, for the capitation and fee-for-service Medicaid behavioral health programs
- Medicare Modernization Act – A decrease of \$2.3 million General Fund in reimbursements to the federal government for prescription drugs for people eligible for both Medicaid and Medicare

In addition to the changes for revised caseload and expenditure estimates, H.B. 18-1161 includes: an increase of \$8.5 million total funds, including \$4.3 million General Fund, for programs administered by the Department of Human Services; an increase of \$6.8 million total funds for county administration; an increase of \$5.1 million total funds, including \$748,757 for the Colorado Benefits Management System; and miscellaneous other changes to administrative expenditures.

House Bill 18-1322 includes a net decrease of \$405.3 million total funds to existing FY 2017-18 appropriations, including a decrease of \$82.6 million General Fund, primarily for the following programs based on revised caseload and expenditure estimates:

- Children's Basic Health Plan – A net increase of \$7.7 million total funds for children and pregnant women enrolled in the Children's Basic Health Plan
- Medical Services Premiums – A net decrease of \$369.3 million total funds, including a decrease of \$69.9 million General Fund, for medical services and long-term services and supports provided through Medicaid
- Behavioral health programs – A net decrease of \$23.7 million total funds, including a decrease of \$1.7 million General Fund, for the capitation and fee-for-service Medicaid behavioral health programs
- Office of Community Living – A net decrease of \$20.3 million total funds, including a decrease of \$10.2 million General Fund, for home- and community-based services for people with intellectual and developmental disabilities
- Medicare Modernization Act – A decrease of \$1.7 million General Fund in reimbursements to the federal government for prescription drugs for people eligible for both Medicaid and Medicare

House Bill 18-1329 and H.B. 18-1330 include General Fund for one-time supplemental payments of \$7.6 million for durable medical equipment providers and \$754,000 for office administered drugs, respectively.

## FY 2018-19 APPROPRIATION HIGHLIGHTS

**ENROLLMENT/UTILIZATION TRENDS:** The appropriation includes a net increase of \$167.9 million total funds, including an increase of \$64.3 million General Fund, based on the projected caseload and expenditures under current law and policy for the following programs:

- Behavioral Health – An increase of \$96.3 million total funds, including \$4.0 million General Fund, for the capitation and fee-for-service Medicaid behavioral health programs
- Office of Community Living – An increase of \$28.5 million total funds, including \$19.4 million General Fund, for home- and community-based services for people with intellectual and developmental disabilities

- Medical Services Premiums – A net increase of \$23.7 million total funds, including an increase of \$34.2 million General Fund, for medical services and long-term services and supports provided through Medicaid
- Children's Basic Health Plan – A net increase of \$7.5 million total funds, including a decrease of \$191,707 General Fund, for children and pregnant women enrolled in the Children's Basic Health Plan
- Medicare Modernization Act – An increase of \$6.9 million General Fund for reimbursements to the federal government for prescription drugs for people eligible for both Medicaid and Medicare
- Public school health services – An increase of \$5.0 million total funds based on expected certified public expenditures by school districts and boards of cooperative education services (BOCES) for public school health services

**PROVIDER RATE CHANGES:** The appropriation includes an increase of \$106.2 million total funds, including \$28.9 million General Fund, for the following changes to provider rates:

- Community provider rate adjustment – An increase of \$43.0 million total funds, including \$14.9 million General Fund, for a common policy across-the-board increase for most community providers of 1.0 percent. The adjustment does not apply to rates that are capitated, cost-based, or based on a methodology defined in statute or regulation, such as rates for pharmacy reimbursements, rural health centers, federally qualified health centers, home- and community-based services for children with autism, hospice care in nursing facilities, nursing reimbursements, disease management, and administrative contracts.
- Targeted rate adjustments – An increase of \$31.0 million total funds, including \$14.7 million General Fund, for the following targeted rate adjustments:
  - Alternative Care Facilities – An increase of \$15.7 million total funds, including \$7.8 million General Fund, to increase rates for assisted living residences for the elderly and people with disabilities by 25.0 percent from \$51.92 per day to \$64.88 per day (does not include room and board)
  - Personal Care and Homemaker – An increase of \$6.4 million total funds, including \$3.2 million General Fund, to increase personal care, homemaker, and equivalent consumer directed service rates
  - Transportation – An increase of \$6.4 million total funds, including \$2.5 million General Fund, to increase rates for emergency medical transportation, non-emergency medical transportation, and non-medical transportation by 7.7 percent
  - Neonatology – An increase of \$2.5 million total funds, including \$1.2 million General Fund, to prevent a decrease in rates due to the conversion of the primary care rate bump to performance-based payments that do not include neonatology, and a 5.4 percent increase to account for neonatology providers not being eligible for performance payments
  - Physician Services and Surgery – Net budget neutral adjustments to select rates based on place of service and for services that are below 80 percent or above 100 percent of the Medicare benchmark
- Emergency transport certified public expenditures – A net increase of \$18.6 million total funds, including a decrease of \$710,560 General Fund, to take funds spent by local governments on emergency medical transportation (EMT) and certify those funds as public expenditures in order to claim an estimated \$9.8 million in matching federal funds through Medicaid. The Department will use a portion of the increased revenue to offset General Fund costs for administration, similar to the process used for other certified public expenditures, and the bulk to increase reimbursements for public EMT providers by an estimated \$8.6 million.
- CU School of Medicine payment – An increase of \$13.5 million total funds, including \$6.8 million reappropriated funds transferred from the University of Colorado, for Medicaid payments to physicians employed by the University of Colorado School of Medicine

**HUMAN SERVICES PROGRAMS:** The appropriation reflects adjustments for several programs that are financed with Medicaid funds, but operated by the Department of Human Services. The table below summarizes the changes by division.

HUMAN SERVICES PROGRAMS CHANGES BY DIVISION					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
Executive Director's Office	\$6,032,372	\$3,016,187	\$0	\$0	\$3,016,185
Office of Information Technology Services	0	0	0	0	0
Office of Operations	0	0	0	0	0
Division of Child Welfare	2,296	1,148	0	0	1,148
Office of Early Childhood	728,065	364,032	0	0	364,033
Office of Self Sufficiency	1,083	13,441	0	0	(12,358)
Behavioral Health Services	200,000	100,000	0	0	100,000
Services for People with Disabilities	484,171	242,085	0	0	242,086
Adult Assistance Programs	0	0	0	0	0
Division of Youth Corrections	(27,582)	(13,793)	0	0	(13,789)
Other	924,555	462,277	0	0	462,278
<b>TOTAL</b>	<b>\$8,344,960</b>	<b>\$4,185,377</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,159,583</b>

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes \$2.9 million total funds, including \$770,809 General Fund, for 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; salary survey; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; Capitol complex leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

**HOME CARE VISIT VERIFICATION:** The appropriation includes \$2.7 million total funds, including \$568,836 General Fund, and 6.9 FTE to implement a federally required electronic system to track and verify the time that personal care and home health workers spend on home visits. Of the new positions, 4.0 FTE are time-limited through FY 2020-21, as they relate to temporary needs for project development, testing, and fraud investigation (for an expected initial spike in fraud cases).

**ADMINISTRATIVE CONTRACTS:** The appropriation provides \$1.9 million total funds, including \$1.3 million General Fund, for changes to administrative contracts, including: (1) \$234,954 total funds, including \$117,477 General Fund, for higher than expected bids to implement a federally-required electronic asset verification program for Medicaid applicants and a revised caseload estimate; (2) A net zero total funds change, but a decrease of \$259,195 General Fund, for a decrease in the federal match rate for quality reviews of prepaid inpatient health plans that is offset by an allocation of a portion of the state share of costs to the Healthcare Affordability and Sustainability (HAS) Fee; (3) A one-time payment of \$1.3 million General Fund for a federal disallowance based on claiming too high a federal match rate for quality reviews of the Accountable Care Collaborative in prior years; and (4) \$366,400 total funds, including \$120,050 General Fund, to increase contract services that assist in complying with federal cost allocation procedures necessary to claim federal matching funds for administrative functions, especially those performed by vendors that may have costs that are not eligible for Medicaid reimbursement. The Department is contesting the federal disallowance and will submit a supplemental to reduce funding if the challenge is successful.

**YEARLY CONTRACEPTIVE SUPPLY:** The appropriation includes \$1.8 million total funds, including \$43,504 General Fund, to allow Medicaid clients to receive a one-year supply of contraceptives.

**HOSPITAL PAYMENT OVERSIGHT:** The appropriation includes \$1.1 million total funds, including \$524,170 cash funds from the Healthcare Affordability and Sustainability (HAS) Fee, and 9.9 FTE to improve the Department's oversight of the HAS Fee, develop performance payments for hospitals as required by S.B. 17-267 (Sustainability of Rural Colorado), analyze the drivers of Medicaid expenditures on hospitals, and defend the Colorado Healthcare Affordability and Sustainability Enterprise against a legal challenge. Of the total, \$250,000, including \$125,000 cash funds from the HAS Fee, is for the legal services.



**SAFETY NET PROGRAMS:** The appropriation includes \$749,728 cash funds to: (1) allow \$668,404 in additional tobacco tax revenues allocated to the Primary Care Fund for grants to be spent; (2) finance audits of the Primary Care Fund and Colorado Indigent Care Program with funds transferred from within the Department and a projected additional \$53,476 in HAS Fee revenue; and (3) allow \$27,848 in recoveries from the Senior Dental Program to be reallocated to serve more seniors.

**FAMILY MEDICINE RESIDENCIES:** The appropriation includes \$600,000 total funds, including \$300,000 General Fund, for two new family medicine residency programs at Peak Vista in Colorado Springs and Skyridge in Lone Tree.

**IDD WAIVER CONSOLIDATION:** The appropriation includes a net increase of \$478,500 total funds, including \$239,250 General Fund, for administrative resources related to the consolidation of the Home- and Community-Based Services adult waivers for persons with intellectual and developmental disabilities.

**CBMS-PEAK:** The appropriation includes \$467,661 total funds, including \$500,178 General Fund, for increasing costs of the Colorado Benefits Management System (CBMS) that determines eligibility for Medicaid and other public assistance programs. The funds will be used for producing and mailing client correspondence, meeting federal security requirements, and covering the software licensing, maintenance, and support costs associated with existing capacity and performance issues.

**OPTIONS COUNSELING:** The appropriation includes \$241,942 total funds, including \$120,971 General Fund, to expand counseling on the options available for people wanting to transition from an institutional setting to a community setting.

**TRANSFERS TO OTHER AGENCIES:** The appropriation includes \$173,343 total funds, including \$69,355 General Fund, for transfers to other state agencies for programs eligible to receive Medicaid funding, primarily for the Department of Public Health and Environment.

**DRUG COST CONTAINMENT:** The appropriation includes a net increase of \$132,777 total funds, including a decrease of \$24,407 General Fund, to implement new prior authorization review (PAR) requirements for physician-administered drugs and to explore alternative payment models for pharmaceuticals. The funding includes increases for contract services to administer the PARs and to research the alternative payment models, and offsetting decreases due to projected changes in utilization as a result of the new PARs. An alternative payment model would adjust net payments for drugs based on patient outcomes, and might involve a request for a federal waiver to allow the Department additional time in reviews before covering new drugs lacking proven clinical efficacy.

DRUG COST CONTAINMENT				
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FEDERAL FUNDS
<b>FY 2018-19</b>				
PARs				
System costs	\$665,500	\$71,800	\$0	\$593,700
PAR reviews	247,297	61,824	0	185,473
Decreased utilization	(1,080,520)	(308,281)	(39,129)	(733,110)
<i>Subtotal - PARs</i>	<i>(167,723)</i>	<i>(174,657)</i>	<i>(39,129)</i>	<i>46,063</i>
Alternative Payment Model	300,500	150,250	0	150,250
<b>TOTAL</b>	<b>\$132,777</b>	<b>(\$24,407)</b>	<b>(\$39,129)</b>	<b>\$196,313</b>
<b>FY 2019-20 projection</b>				
PARs				
System costs	\$0	\$0	\$0	\$0
PAR reviews	512,599	128,150	0	384,449
Decreased utilization	(1,186,207)	(340,931)	(52,436)	(792,840)

DRUG COST CONTAINMENT				
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FEDERAL FUNDS
<i>Subtotal - PARs</i>	<i>(673,608)</i>	<i>(212,781)</i>	<i>(52,436)</i>	<i>(408,391)</i>
Alternative Payment Model	300,500	150,250	0	150,250
<b>TOTAL</b>	<b>(\$373,108)</b>	<b>(\$62,531)</b>	<b>(\$52,436)</b>	<b>(\$258,141)</b>

**VETERANS OUTREACH:** The appropriation includes \$25,000 total funds, including \$12,500 General Fund, for researching outreach efforts in other states designed to connect veterans with available federal and state services in order to improve health outcomes and reduce Medicaid expenditures.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for out-year impacts of prior year legislation and budget actions, summarized in the table below. The titles of the annualizations begin with either a bill number or the relevant fiscal year. For budget decisions made in the Long Bill, the title includes a reference to the priority number the Department used in that year for the initiative, if relevant.

The largest increase is for H.B. 17-1353 (Medicaid Delivery & Payment Initiatives), which included performance-based payments for primary care and behavioral health services. It also included changes in the operation of the Accountable Care Collaborative and projected offsetting savings. The largest decrease is for FY 17-18 R6, which included the end of the primary care rate bump and a decrease in behavioral health capitation rates. These two initiatives relate to each other and the savings from R6 more than offset the increases from H.B. 17-1353.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 17-1353 Delivery and payment initiatives	\$20,768,939	\$7,557,379	\$201,768	\$0	\$13,009,792	4.6
FY 17-18 Provider rates	5,999,143	2,219,516	166,298	0	3,613,329	0.0
SB 16-192 IDD Needs assessment	5,810,000	2,905,000	0	0	2,905,000	0.0
FY 16-17 R9 Office of Community Living	2,805,032	701,257	(27,656)	0	2,131,431	0.0
FY 17-18 R7 Oversight of state resources	545,290	149,150	(29,969)	0	426,109	0.9
FY 06-07 R8 Fund nursing facility	279,746	139,873	0	0	139,873	0.0
SB 17-091 Medicaid home health	277,910	133,501	3,112	0	141,297	0.0
HB 16-1321 Waiver buy-in	39,520	(72,750)	93,663	0	18,607	0.0
FY 17-18 NP Public Health health surveys	33,511	16,756	0	0	16,755	0.0
FY 17-18 Medical Services Premiums	341	170	0	0	171	0.0
FY 16-17 NP OIT CBMS	0	(35,969)	35,969	0	0	0.0
FY 17-18 R6 Delivery system & payment reform	(55,527,358)	(17,326,908)	(1,157,794)	0	(37,042,656)	0.0
FY 17-18 R8 MMIS operations	(17,498,878)	(912,626)	(699,974)	(10,754)	(15,875,524)	0.2
HB 18-1329 Durable medical equipment	(7,591,815)	(7,591,815)	0	0	0	0.0
FY 17-18 Vendor transition	(2,598,458)	(929,629)	(369,600)	0	(1,299,229)	0.0
SB 17-267 Sustainability of rural CO	(2,546,461)	(448,047)	(90,770)	0	(2,007,644)	0.0
FY 18-19 HUM recon	(1,965,676)	(982,837)	0	0	(982,839)	0.0
FY 17-18 S11 HB 15-1368 spending authority	(921,681)	0	(921,681)	0	0	0.0
HB 18-1330 Office administered drugs	(754,000)	(754,000)	0	0	0	0.0
FY 16-17 BA10 Coordinate Medicaid-Medicare	(621,826)	0	0	0	(621,826)	0.0
FY 17-18 R10 Regional Centers	(473,047)	811	0	0	(473,858)	0.2
SB 16-027 Mail pharmacy	(299,126)	(91,014)	(14,892)	0	(193,220)	0.0
FY 17-18 Public Health facility survey	(193,346)	(124,064)	0	0	(69,282)	0.0
FY 15-16 R9 Health records	(125,070)	63,548	0	0	(188,618)	0.0
SB 17-121 Client correspondence	(95,953)	(32,125)	(15,851)	0	(47,977)	0.3
FY 17-18 BA9 Pueblo RC Corrective Action Plan	(87,523)	(43,762)	0	0	(43,761)	0.2
HB 17-1351 Inpatient substance use disorder	(75,000)	(37,500)	0	0	(37,500)	0.0
FY 17-18 CU School of Medicine payment	(27,638)	0	0	(13,820)	(13,818)	3.0
FY 17-18 NP Public Health IDD facility survey	(23,315)	(11,657)	0	0	(11,658)	0.0
SB 16-120 Medicaid explanation of benefits	(4,704)	(1,810)	(542)	0	(2,352)	0.0
HB 17-1343 Conflict Free Case Management	(4,703)	0	(2,352)	0	(2,351)	0.0
<b>TOTAL</b>	<b>(\$54,876,146)</b>	<b>(\$15,509,552)</b>	<b>(\$2,830,271)</b>	<b>(\$24,574)</b>	<b>(\$36,511,749)</b>	<b>9.4</b>

**SINGLE ASSESSMENT TOOL:** The appropriation includes decrease of \$5.3 million total funds, including \$2.5 million General Fund, as part of a reallocation of funds between fiscal years to complete the development and implementation of the single assessment tool required by S.B. 16-192 (Assessment Tool Intellectual and Developmental Disabilities).

**MEDICAID SAVINGS INITIATIVES:** The appropriation includes a net decrease of \$819,702 total funds, including a decrease of \$1.9 million General Fund, and 5.9 FTE for the following measures designed to decrease Medicaid expenditures: (1) New requirements for prior authorization review before Medicaid will cover certain services, in order to ensure medical necessity and that other less costly alternatives have been exhausted; (2) Automatic notifications that require clients with Medicaid coverage in another state to attest their residency in Colorado or have their Colorado eligibility terminated; (3) Staff to pursue resources in trusts that Medicaid is required to recover; (4) Discounted bus fares to reduce non-emergency medical transportation costs and a new option for Medicaid clients to use public transportation as an alternative to taxi or mobility van services for covered non-medical transportation; and (5) A federal waiver to collect a monthly premium, on a sliding scale based on family income, for the Children's Home and Community Based Services (CHCBS) waiver.

MEDICAID SAVINGS INITIATIVES					
	TOTAL FUNDS	GENERAL FUND	OTHER STATE	FEDERAL FUNDS	FTE
<b>FY 2018-19</b>					
<i>Prior Authorization Reviews</i>	<u>(\$256,822)</u>	<u>(\$149,807)</u>	<u>(\$8,084)</u>	<u>(\$98,931)</u>	<u>2.5</u>
Benefits collaborative	202,074	101,037	0	101,037	2.5
Contractor	1,042,615	260,654	0	781,961	
Decreased utilization	(1,501,511)	(511,498)	(8,084)	(981,929)	
<i>Limit multistate Medicaid enrollment</i>	<u>(1,039,523)</u>	<u>(320,526)</u>	<u>16,855</u>	<u>(735,852)</u>	<u>1.7</u>
Automatic notifications	602,959	109,122	56,693	437,144	
Staff follow-up	103,515	33,955	17,803	51,757	1.7
Per member payments	(1,745,997)	(463,603)	(57,641)	(1,224,753)	
<i>Trust Recoveries</i>	<u>125,187</u>	<u>(1,336,583)</u>	<u>2,798,353</u>	<u>(1,336,583)</u>	<u>1.7</u>
Investigators	125,187	62,594	0	62,593	1.7
Recoveries & offset	0	(1,399,177)	2,798,353	(1,399,176)	
<i>Public transport</i>	<u>(412,247)</u>	<u>(206,124)</u>	<u>0</u>	<u>(206,123)</u>	<u>0.0</u>
Vendor	150,000	75,000	0	75,000	
Non-emergency medical	(216,378)	(108,189)	0	(108,189)	
Non-medical	(345,869)	(172,935)	0	(172,934)	
<i>Parental Fee</i>	<u>763,703</u>	<u>121,712</u>	<u>62,997</u>	<u>578,994</u>	<u>0.0</u>
System changes	763,703	121,712	62,997	578,994	
Fee revenue & offset	0	0	0	0	
<b>TOTAL 2018-19</b>	<b>(\$819,702)</b>	<b>(\$1,891,328)</b>	<b>\$2,870,121</b>	<b>(\$1,798,495)</b>	<b>5.9</b>
<b>FY 2019-20 Projection</b>					
<i>Prior Authorization Reviews</i>	<u>(\$870,013)</u>	<u>(\$439,845)</u>	<u>(\$16,762)</u>	<u>(\$413,406)</u>	<u>3.0</u>
Benefits collaborative	239,668	119,834	0	119,834	3.0
Contractor	2,003,849	500,963	0	1,502,886	
Decreased utilization	(3,113,530)	(1,060,642)	(16,762)	(2,036,126)	
<i>Limit multistate Medicaid enrollment</i>	<u>(2,916,022)</u>	<u>(760,368)</u>	<u>(99,841)</u>	<u>(2,055,813)</u>	<u>2.0</u>
Automatic notifications	73,440	26,350	10,429	36,661	
Staff follow-up	112,893	37,030	19,417	56,446	2.0
Per member payments	(3,102,355)	(823,748)	(129,687)	(2,148,920)	
<i>Trust Recoveries</i>	<u>138,900</u>	<u>(1,609,561)</u>	<u>3,358,023</u>	<u>(1,609,562)</u>	<u>2.0</u>
Investigators	138,900	69,450	0	69,450	2.0
Recoveries & offset	0	(1,679,011)	3,358,023	(1,679,012)	
<i>Public transport</i>	<u>(580,181)</u>	<u>(290,091)</u>	<u>0</u>	<u>(290,090)</u>	<u>0.0</u>
Vendor	155,000	77,500	0	77,500	
Non-emergency medical	(216,378)	(108,189)	0	(108,189)	
Non-medical	(518,803)	(259,402)	0	(259,401)	
<i>Parental Fee</i>	<u>207,529</u>	<u>(992,782)</u>	<u>2,072,652</u>	<u>(872,341)</u>	<u>0.0</u>
System changes	206,570	33,919	18,426	154,225	

MEDICAID SAVINGS INITIATIVES					
	TOTAL FUNDS	GENERAL FUND	OTHER STATE	FEDERAL FUNDS	FTE
Notifications	959	344	136	479	
Fee revenue & offset	0	(1,027,045)	2,054,090	(1,027,045)	
<b>TOTAL 2019-20</b>	<b>(\$4,019,787)</b>	<b>(\$4,092,647)</b>	<b>\$5,314,072</b>	<b>(\$5,241,212)</b>	<b>7.0</b>

**ALL-PAYER CLAIMS DATABASE:** The appropriation includes a decrease of \$500,000 General Fund that previously funded scholarship grants for research using the All-Payer Claims Database.

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

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# DEPARTMENT OF HIGHER EDUCATION

The Department is responsible for higher education and vocational training programs in the State. The Colorado Commission on Higher Education (CCHE) serves as the central policy and coordinating board for state higher education institutions. Financial aid programs also fall under the purview of CCHE and, for state-funded programs, are included in the higher education budget. The executive director of CCHE is the executive director of the Department and appoints the directors of College Assist and CollegeInvest, which are both statutorily authorized state enterprises with responsibilities related to student loans and college savings programs. In addition, the Department administers various state and federal programs designed to promote higher education participation and success.

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

The Division of Occupational Education oversees Colorado Vocational Act programs, including support for the Area Technical Colleges (previously known as area vocational schools), federal Perkins technical training programs, and resources for the promotion of job development, training, and retraining supported through state and federal funds.

The Department also includes: state subsidies for local district 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.

## DEPARTMENT BUDGET: RECENT APPROPRIATIONS

FUNDING SOURCE	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
General Fund <sup>1</sup>	\$857,415,995	\$871,034,716	\$894,907,900	\$1,003,593,739
Cash Funds	2,269,594,336	2,513,598,084	2,637,471,193	2,744,061,460
Reappropriated Funds	701,803,695	715,348,692	738,374,874	819,590,900
Federal Funds	22,494,551	22,512,517	22,641,490	22,785,619
<b>TOTAL FUNDS</b>	<b>\$3,851,308,577</b>	<b>\$4,122,494,009</b>	<b>\$4,293,395,457</b>	<b>\$4,590,031,718</b>
Full Time Equiv. Staff	23,856.3	24,491.4	25,087.2	26,150.0

<sup>1</sup> Includes General Fund Exempt.

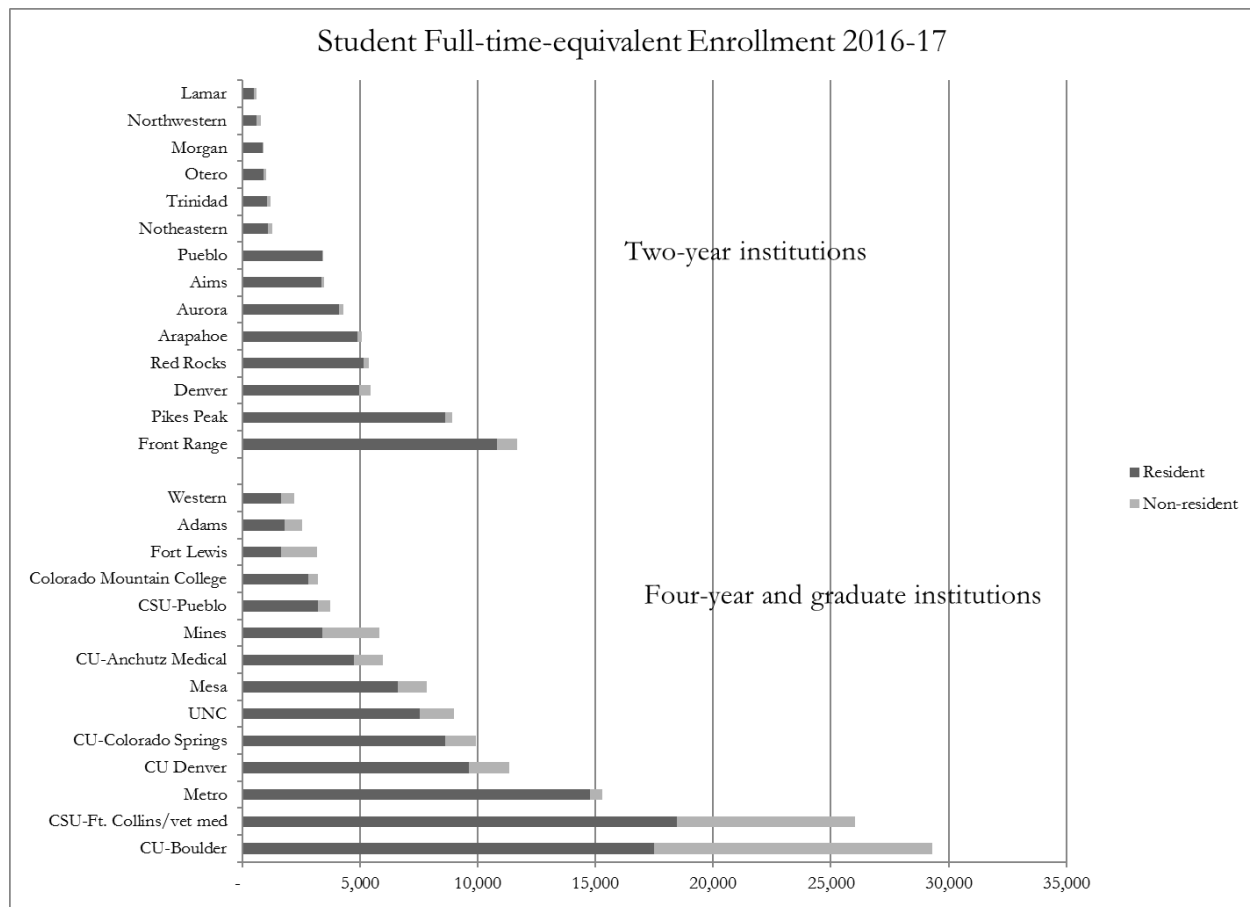
## GENERAL FACTORS DRIVING THE BUDGET

Funding for this department consists of 21.9 percent General Fund, 59.8 percent cash funds, 17.9 percent reappropriated funds, and 0.5 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

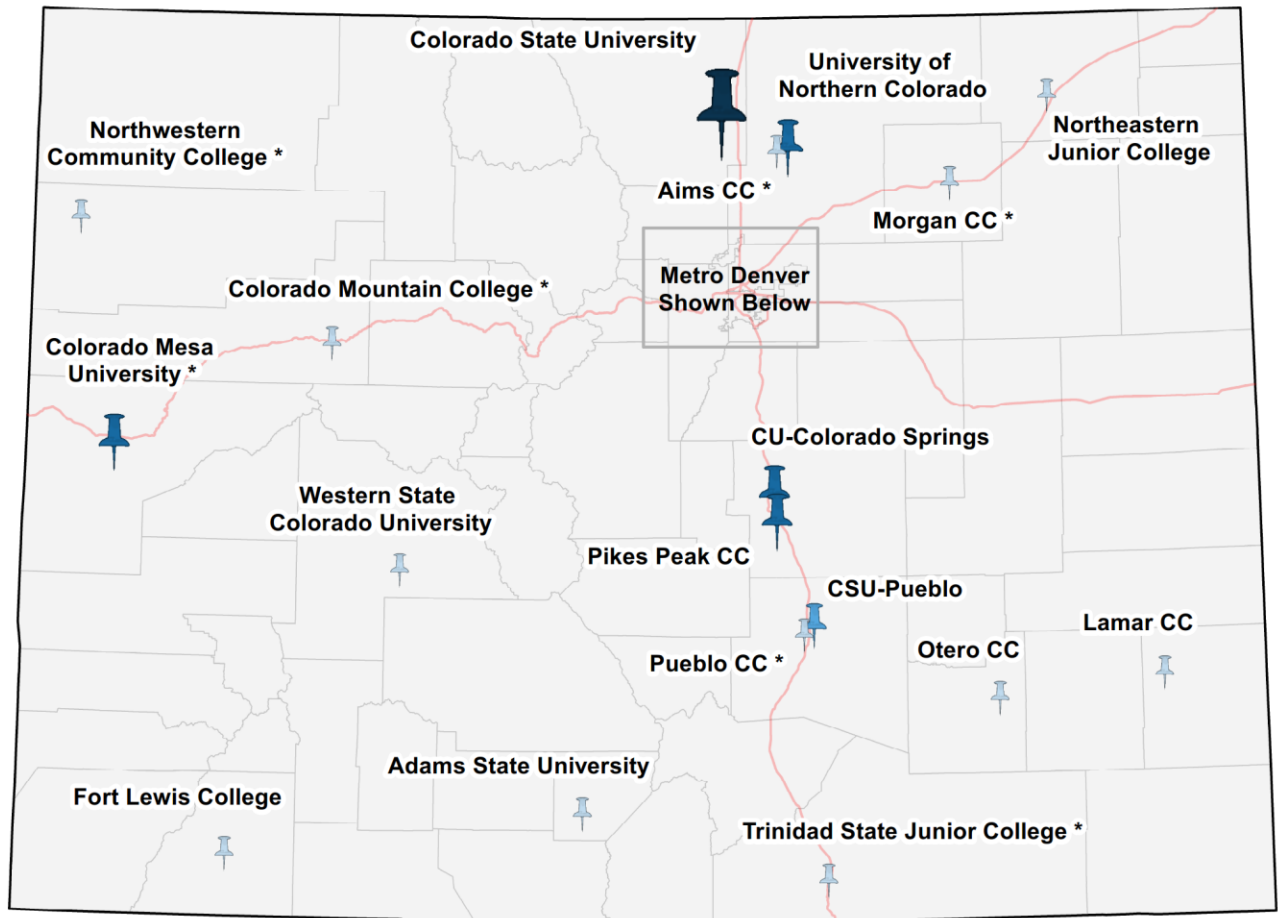
## OVERVIEW AND ORGANIZATION

The state higher education system served about 182,000 full-time equivalent students (FTE) in FY 2016-17, including about 146,000 Colorado residents. Local district colleges, which receive regional property tax revenues in addition to state funding, and area technical colleges, which offer occupational certificates and serve both secondary and post-secondary students, served approximately 11,500 additional student FTE. Approximately one-third of student FTE attend two-year and certificate institutions. Students attending institutions that offer baccalaureate and higher degrees are concentrated at the University of Colorado, Colorado State University, and Metropolitan State University of Denver.

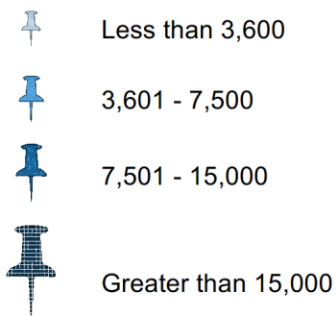
The Colorado Commission on Higher Education (Commission) coordinates the higher education delivery system, including requests for state funding. However, each institution has a governing board that makes policy and budget decisions for the institution.



## Colorado Public Higher Education Institutions

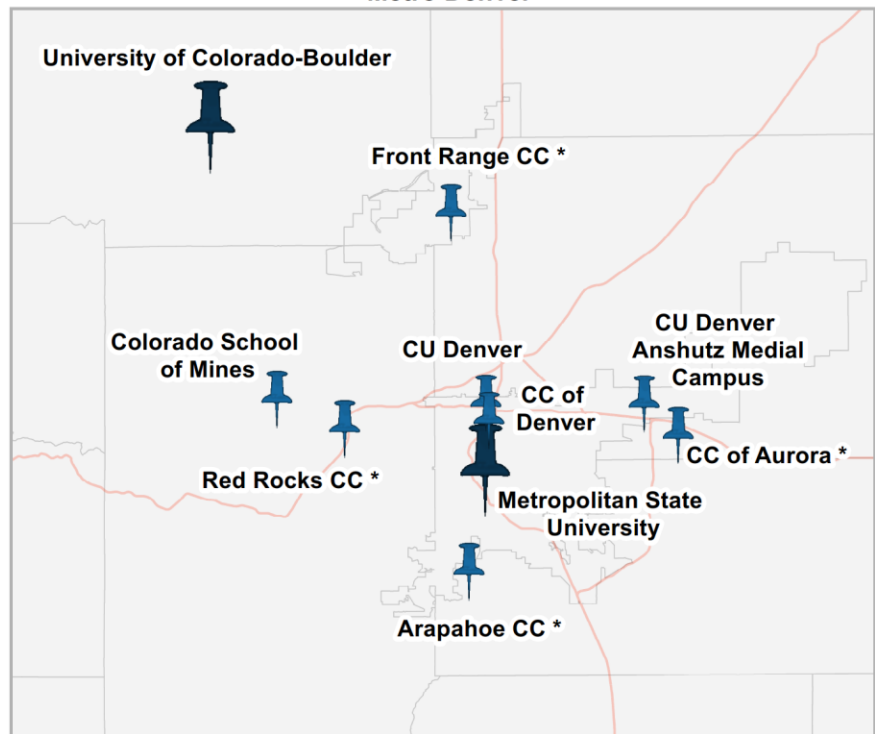


### Student FTE Served



\* This institution has additional campuses that are not reflected on the map. The size of the symbol at the primary location is based on total student FTE for the institution, including all campuses.

### Metro Denver



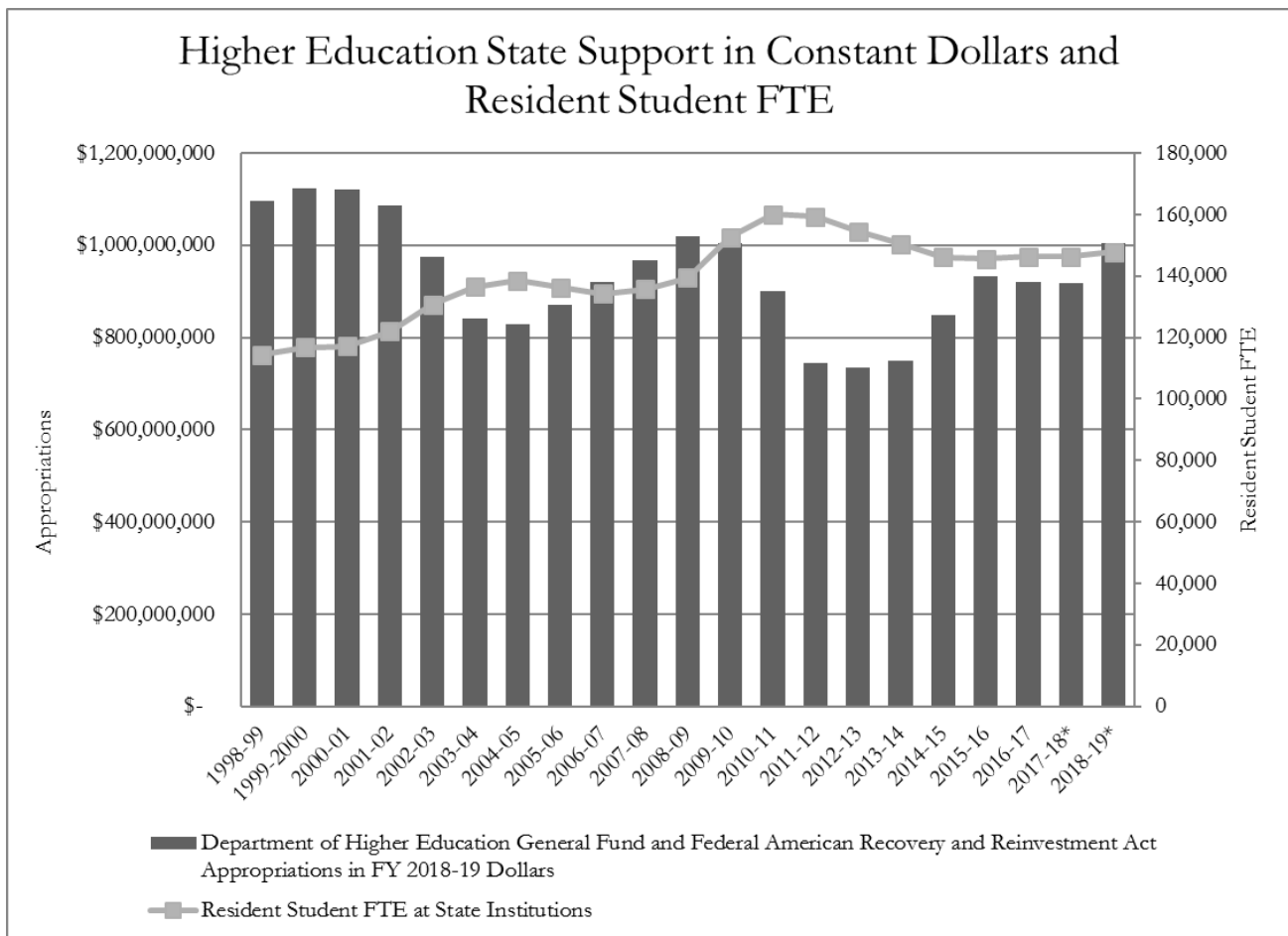
Source: Joint Budget Committee Staff

## IMPACT OF THE STATEWIDE BUDGET OUTLOOK

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

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

The chart below shows how statewide General Fund support for higher education has declined during economic downturns and rebounded under stronger economic conditions. General Fund appropriations for higher education were reduced in response to recessions in FY 2002-03 through FY 2004-05 and FY 2008-09 through FY 2011-12. The reductions to higher education were disproportionate compared to reductions to other state agencies. As the economy and state revenues improved, the General Assembly increased funding. As also reflected in the chart, student demand for higher education tends to be higher during recessions and lower as the economy improves.



\* Resident student FTE for FY 2017-18 and FY 2018-19 reflect projections used for state budgeting purposes (institutional projections). Students at local district colleges and area technical colleges are not included in student FTE figures.



The General Assembly provided a 12.1 percent General Fund increase for higher education in FY 2018-19, bringing total FY 2018-19 state support above the \$1.0 billion level and very close to the FY 2008-09 peak, even after adjusting for inflation.

The table below shows the allocation of the overall increase in General Fund support from FY 2017-18 to FY 2018-19 by governing board and funding category.

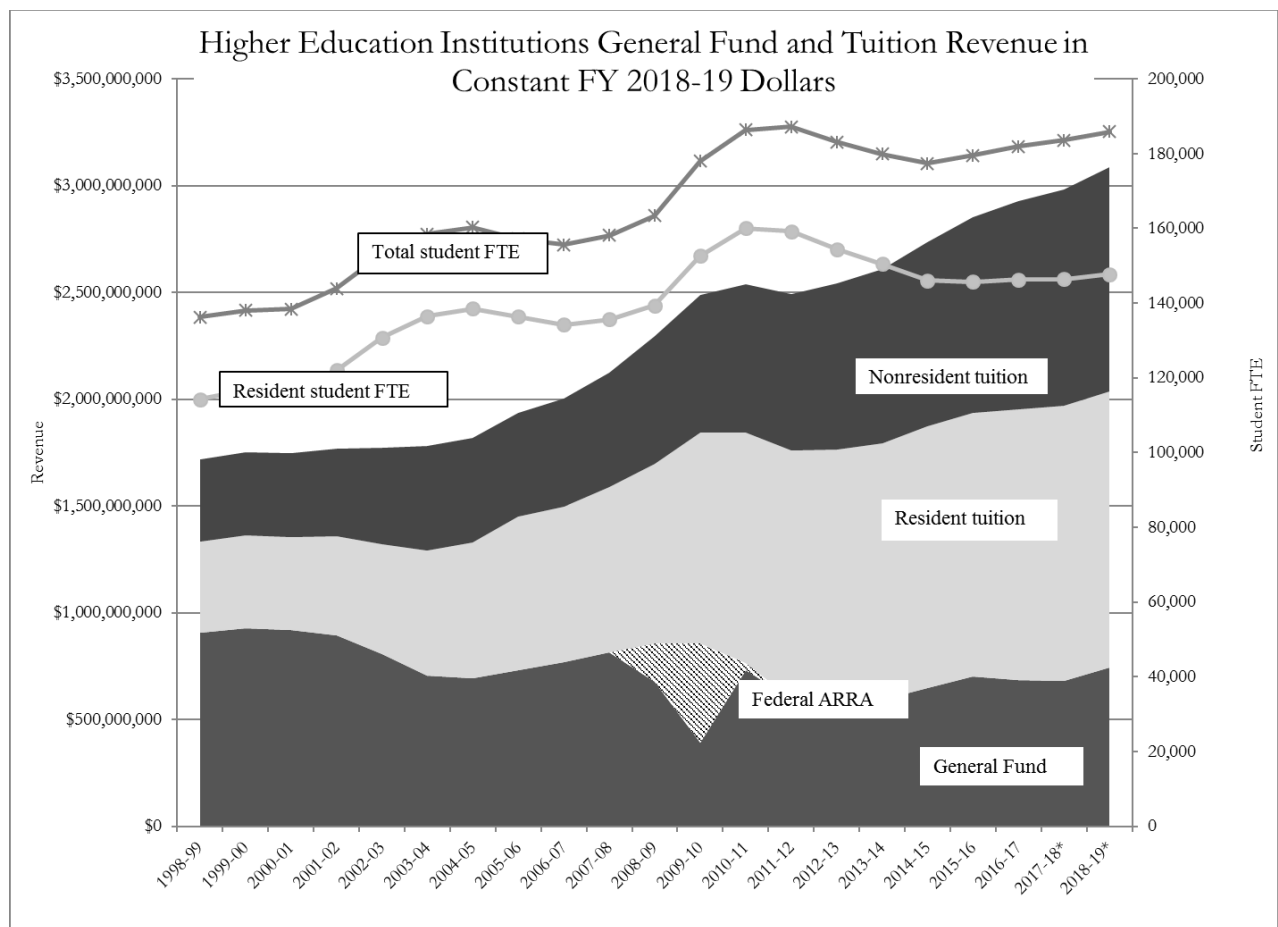
DEPARTMENT OF HIGHER EDUCATION OPERATING BUDGET: GENERAL FUND APPROPRIATIONS <sup>1</sup> CHANGES BY CATEGORY AND GOVERNING BOARD FY 2017-18 TO FY 2018-19				
	FY 2017-18	FY 2018-19	CHANGE	PERCENTAGE CHANGE
Adams State University	\$14,259,963	\$15,834,361	\$1,574,398	11.0%
Colorado Mesa University	25,951,161	29,474,193	3,523,032	13.6%
Metropolitan State University of Denver	51,626,603	58,343,983	6,717,380	13.0%
Western State Colorado University	11,821,897	14,043,348	2,221,451	18.8%
Colorado State University System	139,285,526	154,858,072	15,572,546	11.2%
Fort Lewis College	11,784,939	13,053,096	1,268,157	10.8%
University of Colorado System	194,318,227	218,505,019	24,186,792	12.4%
Colorado School of Mines	21,484,706	22,873,493	1,388,787	6.5%
University of Northern Colorado	39,597,408	42,492,726	2,895,318	7.3%
Community College System	153,709,215	172,072,047	18,362,832	11.9%
Colorado Mountain College	7,319,484	8,119,248	799,764	10.9%
Aims Community College	8,654,810	9,615,302	960,492	11.1%
Area Technical Colleges	10,218,039	12,311,435	2,093,396	20.5%
<b>Subtotal - Governing Boards/Institutions</b>	<b>\$690,031,978</b>	<b>\$771,596,323</b>	<b>\$81,564,345</b>	<b>11.8%</b>
Financial Aid	\$177,783,660	196,087,431	18,303,771	10.3%
Lease Purchase Payments for HED Buildings	21,534,800	24,469,451	2,934,651	13.6%
History Colorado	2,756,401	2,720,710	(35,691)	(1.3%)
Other <sup>2</sup>	2,801,061	8,719,824	5,918,763	211.3%
<b>TOTAL</b>	<b>\$894,907,900</b>	<b>\$1,003,593,739</b>	<b>\$108,685,839</b>	<b>12.1%</b>

<sup>1</sup> Includes College Opportunity Fund stipends, fee-for-service contracts, and grants to local district colleges and area technical colleges in all enacted bills.

<sup>2</sup> For FY 2018-19, increases include \$2.0 million for one-time additional Property Fund payments to assist several governing boards, \$2.7 million for new legislation related to enhancing teacher recruitment and preparation, with the balance for several other initiatives included in new legislation.

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

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



\* FY 2017-18 and FY 2018-19 tuition revenue and student FTE reflect estimates used for budgeting purposes.

## TUITION AND FEES

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

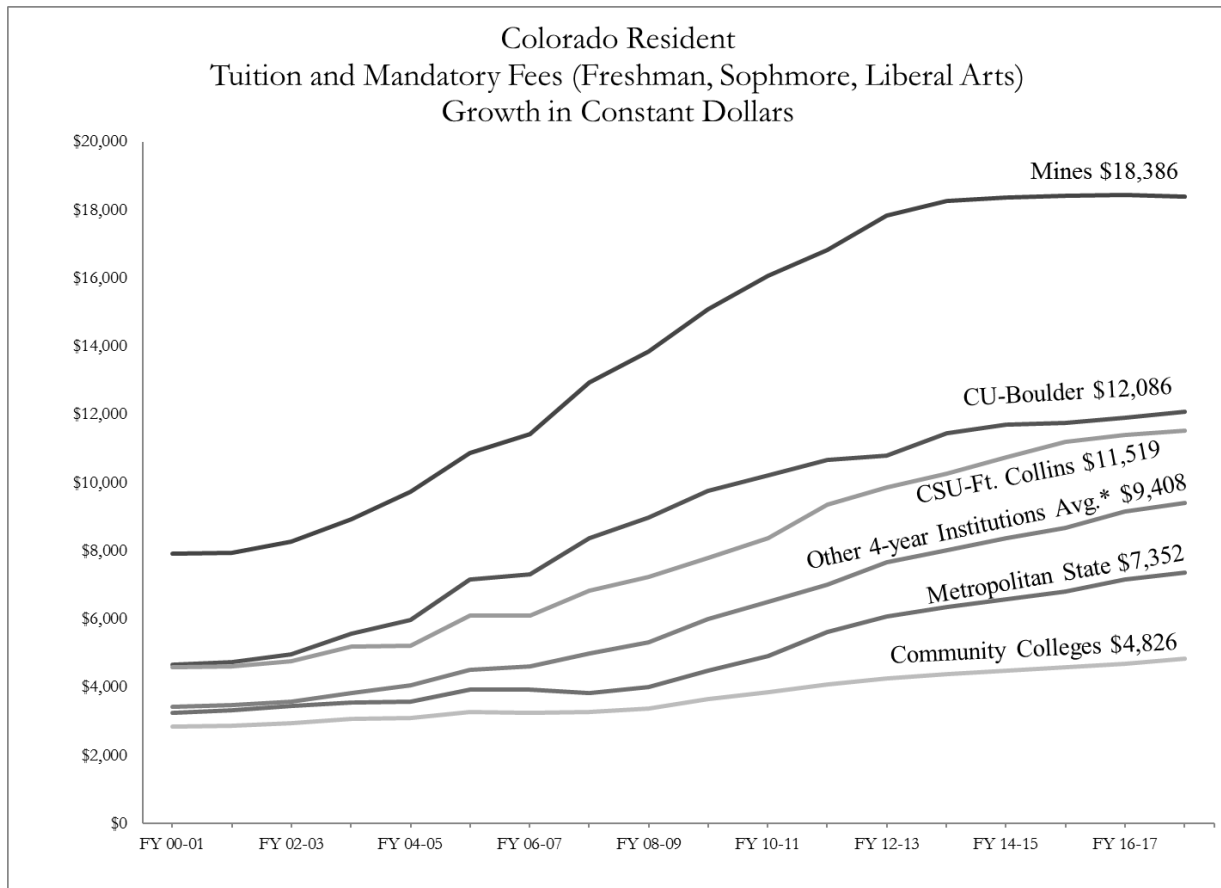
The General Assembly has provided more flexibility for institutions to increase tuition revenue in times of state General Fund cuts and has restricted tuition growth when more state revenue is available for higher education.

- Prior to FY 2011-12, the General Assembly appropriated tuition revenue to the institutions and set forth its assumptions about tuition increases in a Long Bill footnote.
- For the five-year period from FY 2011-12 through FY 2015-16, the General Assembly delegated tuition-setting authority to the higher education governing boards within specified statutory limits. From FY 2011-12 through FY 2013-14, governing boards could increase resident undergraduate tuition rates up to 9.0 percent per year, and could submit a plan to ensure access and affordable tuition for low- and middle-income students to the Commission for permission to implement larger rate increases. In FY 2014-15 and FY 2015-16, the General Assembly paired increases in state funding with a 6.0 percent "hard" cap on undergraduate resident tuition increases.
- Beginning in FY 2016-17, the General Assembly again began to appropriate tuition and set limits on tuition through the Long Bill for all institutions except the Colorado School of Mines [Sections 23-1-104 (1)(b) and 23-41-104.6 (5)(c)(I)(A), C.R.S.]. The tuition increases used to derive the total spending authority for each governing board are detailed in a footnote to the Long Bill [Section 23-18-202 (3)(b), C.R.S.]. The General

Assembly typically imposes higher or lower limits on resident undergraduate tuition increases based on the General Fund appropriations authorized for the year. Specific limits may differ by institution.

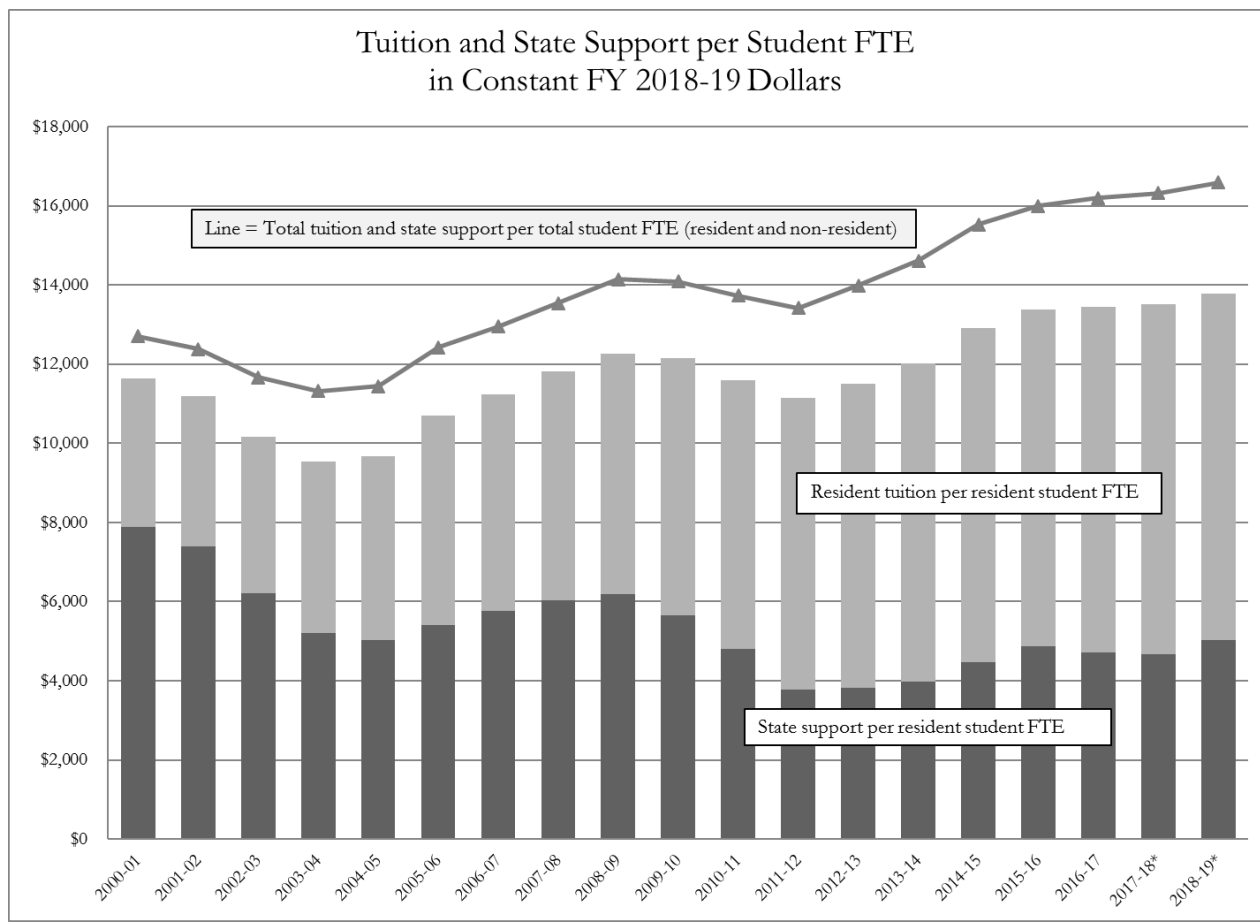
- For FY 2018-19, Long Bill footnotes and tuition spending authority restrict resident undergraduate tuition increases to 3.0 percent for most governing boards, in light of the large General Fund increase authorized.

The chart below shows the growth in tuition and fee rates through FY 2017-18. 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. The amounts for prior years are shown *after* adjusting for inflation (FY 2017-18 dollars).



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

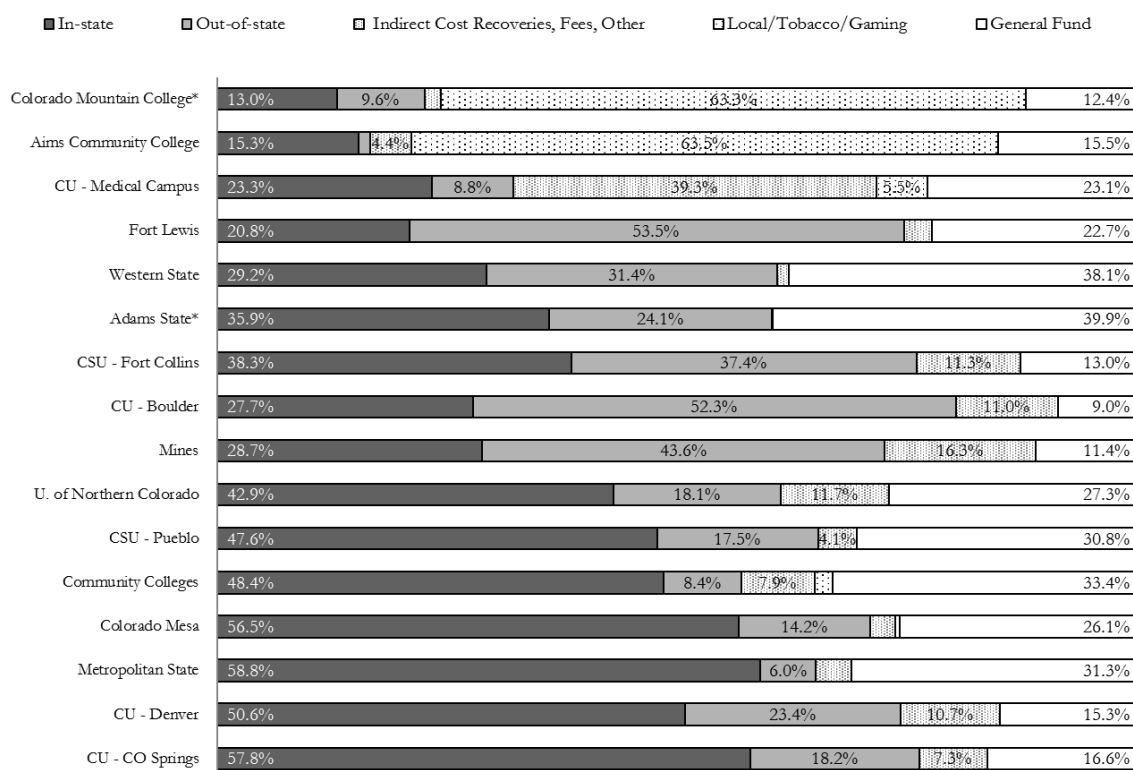
The decline in state support per student FTE over the last two decades explains most, but not all, tuition increases. The chart on the following page shows the change in General Fund and tuition revenue to the institutions per student since FY 2000-01 after adjusting for inflation (years prior to FY 2018-19 are reflected in FY 2018-19 dollars, based on the Denver-Boulder-Greeley consumer price index/CPI).



\*FY 2017-18 and FY 2018-19 tuition revenue and student FTE figures reflect estimates used for budgeting purposes.

Institutions have different abilities to bring in out-of-state student tuition revenue or to raise tuition above that of other institutions based upon their individual missions and the populations they serve. The chart below compares the revenue mix at various state institutions for educational expenditures reported to the General Assembly in FY 2016-17. Note that this excludes revenue and expenditures for research grants and auxiliary facilities such as dormitories and dining halls.

## Proportion of Funding from Students vs the State FY 2016-17

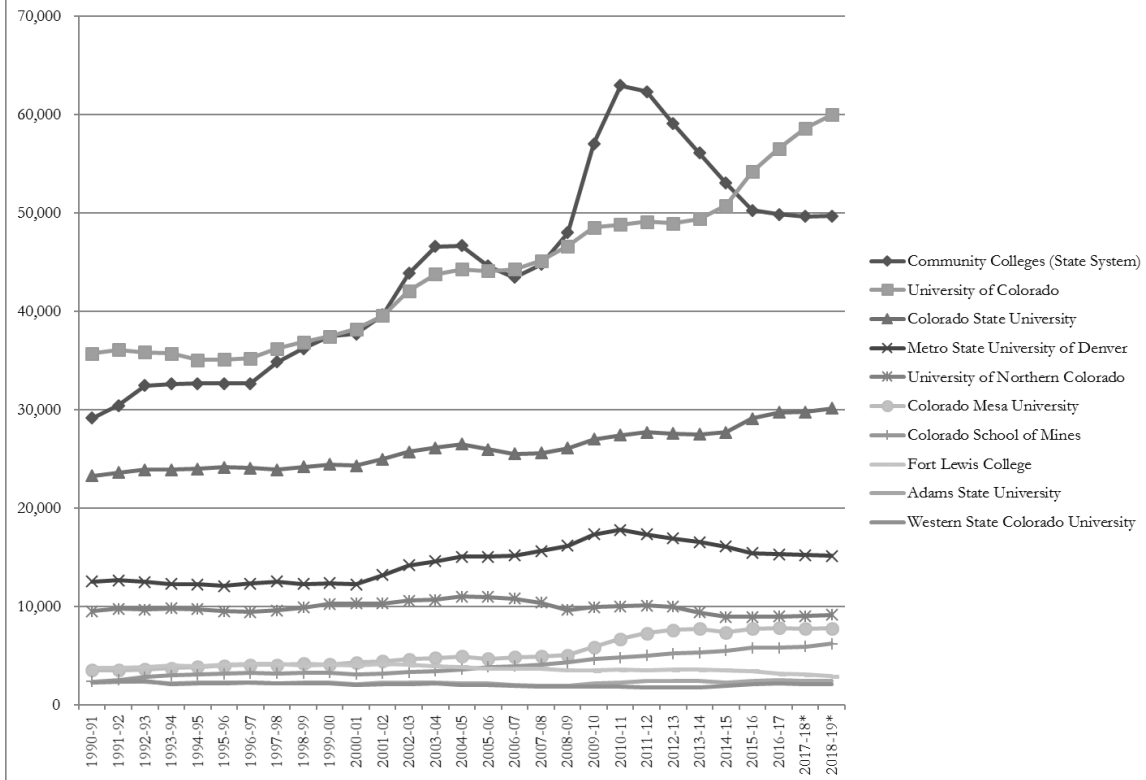


## ENROLLMENT

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

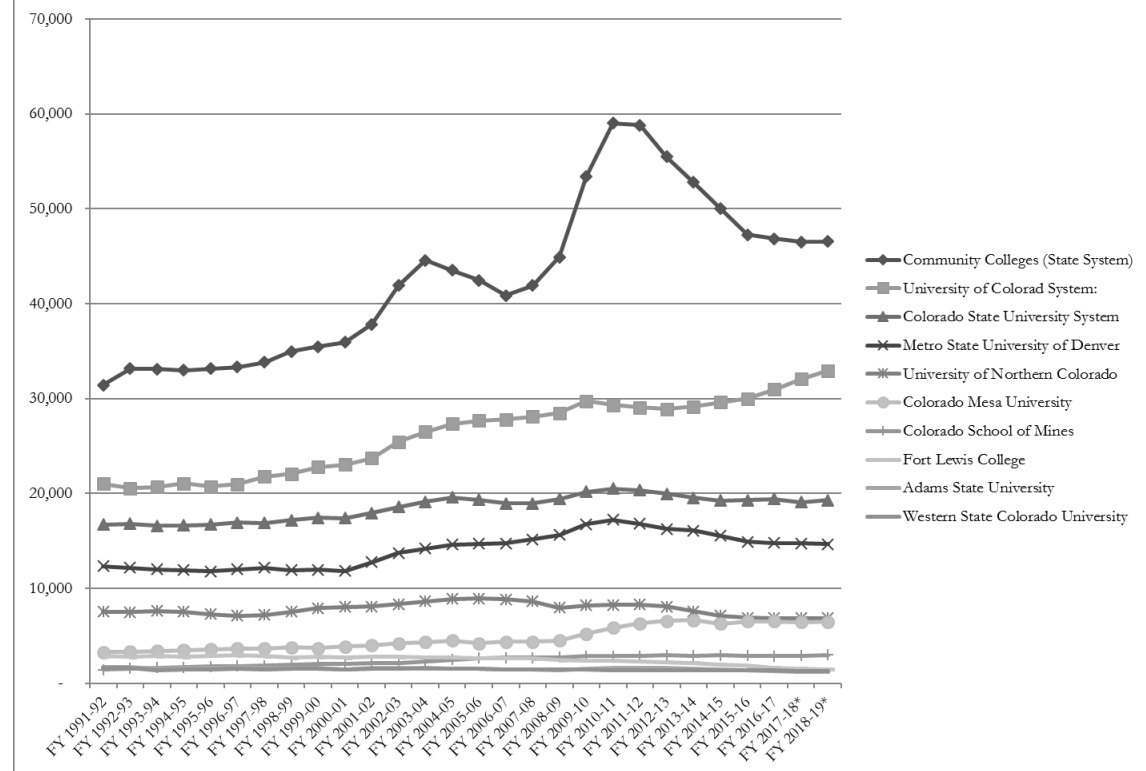
Enrollment tends to be counter-cyclical: when the economy slows, higher education enrollment grows more rapidly. This affects most institutions to some extent but is particularly notable for the community college system. The following chart reports student FTE since FY 1991-92 (excluding local district college and area technical college data). Thirty credit hours in a year equals one full-time-equivalent student for undergraduates. In FY 2015-16, total student FTE enrollment increased for the first time since FY 2011-12, but there was wide variation in the enrollment trend by institution. The charts below show: (1) total FTE by institution, including residents, non-residents, undergraduate, and graduate students; and (2) resident undergraduate FTE by institution. The University of Colorado System now serves more students in total than any other governing board, but the community college system serves by far the largest share of resident undergraduate students.

Total Student FTE - Public Higher Education Institutions



\*FY 2017-18 and FY 2018-19 figures are institutional estimates

Resident Undergraduate FTE - Public Higher Education Institutions



\*FY 2017-18 and FY 2018-19 figures are institutional estimates

## PERSONNEL

Higher education governing boards are allowed by statute to determine the number of employees they need, but the Long Bill reflects estimates provided by the governing boards of the numbers of employees at their institutions. In FY 2017-18, the state institutions, including the Auraria Higher Education Center, employed an estimated 25,900.4 FTE, excluding employees of self-supporting auxiliary programs such as food services, bookstores, or housing.

Of the amount state-operated institutions spend on education, approximately two-thirds is spent on salaries and benefits, and most of this is spent on instructional faculty. Some higher education FTE such as administrative support and maintenance staff, are classified staff for whom salaries and benefits are defined by the state personnel system and the policies of the General Assembly. However, the majority of FTE and personal services expenditures are for exempt staff such as faculty for whom governing boards have control of compensation.

Increases in benefit costs have been a consistent cost driver at state institutions. Staff salary trends, however, have varied by institution in response to a range of internal and external factors. In general, when institutions faced enrollment increases and state funding declines during the recession, both 4-year and 2-year institutions increased the number of lower-paid, often part-time staff, thus reducing average compensation costs. As the economy and state funding have increased, institutions have faced pressure to improve salaries and have often done so.

Four-year institutions that employ tenure-track faculty in high-demand fields may need to offer compensation to professors competitive with peer institutions in other states and, in some cases, the private sector. However, this pressure is not consistent across all academic fields. At two-year institutions, the vast majority of staff are adjunct faculty who carry part-time teaching loads and receive modest compensation.

## THE HIGHER EDUCATION FUNDING MODEL

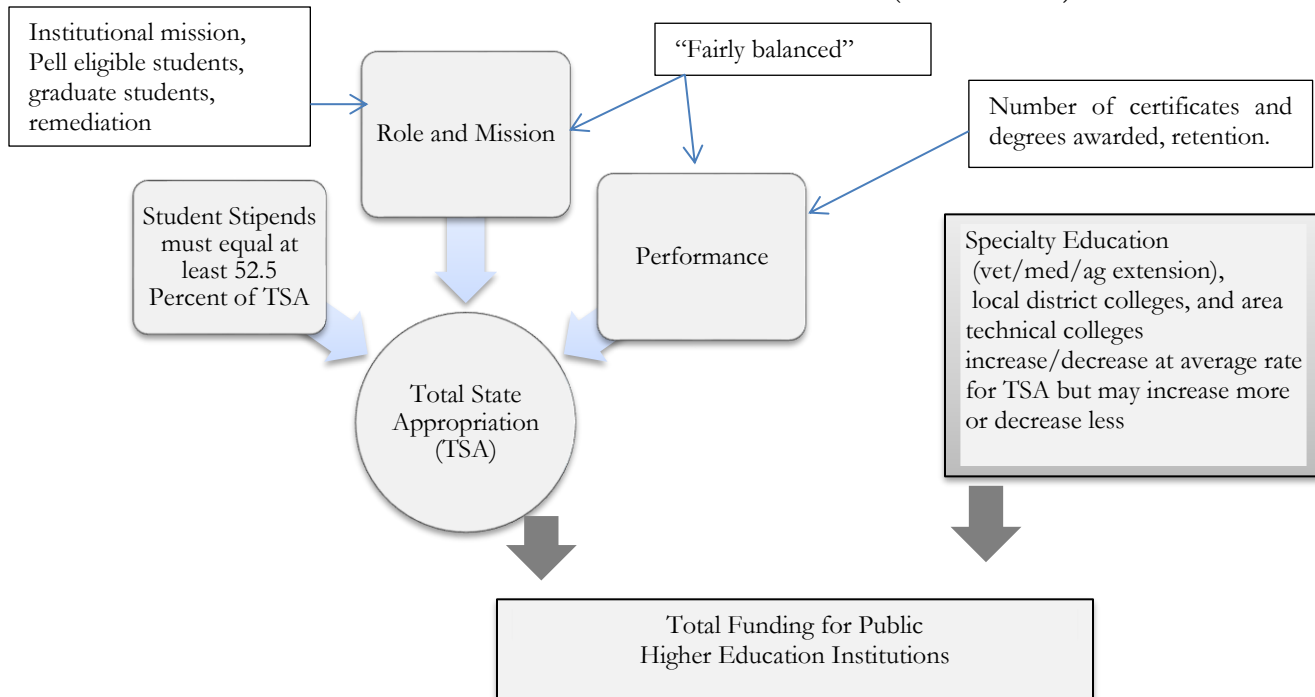
Pursuant to the provisions of H.B. 14-1319 (Outcomes-based Funding for Higher Education), Colorado adopted a new model for allocating funds among the higher education governing boards effective FY 2015-16. The new model includes three major components:

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

The chart below outlines the key components of the model. Each state-operated governing board receives an allocation for role and mission, outcomes, and resident undergraduate student stipends. In addition, the University of Colorado and Colorado State University receive allocations for their specialty education programs (such as the medical and veterinary schools), and local district colleges and area technical colleges also receive allocations. Specialty education programs, local district colleges, and area technical colleges increase and decrease at the same rate as overall funding for the model, with some exceptions.

The General Assembly may authorize funding outside the model when it adopts statutory provisions that require governing boards to fulfill specific new obligations; however, most funding for the governing boards is allocated through the model.

## HIGHER EDUCATION FUNDING MODEL (H.B. 18-1319)



The FY 2018-19 Long Bill appropriations for the state governing boards include the following model components. The model uses the most recent actual data available, rather than projections. Thus, funding for the governing boards in FY 2018-19 was based on their actual enrollment, degrees awarded, and other relevant data from FY 2016-17.

	TOTAL FROM COF STIPEND	TOTAL FROM ROLE & MISSION	TOTAL FROM PERFORMANCE	SPECIALTY EDUCATION	TOTAL FROM MODEL
Adams State University	\$2,800,794	\$9,519,737	\$2,973,693	\$0	\$15,294,223
Colorado Mesa University	15,811,085	6,863,534	5,758,134	0	28,432,752
Metropolitan State University	34,139,239	9,285,483	13,060,607	0	56,485,329
Western State Colorado University	3,319,876	7,780,349	2,201,485	0	13,301,710
Colorado State University System	47,892,319	22,635,302	19,985,369	61,038,812	151,551,802
Fort Lewis College	3,766,042	6,087,243	2,668,207	0	12,521,493
University of Colorado System	71,558,157	35,351,891	36,337,663	69,891,501	213,139,212
Colorado School of Mines	6,566,006	10,641,653	5,189,233	0	22,396,891
University of Northern Colorado	16,394,835	17,016,365	8,336,159	0	41,747,359
Community College System	111,997,876	28,955,963	27,061,565	0	168,015,405
<b>TOTAL<sup>2</sup></b>	<b>\$314,246,227</b>	<b>\$154,137,521</b>	<b>\$123,572,114</b>	<b>\$130,930,313</b>	<b>\$722,886,175</b>

<sup>1</sup> Excludes funding for the local district colleges and area technical colleges and amounts in bills other than the Long Bill, such as S.B. 18-262.

<sup>2</sup> Totals may not sum due to rounding.

**TABOR Impact:** Since 2004, funding for state higher education has been provided through student stipends and fee-for-service contracts with the state institutions. This enables the State to designate qualifying state higher education institutions as enterprises under Section 20 of Article X of the Colorado Constitution (TABOR). Revenue, such as tuition, that is generated by enterprises is exempt from the statewide revenue 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



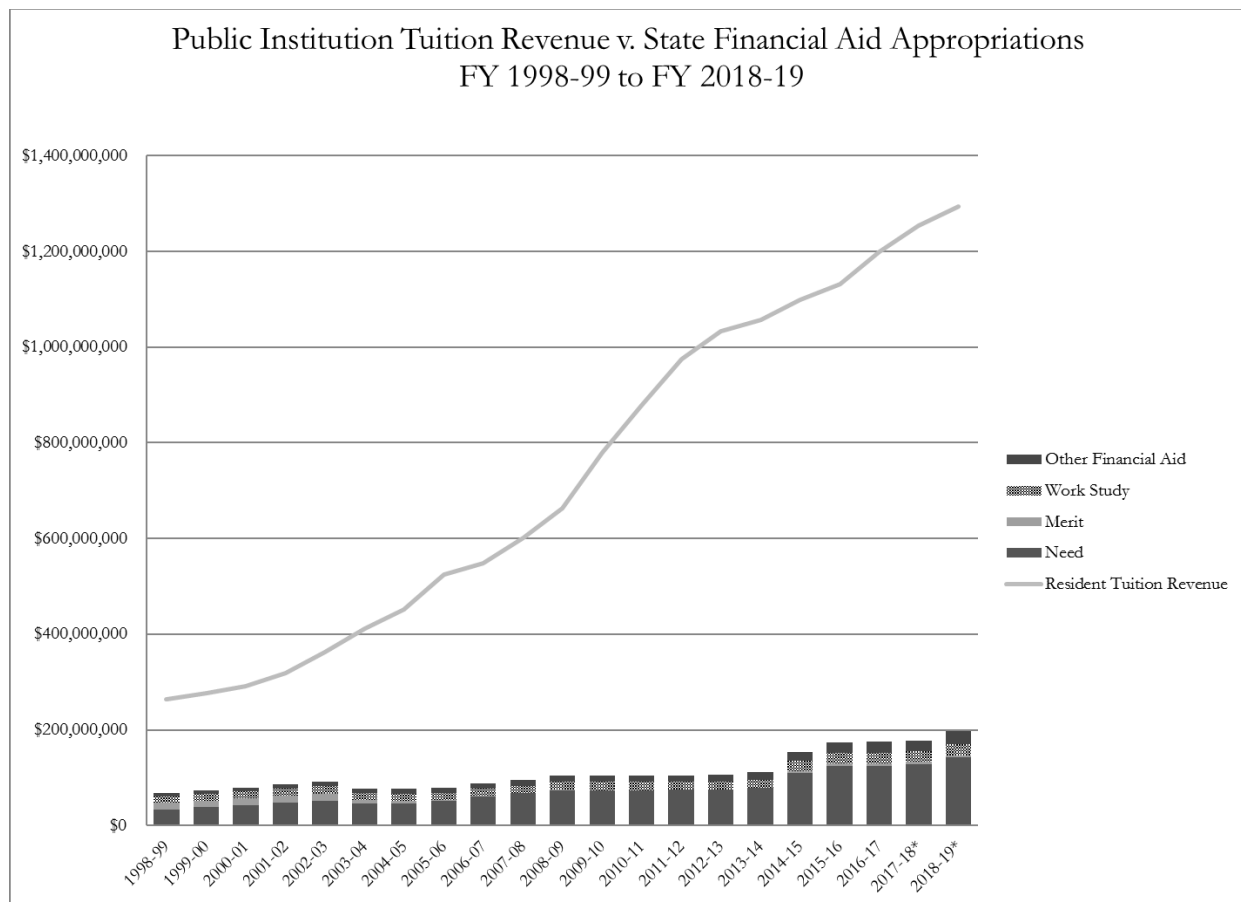
as different from a state grant. All of the institutions are designated as TABOR enterprises, although some smaller institutions may temporarily lose this status in years in which they receive large state capital construction grants.

## FINANCIAL AID

Of state appropriations for higher education in FY 2018-19, \$197.1 million total funds, including \$196.1 million General Fund, is for financial aid. This represents 19.5 percent of all the state General Fund appropriations for higher education. 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. These include the Fort Lewis College Native American tuition waiver, which covers tuition for any Native American student attending Fort Lewis College pursuant to a treaty obligation, and the Colorado Opportunity Scholarship Initiative, which funds services and scholarships for high achieving low-income students in collaboration with private funders and agencies.

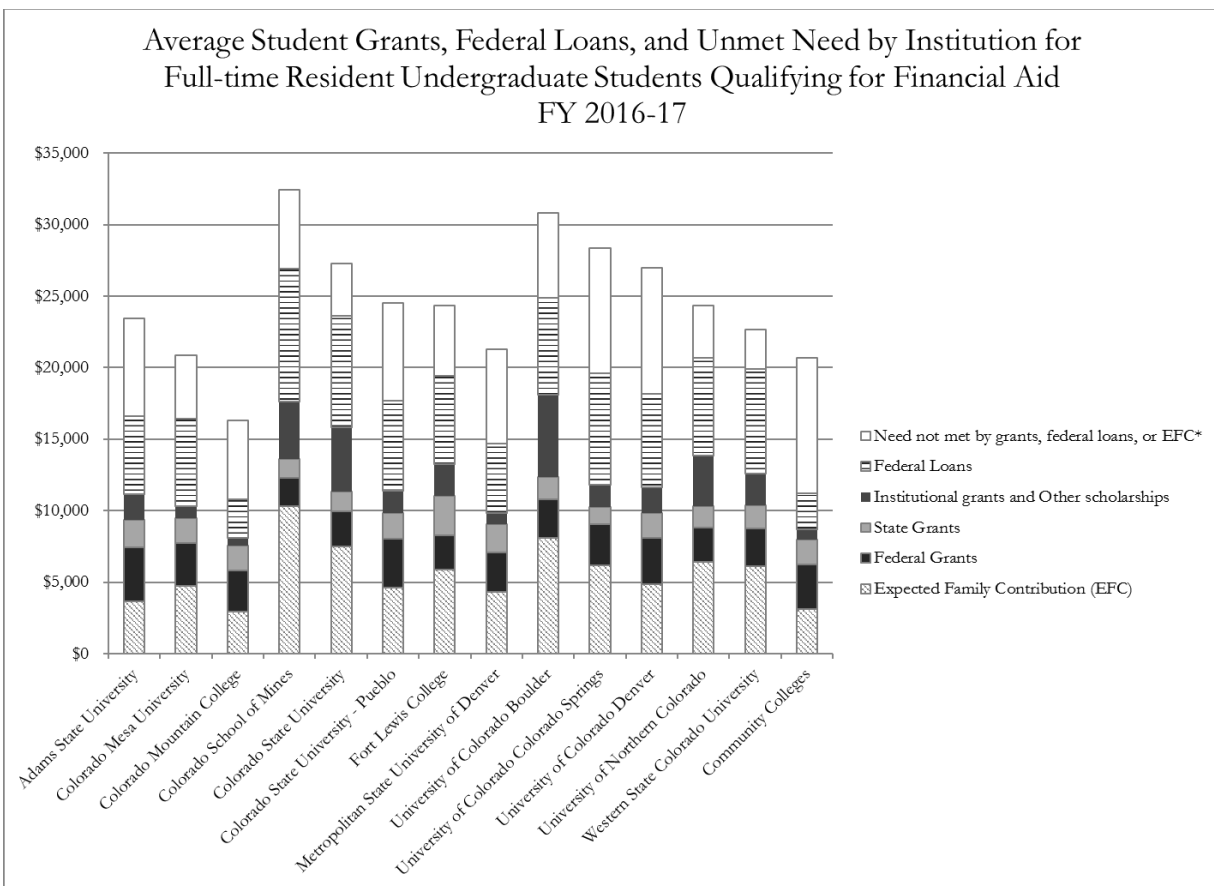
For most of the financial aid programs, the General Assembly appropriates financial aid funds to the Colorado Commission on Higher Education, which allocates them to institutions, including to some private institutions, based on formulas that consider financial need at the schools, total student enrollment, student retention, and program eligibility criteria. A total of 72,204 students received state-supported financial aid in FY 2016-17. The average state need-based award was \$2,137 and the average state work study award was \$2,550.

Statute requires that most state-funded financial aid increase at no less than the increase for the governing boards, and there have been significant increases in recent years, including \$19.1 million (10.7 percent) in FY 2018-19. However, overall demand for aid continues to outstrip available funding, as suggested by the chart below.



\*Tuition revenue reflects estimates used for budgeting purposes for FY 2017-18 and FY 2018-19.

Most sources of student financial aid are not reflected in the state budget. Yet even when these other funding sources are included, financial aid support is far less than the cost of higher education. The following chart compares grants and loans awarded in FY 2016-17 to full-time resident undergraduate students with financial need (calculated based on federal formulas) and the average cost of attendance for a resident student at various institutions. The average cost of attendance includes the cost of room, board, transportation, and learning materials, in addition to tuition and fees. Depending on the institution, these other costs of attendance may dwarf the price of tuition. The total cost of attendance for a resident student in FY 2016-17 ranged from \$16,105 at Aims Community College to \$32,431 at the Colorado School of Mines.



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

As reflected in the chart, state grants represent only one relatively small component of financial aid. The largest source of need-based aid is the federal government. The federal Pell grant program provided up to \$5,815 per eligible student in FY 2016-17, with an average grant of \$3,445. The families of dependent students receiving a full Pell had an average adjusted gross income of \$15,921 while the average for students receiving any Pell award was \$32,051. In FY 2016-17, 72,051 students attending state public institutions received a Pell grant, including 31,899 who were dependent students.

Students may also receive grants from the higher education institutions they attend. About 29.5 percent of all the aid students receive at public and private Colorado institutions is institutional aid. Some institutions make significant funds available from their operating budgets and donated funds, based on money available and the number of students who qualify for institutional aid. About one-third of institutional aid is used for need-based aid, primarily for resident students, and this is reflected in the chart above.

In order to fill the gap between cost of attendance and available grant funds, students typically rely on student loans. In addition to grant funds, the federal government provides guaranteed loans and tax credits and deductions for tuition.

- Sixty-five percent of students completing a bachelor's degree from a public institution graduated with federal student debt in FY 2016-17, and the average federal student loan debt at graduation was \$26,259.
- Fifty-eight percent of students completing an associate's degree from a public institution graduated with federal student debt in FY 2016-17, and the average student loan debt at graduation was \$13,212.

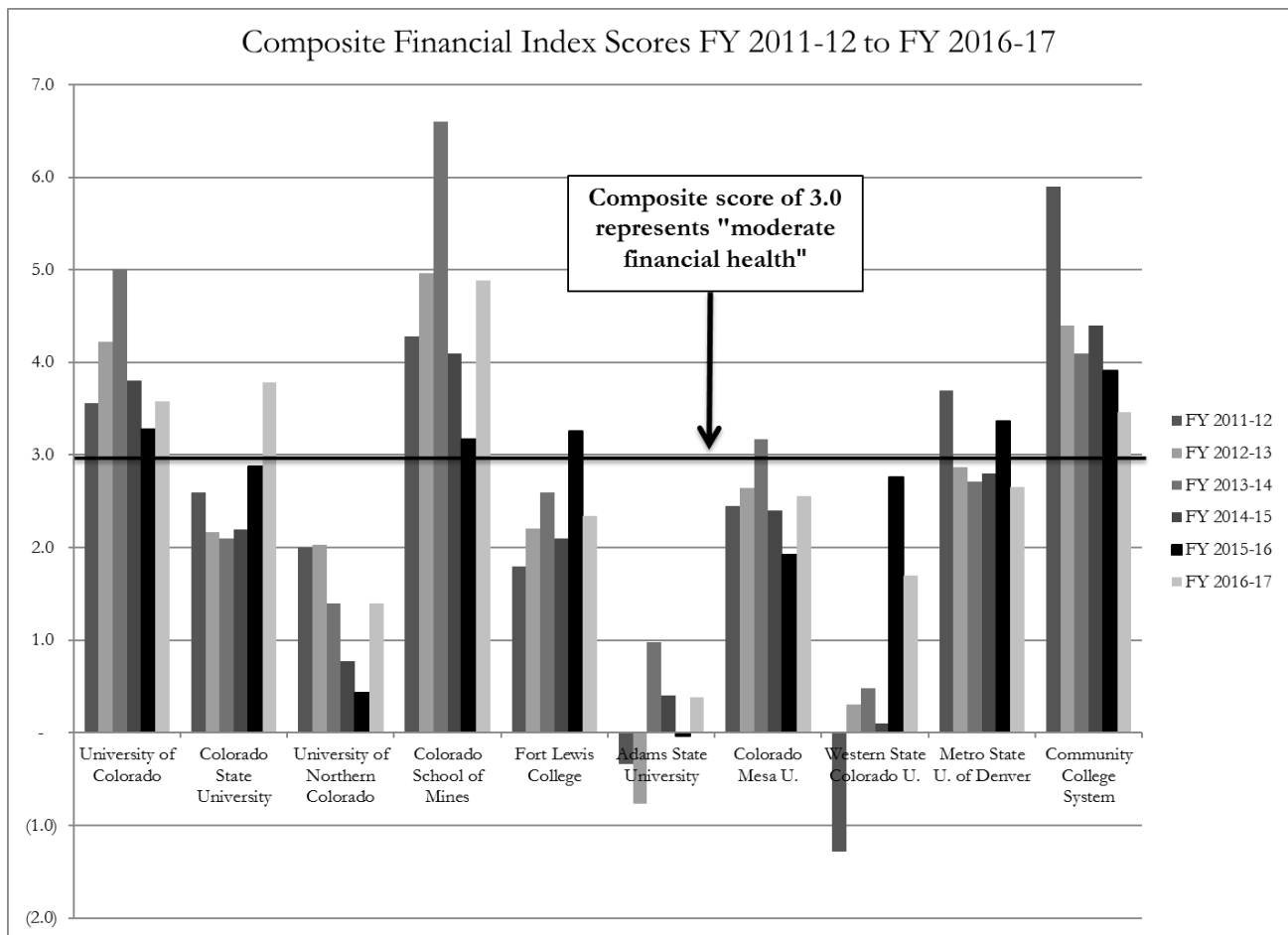
There is a substantial gap between the calculated cost of attendance for students with need and known sources of student support. A portion of this gap may be filled with additional unsubsidized student or family loans, which are not included in these figures.

## INSTITUTIONAL FINANCIAL HEALTH

As state institutions become more dependent upon tuition revenue, their survival has become more dependent upon their performance as businesses. While the governing boards have considerable operating autonomy and independent responsibility for their financial well-being, they are components of state government, employ large numbers of state staff, and play a critical role in the state economy. Thus, the General Assembly has an active interest in how well or poorly the institutions are performing financially.

In addition, the State provides a financial backstop for bonds issued by most of the state institutions. For bonds issued under the higher education revenue bond intercept program (Section 23-5-139, C.R.S.), loan rates are based on the state's credit rating rather than the institution's, and the State agrees to make bond payments if the institution is unable to do so. Under statutory provisions amended in S.B. 16-204, the Capital Development Committee and Joint Budget Committee must approve requests that increase a governing board's debt under the program.

The Composite Financial Index (CFI) is a tool designed to summarize institutional financial health. It combines four financial ratios (primary reserve ratio, viability ratio, return on net assets, and net operating ratio) to provide an overall indicator of a governing board's financial well-being. The CFI is calculated on a scale from below 0 to 10.0, with a result below 0 indicating that the institution's viability is in question and a score of 3.0 representing the threshold for moderate financial health. The governing boards reflect a mix of financial positions in FY 2016-17, with five of ten close to or above a score of 3.0 (moderate financial health on the CFI scale). Some have recently seen improvements, but others appear very weak.



*Source:* Institutional data submissions using the methodology outlined in KPMG, Prager, Sealy & Co, Attain, "Strategic Financial Analysis for Higher Education, Seventh Edition", 2010.

*Notes:* Ratios have been adjusted to eliminate the impact of GASB 68, which requires institutions to include pension liabilities in their financial statements, since the CFI tool has not been updated to address the GASB 68 changes.

## APPROPRIATION HIGHLIGHTS - 2018 LEGISLATIVE SESSION

DEPARTMENT OF HIGHER EDUCATION						
	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2017-18 APPROPRIATION:</b>						
SB 17-254	\$4,299,869,706	\$894,882,900	\$2,644,189,267	\$738,156,049	\$22,641,490	25,086.2
SB 17-060	218,825	0	0	218,825	0	1.0
SB 17-074	500,000	0	500,000	0	0	0.0
SB 17-193	1,000,000	0	1,000,000	0	0	0.0
SB 17-257	0	0	0	0	0	0.0
SB 17-258	25,000	25,000	0	0	0	0.0
HB 18-1322	(8,218,074)	0	(8,218,074)	0	0	0.0
<b>TOTAL</b>	<b>\$4,293,395,457</b>	<b>\$894,907,900</b>	<b>\$2,637,471,193</b>	<b>\$738,374,874</b>	<b>\$22,641,490</b>	<b>25,087.2</b>
<b>FY 2018-19 APPROPRIATION:</b>						
FY 2017-18 Appropriation	\$4,293,395,457	\$894,907,900	\$2,637,471,193	\$738,374,874	\$22,641,490	25,087.2
Operating and financial aid adjustment for public colleges and universities	135,099,342	75,715,853	0	59,383,489	0	0.0
Tuition spending authority	91,226,222	0	91,226,222	0	0	0.0
Student fee adjustment	10,694,438	0	10,694,438	0	0	0.0
Property Fund adjustment	2,049,082	2,049,082	0	0	0	0.0

DEPARTMENT OF HIGHER EDUCATION						
	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Colorado Opportunity Scholarship Initiative	2,000,000	2,000,000	0	0	0	0.0
Area technical college increase	1,178,882	1,178,882	0	0	0	0.0
Auraria Higher Education Center adjustment	1,074,659	0	0	1,074,659	0	0.0
Higher Ed limited gaming revenue	672,657	0	672,657	0	0	0.0
Lease-purchase payment adjustments	666,936	2,934,651	(3,229,953)	962,238	0	0.0
Centrally appropriated line items	586,103	142,247	303,978	(74,859)	214,737	0.0
State assistance for career and technical education	510,798	0	0	510,798	0	0.0
Depreciation for higher education capital projects	175,060	175,060	0	0	0	0.0
CO Geo Survey total compensation adjustments	139,174	55,691	85,083	0	(1,600)	0.0
Fort Lewis Native American tuition waiver	76,665	76,665	0	0	0	0.0
WICHE membership	4,000	0	0	4,000	0	0.0
History Colorado OIT payments	0	100,000	(100,000)	0	0	0.0
Indirect cost adjustment	0	(788,486)	(58,688)	847,174	0	0.0
General Fund Exempt adjustment	0	0	0	0	0	0.0
Governing board FTE adjustment	0	0	0	0	0	1,078.3
History Colorado FTE adjustment	0	0	0	0	0	(16.9)
Annualize prior year legislation	(1,025,000)	(25,000)	(1,000,000)	0	0	0.0
Tobacco Master Settlement revenue adjustment	(765,812)	0	(765,812)	0	0	0.0
Annualize prior year budget actions	(332,483)	(35,691)	(169,108)	(58,676)	(69,008)	0.0
COF private stipend enrollment	(160,857)	(160,857)	0	0	0	0.0
<b>HB 18-1322</b>	<b>\$4,537,265,323</b>	<b>\$978,325,997</b>	<b>\$2,735,130,010</b>	<b>\$801,023,697</b>	<b>\$22,785,619</b>	<b>26,148.6</b>
SB 18-085	240,000	0	0	240,000	0	0.0
SB 18-086	10,200,000	5,100,000	0	5,100,000	0	0.0
SB 18-206	8,181,450	0	8,181,450	0	0	0.0
SB 18-262	29,974,228	16,747,025	0	13,227,203	0	0.0
HB 18-1002	530,448	530,448	0	0	0	0.5
HB 18-1003	750,000	0	750,000	0	0	0.0
HB 18-1226	74,153	74,153	0	0	0	0.0
HB 18-1309	156,116	156,116	0	0	0	0.0
HB 18-1331	660,000	660,000	0	0	0	0.9
HB 18-1332	2,000,000	2,000,000	0	0	0	0.0
<b>TOTAL</b>	<b>\$4,590,031,718</b>	<b>\$1,003,593,739</b>	<b>\$2,744,061,460</b>	<b>\$819,590,900</b>	<b>\$22,785,619</b>	<b>26,150.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$296,636,261</b>	<b>\$108,685,839</b>	<b>\$106,590,267</b>	<b>\$81,216,026</b>	<b>\$144,129</b>	<b>1,062.8</b>
Percentage Change	6.9%	12.1%	4.0%	11.0%	0.6%	4.2%

<sup>1</sup>Includes General Fund Exempt.

## FY 2017-18 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 18-1322 includes adjustments to higher education tuition and fee revenue estimates for FY 2017-18 as reflected in the tables below. These changes sum to a reduction of \$8,218,704 cash funds.

FY 2017-18 REVISED TUITION REVENUE ESTIMATE			
	FY 2017-18 LONG BILL	FY 2017-18 REVISED FORECAST/ APPROPRIATION	CHANGE
Adams State University	\$21,112,450	\$19,171,993	(\$1,940,457)
Colorado Mesa University	70,269,916	68,064,063	(2,205,853)
Metropolitan State University	114,062,321	111,744,494	(2,317,827)
Western State Colorado University	19,010,662	18,593,748	(416,914)
Colorado State University System	457,885,794	455,645,797	(2,239,997)
Fort Lewis College	40,074,459	37,325,537	(2,748,922)

FY 2017-18 REVISED TUITION REVENUE ESTIMATE			
	FY 2017-18 LONG BILL	FY 2017-18 REVISED FORECAST/ APPROPRIATION	CHANGE
University of Colorado System	993,385,672	1,024,985,555	31,599,883
Colorado School of Mines	135,993,878	140,795,698	4,801,820
University of Northern Colorado	99,491,476	93,424,634	(6,066,842)
Community College System	280,649,098	273,781,559	(6,867,539)
<b>TOTAL</b>	<b>\$2,231,935,726</b>	<b>\$2,243,533,078</b>	<b>\$11,597,352</b>

FY 2017-18 REVISED FEE REVENUE ESTIMATE			
	FY 2017-18 LONG BILL	FY 2017-18 REVISED FORECAST	CHANGE
Adams State University	\$6,247,500	\$5,921,735	(\$325,765)
Colorado Mesa University	5,525,694	5,502,239	(23,455)
Metropolitan State University	17,535,770	17,104,433	(431,337)
Western State Colorado University	5,655,581	5,502,602	(152,979)
Colorado State University System	76,344,737	75,522,363	(822,374)
Fort Lewis College	5,741,921	5,781,921	40,000
University of Colorado System	97,468,984	90,846,762	(6,622,222)
Colorado School of Mines	13,336,810	13,839,958	503,148
University of Northern Colorado	20,316,749	19,089,131	(1,227,618)
Community College System	29,748,583	18,995,759	(10,752,824)
<b>TOTAL</b>	<b>\$277,922,329</b>	<b>\$258,106,903</b>	<b>(\$19,815,426)</b>

In addition, H.B. 18-1322:

- Adds a footnote in History Colorado authorizing roll-forward of certain funds appropriated in FY 2017-18; and
- Increases appropriations from the General Fund by \$102,366,667 and reduces appropriations from the General Fund Exempt account by the same amount.

## FY 2018-19 APPROPRIATION HIGHLIGHTS

**OPERATING AND FINANCIAL AID ADJUSTMENT FOR PUBLIC COLLEGES AND UNIVERSITIES:** The appropriation includes an increase of \$75.7 million General Fund allocated among public institutions of higher education (state governing boards, local district colleges, and area technical colleges) and financial aid. The appropriation includes: (1) an overall increase of \$61.7 million (8.95 percent) for the governing boards, allocated based on the H.B. 14-1319 funding model; and (2) an increase of \$13.9 million for financial aid. The aggregate 9.0 percent increase for FY 2018-19 allows the State to buy down tuition increases to no more than 3.0 percent for resident undergraduate students at most state institutions.

Changes in the funding allocation model for FY 2018-19 include additional incentives for serving and completing Pell-eligible (low-income) students and \$2.6 million for a base adjustment for small four-year comprehensive institutions and rural community colleges.

The appropriation also includes an increase of \$59.4 million reappropriated funds, because General Fund for most of the governing boards is appropriated first to the College Opportunity Fund Program and then reappropriated to the individual governing boards for student stipends and fee-for-service contracts.

**GENERAL FUND APPROPRIATIONS AND CHANGES BY CATEGORY AND GOVERNING BOARD  
FY 2017-18 TO FY 2018-19**

GOVERNING BOARDS/INSTITUTIONS <sup>1</sup>	FY 2017-18 APPROPRIATION	FY 2018-19 LONG APPROPRIATION	AMOUNT CHANGE	PERCENTAGE CHANGE
Adams State University	\$14,259,963	\$15,294,223	\$1,034,260	7.25%
Colorado Mesa University	25,951,161	28,432,752	2,481,591	9.56%
Metropolitan State University of Denver	51,626,603	56,485,329	4,858,726	9.41%
Western State Colorado University	11,821,897	13,301,710	1,479,813	12.52%
Colorado State University System	139,285,526	151,551,802	12,266,276	8.81%
Fort Lewis College	11,784,939	12,521,493	736,554	6.25%
University of Colorado System	194,318,227	213,239,212	18,920,985	9.74%
Colorado School of Mines	21,484,706	22,396,891	912,185	4.25%
University of Northern Colorado	39,597,408	41,822,358	2,224,950	5.62%
Community College System	153,709,215	168,177,365	14,468,150	9.41%
Colorado Mountain College	7,319,484	7,974,578	655,094	8.95%
Aims Community College	8,654,810	9,429,415	774,605	8.95%
Area Technical Colleges	10,218,039	11,132,553	914,514	8.95%
<b>Subtotal - Governing Boards/Institutions</b>	<b>\$690,031,978</b>	<b>\$751,759,681</b>	<b>\$61,727,703</b>	<b>8.95%</b>
Need Based Grants (total funds) <sup>2</sup>	128,466,694	140,347,061	11,880,367	9.25%
Work-study	21,432,328	23,413,178	1,980,850	9.24%
COF Stipend - Students at Private Institutions	1,481,865	1,608,798	126,933	8.57%
<b>TOTAL</b>	<b>\$841,412,865</b>	<b>\$917,128,718</b>	<b>\$75,715,853</b>	<b>9.00%</b>

<sup>1</sup> Includes College Opportunity Fund stipends, fee-for-service contracts, and grants to local district colleges and area technical colleges.

<sup>2</sup> Statute requires a proportionate increase for financial aid on a base that includes other components, in addition to Need Based Grants and Work-study.

**TUITION SPENDING AUTHORITY:** The appropriation includes an increase of \$91.2 million cash funds spending authority for state public institutions' tuition revenue for FY 2018-19. With certain exceptions, the appropriation assumes an increase of no more than 3.0 percent on undergraduate resident tuition rates (an effective "cap") with no restrictions on non-resident or graduate tuition or mandatory fees. The exceptions include Fort Lewis College, for which the appropriation assumes a 5.0 percent cap on undergraduate resident tuition, and the University of Colorado at Boulder, for which the appropriation assumes a 4.7 percent tuition increase for incoming students who then have guaranteed flat tuition for four years. The FY 2018-19 amounts reflect the following estimates of resident and non-resident tuition, enrollment, and weighted tuition per full-time-equivalent student.

**FY 2018-19 ESTIMATED RESIDENT AND NON-RESIDENT TUITION, ENROLLMENT, AND  
TUITION PER FULL TIME EQUIVALENT (FTE) STUDENT**

	RESIDENT TUITION	RESIDENT STUDENT FTE	WEIGHTED AVG. TUITION PER RESIDENT STUDENT FTE	NON- RESIDENT TUITION	NON- RESIDENT STUDENT FTE	WEIGHTED AVG. TUITION PER NON- RESIDENT STUDENT FTE
Adams State University	\$11,346,000	1,649.0	\$6,881	\$8,149,000	763.0	\$10,680
Colorado Mesa University	56,192,471	6,559.6	8,566	14,898,352	1,257.9	11,844
Metropolitan State University	104,877,000	14,648.5	7,160	9,072,031	511.5	17,736
Western State Colorado University	8,993,923	1,525.6	5,895	10,101,435	589.8	17,128
Colorado State University System	239,444,509	21,508.4	11,133	235,180,361	8,653.5	27,177
Fort Lewis College	9,864,437	1,470.0	6,711	26,606,404	1,441.0	18,464
University of Colorado System	506,131,254	42,592.4	11,883	573,174,250	17,390.9	32,958
Colorado School of Mines	57,993,204	3,586.6	16,169	93,124,923	2,648.4	35,162
University of Northern Colorado	69,333,169	7,602.0	9,120	29,880,663	1,570.0	19,032
Community College System	230,511,129	46,563.1	4,951	39,884,786	3,125.8	12,760
<b>TOTAL or AVERAGE</b>	<b>\$1,294,687,096</b>	<b>147,705.2</b>	<b>\$8,765</b>	<b>\$1,040,072,204</b>	<b>37,951.9</b>	<b>\$27,405</b>

For additional information on actual and projected enrollment changes, tuition, and fees, please see the Governing Boards section.

**STUDENT FEE ADJUSTMENT:** The appropriation incorporates projected mandatory student fee adjustments for each institution, based on institutional projections.

FY 2018-19 FEE REVENUE ESTIMATE - MANDATORY FEES				
	FY 2017-18 ADJUSTED ESTIMATE	FY 2018-19 ESTIMATE	AMOUNT CHANGE	PERCENTAGE CHANGE
Adams State University	\$5,921,735	\$5,921,735	\$0	0.0%
Colorado Mesa University	5,502,239	5,557,261	55,022	1.0%
Metropolitan State University	17,104,433	19,592,820	2,488,387	14.5%
Western State Colorado University	5,502,602	6,033,106	530,504	9.6%
Colorado State University System	75,522,363	77,376,685	1,854,322	2.5%
Fort Lewis College	5,781,921	5,578,254	(203,667)	(3.5%)
University of Colorado System	90,846,762	92,192,437	1,345,675	1.5%
Colorado School of Mines	13,839,958	15,053,276	1,213,318	8.8%
University of Northern Colorado	19,089,131	20,768,704	1,679,573	8.8%
Community College System	18,995,759	20,727,064	1,731,305	9.1%
<b>TOTAL</b>	<b>\$258,106,903</b>	<b>\$268,801,342</b>	<b>\$10,694,439</b>	<b>4.1%</b>

Estimated mandatory fee revenue per student FTE is reflected in the table below. Fees are typically the same for resident and non-resident students.

FY 2018-19 ESTIMATED MANDATORY FEES PER STUDENT FTE			
	FEE REVENUE	TOTAL STUDENT FTE	WEIGHTED AVG. MANDATORY FEE REVENUE PER STUDENT FTE
Adams State University	\$5,921,735	2,412.0	\$2,455
Colorado Mesa University	5,557,261	7,817.5	711
Metropolitan State University	19,592,820	15,160.0	1,292
Western State Colorado University	6,033,106	2,115.4	2,852
Colorado State University System	77,376,685	30,161.9	2,565
Fort Lewis College	5,578,254	2,911.0	1,916
University of Colorado System	92,192,437	59,983.4	1,537
Colorado School of Mines	15,053,276	6,235.1	2,414
University of Northern Colorado	20,768,704	9,172.0	2,264
Community College System	20,727,064	49,688.9	417
<b>TOTAL or AVERAGE</b>	<b>\$268,801,342</b>	<b>185,657.1</b>	<b>\$1,448</b>

**PROPERTY FUND ADJUSTMENT:** The appropriation adds \$2.0 million General Fund for a portion of Property Fund liabilities allocated to governing boards that participate in the State's self-insurance program for state property. This funding is provided on a one-time basis to address unusual FY 2017-18 damage and associated liabilities.

**COLORADO OPPORTUNITY SCHOLARSHIP INITIATIVE:** The appropriation includes an increase of \$2.0 million General Fund for the Colorado Opportunity Scholarship Initiative (COSI) Program, bringing total program funding in the Long Bill to \$7.0 million General Fund for FY 2018-19 and future years. The program provides matching funds to leverage community support for scholarships. It also provides grants to non-profit organizations and other entities to deliver wraparound and other student support services.

**AREA TECHNICAL COLLEGES INCREASE:** The appropriation includes an increase of \$1,178,882 General Fund for the area technical colleges to address enrollment growth.

**AURARIA HIGHER EDUCATION CENTER ADJUSTMENT:** The appropriation increases spending authority for the Auraria Higher Education Center by \$1.1 million (5.0 percent) reappropriated funds received from the institutions operating on the Auraria campus (University of Colorado – Denver, Metropolitan State University of Denver, and the Community College of Denver).

**HIGHER ED LIMITED GAMING REVENUE:** The appropriation adjusts funding for higher education institutions with a two-year mission to reflect the most recent actual receipts of Amendment 50 limited gaming revenue. These



amounts are shown for informational purposes and are based on the most recent actual revenue (FY 2016-17 receipts).

**LEASE-PURCHASE PAYMENT ADJUSTMENTS:** The appropriation includes adjustments to three lease purchase payments in the Department. Annual adjustments to these payments, including fund source changes, are shown in the table below. General Fund obligations have increased due to a decline in available cash fund sources for the Higher Education Federal Mineral Lease and Fitzsimons lease purchase payments.

LEASE PURCHASE PAYMENT ADJUSTMENTS					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FTE
HED Federal Mineral Lease Revenues adjustment	\$874,476	\$962,238	(\$1,050,000)	\$962,238	0.0
Lease Purchase Fitzsimons adjustment	(107,587)	1,972,413	(2,080,000)	0	0.0
Lease Purchase CO History Museum adjustment	(99,953)	0	(99,953)	0	0.0
<b>TOTAL</b>	<b>\$666,936</b>	<b>\$2,934,651</b>	<b>(\$3,229,953)</b>	<b>\$962,238</b>	<b>0.0</b>

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items, as detailed in the following table.

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey	\$398,081	\$10,239	\$209,874	\$78,666	\$99,302	0.0
Health, life, and dental	256,841	99,972	111,039	(18,408)	64,238	0.0
Payment to risk management / property funds	116,900	0	118,662	(1,762)	0	0.0
AED	54,841	15,751	11,898	1,850	25,342	0.0
SAED	54,841	15,751	11,898	1,850	25,342	0.0
CORE operations	52,244	0	32,659	19,585	0	0.0
Legal services	12,182	0	(266)	12,448	0	0.0
Workers' compensation	11,754	0	(2,880)	14,634	0	0.0
Short-term disability	735	534	(48)	(264)	513	0.0
Merit pay	0	0	0	0	0	0.0
Payments to OIT	(225,735)	0	(182,157)	(43,578)	0	0.0
Leased space	(139,880)	0	0	(139,880)	0	0.0
Administrative Law Judges	(6,701)	0	(6,701)	0	0	0.0
<b>TOTAL</b>	<b>\$586,103</b>	<b>\$142,247</b>	<b>\$303,978</b>	<b>(\$74,859)</b>	<b>\$214,737</b>	<b>0.0</b>

**STATE ASSISTANCE FOR CAREER AND TECHNICAL EDUCATION:** The appropriation increases funding for career and technical education by \$510,798 reappropriated funds, for a total appropriation of \$26,675,279 reappropriated funds, based on money transferred from the Department of Education.

**DEPRECIATION FOR HIGHER EDUCATION CAPITAL PROJECTS:** Pursuant to Section 24-30-1310 (2)(b), C.R.S., the appropriation adds an annual depreciation-lease equivalent payment line item for higher education projects funded with the General Fund, Capital Construction Fund, or Controlled Maintenance Trust Fund on or after FY 2015-16. The amount due is based on a building's depreciation schedule. One percent of the project cost is credited to the Controlled Maintenance Trust Fund, and the balance is deposited to the Capital Construction Fund.

**CO GEOLOGICAL SURVEY TOTAL COMPENSATION ADJUSTMENTS:** The appropriation provides an increase of \$139,174 total funds for total compensation adjustments at the Colorado Geological Survey at the Colorado School of Mines. This includes amounts for health/life/dental, salary survey, and supplemental payments to the Public Employees Retirement Association.

**FORT LEWIS NATIVE AMERICAN TUITION WAIVER:** The appropriation includes an increase of \$76,665 General Fund for the Fort Lewis College Native American tuition waiver, bringing the total to \$17,024,859 General Fund

for the program. Waiver payments are mandated by Section 23-52-105 (1)(b)(I), C.R.S., which requires the General Assembly to fund 100 percent of the tuition obligations for qualifying Native American students attending Fort Lewis College. Funding for the tuition waiver is made one year in arrears and is calculated based on the prior year enrollment estimates.

**WICHE MEMBERSHIP:** The appropriation includes an increase of \$4,000 reappropriated funds (indirect cost recoveries) to pay for the increase in Western Interstate Commission for Higher Education (WICHE) dues.

**HISTORY COLORADO OIT PAYMENTS:** The appropriation includes \$100,000 General Fund in FY 2018-19, increasing to \$150,000 in FY 2019-20 to assist History Colorado in addressing escalating Office of Information Technology (OIT) cost increases. The General Fund replaces cash funds otherwise required from the Museum and Preservation Operations Account of the State Historical Fund.

**INDIRECT COST ADJUSTMENT:** The appropriation includes a net increase of \$788,486 in the Department's indirect cost assessments, comprised of a reduction of \$58,688 in cash funds and an increase of \$847,174 in reappropriated funds. The additional assessments are used to reduce General Fund appropriations in the Colorado Commission on Higher Education Financial Aid division by \$788,486.

**GENERAL FUND EXEMPT ADJUSTMENT:** The appropriation reduces appropriations of General Fund Exempt in the Department by a total of \$27,566,667 and increases appropriations of General Fund by the same amount.

**GOVERNING BOARD FTE ADJUSTMENTS:** The appropriation includes an increase of 1,078.3 FTE for the governing boards. This amount reflects, for informational purposes, an estimate of faculty, staff, and administrators who support the institutions' educational activities.

**HISTORY COLORADO FTE ADJUSTMENTS:** The appropriation includes a decrease of 16.9 FTE for History Colorado to more closely approximate its current staffing levels. All FTE figures are shown for informational purposes only.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments for the second-year impact of prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 17-193 Research Center Prevention Substance Abuse Addiction	(\$1,000,000)	\$0	(\$1,000,000)	\$0	\$0	0.0
SB 17-258 Open Ed Resources	(25,000)	(25,000)	0	0	0	0.0
<b>TOTAL</b>	<b>(\$1,025,000)</b>	<b>(\$25,000)</b>	<b>(\$1,000,000)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**TOBACCO MASTER SETTLEMENT REVENUE ADJUSTMENT:** The appropriation is reduced by \$765,812 cash funds for money received by the University of Colorado pursuant to the tobacco master settlement agreement. The total cash funds appropriation of \$14,700,000 is based on the FY 2018-19 revenue projection, statutory allocation formulas, and projected fund reserves. The funds are used for programs at the Health Sciences Center, including cancer research.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 17-18 WICHE optometry	\$7,500	\$0	\$0	\$7,500	\$0	0.0
FY 17-18 Salary survey	(207,641)	0	(113,507)	(46,020)	(48,114)	0.0
FY 17-18 Merit pay	(87,245)	0	(46,195)	(20,156)	(20,894)	0.0
FY 17-18 Community museums	(35,691)	(35,691)	0	0	0	0.0
FY 17-18 Division of Private Occ. Schools increase	(9,406)	0	(9,406)	0	0	0.0
<b>TOTAL</b>	<b>(\$332,483)</b>	<b>(\$35,691)</b>	<b>(\$169,108)</b>	<b>(\$58,676)</b>	<b>(\$69,008)</b>	<b>0.0</b>

**COF PRIVATE STIPEND ENROLLMENT:** The appropriation includes a reduction for declining enrollment among students receiving College Opportunity Fund (COF) stipends at private institutions. Students must be eligible for a Pell grant to receive these stipends.

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

# DEPARTMENT OF HUMAN SERVICES

The Department of Human Services is responsible for the administration and supervision of all non-medical public assistance and welfare activities of the State, including assistance payments, the Supplemental Nutrition Assistance Program (food stamps), child welfare services, rehabilitation programs, alcohol and drug treatment programs, and programs for the aging. The Department is also responsible for inspecting and licensing child care facilities and for the care and treatment of the State's dependent citizens who are mentally ill, developmentally disabled, or juvenile offenders. The Department operates two mental health institutes, three regional centers for persons with developmental disabilities, and ten institutions for juvenile delinquents. The Department also provides funding for the care of indigent mentally ill people, contracts with community centered boards for services for children qualifying for early intervention services, and contracts for the supervision and treatment of delinquent juveniles.

## DEPARTMENT BUDGET: RECENT APPROPRIATIONS

FUNDING SOURCE	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
General Fund	\$818,662,457	\$831,980,417	\$888,859,937	\$982,587,627
Cash Funds	350,097,641	390,905,724	421,971,649	418,697,165
Reappropriated Funds	132,779,687	129,320,756	183,915,841	184,976,303
Federal Funds	621,989,838	556,277,721	582,625,732	612,492,915
<b>TOTAL FUNDS</b>	<b>\$1,923,529,623</b>	<b>\$1,908,484,618</b>	<b>\$2,077,373,159</b>	<b>\$2,198,754,010</b>
Full Time Equiv. Staff	4,975.8	4,793.4	4,935.5	5,052.9

## GENERAL FACTORS DRIVING THE BUDGET

Funding for this department consists of 44.7 percent General Fund, 19.0 percent cash funds, 8.4 percent reappropriated funds, and 27.9 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

### EMPLOYEE BENEFITS

Due to the large number of Department employees, appropriations for employee benefits are significant. Benefits that are covered through centrally appropriated line items in the Executive Director's Office include: employee health, life, and dental insurance; the additional state contributions to assist in the amortization of the Public Employees' Retirement Association (PERA) unfunded liability; salary increases; premiums paid for employees who work non-standard shifts in 24-hour institutional facilities; and short-term disability insurance. The following table compares the FY 2017-18 and FY 2018-19 appropriations for these employee benefits.

EMPLOYEE BENEFIT APPROPRIATIONS					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
<b>FY 2017-18 Appropriation</b>					
Health, life, and dental	\$36,330,925	\$25,878,625	\$113,966	\$8,150,697	\$2,187,637
Supplemental PERA payments (AED and SAED)	22,620,422	15,606,658	415,802	4,694,506	1,903,456
Salary survey and merit pay	6,086,474	4,108,047	208,002	1,098,877	671,548
Shift differential	5,577,020	3,263,533	0	2,313,487	0
Short-term disability	416,898	288,061	7,795	85,161	35,881
<b>FY 2017-18 TOTAL</b>	<b>\$71,031,739</b>	<b>\$49,144,924</b>	<b>\$745,565</b>	<b>\$16,342,728</b>	<b>\$4,798,522</b>
<b>FY 2018-19 Appropriation</b>					
Health, life, and dental	\$46,696,345	\$33,413,551	\$144,915	\$10,356,168	\$2,781,711
Supplemental PERA payments (AED and SAED)	28,536,666	19,912,957	511,685	5,769,484	2,342,540
Salary survey and merit pay	8,558,755	5,782,678	287,616	1,540,230	948,231
Shift differential	7,296,296	4,386,994	0	2,909,302	0

EMPLOYEE BENEFIT APPROPRIATIONS					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
Short-term disability	472,856	330,992	8,592	93,723	39,549
<b>FY 2018-19 TOTAL</b>	<b>\$91,560,918</b>	<b>\$63,827,172</b>	<b>\$952,808</b>	<b>\$20,668,907</b>	<b>\$6,112,031</b>

## COMMUNITY PROVIDER RATES

The Department contracts with local community providers to provide services to eligible clients. To ensure that community provider arrangements are viable over the long term, the General Assembly has awarded annual inflationary cost of living increases called community provider rate increases. The General Assembly approved a community provider rate increase of 1.0 percent for FY 2018-19.

COMMUNITY PROVIDER RATE INCREASE					
DIVISION	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
Executive Director's Office	\$6,840	\$0	\$0	\$6,840	\$0
County Administration	751,396	250,127	150,279	0	350,990
Division of Child Welfare	4,290,675	2,490,244	739,875	154,107	906,449
Office of Early Childhood	1,555,395	556,089	231,041	66,554	701,711
Office of Self Sufficiency	18,439	0	0	0	18,439
Office of Behavioral Health	1,415,681	1,098,570	246,319	70,792	0
Adult Assistance Programs	188,462	131,131	36,635	0	20,696
Division of Youth Services	478,964	441,694	20,281	10,515	6,474
<b>TOTAL PROVIDER RATE INCREASE</b>	<b>\$8,705,852</b>	<b>\$4,967,855</b>	<b>\$1,424,430</b>	<b>\$308,808</b>	<b>\$2,004,759</b>

## INFORMATION TECHNOLOGY SYSTEMS

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

OITS' FY 2018-19 appropriation for CBMS-related expenditures totals \$35.4 million total funds, including \$23.4 million General Fund. CBMS expenses are driven by standard operating costs, including contract services, personal services, postage, personal computers, hardware/software, network equipment, and printing supplies. CBMS is not the only system administered with money appropriated to OITS, though. The following tools support a variety of programs:

- Colorado TRAILS – Supports activities in the Division of Child Welfare and the Division of Youth Services through the provision of case management tools, financial tools, and other resources to users of the program. TRAILS received an appropriation of \$5.0 million total funds, including \$2.7 million General Fund, for FY 2018-19 to support its operation.
- County Financial Management System (CFMS) – Tracks expenditures by program, funding source, and county, allocates administrative costs by program, and tracks expenditures that are estimated to count toward federal maintenance of effort requirements. The system manages over \$1.0 billion in payments annually. CFMS received an appropriation of \$1.5 million total funds, including \$0.8 million General Fund, for FY 2018-19 to support its operation.
- Child Care Automated Tracking System (CHATS) – Determines eligibility and processes payments for the Child Care Assistance Program. The program provides child care subsidies for low-income families, TANF families,

and families transitioning from the Colorado Works program. CHATS received an appropriation of \$2.5 million federal funds for FY 2018-19 to support its operation.

## COUNTY ADMINISTRATION

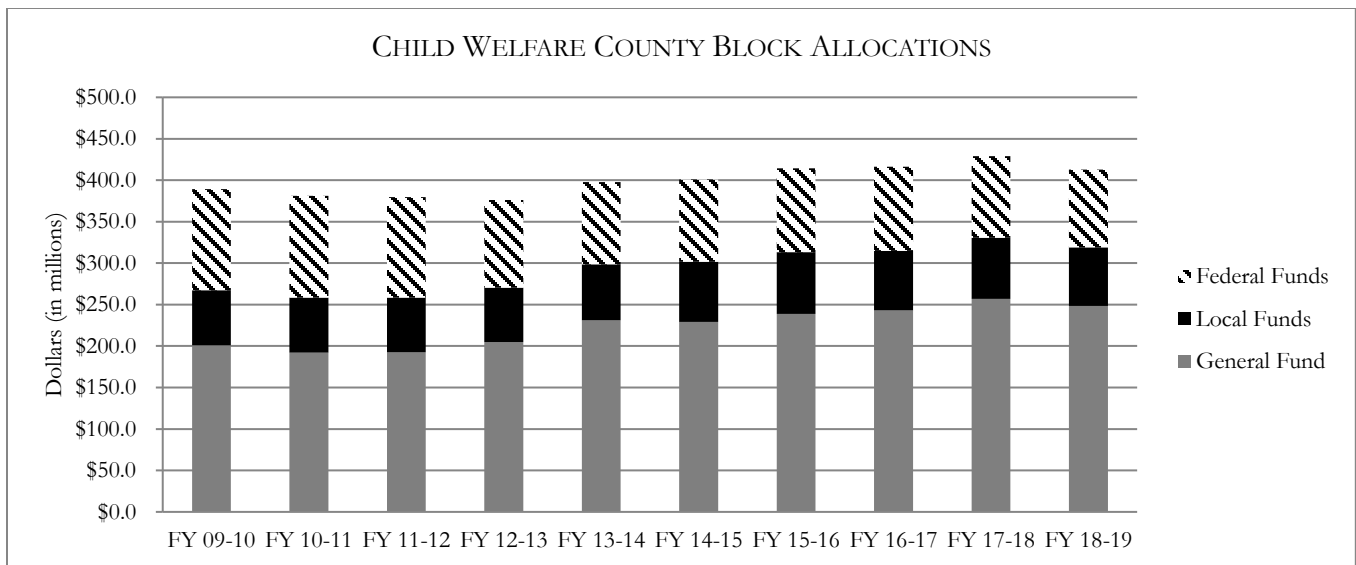
Public assistance programs in Colorado operate under a state-supervised, county-administered model. Under this decentralized model, the federal government provides a portion (or all) of the funding for a program (including administrative costs) to the state, which in-turn provides block grant transfers to counties to administer the program in accordance with federal and state laws, regulations, and rules. Funding for county administrative duties in delivering public assistance programs is appropriated to two agencies based on state-level program responsibility: the Colorado Department of Human Services and the Department of Health Care Policy and Financing.

This budgetary section contains appropriations primarily for the county administration of the Supplemental Nutrition Assistance Program (SNAP). Appropriations for this purpose are calculated as roughly 20 percent county funds, 30 percent state funds, and 50 percent federal funds. The total funds amount of the appropriation is driven by the state General Fund component of this formula. State General Fund is appropriated at a discretionary level by the General Assembly. County costs and caseload only affect appropriations to the extent the General Assembly chooses to make related adjustments. If counties over-expend their allocations, they are responsible for covering the shortfall, although they are able to access federal matching funds for county-only expenditures in some instances. For FY 2018-19, the Department received an appropriation of \$25.3 million General Fund. Note that funding for the SNAP benefit provided to recipients is not included in the annual Long Bill.

Additionally, this budgetary section includes funding to assist counties experiencing financial gaps between service needs and the property taxes used to maintain program administration. This funding, known as County Tax Base Relief, is allocated according to a formula specified in statute (Section 26-1-126, C.R.S.). For FY 2018-19, the Department of Human Services received an appropriation of \$3.9 million General Fund for County Tax Base Relief. Historically, Pueblo County receives the largest single county allocation of this money.

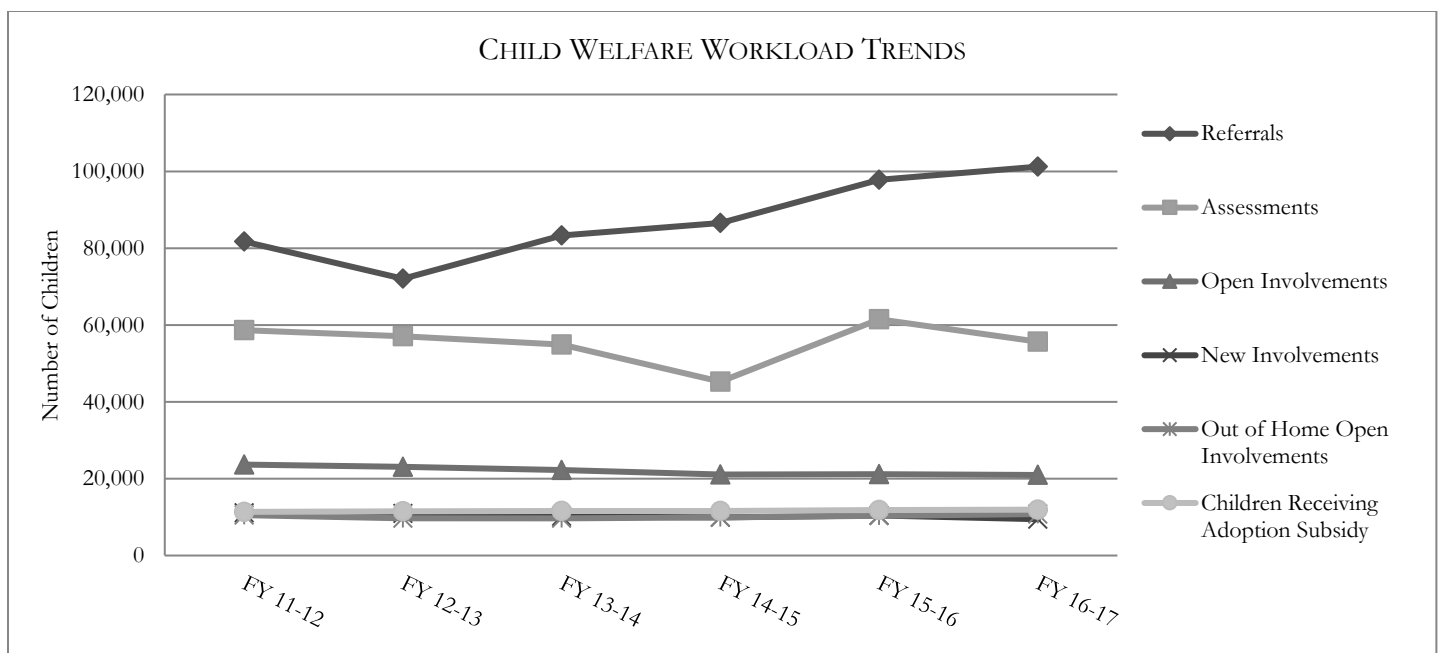
## CHILD WELFARE SERVICES

County departments of human or social services receive and respond to reports of potential child abuse or neglect under the supervision of the Department. Appropriations for child welfare programs for FY 2018-19 total \$511.8 million and consist of 55.7 percent General Fund, 23.5 percent federal funds, 2.7 percent reappropriated funds, and 18.1 percent county funds and various cash fund sources. The majority of funds appropriated for child welfare (80.7 percent) are made available to county departments as capped allocations for the provision of child welfare services. The chart below provides the history of appropriations for county block allocations (appropriations to the Child Welfare Services, County Level Child Welfare Staffing, and Family and Children's Programs line items) by fund source. The reduction in FY 2018-19 reflects the passage of S.B. 18-254 (Child Welfare Reforms). This act removed funding for Adoption and Relative Guardianship Assistance from the Child Welfare Services line item (\$41.8 million total funds, including \$23.1 million General Fund), and appropriated this amount through a separate line item beginning in FY 2018-19.



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

At the county level, expenditures for child welfare services are driven by various factors. Drivers that are within county control include the types of services offered, the rates paid for services, and employee compensation packages. Drivers that are beyond county control include 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.



In 2018, the federal Family First Prevention Services Act was signed into law. Family First includes reforms that will help keep children safely with their families and avoid the traumatic experience of entering foster care. It emphasizes the importance of children growing up in families and helps ensure that children are placed in the least restrictive, most family-like setting appropriate to their special needs when foster care is needed. This federal legislation will allow the State of Colorado to receive federal Title IV-E funds for eligible prevention and intervention services, in addition to out-of-home placements previously allowed by law; and to sustain the Title IV-E Waiver interventions implemented by the State between fiscal years 2013-14 and 2017-18.

## CHILD CARE ASSISTANCE PROGRAM

The Colorado Child Care Assistance Program (CCCAP) provides subsidized childcare 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 childcare programs. Such transfers are not reflected in the appropriation, but are a driver of overall program expenditures.

## EARLY INTERVENTION SERVICES

As a condition of receiving federal funds, the State is required to provide early intervention services to all eligible infants and toddlers whose families seek services. These services are provided to infants and toddlers, birth through age two, with one of the following three conditions:

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

## OFFICE OF BEHAVIORAL HEALTH

The Office of Behavioral Health administers funding for community-based prevention, treatment, and recovery support services for mental health and substance use disorders. The Office also administers the statewide Behavioral Health Crisis Response System and operates the State's mental health institutes, which provide inpatient hospitalization for individuals with mental health disorders.

## MENTAL HEALTH INSTITUTES

The Department administers and operates two mental health institutes that provide inpatient hospitalization for individuals with serious mental health disorders. One institute is located in Pueblo and the other is located on the Fort Logan campus in southwest Denver. The institutes serve three populations:

- Individuals with pending criminal charges who require evaluations of competency to stand trial and services to restore competency;
- Individuals who have been found not guilty by reason of insanity; and
- Adults and adolescents who are referred for admission by community mental health centers, local hospitals, or the Department's Division of Youth Services.

The resources for the first two populations are referred to as "forensic" beds, and the resources for the third population are referred to as "civil" beds.

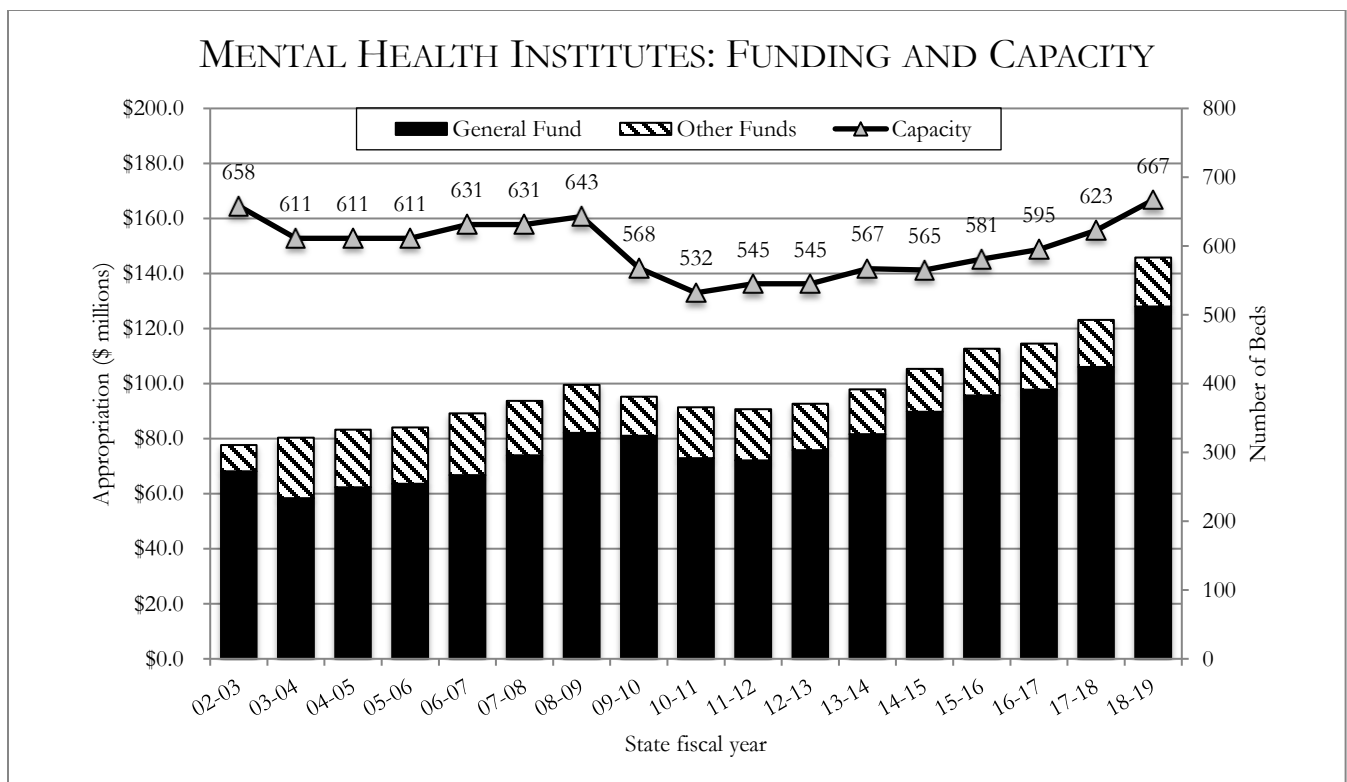
The Department also contracts with a vendor to operate a *jail-based* program for individuals requiring competency evaluations or restoration services. This program is called the Restoring Individuals Safely and Effectively (RISE) Program and is currently operated by Correct Care, LLC, within the Arapahoe County Detention Facility in Centennial. The RISE program was originally funded in FY 2013-14 for 22 beds and has been regularly expanded; the FY 2018-19 appropriation supports a total of 114 beds.



In addition, the General Assembly recently provided funding to allow the Office to expand inpatient psychiatric bed capacity by 10 beds in FY 2018-19 by contracting with one or more private hospitals.

The institutes are primarily supported by General Fund appropriations. Other sources of revenue include: patient revenues (including federal Medicaid funds transferred from the Department of Health Care Policy and Financing (HCPF) and federal Medicare funds), funds transferred from the Department of Corrections (DOC) for food services provided to DOC facilities on the Pueblo campus, and marijuana tax revenues that support certified addiction counselors at both institutes. Funding for the institutes is affected by capacity, personnel costs, and operational costs (including medication expenses and the cost of purchasing medical services from local hospitals and medical providers).

The following chart depicts recent changes in the institutes' funding and bed capacity. Capacity figures reflect both forensic and civil beds, including the RISE Program and the planned contract beds. The chart illustrates that the capacity of the institutes was reduced during each of the last two economic downturns. The General Assembly has reversed this decline by providing funding for FY 2017-18 for the Department to relocate some existing programs at Pueblo to address safety risks in the 20-bed adolescent program and to expand by 20 the number of beds for long-term patients who are preparing to re-enter the community. These new beds freed up 20 existing adult beds in various units in early 2018. In addition, the capital construction section of the FY 2017-18 Long Bill included \$5.4 million for the construction of a new 24-bed high security forensic unit, anticipated to be operational by July 1, 2020 [this capital construction appropriation is excluded from the funding depicted in the chart]. Finally, the FY 2018-19 appropriation includes \$13.0 million to increase salaries for all direct care job classifications at both institutes as part of an effort to improve employee recruitment and retention.



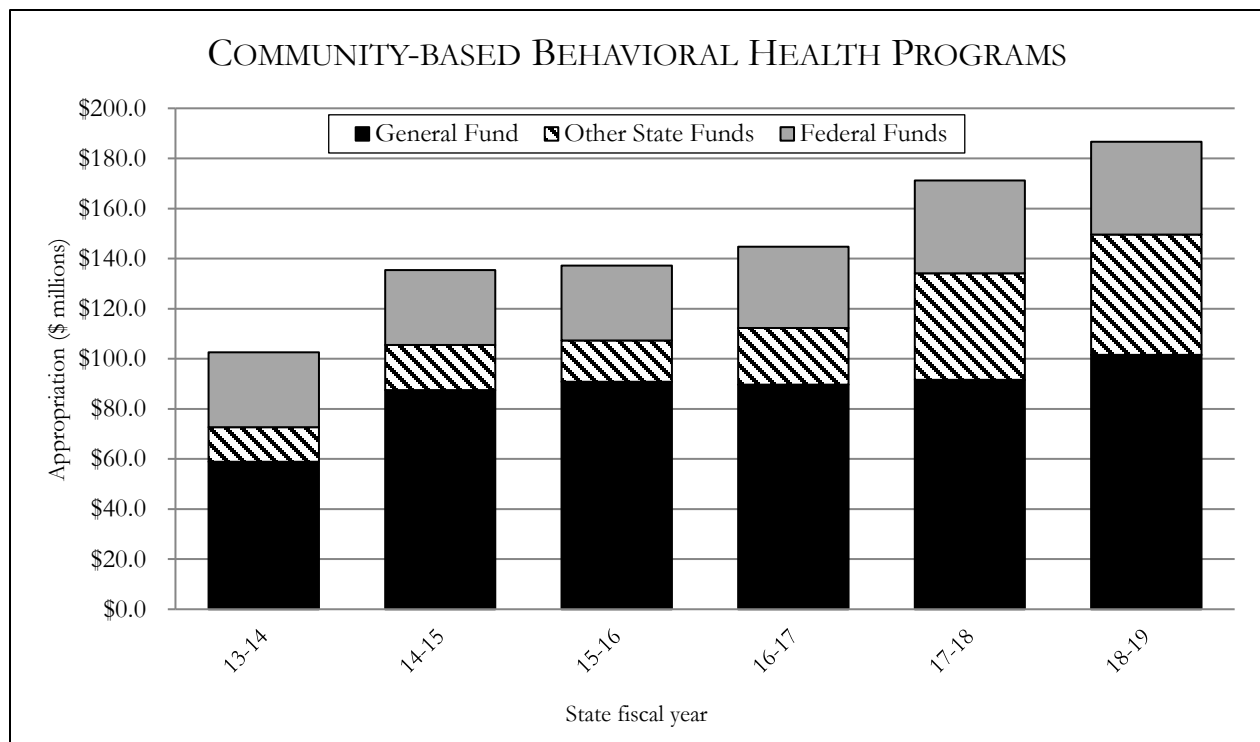
## COMMUNITY-BASED PROGRAMS AND SERVICES

The Office of Behavioral Health contracts with 17 community mental health centers (Centers) across the state to provide mental health services that are not covered by public or private insurance. Each Center is responsible for providing a set of core services, ranging from public education to inpatient services. The Office also contracts with four managed service organizations (MSOs) for the provision of substance use disorder treatment and detoxification services that are not otherwise available. MSOs subcontract with local treatment providers across the state to deliver these services.

Most mental health and substance use disorder services for Medicaid-eligible clients are funded through HCPF. Unlike the Medicaid program, behavioral health services provided through this department are not an entitlement. Thus, the number of individuals receiving services and the level of service provided is largely driven by the level of state and federal funds available each year. The General Assembly periodically adjusts funding for the Centers, MSOs, and other community providers to account for inflationary changes and to ensure that programs are viable over the long-term.

The General Assembly also appropriates additional funds for the provision of specific services or services targeting specific populations, such as alternative placements for people who would otherwise require hospitalization at a mental health institute, school-based behavioral health services for children, and services for juvenile and adult offenders.

The following chart depicts funding available for community-based behavioral health services since FY 2013-14. For FY 2018-19, General Fund appropriations provide more than half of available funds. Other significant sources of state funds include: the Marijuana Tax Cash Fund (MTCF), transfers from the Judicial Department from the Correctional Treatment Cash Fund, traffic offense penalty surcharge revenues that are credited to the Persistent Drunk Driver Cash Fund, and Medicaid funds transferred from HCPF. Federal funds are primarily from the Mental Health Services Block Grant and the Substance Abuse Prevention and Treatment Block Grant.



The significant increase provided in FY 2014-15 primarily relates to the creation of a statewide behavioral health crisis response system (pursuant to S.B. 13-266) and an effort to expand Centers' capacity to deliver behavioral health stabilization services to individuals who would otherwise require treatment at the mental health institutes. More recent increases in state appropriations from both the General Fund and the MTCF include:

- \$15.2 million for MSOs to assess the sufficiency of substance use disorder services in their geographic regions and increase access to effective substance use disorder services (pursuant to S.B. 16-202);
- \$5.6 million to support programs to divert individuals with substance use disorders from the criminal justice system (including funding provided through S.B. 17-207);
- \$4.4 million to strengthen the statewide behavioral health crisis response system (S.B. 17-207);
- \$3.0 million to expand rural residential treatment services for individuals with co-occurring mental health and substance use disorders;
- \$2.6 million to expand and improve mental health services provided for individuals while they are in jail (S.B. 18-250) and \$2.4 million for Centers to provide other mental health services for juvenile and adult offenders;
- \$1.9 million to expand mental health services for children and youth at risk of out-of-home placement (including funding provided through H.B. 18-1094); and
- \$1.6 million to coordinate referrals of high-risk individuals being released from hospitals and detoxification management facilities.

## SERVICES FOR PEOPLE WITH DEVELOPMENTAL DISABILITIES

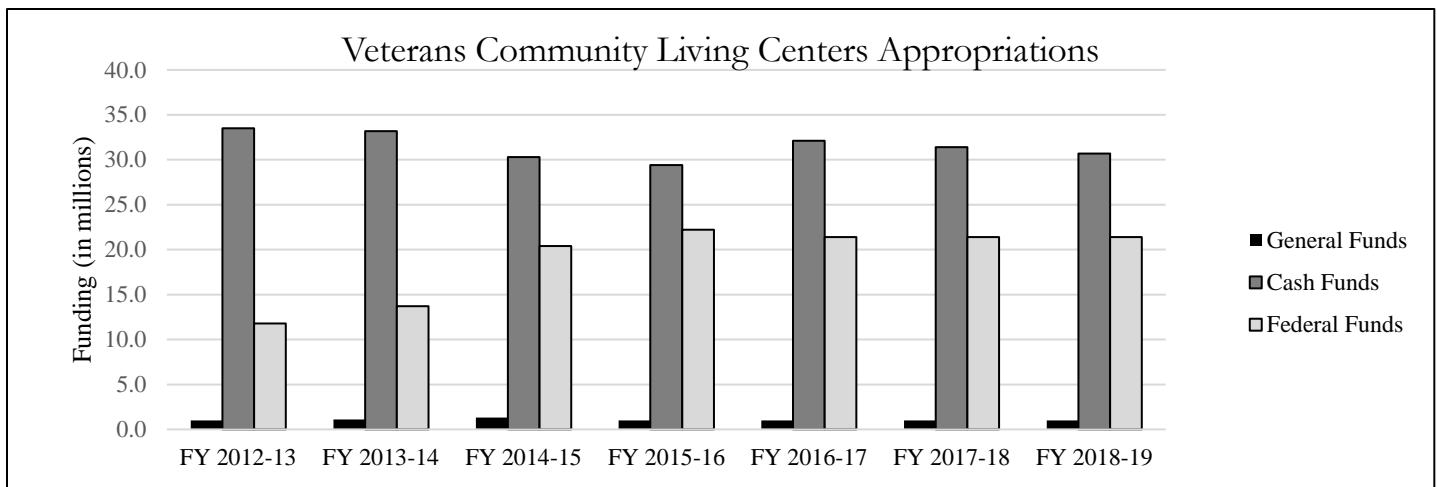
### REGIONAL CENTERS

Regional Centers are state operated facilities for individuals with intellectual and developmental disabilities (IDD). They provide residential services, medical care, and active treatment programs based on individual assessments and habilitation plans. Regional Center services are provided in one of two settings: large congregate residential settings on the Regional Center campus, or group homes that serve four to eight individuals in a community setting. Regional Centers are licensed as either Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IID) or Adult Comprehensive Waiver Homes (waiver homes). For all the Regional Centers, regardless of licensure type, Medicaid pays a daily rate based on the actual cost of services and the cost of operating the facilities where services are provided. The following table indicates the average cost per individual and the number of individuals served at the ICF licensed Regional Centers and the waiver licensed Regional Centers for the previous two fiscal years.

REGIONAL CENTER MEDICAID APPROPRIATIONS			
FACILITY	CENSUS	AVERAGE ANNUAL PER CAPITA COST	TOTAL APPROPRIATION
FY 2016-17 Appropriation			
Wheat Ridge Regional Center Intermediate Care Facility	124	\$201,914	\$25,037,293
Grand Junction Regional Center Intermediate Care Facility	22	315,358	6,937,880
Grand Junction Regional Center Waiver Services	60	167,529	10,051,713
Pueblo Regional Center Waiver Services	48	224,430	10,772,648
<b>FY 2016-17 Total/Average</b>	<b>254</b>	<b>\$207,872</b>	<b>\$52,799,534</b>
FY 2017-18 Appropriation			
Wheat Ridge Regional Center Intermediate Care Facility	124	\$192,917	\$23,921,669
Grand Junction Regional Center Intermediate Care Facility	22	354,611	7,801,431
Grand Junction Regional Center Waiver Services	60	156,145	9,368,685
Pueblo Regional Center Waiver Services	48	215,966	10,366,352
<b>FY 2017-18 TOTAL/AVERAGE</b>	<b>254</b>	<b>\$202,591</b>	<b>\$51,458,137</b>

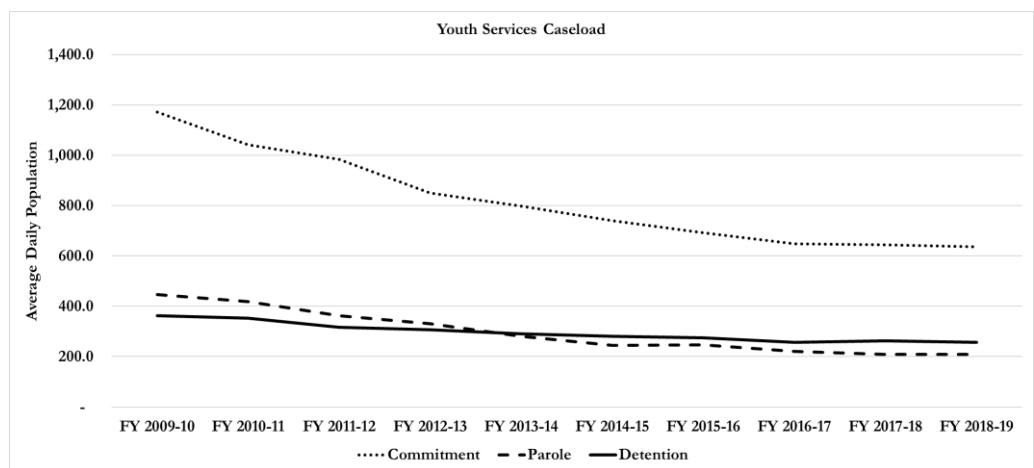
## VETERANS COMMUNITY LIVING CENTERS

The Department manages and operates five state Veterans Community Living Centers with a total of 554 nursing home beds spread across the Fitzsimons, Florence, Homelake, Rifle, and Walsenburg campuses and a forty-eight bed domiciliary (assisted living facility) on the Homelake campus. Services include long-term care, short-term rehabilitation for individuals seeking to return home following a qualifying hospital stay, memory care services for individuals with dementia, short-term respite care, and end-of-life/hospice services. The Centers are supported primarily by cash funds and federal funds. Cash fund sources include revenue from patient payments, U.S. Veterans Administration operation and construction grants, various sources of other revenue, and a General Fund appropriation pursuant to Section 26-12-108 (1)(a.5), C.R.S. Federal funds are from the U.S. Department of Veterans Affairs. The informational appropriation is adjusted each fiscal year based on projected expenditures for the upcoming fiscal year. The following chart summarizes the actual expenditures for FY 2012-13 through FY 2016-17 and the appropriations for FY 2017-18 and FY 2018-19.

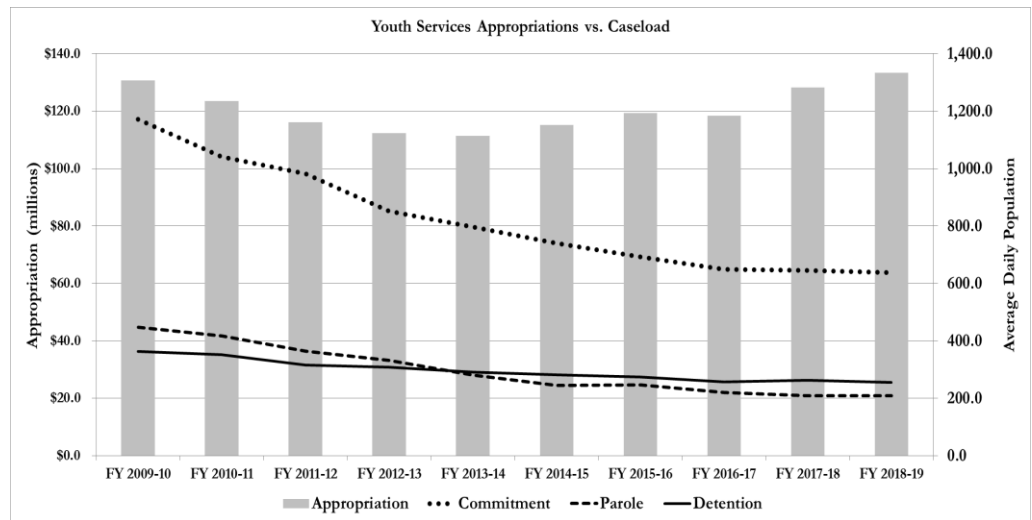


## DIVISION OF YOUTH CORRECTIONS

The Division of Youth Services (formerly the Division of Youth Corrections) provides housing and rehabilitation services for 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. Nearly all of the appropriations supporting the youth correctional population are from the General Fund (94.9 percent of the total funds). The population size of detained, committed, and paroled juveniles drives appropriations.



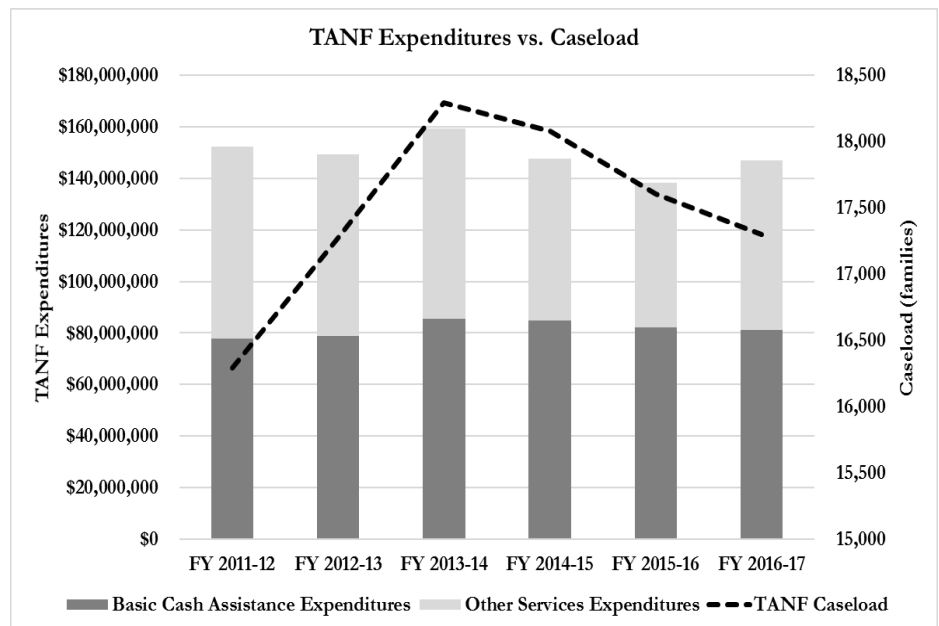
In addition to caseload-related funding adjustments, since FY 2014-15, the Division has received additional funding to add over 200 new staff positions to improve staff-to-youth ratios in an effort to create safer environments for staff and youth in its ten state-owned and state-operated facilities. This has made a larger impact on the Division's budget than any other factor. From FY 2014-15 through FY 2017-18, the Division was appropriated \$11.8 million General Fund for new employees at the facilities. Unlike fiscal years prior to FY 2014-15, this caused the Division's budget to increase despite commitment, detention, and parole populations dropping. For FY 2018-19, the Division received an additional \$2.6 million General Fund for 69 new security-focused positions (49.5 FTE).



## OFFICE OF SELF SUFFICIENCY

### COLORADO WORKS AND THE TEMPORARY ASSISTANCE TO NEEDY FAMILIES BLOCK GRANT

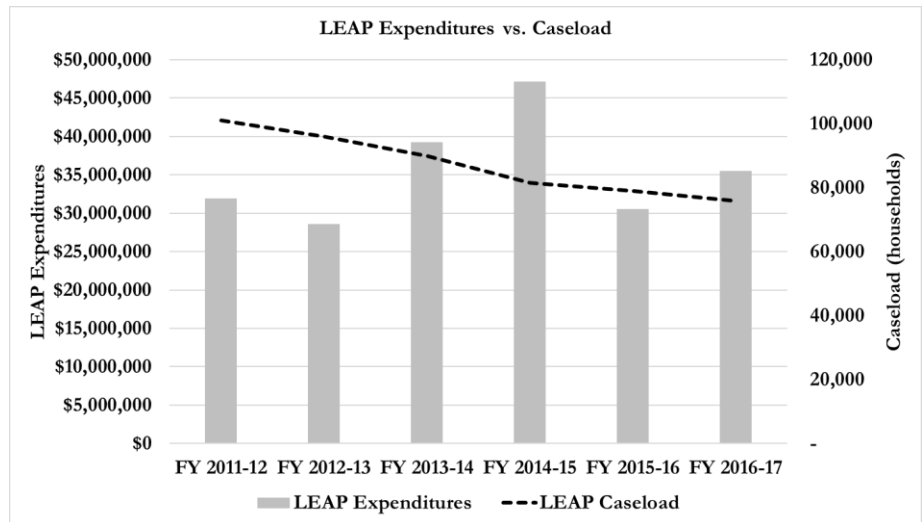
The Colorado Works Program implements the federal Temporary Assistance for Needy Families (TANF) block grant program created in the 1996 welfare reform law. The program provides financial and other assistance to families to enable children to be cared for in their own homes and to assist needy parents in achieving self-sufficiency. Pursuant to federal law, the state receives a fixed amount of \$136.1 million per year in TANF block grant funds. The majority of the TANF funds received are allocated as block grants to counties for the provision of basic cash assistance payments to families. TANF funds are also used by the state and counties to support related programs that assist families, including employment and training opportunities and child care assistance.



Federal law allows states to retain any unexpended TANF funds for future years in the event of economic downturns or caseload increases. State statute (Section 26-2-714, C.R.S.) allows for counties to maintain a reserve account of up to 40 percent of its annual TANF block grant. These funds are often used to cover child welfare deficits, for child care quality activities, and to cover child care assistance deficits, as is allowed by federal and state law. At the close of FY 2016-17, county reserves totaled \$51.0 million. State statute (Section 26-2-721, C.R.S.) also allows the Department of Human Services to maintain a reserve (Long-term Works Reserve). At the close of FY 2016-17, the Long-term Works Reserve totaled \$53.3 million.

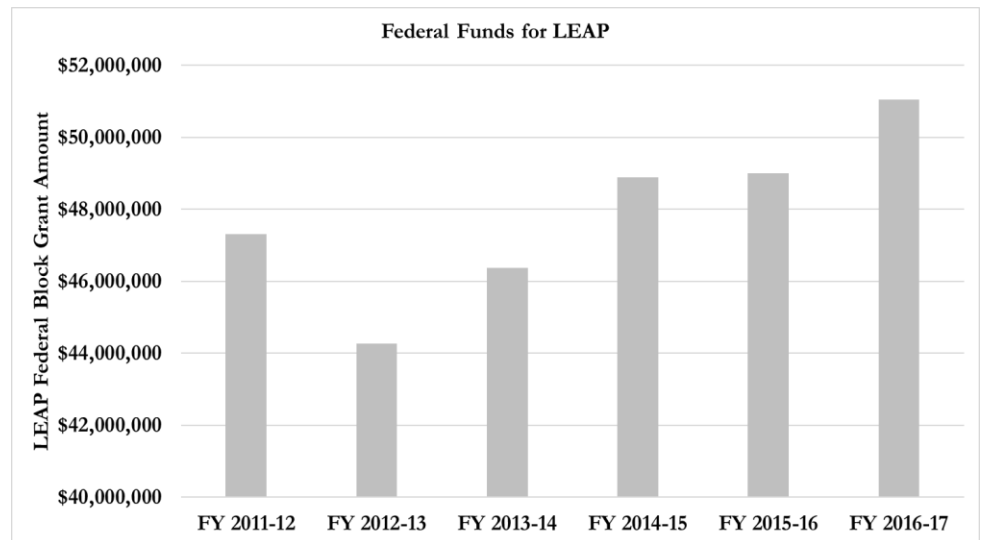
## LOW INCOME ENERGY ASSISTANCE PROGRAM

The Low-Income Energy Assistance Program (LEAP) is a federally funded initiative that helps eligible families, seniors, and individuals pay a portion of their winter home heating costs (November 1<sup>st</sup> to April 30<sup>th</sup>). LEAP is not intended to pay the entire cost of home heating, but rather to help alleviate some of the burden associated with the colder months. In most cases, payments are made directly to the primary heating fuel vendor and a notice is sent to the household informing them of the benefit amount. The energy assistance benefit varies depending on a



variety of factors, including the cost of heating a beneficiary's home, the amount of the available LEAP funding, and applications received. The Program pays the highest benefits to those with the highest heating costs. Other benefits provided by LEAP include repair or replacement of a home's primary heating system, such as a furnace or wood-burning stove.

The majority of funds for LEAP come from the federal government through the Low Income Home Energy Assistance Program (LIHEAP). Like several other federal programs administered by Colorado's executive branch, the General Assembly has little control over the federal funding for LEAP. The program receives a statutory transfer (Section 39-29-109.3, C.R.S.) of severance tax money up to \$3,250,000. These funds are transferred into the Department of Human Services' Low-income Energy Assistance Fund. This transfer, which is part of the Tier 2 distribution of money from the Severance Tax Operational Fund, varies from year to year based on severance tax collections. For FY 2017-18, LEAP is slated to receive \$455,000, and for FY 2018-19 LEAP is not forecast to receive any funding from severance tax.

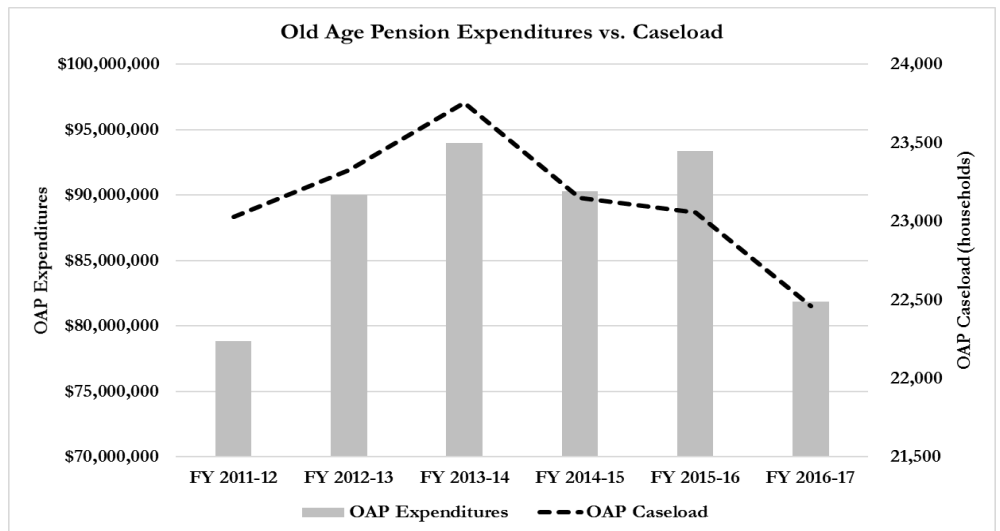


## ADULT ASSISTANCE PROGRAMS

### OLD AGE PENSION PROGRAM

The Old Age Pension (OAP) Program, authorized by the State Constitution (Section 1 of Article XXIV of the State Constitution), provides cash assistance to low-income individuals age 60 and over. It is funded through excise and state sales taxes deposited into 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 the state constitution guarantees the benefit, and levels are set by the State Board of Human Services. The Long Bill appropriation reflects anticipated expenditures and is shown for informational purposes only.

Outside of the size of the benefit claimed and caseload, expenditures for the OAP Program are driven by cost-of-living (COLA) increases approved by the State Board of Human Services. For FY 2017-18, the State Board approved a COLA increase of 0.3 percent to raise the monthly grant standard to \$773. For FY 2018-19, the State Board approved a COLA increase of 1.5 percent, raising the monthly grant standard from \$773 to \$785.

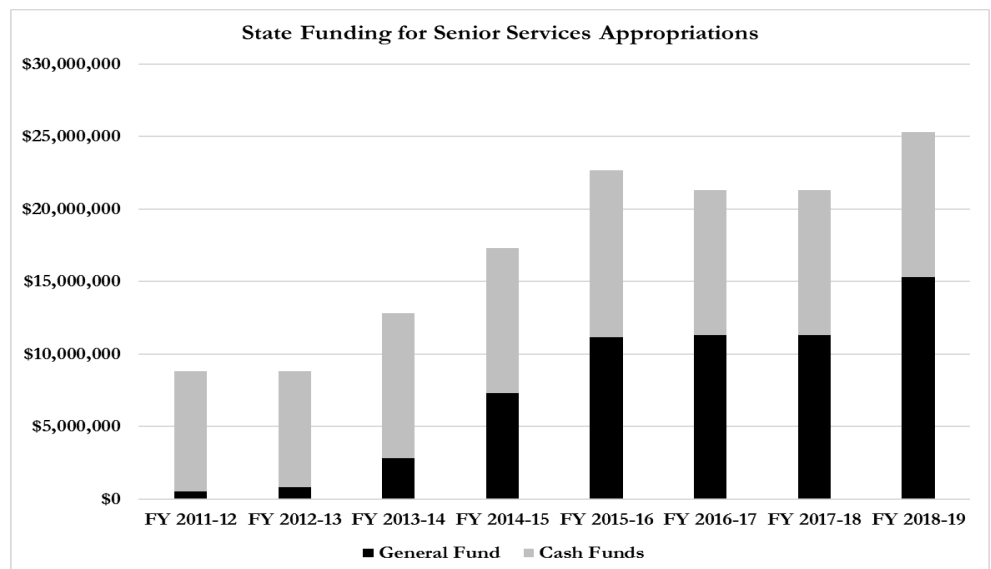


## COMMUNITY SERVICES FOR THE ELDERLY

State and federal funds are distributed to Area Agencies on Aging (AAAs) for the provision of a variety of community services for the elderly such as transportation, congregate meals, in-home meals (Meals on Wheels), and in-home support services. These services are geared toward providing seniors with the opportunity to remain in their homes and communities as long as possible.

Most the Department's state funds appropriations for these types of services are allocated to the State Funding for Senior Services line item. This line item receives funding through three mechanisms. First, statute (Section 39-26-123 (3), C.R.S.) annually credits \$10.0 million from state excise and sales taxes to the Older Coloradans Cash Fund. This money would otherwise be deposited in the General Fund. This amount has grown from \$3.0 million as originally set forth in H.B. 00-1072 (Older Coloradans' Act), to \$5.0 million via H.B. 07-1100 (Increase Funds For Older CO Cash Fund), to \$8.0 million via H.B. 08-1108 (Increase Funds For Older CO Cash Fund), and finally to its current level of \$10.0 million via S.B. 13-127 (Sales Tax Revenue To Older Coloradans Cash Fund).

In recent years the General Assembly has appropriated General Fund to support senior services. General Fund appropriations for this purpose have grown from \$0.5 million for FY 2011-12 to \$11.3 million for FY 2017-18. The Department received an additional \$4.0 million General Fund for FY 2018-19. Pursuant to statute, 95.0 percent of the amount by which the value reflected in the Long Bill for the Senior Citizen and Disabled Veteran Property Tax Exemption line item in the Department of the Treasury exceeds the value local

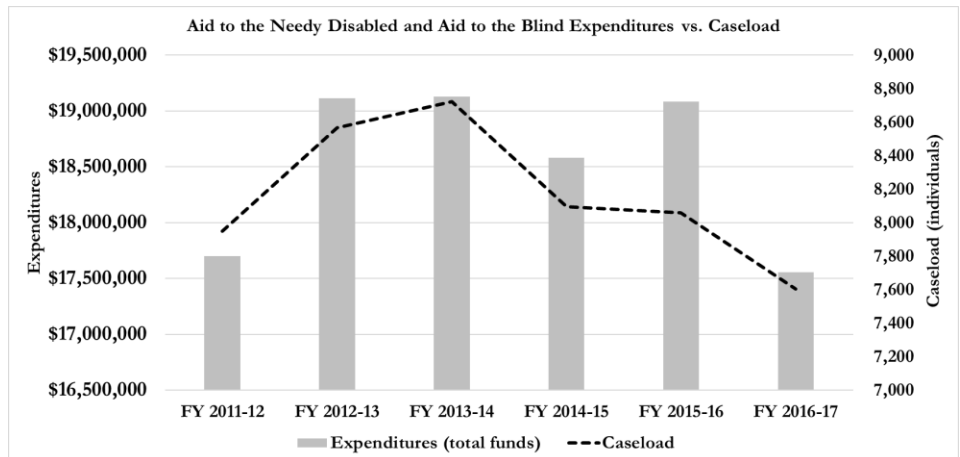


governments submit as claims for reimbursement is deposited in the Older Coloradans Cash Fund. An excess appropriation of \$1,519,482 General Fund occurred in FY 2014-15 and a deposit of the same amount was made into the Older Coloradans Cash Fund, pursuant to this statutory provision. This is the only time such transfer has occurred since the law was enacted.

In addition to state funding for senior services, the Department also receives federal funds that it distributes to AAAs to support community-based and in-house services for older adults. The funding derives from the Older Americans Act, which Congress passed in 1965 to spur the development of community social services for older persons. Each state receives Older Americans Act funds according to a formula based on the state's share of the U.S. population age 60 and older. Total federal funds available have remained relatively flat in recent years at \$17.9 million annually.

## AID TO THE NEEDY DISABLED AND AID TO THE BLIND PROGRAMS

Aid to the Needy Disabled (AND) provides cash assistance to low-income Coloradans with a disability lasting six months or longer that prevents them from working, as documented by a licensed physician. 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 this program is comprised of General Fund, county matching funds, and federal reimbursements for payments to individuals who initially receive a state-only subsidy but are ultimately deemed eligible for federal SSI. The Aid to the Blind program provides cash assistance to low-income Colorado residents, age 18 and over, who have at least a six-month total disability that precludes them from working, and who meet the Social Security definition of blindness.

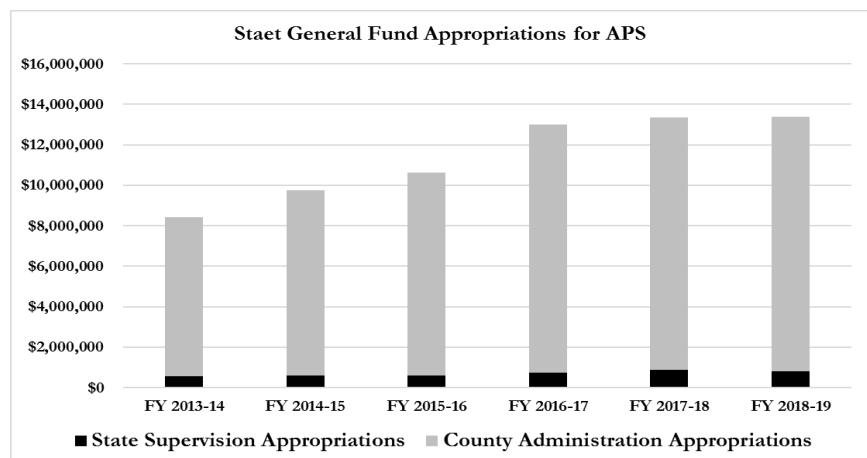


In recent fiscal years, appropriations for these initiatives have remained relatively flat, and benefits have been adjusted by the Department so that total expenditures remain within appropriated levels. In FY 2018-19, the General Assembly provided the Department with \$12.6 million General Fund for the program.

## ADULT PROTECTIVE SERVICES

Colorado's Adult Protective Services (APS) system, enacted in 1991, is designed to protect vulnerable or at-risk adults who, because of age or mental or physical ability, are unable to obtain services or otherwise protect their own health, safety, and welfare. Adult protective services are delivered under a state-supervised and county-administered model. Senate Bill 15-109 (Mandatory Abuse Report for Adult with a Disability) expanded the mandatory reporting requirement for at-risk adults to cover known or suspected abuse of at-risk adults with intellectual or developmental disabilities.

Statute (Section 26-3.1-103, C.R.S.) mandates that counties receiving reports of mistreatment or self-neglect must immediately make an evaluation of the reported level of risk. The evaluation must include a determination of a response time frame and whether an investigation of the allegations is required. If a county determines that an investigation is required,





it is responsible for ensuring an investigation is conducted and arranging for the subsequent provision of protective services to be conducted by persons trained to conduct such investigations and provide protective services. For FY 2016-17, 23,819 reports were received and 10,261 new cases were opened. Of these reports, 2,816 involved an at-risk adult with an intellectual or developmental disability, of which 1,039 resulted in the opening of a case.

Funding for the state-supervision portion of APS is from the General Fund and provides money for 6.5 FTE and the provision of training to county-level adult protective services caseworkers and supervisors to achieve consistency in the performance of statutorily-obligated duties, as outlined in Section 26-3.1-103, C.R.S. Appropriations for the services offered by the Department have grown by over 50 percent in the last five years due to an increased focus on training county workers and reporting entities outlined by law.

Funding for county-administration of APS is from the General Fund, county funds, and the federal Title XX Social Services Block Grant. General Fund appropriations for counties grew by nearly 60 percent in the last five years, driven by the implementation of S.B. 13-111 (Require Reports Of Elder Abuse And Exploitation) and S.B. 15-109. Both bills required counties to hire additional staff to meet the increased workload, and the General Assembly provided funds for this purpose.

## APPROPRIATION HIGHLIGHTS - 2018 LEGISLATIVE SESSION

DEPARTMENT OF HUMAN SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$2,023,402,359	\$865,857,539	\$408,627,920	\$174,562,607	\$574,354,293	4,936.0
SB 17-012	18,000	0	18,000	0	0	0.0
SB 17-019	26,000	26,000	0	0	0	0.0
SB 17-028	12,960	12,960	0	0	0	0.0
SB 17-207	7,086,280	0	7,086,280	0	0	0.9
SB 17-292	4,000,000	0	0	0	4,000,000	0.0
HB 17-1045	0	0	0	0	0	0.0
HB 17-1204	108,710	108,710	0	0	0	0.0
HB 17-1207	(160,270)	(160,270)	0	0	0	0.0
HB 17-1264	75,000	75,000	0	0	0	0.0
HB 17-1284	428,779	428,779	0	0	0	0.4
HB 17-1292	300,000	300,000	0	0	0	0.0
HB 17-1329	306,302	306,302	0	0	0	0.3
HB 18-1162	41,769,039	21,904,917	6,239,449	9,353,234	4,271,439	(2.1)
<b>TOTAL</b>	<b>\$2,077,373,159</b>	<b>\$888,859,937</b>	<b>\$421,971,649</b>	<b>\$183,915,841</b>	<b>\$582,625,732</b>	<b>4,935.5</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$2,077,373,159	\$888,859,937	\$421,971,649	\$183,915,841	\$582,625,732	4,935.5
Centrally appropriated line items	25,435,990	16,095,700	469,501	6,537,008	2,333,781	0.0
Direct care staff compensation	15,417,841	15,417,841	0	0	0	0.0
Colorado Child Care Assistance Program	12,999,009	3,929,009	(1,200,000)	0	10,270,000	(1.0)
Competency restoration services	9,302,282	9,302,282	0	0	0	5.2
Community provider rate	8,705,852	4,967,855	1,424,430	308,808	2,004,759	0.0
Regional center funding	6,682,728	0	0	6,682,728	0	0.0
Early Intervention	6,428,065	5,500,000	0	728,065	200,000	0.0
County child welfare staffing phase 4	6,185,029	1,967,715	618,503	0	3,598,811	0.0
Funding for Area Agencies on Aging	4,000,000	4,000,000	0	0	0	0.0
Access to substance use disorder services	3,000,000	0	3,000,000	0	0	0.0
Expand residential treatment for co-occurring disorders	3,000,000	3,000,000	0	0	0	0.0
Division of Youth Services caseload	2,803,983	2,480,386	0	177,150	146,447	0.0

DEPARTMENT OF HUMAN SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Division of Youth Services' facility staffing increase	2,622,691	2,622,691	0	0	0	49.5
Old Age Pension cost of living adjustment	2,544,854	0	2,544,854	0	0	0.0
Enhancing Colorado Works case management performance	2,313,581	0	0	0	2,313,581	1.8
TANF pass through payment reimbursements	1,506,750	1,506,750	0	0	0	0.0
Circle program	1,162,882	0	1,162,882	0	0	0.0
Early Childhood Councils funding	1,000,000	1,000,000	0	0	0	0.0
Tobacco master settlement adjustment	971,238	0	971,238	0	0	0.0
Court-ordered competency reports	704,767	704,767	0	0	0	7.7
Translation services for the deaf and hard of hearing	700,000	0	0	700,000	0	8.0
Expansion of Incredible Years Program	624,612	120,309	504,303	0	0	1.1
Medication consistency and health information exchange	590,936	0	590,936	0	0	0.9
Division of Youth Services special education services increase	590,410	590,410	0	0	0	5.3
Grand Junction Regional Center campus relocation	562,000	38,000	3,968	520,032	0	0.0
Funding for food pantries and food banks	500,000	500,000	0	0	0	0.0
Assistance for early childhood education advancement	500,000	500,000	0	0	0	0.0
Probation pilot program for individuals with traumatic brain injuries	450,000	450,000	0	0	0	0.0
Technical support for the Supplemental Nutrition Assistance Program	405,479	202,740	0	0	202,739	6.3
Promoting permanency for children	369,569	344,619	0	0	24,950	1.8
High Risk Pregnant Women Program	200,000	(100,000)	100,000	200,000	0	0.0
Colorado Brain Injury Program spending authority	200,000	0	200,000	0	0	0.0
Funding for state long-term care ombudsman services	165,000	165,000	0	0	0	0.0
Child Mental Health Treatment Act	125,787	125,787	0	0	0	0.0
Community response expansion	120,000	120,000	0	0	0	0.0
Continuation of respite care task force recommendations	62,677	62,677	0	0	0	0.0
Division of Youth Services female undergarment improvements	53,648	53,648	0	0	0	0.0
Indirect cost assessment adjustment	0	4,846,064	(2,696,555)	(2,306,821)	157,312	0.0
Division of Youth Services funding transfer	0	0	0	0	0	0.0
Annualize prior year legislation	(13,700,091)	(5,392,475)	(718,496)	(8,936,854)	1,347,734	4.9
Annualize prior year budget actions	(6,361,729)	(34,767)	(6,131,614)	(97,176)	(98,172)	35.2
Mental health institute staffing	(2,933,212)	(2,933,212)	0	0	0	3.2
Technical changes	(2,158,785)	0	(2,906,124)	4,604	742,735	0.0
Long Bill reorganization	(760,342)	0	0	(760,342)	0	(0.0)
Veterans Community Living Center staffing technical adjustment	(619,209)	0	(619,209)	0	0	(19.0)
Child Care Development Funds transfer	(400,500)	0	0	0	(400,500)	0.0
Reduce micro grants	(250,000)	0	0	0	(250,000)	0.0
Transfer funding for mental health training to CDPHE	(210,000)	(210,000)	0	0	0	0.0
HIPAA security remediation	(153,300)	(56,700)	(7,986)	(64,075)	(24,539)	0.0
<b>HB 18-1322</b>	<b>\$2,172,833,651</b>	<b>\$960,747,033</b>	<b>\$419,282,280</b>	<b>\$187,608,968</b>	<b>\$605,195,370</b>	<b>5,046.4</b>
SB 18-191	(50,000)	0	(50,000)	0	0	0.0
SB 18-250	2,564,603	2,564,603	0	0	0	1.8
SB 18-254	18,368,787	14,546,680	(1,208,177)	0	5,030,284	0.9
SB 18-270	1,588,250	1,588,250	0	0	0	0.0
HB 18-1064	158,374	158,374	0	0	0	0.0
HB 18-1094	1,286,611	1,286,611	0	0	0	0.5
HB 18-1306	2,817,327	0	550,066	0	2,267,261	0.9

DEPARTMENT OF HUMAN SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 18-1319	30,000	30,000	0	0	0	0.0
HB 18-1323	52,511	0	0	52,511	0	0.5
HB 18-1328	(2,685,176)	0	0	(2,685,176)	0	(1.0)
HB 18-1333	15,000	15,000	0	0	0	0.0
HB 18-1334	1,278,751	1,278,751	0	0	0	1.0
HB 18-1339	36,630	36,630	0	0	0	0.0
HB 18-1357	85,695	85,695	0	0	0	0.9
HB 18-1363	122,996	0	122,996	0	0	0.0
HB 18-1364	250,000	250,000	0	0	0	1.0
<b>TOTAL</b>	<b>\$2,198,754,010</b>	<b>\$982,587,627</b>	<b>\$418,697,165</b>	<b>\$184,976,303</b>	<b>\$612,492,915</b>	<b>5,052.9</b>
<b>INCREASE/(DECREASE)</b>	\$121,380,851	\$93,727,690	(\$3,274,484)	\$1,060,462	\$29,867,183	117.4
Percentage Change	5.8%	10.5%	(0.8%)	0.6%	5.1%	2.4%

## FY 2017-18 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 18-1162 modifies FY 2017-18 appropriations to:

- Add \$7,250,000 total funds, for the Colorado Child Care Assistance Program (CCCAP);
- Add \$6,682,728 Medicaid reappropriated funds transferred from the Department of Health Care Policy and Financing (HCPF), to restore regional center funding at the Grand Junction and Pueblo Regional Centers;
- Add \$5,600,000 total funds, including \$5,081,956 General Fund, for early intervention direct services;
- Add \$4,975,175 General Fund and 10.8 FTE to respond to regulatory agency concerns about staffing levels at the Colorado Mental Health Institute at Pueblo (CMHIP);
- Add \$3,233,791 total funds, including an increase of \$2,857,707 General Fund, based on an increase in the forecasted average daily commitment population for committed youth receiving services in community correctional placements;
- Add \$3,158,363 total funds, including \$1,516,014 General Fund, for child welfare services;
- Add \$2,978,791 General Fund to increase salaries for three classifications of registered nurses at CMHIP;
- Add \$2,694,228 total funds, including \$1,418,536 General Fund, to align indirect cost assessments with current law and adjust amounts to account for centrally appropriated expenditures;
- Add \$2,686,094 General Fund and 4.1 FTE to address continued increases in the number of court orders for competency restoration services;
- Add \$1,434,514 General Fund to ensure that counties allow child support payments made on behalf of children receiving basic cash assistance through the Temporary Assistance for Needy Families (TANF) program to go directly to those children and families;
- Add \$1,272,427 cash funds from the Old Age Pension (OAP) Fund to implement a 2.0 percent cost-of-living (COLA) increase for OAP recipients;
- Add \$887,250 total funds, including \$38,000 General Fund, to relocate administrative and day program functions off of the Grand Junction Regional Center campus and perform pre-construction activities;
- Add \$524,864 General Fund to address an increasing number of children referred for behavioral health care under the Child Mental Health Treatment Act;
- Add \$380,959 General Fund and 3.3 FTE to hire additional psychologists and administrative support staff to respond to a growing number of court orders for competency evaluations;
- Add \$172,514 reappropriated funds transferred from the Department of Corrections (DOC) to true-up the appropriation for food services provided by CMHIP for nearby DOC facilities;
- Add \$19,000 General Fund for billing and coding technical assistance in the Office of Early Childhood;

- Add \$15,231 total funds for a variety of technical changes associated with aligning spending authority with anticipated revenues across the Department;
- Adjust appropriations for the mental health institutes to reflect updated revenue and expenditure estimates, including a \$1,587,634 decrease in General Fund appropriations, fully offset by increases in appropriations from cash fund and reappropriated fund sources;
- Decrease appropriations related to the Circle Program by \$1,388,059 total funds and 21.3 FTE by replacing the existing Circle Program appropriation within the CMHIP section of the Long Bill with a new line item providing a partial year of funding for a community-based Circle Program;
- Reduce \$422,831 total funds, including a decrease of \$419,059 General Fund, to reflect the Department's usage of the Colorado Benefits Management System (CBMS) and the Program Eligibility and Application Kit (PEAK); and
- Reduce \$386,000 federal Child Care Development Funds. An increase of the same amount is included in the capital construction budget to cover the costs of completing the Child Care Automated Tracking System (CHATS) replacement project.

## FY 2018-19 APPROPRIATION HIGHLIGHTS

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments for centrally appropriated line items, as detailed in the following table.

CENTRALLY APPROPRIATED LINE ITEMS					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
Salary survey	\$9,836,685	\$5,782,678	\$287,616	\$2,818,160	\$948,231
Health, life, and dental	5,298,437	6,029,419	(16,613)	(1,308,443)	594,074
Amortization and supplemental amortization equalization disbursements	2,078,410	2,774,089	69,123	(1,203,734)	438,932
Short-term disability	(20,181)	13,821	288	(37,958)	3,668
Shift differential	5,927,965	755,301	0	5,172,664	0
Workers' compensation	1,225,715	484,876	0	740,839	0
Indirect cost assessment	(62,154)	0	(7,827)	(330)	(53,997)
Legal services	(91,375)	(129,785)	1,370	27,590	9,450
Administrative law judges	(40,193)	(21,705)	0	(18,488)	0
Payment to risk management / property funds	586,424	142,632	53,293	209,109	181,390
Fleet vehicles	226,715	63,265	13,513	103,940	45,997
Information technology	469,542	201,109	68,738	33,659	166,036
<b>TOTAL</b>	<b>\$25,435,990</b>	<b>\$16,095,700</b>	<b>\$469,501</b>	<b>\$6,537,008</b>	<b>\$2,333,781</b>

**DIRECT CARE STAFF COMPENSATION:** The appropriation includes \$15,417,841 General Fund to increase salaries for all direct care job classifications at both mental health institutes, including:

- \$5,985,694 to provide a full 12 months of funding for salary increases that were implemented effective November 1, 2017, for registered nurses at the Colorado Mental Health Institute at Pueblo (CMHIP); and
- \$9,432,147 to increase salaries for all other direct care staff at CMHIP and at the Colorado Mental Health Institute at Fort Logan, effective July 1, 2018.

**COLORADO CHILD CARE ASSISTANCE PROGRAM:** The appropriation includes \$12,999,009 total funds, including \$3,929,009 General Fund, and a reduction of 1.0 FTE for the Colorado Child Care Assistance Program.

**COMPETENCY RESTORATION SERVICES:** The appropriation includes \$9,302,282 General Fund and 5.2 FTE to address continued increases in the number of court orders for competency restoration services, including: expansion of the jail-based competency restoration program (called the RISE Program); expansion of inpatient

psychiatric bed capacity by contracting with one or more private hospitals; and expansion of community-based competency restoration services.

**COMMUNITY PROVIDER RATE:** The appropriation includes \$8,705,852 total funds, including \$4,967,855 General Fund, for the community provider rate increase.

**REGIONAL CENTER FUNDING:** The appropriation includes \$6,682,728 Medicaid reappropriated funds transferred from the Department of Health Care Policy and Financing (HCPF) to fund home- and community-based waiver services for individuals with intellectual and developmental disabilities at the Grand Junction and Pueblo Regional Centers.

**EARLY INTERVENTION:** The appropriation includes an increase of \$6,428,065 total funds, including \$5,500,000 General Fund for programs related to the delivery of early intervention services to children ages birth through two years of age.

**COUNTY CHILD WELFARE STAFFING PHASE 4:** The appropriation includes \$6,185,029 total funds, including \$1,967,715 General Fund, in FY 2018-19 and beyond to increase county level child welfare staffing in response to the Child Welfare Workload Study performed by the Office of the State Auditor in 2014.

**FUNDING FOR AREA AGENCIES ON AGING:** The appropriation includes \$4,000,000 General Fund to assist seniors in living independently in their communities. These services, provided by (and/or arranged for by) the state's 16 Area Agencies on Aging (AAAs), include home-delivered meals, transportation to medical appointments, and a variety of other forms of assistance to help seniors with the activities of daily living.

**ACCESS TO SUBSTANCE USE DISORDER SERVICES:** The appropriation includes \$3,000,000 cash funds from the Marijuana Tax Cash Fund (MTCF) to expand funding available to managed service organizations to implement local community action plans to increase access to effective substance use disorder services.

**EXPAND RESIDENTIAL TREATMENT FOR CO-OCCURRING DISORDERS:** The appropriation includes \$3,000,000 General Fund to expand rural residential treatment service capacity for individuals with co-occurring mental health and substance use disorders.

**DIVISION OF YOUTH SERVICES CASELOAD:** The appropriation includes \$2,803,983 total funds, including \$2,480,386 General Fund, based on an updated caseload forecast that anticipates a slower decline in the number of committed youth.

**DIVISION OF YOUTH SERVICES FACILITY STAFFING INCREASE:** The appropriation includes \$2,622,691 General Fund and 49.5 FTE to add staff to state-owned and operated youth corrections facilities in an effort to improve safety and security of staff and youth.

**OLD AGE PENSION COST OF LIVING ADJUSTMENT:** The appropriation includes \$2,544,854 cash funds from the Old Age Pension (OAP) Fund to implement a 2.0 percent cost-of-living (COLA) increase for OAP clients.

**ENHANCING COLORADO WORKS CASE MANAGEMENT PERFORMANCE:** The appropriation includes \$2,313,581 federal funds from the state Temporary Assistance For Needy Families (TANF) reserve and 1.8 FTE to conduct manual reviews of sampled TANF cases to ensure complete and accurate data entry necessary to meet federal Work Participation Rate standards, and to implement a web-based automated data entry tool for Colorado Works' enrollees to submit work participation information to county case managers.

**TANF PASS THROUGH PAYMENT REIMBURSEMENTS:** The appropriation includes \$1,506,750 General Fund to ensure that counties continue to allow child support payments made on behalf of children receiving basic cash

assistance through the Temporary Assistance for Needy Families (TANF) program to go directly to those children and families rather than being retained to reimburse counties and the federal government for the costs associated with providing public assistance.

**CIRCLE PROGRAM:** The appropriation includes \$1,162,882 cash funds from the Marijuana Tax Cash Fund to provide a full year of funding for the new community-based Circle Program.

**EARLY CHILDHOOD COUNCILS FUNDING:** The appropriation includes \$1,000,000 General Fund for Early Childhood Councils.

**TOBACCO MASTER SETTLEMENT ADJUSTMENT:** The appropriation includes an increase based on the Legislative Council staff FY 2018-19 Tobacco Master Settlement revenue projection.

**COURT-ORDERED COMPETENCY REPORTS:** The appropriation includes \$704,767 General Fund and 7.7 FTE for additional psychologists and administrative support staff to respond to a growing number of court orders for competency evaluations.

**TRANSLATION SERVICES FOR THE DEAF AND HARD OF HEARING:** The appropriation includes \$700,000 reappropriated funds and 8.0 FTE for expanded translation services for individuals who are deaf and hard of hearing.

**EXPANSION OF INCREDIBLE YEARS PROGRAM:** The appropriation includes \$624,612 total funds, including \$120,309 General Fund, \$504,303 cash funds from the MTCF, and 1.1 FTE for the expansion of the Incredible Years Program.

**MEDICATION CONSISTENCY AND HEALTH INFORMATION EXCHANGE:** The appropriation includes \$590,936 cash funds from the MTCF and 0.9 FTE to promote continuity of care between jails, state agencies, and community treatment providers as required by S.B. 17-019 (Behavioral health medication for persons in the criminal justice system).

**DIVISION OF YOUTH SERVICES SPECIAL EDUCATION SERVICES INCREASE:** The appropriation includes \$590,410 General Fund and 5.3 FTE to meet the special education needs of youth committed to the Division of Youth Services.

**GRAND JUNCTION REGIONAL CENTER CAMPUS RELOCATION:** The appropriation includes \$562,000 total funds, including \$38,000 General Fund, for leased space for the Department to implement S.B. 16-178 (Grand Junction Regional Center Campus) by relocating administrative functions off of the Grand Junction Regional Center campus and performing pre-construction activities for moving the residents.

**FUNDING FOR FOOD PANTRIES AND FOOD BANKS:** The appropriation includes \$500,000 General Fund for food pantries and food banks to purchase Colorado-grown foods that meet the Colorado Proud definition.

**ASSISTANCE FOR EARLY CHILDHOOD EDUCATION ADVANCEMENT:** The appropriation includes \$500,000 General Fund for assistance with education advancement in the early childhood education field.

**PROBATION PILOT PROGRAM FOR INDIVIDUALS WITH TRAUMATIC BRAIN INJURIES:** The appropriation includes \$450,000 General Fund for a pilot program to provide case management services to individuals with comorbid brain injury, complex behavioral health conditions, and criminal involvement.

**TECHNICAL SUPPORT FOR THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM:** The appropriation includes \$405,479 total funds, including \$202,740 General Fund, and 6.3 FTE to provide technical assistance to

counties in administering the federal Supplemental Nutrition Assistance Program (SNAP), ensure compliance with federal SNAP regulations, and provide quality assurance functions as part of the State's role in supervising the administration of SNAP.

**PROMOTING PERMANENCY FOR CHILDREN:** The appropriation includes \$369,569 total funds, including \$344,619 General Fund, and 1.8 FTE to add staff to increase the timeliness of services and the achievement rate for permanency for children and youth who are legally freed for adoption or guardianship. The bill includes roll-forward authority for \$92,500 General Fund for evaluation of the programs.

**HIGH RISK PREGNANT WOMEN PROGRAM:** The appropriation includes \$200,000 Medicaid reappropriated funds transferred from HCPF for the High Risk Pregnant Women program. The appropriation includes an associated fund source adjustment for Mental Health Treatment Services for Youth, decreasing the General Fund appropriation by \$100,000 and increasing the cash funds appropriation from the MTCF by \$100,000.

**COLORADO BRAIN INJURY PROGRAM SPENDING AUTHORITY:** The appropriation includes \$200,000 cash fund spending authority to sustain a grant funded (federal) brain injury screening program in criminal justice settings and connect those who screen positively to case management service through the Brain Injury Alliance of Colorado.

**FUNDING FOR STATE LONG-TERM CARE OMBUDSMAN SERVICES:** The appropriation includes \$165,000 General Fund to support the State's long-term care ombudsman and legal assistance developer for elders programs.

**CHILD MENTAL HEALTH TREATMENT ACT:** The appropriation includes \$125,787 General Fund to address an increasing number of children referred for behavioral health care under the Child Mental Health Treatment Act.

**COMMUNITY RESPONSE EXPANSION:** The appropriation includes \$120,000 General Fund for expansion of the community response program.

**CONTINUATION OF RESPITE CARE TASK FORCE RECOMMENDATIONS:** The appropriation includes \$62,677 General Fund to support the work associated with H.B. 16-1398 (Implement Respite Care Task Force Recommendations). The bill also includes roll-forward authority through FY 2018-19 for \$372,812 General Fund of the \$900,000 General Fund appropriation provided for FY 2016-17 to the Department in H.B. 16-1398.

**DIVISION OF YOUTH SERVICES FEMALE UNDERGARMENT IMPROVEMENTS:** The appropriation includes \$53,648 General Fund to improve the quality and size options of undergarments provided to females receiving services in the Division's facilities.

**INDIRECT COST ASSESSMENT ADJUSTMENT:** The appropriation reflects a net zero adjustment, including an increase of \$4,846,064 General Fund, to align the Department's Long Bill indirect cost plan with its federally approved public assistance cost allocation plan.

**DIVISION OF YOUTH SERVICES FUNDING TRANSFER:** The appropriation reflects a net zero adjustment, including an increase of \$45,188 General Fund for the Juvenile Parole Board to cover the costs associated with staffing and holding hearings for the Board and a decrease of \$45,188 General Fund for the Division's Parole Program Services due to an anticipated decrease in the average daily population of youth on parole.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments related to prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 17-1284 Data System Check For Employees Serving At-risk Adults	\$283,933	(\$66,167)	\$259,010	\$91,090	\$0	3.1

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 17-207 Strengthen behavioral health crisis response system	279,592	0	279,592	0	0	0.1
HB 17-1329 Reform Division Of Youth Corrections	113,177	113,177	0	0	0	2.7
HB 18-1162 Supplemental bill	(12,810,470)	(3,873,162)	(1,257,098)	(9,027,944)	1,347,734	0.0
HB 16-1290 Extend Transitional Jobs Program	(1,144,653)	(1,144,653)	0	0	0	(1.0)
HB 17-1292 Child welfare provider rates	(300,000)	(300,000)	0	0	0	0.0
HB 17-1204 Juvenile Delinquency Record Expungement	(108,710)	(108,710)	0	0	0	0.0
SB 17-028 Healthy Families And Military Preparedness Act	(12,960)	(12,960)	0	0	0	0.0
<b>TOTAL</b>	<b>(\$13,700,091)</b>	<b>(\$5,392,475)</b>	<b>(\$718,496)</b>	<b>(\$8,936,854)</b>	<b>\$1,347,734</b>	<b>4.9</b>

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Division of Youth Services 24 hour medical coverage	\$1,810,901	\$1,810,901	\$0	\$0	\$0	21.9
Mental health institute program relocation	301,097	301,097	0	0	0	7.5
Healthy steps for young children	150,586	150,586	0	0	0	0.0
Diversion from criminal justice system	80,549	0	80,549	0	0	0.0
Legal services allocation adjustment	16,656	0	3,183	7,427	6,046	0.0
Oversight of state resources	1,396	1,396	0	0	0	0.1
Administrative Review Unit staff	1,295	1,295	0	0	0	0.3
Title IV-E Waiver conclusion	(6,000,000)	0	(6,000,000)	0	0	0.0
Division of Youth Services facility staffing phase 3 of 3	(868,198)	(868,198)	0	0	0	5.4
Mental health institutes security enhancements	(545,719)	(545,719)	0	0	0	0.0
Mount View Youth Services Center ditch repair	(473,000)	(473,000)	0	0	0	0.0
County child welfare staffing phase 3	(335,000)	(301,500)	(33,500)	0	0	0.0
Capitol Complex leased space base adjustment	(145,643)	(78,648)	0	(66,995)	0	0.0
Pueblo Regional Center correction action plan	(100,000)	0	0	(100,000)	0	0.0
Statewide common policy adjustment	(95,175)	0	(18,188)	(42,438)	(34,549)	0.0
Substance use disorder treatment at the mental health institutes	(94,419)	0	(94,419)	0	0	0.0
FY 17-18 Salary survey	(36,591)	(15,235)	(47,660)	73,769	(47,465)	0.0
FY 17-18 Merit pay	(30,464)	(17,742)	(21,579)	31,061	(22,204)	0.0
<b>TOTAL</b>	<b>(\$6,361,729)</b>	<b>(\$34,767)</b>	<b>(\$6,131,614)</b>	<b>(\$97,176)</b>	<b>(\$98,172)</b>	<b>35.2</b>

**MENTAL HEALTH INSTITUTE STAFFING:** The appropriation includes a decrease of \$2,933,212 General Fund and an increase of 3.2 FTE related to several Department actions taken in response to regulatory agency concerns about CMHIP staffing. Adjustments include: (a) an increase of \$125,026 and 3.2 FTE to provide a full year of funding for the new Health Care Services Trainee program; and (b) the elimination of \$3,058,238 in one-time appropriations for FY 2017-18 that were primarily related to overtime pay, temporary staff, and contract staff.



**TECHNICAL CHANGES:** The appropriation includes a decrease of \$2,158,785 total funds to align spending authority with expenditures.

TECHNICAL CHANGES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Crimes Against At-Risk Persons	\$20,000	\$0	\$20,000	\$0	\$0	0.0
Juvenile Parole Board	2,252	0	0	2,252	0	0.0
Homelake Military Veterans Cemetery	365	0	365	0	0	0.0
Victim Assistance	2,352	0	0	2,352	0	0.0
Juvenile Sex Offender Staff Training	3,724	0	3,724	0	0	0.0
Office of Early Childhood	(2,162,478)	0	(2,905,213)	0	742,735	0.0
Residential substance use disorder services study	(25,000)	0	(25,000)	0	0	0.0
<b>TOTAL</b>	<b>(\$2,158,785)</b>	<b>\$0</b>	<b>(\$2,906,124)</b>	<b>\$4,604</b>	<b>\$742,735</b>	<b>0.0</b>

**LONG BILL REORGANIZATION:** The appropriation includes a decrease of \$760,342 reappropriated funds from indirect cost recoveries resulting from two Long Bill format changes affecting the Office of Operations and the Office of Behavioral Health.

**VETERANS COMMUNITY LIVING CENTER STAFFING TECHNICAL ADJUSTMENT:** The appropriation includes a decrease of \$619,209 cash funds and 19.0 FTE to align spending authority with actual costs.

**CHILD CARE DEVELOPMENT FUNDS TRANSFER:** The appropriation includes a decrease of \$400,500 federal funds from Child Care Development Funds to cover the costs to complete the Child Care Automated Tracking System (CHATS) replacement project. The CHATS project is funded in the capital construction section of the budget for FY 2017-18 using a combination of operating transfers in FY 2017-18 and FY 2018-19.

**REDUCE MICRO GRANTS:** The appropriation includes a decrease of \$250,000 federal Child Care Development Funds to align spending authority with actual expenditures.

**TRANSFER FUNDING FOR MENTAL HEALTH TRAINING TO CDPHE:** The appropriation includes a decrease of \$210,000 General Fund to transfer funding for Mental Health First Aid training from this Department's Office of Behavioral Health to the Department of Public Health and Environment (CDPHE).

**HIPAA SECURITY REMEDIATION:** The appropriation includes a decrease of \$153,300 total funds, including \$56,700 General Fund, for risk assessments to identify potential violations of privacy laws and to design and implement mitigation plans in accordance with the standards set forth by the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA).

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

# JUDICIAL DEPARTMENT

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

- Both the *Office of the State Public Defender* (OSPD) and the *Office of Alternate Defense Counsel* (OADC) provide legal representation for indigent criminal defendants. All cases are first assigned to the OSPD, and if there is an ethical conflict of interest the case is referred to the OADC.
- The *Office of the Child's Representative* (OCR) oversees the provision of legal services for children, including legal representation of children involved in the court system due to abuse or neglect.
- The *Office of the Respondent Parents' Counsel* (ORPC) oversees the provision of legal representation for indigent parents or guardians who are involved in dependency and neglect proceedings.
- The *Office of the Child Protection Ombudsman* (OCPO) serves as an independent and neutral organization to investigate complaints and grievances about child protection services, make recommendations about system improvements, and serve as a resource for persons involved in the child welfare system.
- The *Independent Ethics Commission* (IEC) provides advice and guidance on ethics-related matters concerning state legislative and executive branch elected officials and employees, as well as elected officials and employees of most Colorado counties and municipalities.
- The *Office of Public Guardianship* (OPG), established by H.B. 17-1087, will, when it begins operating, provide legal guardianship services for incapacitated and indigent adults who have no other guardianship prospects. Funding will come from gifts, grants, and donations.

## DEPARTMENT BUDGET: RECENT APPROPRIATIONS

FUNDING SOURCE	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
General Fund	\$478,617,095	\$491,246,425	\$517,650,016	\$553,074,423
Cash Funds	156,643,072	164,554,601	161,594,597	165,722,088
Reappropriated Funds	34,086,127	34,268,970	35,775,245	36,973,036
Federal Funds	4,425,000	4,425,000	4,425,000	4,425,000
<b>TOTAL FUNDS</b>	<b>\$673,771,294</b>	<b>\$694,494,996</b>	<b>\$719,444,858</b>	<b>\$760,194,547</b>
Full Time Equiv. Staff	4,592.3	4,615.1	4,650.3	4,745.3

## GENERAL FACTORS DRIVING THE BUDGET

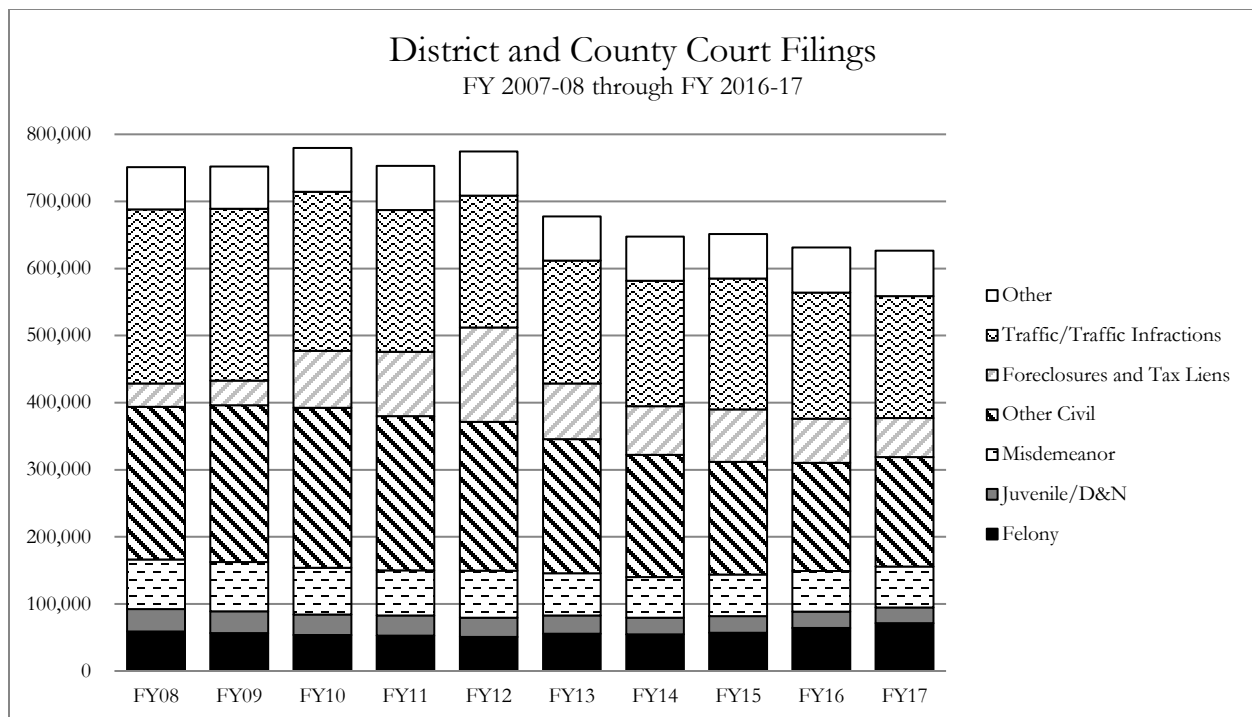
Funding for this department consists of 72.7 percent General Fund, 21.8 percent cash funds, 4.9 percent reappropriated funds, and 0.6 percent federal funds. Cash funds primarily include: various docket fees and surcharges that support court operations; fees paid by individuals sentenced to probation; attorney licensing fees that are used to regulate the practice of law in Colorado; and fees and cost recoveries related to electronic filings and other information technology services.

The main factor driving the Judicial Branch's budget is caseload, which affects the ability of judges, attorneys, probation officers, and support staff to fulfill their constitutional and statutory duties in a timely and professional manner. Caseload changes are generally driven by increases in state population, changes in the state's economic climate (which may affect both the crime rate and the proportion of clients eligible for state-funded representation), and legislative changes. Workload is also impacted by the types of cases filed, as some cases require more time and

resources than others. Generally, felony cases, dependency and neglect cases, problem-solving court cases, water cases, and complex civil cases require the most resources.

## CASE FILINGS AND THE NEED FOR COURT STAFF

In FY 2016-17, approximately 630,000 new cases were filed in the state court system, including 410,000 (65 percent) in county courts, 216,000 (34 percent) in district and water courts, 2,300 in the Court of Appeals, and 1,300 in the Supreme Court. The following chart depicts the number of cases filed in county and district courts in each of the last ten fiscal years, by case type. Cases are depicted using the following categories: felony; juvenile/dependency and neglect ("D&N"); civil – foreclosures and tax liens; civil – other; misdemeanor; traffic/traffic infractions; and other.



Over the last ten years, *county court* filings decreased by 25.6 percent (140,842 cases). County court cases have declined in every category, but decreases in traffic and civil case filings account for 87.6 percent of the overall decline. Over the same time period, *district court* filings increased by 13.8 percent (26,134 cases), primarily due to increases in tax lien, felony, probate, and mental health cases. As illustrated in the above chart, the number of civil cases involving foreclosures or tax liens increased significantly during the last economic downturn. While some civil cases can require a significant amount of judge and staff time, foreclosure and tax lien cases generally do not. The case filing data for those case types that do have a significant workload impact is mixed. For example, felony criminal case filings have increased by 37.2 percent in the last four years (14,038 cases), while juvenile cases have declined by 15.2 percent (3,246 cases).

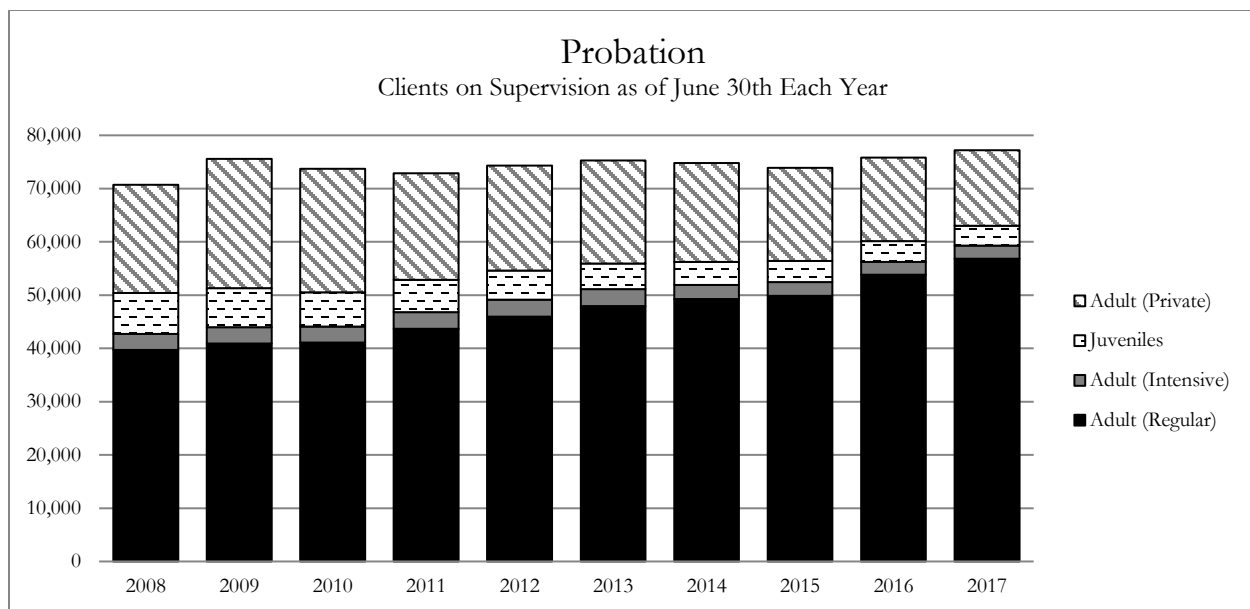
The Department routinely monitors its workload and periodically requests funding and FTE through the budget process or through legislation. In response to workload increases, the General Assembly periodically passes legislation to increase the number of judges within one or more judicial districts. Most recently, H.B. 14-1050 added two district court judges and the associated court support staff for the 18<sup>th</sup> judicial district court (Arapahoe, Douglas, Elbert, and Lincoln counties) and H.B. 15-1034 added one judgeship to the 12<sup>th</sup> judicial district court (Alamosa, Conejos, Costilla, Mineral, Rio Grande, and Saguache counties). The Department indicates that FY 2017-18 funding supports 78.2 percent of the full need for district court judges, 103.6 percent of the full need for county court judges, and 83.3 percent of the full staffing need for non-judge staff for “trial courts” (county and district courts).

## PROBATION AND RELATED SERVICES CASELOAD

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

Funding for probation services is primarily driven by the number and types of offenders sentenced to probation and statutory requirements concerning probation eligibility and supervision time frames. Those offenders that present a higher risk of re-offending require more resources. For example, the most recent data (FY 17-18) indicates that the average annual cost of probation supervision ranges from \$1,398 for an adult on "regular" probation to \$3,070 for an adult on "intensive" supervision; similarly, the average annual cost of probation supervision ranges from \$2,138 for a juvenile on regular probation to \$3,555 for a juvenile on intensive supervision.

The *total* number of offenders sentenced to probation increased significantly from 1999 to 2009 when it peaked. The population then declined and rose only to decline and rise again, this time to a level that exceeds the 2009 peak. Over the period since 2009, the number of adult offenders who are supervised by private probation providers has decreased steadily as the Department relied increasingly on supervision by state employees. The following chart depicts changes in the numbers of adults and juveniles on supervision since 2008. Overall, the number of juvenile and adult offenders who are supervised by state staff increased from 50,409 in June 2008 to 63,046 in June 2016 (a 25.1 percent increase). As this number grows, so does the need for probation supervisors, officers, and support staff to adequately supervise offenders. The Department routinely monitors its workload and periodically requests additional funding to adjust probation staffing levels based on the number and types of offenders sentenced to probation. The Department indicates that FY 2017-18 funding supports 91 percent of the full need for probation staff (probation officers, supervisors, and support staff). In addition, the General Assembly appropriates state funds to subsidize the cost of required treatment and services for offenders on probation.

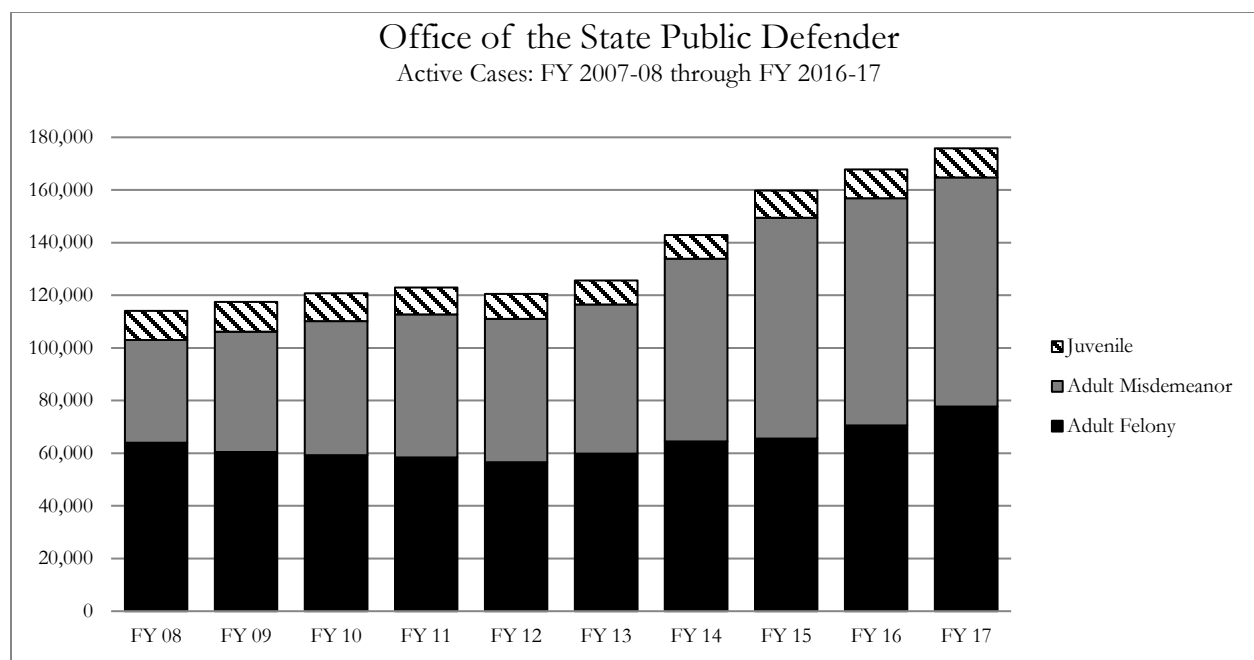


## CASELOAD IMPACTS UNIQUE TO INDEPENDENT AGENCIES

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

The *Office of the State Public Defender (OSPD)* represents criminal defendants who have inadequate financial resources to pay for their own defense. The OSPD's workload 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. Recent data indicates that the OSPD spends an average of \$413 to represent a juvenile defendant, \$336 to represent an adult misdemeanor defendant, and \$833 to represent an adult felony defendant. Further, approximately 90 percent of adult felony defendants receive state funded representation (either through the OSPD or the Office of the Alternate Defense Counsel, which is discussed below), compared to 66 percent of adult misdemeanor defendants. Thus, felony and serious misdemeanor cases are the primary factor driving OSPD staffing needs.

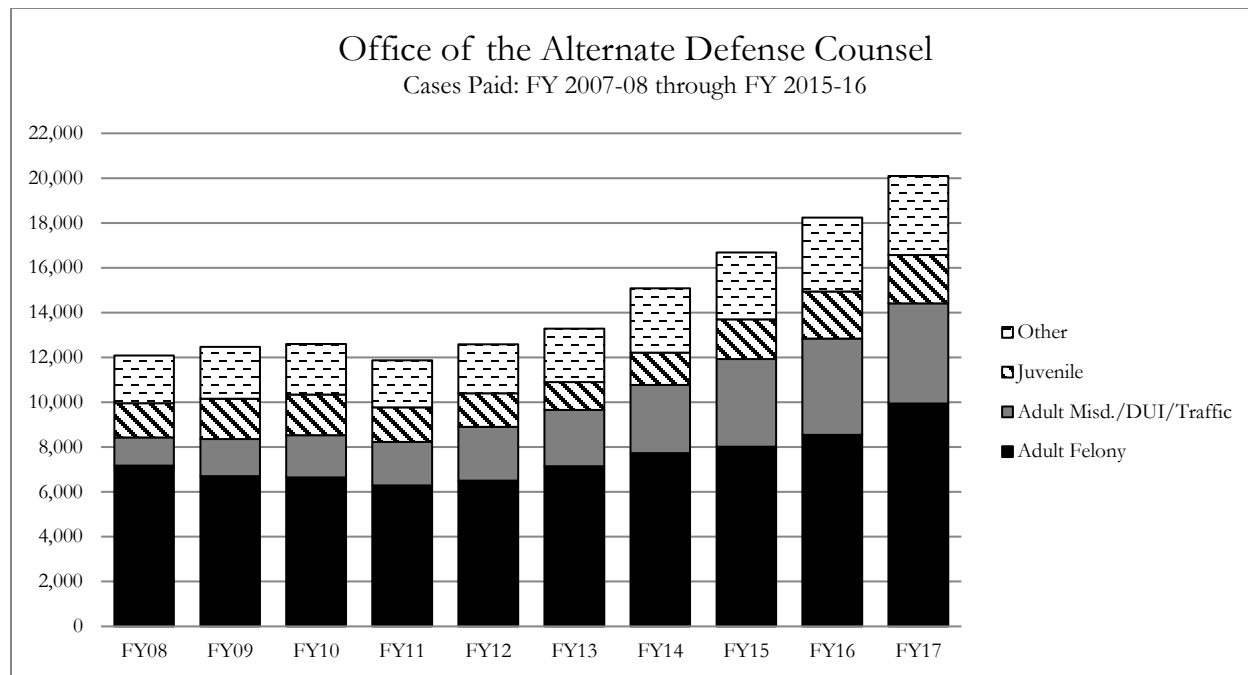
The total number of cases requiring public defender involvement has increased every year but one since FY 2007-08, reaching 175,873 in FY 2016-17. In the last three fiscal years alone the total number of cases increased by 32,966 (23.1 percent). The biggest component of this increase was 17,543 (25.3 percent) for adult misdemeanor cases, a change largely due to the passage of H.B. 13-1210, which repealed a statute that required an indigent person charged with a misdemeanor or other minor offense to meet with the prosecuting attorney for plea negotiations before legal counsel is appointed<sup>1</sup>. In addition, the number of adult felony cases has increased by 13,327 (20.7 percent) since FY 2013-14. The OSPD routinely monitors its workload and periodically requests additional funding to ensure that staffing levels are sufficient to provide legal representation in an ethical and effective manner. The OSPD indicates that FY 2017-18 funding supports 81 percent of the need for its attorneys, down from 97.6 percent in 2011-12.



The *Office of the Alternate Defense Counsel (OADC)* contracts with private attorneys to represent indigent defendants in cases where the OSPD has an ethical conflict of interest in providing legal representation. The OADC paid for legal representation in 20,103 cases in FY 2016-17, at an average cost of \$1,523 per case. Similar to the OSPD, certain types of cases (e.g., death penalty cases) are more expensive than others; these cases require more hours of attorney time and a higher hourly rate.

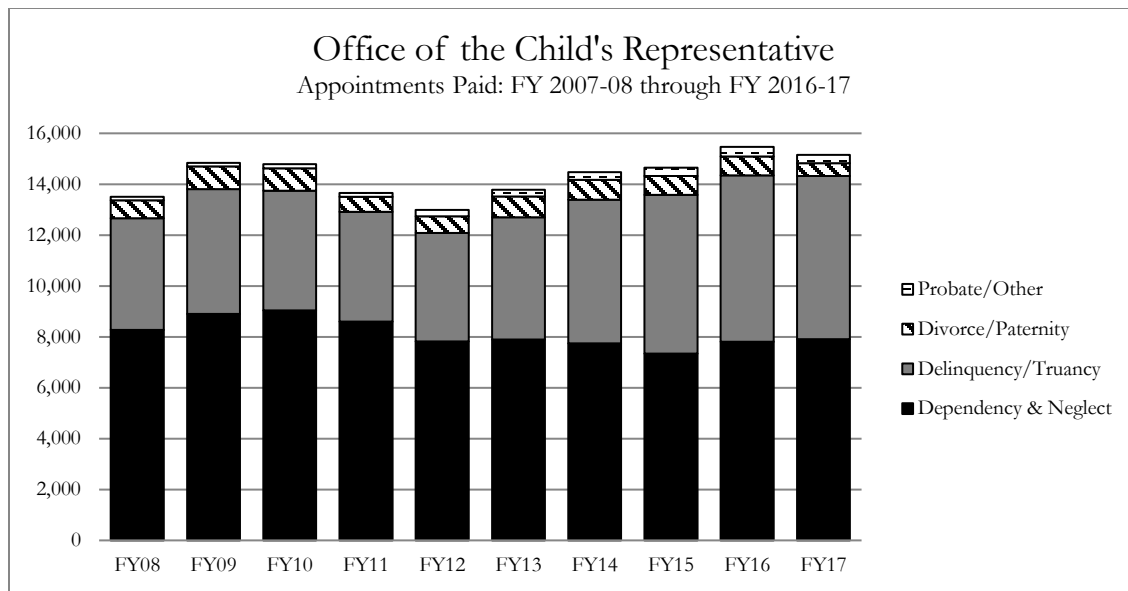
<sup>1</sup> These changes apply to misdemeanors, petty offenses, class 2 and class 3 misdemeanor traffic offenses, and municipal or county ordinance violations committed on or after January 1, 2014.

As illustrated in the following chart, the OADC's overall caseload is generally more variable than that of the OSPD. However, similar to the OSPD, the OADC has experienced significant caseload increases in the last three fiscal years (an overall increase of 5,018 cases, a 33.3 percent increase). The OADC experienced increases in every case type, but the most significant increases occurred in adult felony cases (2,214 additional cases, a 28.7 percent increase) and adult misdemeanors, DUI, and Traffic cases (1,415 additional cases, a 46.4 percent increase). As the OADC contracts with private attorneys, it routinely submits requests for budget adjustments to ensure that it has sufficient funding to cover payments for all assigned cases.



The *Office of the Child's Representative (OCR)* provides legal representation for children involved in the court system due to abuse or neglect, delinquency, truancy, high conflict divorce, alcohol or drug abuse, mental health issues, and probate matters. The OCR paid for legal representation in 15,159 court appointments in FY 2016-17 at an average cost of \$1,324 per appointment. Similar to the OSPD and OADC, the average cost per appointment varies significantly for different types of cases. For example, in FY 2016-17 the OCR spent an average of \$269 per appointment in truancy cases, \$569 per appointment in juvenile delinquency cases, \$817 per appointment in domestic relations cases, and \$2,031 per appointment in cases involving abuse and neglect (called dependency and neglect or "D&N" cases). Thus, the OCR's expenditures are primarily driven by the number of D&N cases, as these cases account for the most court appointments and require the most attorney time.

As illustrated in the following chart, the overall number of appointments has increased in each of the last four fiscal years. This overall increase is primarily related to increases in the number of appointments involving juvenile delinquency or truancy; these appointments now account for 42.4 percent of the total, compared to 32.5 percent in FY 2007-08. The OCR routinely submits requests for budget adjustments to ensure that it has sufficient funding and staffing (in its El Paso county office) for all assigned cases.



The *Office of Respondent Parents' Counsel* (ORPC) provides legal representation for indigent parents who are in danger of having their parental rights terminated by the courts in dependency and neglect proceedings. The ORPC paid for legal representation in 9,735 court appointments in FY 2016-17 at an average cost of \$1,295 per appointment. The ORPC began providing parents with contract attorney representation in July 2016 and its short history precludes a useful chart.

## APPROPRIATION HIGHLIGHTS - 2018 LEGISLATIVE SESSION

JUDICIAL DEPARTMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2017-18 APPROPRIATION:</b>						
SB 17-254	\$710,314,244	\$512,932,613	\$157,894,176	\$35,062,455	\$4,425,000	4,647.5
HB 17-1204	45,237	45,237	0	0	0	0.8
HB 17-1303	24,500	24,500	0	0	0	0.0
HB 18-1163	9,060,877	4,647,666	3,700,421	712,790	0	2.0
<b>TOTAL</b>	<b>\$719,444,858</b>	<b>\$517,650,016</b>	<b>\$161,594,597</b>	<b>\$35,775,245</b>	<b>\$4,425,000</b>	<b>4,650.3</b>
<b>FY 2018-19 APPROPRIATION:</b>						
FY 2017-18 Appropriation	\$719,444,858	\$517,650,016	\$161,594,597	\$35,775,245	\$4,425,000	4,650.3
Centrally appropriated line items	13,427,205	12,407,331	1,019,874	0	0	0.0
Contract attorney rate increase	5,457,351	5,457,351	0	0	0	0.0
OSPD Workload and caseload increase	4,213,138	4,213,138	0	0	0	56.4
OADC Caseload increase	4,092,301	4,092,301	0	0	0	0.0
Courthouse furnishing and infrastructure maintenance	3,153,360	2,653,360	500,000	0	0	0.0
System maintenance study	2,858,690	2,782,914	75,776	0	0	0.0
Grants for underfunded courthouse facilities	2,000,000	1,000,000	0	1,000,000	0	0.0
OPG Office of Public Guardianship	1,367,846	0	1,367,846	0	0	12.0
OSPD IT support, security, and development	870,620	870,620	0	0	0	4.0
IT project management and information security staff	840,015	840,015	0	0	0	7.0
Annualize prior year legislation	798,746	806,958	(8,212)	0	0	0.2
Problem solving court coordinators	500,682	500,682	0	0	0	7.0

JUDICIAL DEPARTMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Court Appointed Special Advocates (CASA)	500,000	500,000	0	0	0	0.0
Correctional Treatment Cash Fund adjustment	429,881	0	429,881	0	0	0.0
E-filing/postage/ mailing/ processing	340,000	0	340,000	0	0	0.0
Community provider rate	339,696	154,131	15,717	169,848	0	0.0
ORPC Continuation of social worker pilot program	302,640	302,640	0	0	0	0.0
Courthouse security grants	250,000	(125,000)	375,000	0	0	0.0
Interpreters	234,457	234,457	0	0	0	0.0
OCPO Additional FTE for investigations	209,706	209,706	0	0	0	2.0
Indirect cost assessment	209,053	0	209,053	0	0	0.0
ORPC Mandated costs	191,999	191,999	0	0	0	0.0
Access to justice coordinator	133,876	133,876	0	0	0	1.0
Restorative justice	120,000	0	120,000	0	0	0.0
Interstate compact FTE transfer	119,409	119,409	0	0	0	2.0
OCR Social services professional coordinator	107,963	107,963	0	0	0	1.0
IT staff and pay adjustments	80,775	80,775	0	0	0	(2.0)
District Attorney mandated costs	74,543	74,543	0	0	0	0.0
OSPD Additional grants	55,000	0	55,000	0	0	0.3
OADC Administrative support	49,981	49,981	0	0	0	1.0
OCR Reclassify staff positions	49,538	49,538	0	0	0	0.0
OSPD Interpreters	38,702	38,702	0	0	0	0.0
Merchant and courier fees	33,473	33,473	0	0	0	0.0
OCR Administrative assistant	20,896	20,896	0	0	0	0.5
OCR Information systems manager	18,889	18,889	0	0	0	0.0
ORPC Operating expenses	16,931	16,931	0	0	0	0.0
OCR Salary alignment	5,350	5,350	0	0	0	0.0
Fund source adjustment for indirect costs	0	77,739	0	(77,739)	0	0.0
Create IT cost recoveries line item	0	0	0	0	0	0.0
Relocate appropriation for Correctional Treatment Board staff	0	0	0	0	0	0.0
Annualize prior year budget actions	(8,170,312)	(4,539,409)	(3,630,903)	0	0	0.0
OCR Caseload/workload	(612,421)	(612,421)	0	0	0	0.0
Compensation for exonerated persons	(110,124)	(110,124)	0	0	0	0.0
Fund source adjustment for Carr Center tenants	(27,541)	(105,682)	(27,541)	105,682	0	0.0
<b>HB 18-1322</b>	<b>\$754,037,172</b>	<b>\$550,203,048</b>	<b>\$162,436,088</b>	<b>\$36,973,036</b>	<b>\$4,425,000</b>	<b>4,742.7</b>
SB 18-203	124,263	124,263	0	0	0	0.8
SB 18-249	750,000	750,000	0	0	0	0.9
SB 18-251	1,997,112	1,997,112	0	0	0	0.9
HB 18-1176	3,286,000	0	3,286,000	0	0	0.0
<b>TOTAL</b>	<b>\$760,194,547</b>	<b>\$553,074,423</b>	<b>\$165,722,088</b>	<b>\$36,973,036</b>	<b>\$4,425,000</b>	<b>4,745.3</b>
<b>INCREASE/(DECREASE)</b>	<b>\$40,749,689</b>	<b>\$35,424,407</b>	<b>\$4,127,491</b>	<b>\$1,197,791</b>	<b>\$0</b>	<b>95.0</b>
Percentage Change	5.7%	6.8%	2.6%	3.3%	0.0%	2.0%

## FY 2017-18 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 18-1163 modifies the FY 2017-18 appropriation to:

- Add \$3,655,200 General Fund to cover the cost of the increasing number of cases requiring an Office of the Alternate Defense Council contract attorney to provide legal representation for indigent criminal and juvenile defendants;



- Add \$2,572,647 cash funds from the Judicial Department Information Technology Cash Fund to complete development of a previously approved disaster recovery system;
- Add \$719,380 total funds for child support enforcement (\$6,590 General Fund and \$712,790 reappropriated funds that are originally from Title IV-D federal funds transferred from the Department of Human Services);
- Add \$658,844 General Fund for a one-time payment to the only person receiving compensation for exonerated persons;
- Add \$350,940 cash funds and 2.0 FTE for the Office of Public Guardianship (OPG) to allow the Public Guardianship Commission to spend gifts, grants, and donations;
- Add \$308,834 cash funds from the Judicial Department Information Technology Cash Fund to pay for increased printing and postage costs associated with the expansion of the Department's e-filing system;
- Add \$252,560 General Fund to pay for (1) increased merchant credit card fees resulting from the growing use of credit cards to pay fines and fees and (2) increased costs for the armored cars that transport fine and fee revenue to banks;
- Add \$250,000 cash funds from the Court Security Cash Fund for additional courthouse security grants to counties;
- Add \$218,000 cash funds from the Judicial Department Information Technology Cash Fund for audio visual equipment for Montezuma County's new courthouse;
- Add \$50,700 General Fund to move some Archuleta district and county court functions to a new location in Pagosa Springs from their current temporary location in Durango, where they were moved in the fall of 2017 in response to unsafe conditions in the Pagosa Springs court house;
- Add \$23,772 General Fund for vehicle lease expenses of the Office of the Public Defender to true-up the Office's share of the cost of the statewide fleet program; and
- Add an (I) notation to the Grants line item in the Office of the Respondent Parents' Counsel; the (I) was inadvertently omitted from the Long Bill.

## FY 2018-19 APPROPRIATION HIGHLIGHTS

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes the following adjustments to centrally appropriated line items:

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey adjustment	\$10,271,114	\$9,761,543	\$509,571	\$0	\$0	0.0
Health, life, and dental adjustment	2,677,933	2,543,860	134,073	0	0	0.0
SAED adjustment	930,296	743,447	186,849	0	0	0.0
AED adjustment	732,384	546,684	185,700	0	0	0.0
Workers' compensation adjustment	358,275	358,275	0	0	0	0.0
JUD NP risk/property adjustment	134,349	134,349	0	0	0	0.0
CORE adjustment	134,043	134,043	0	0	0	0.0
Legal services adjustment	47,928	47,928	0	0	0	0.0
Leased space adjustment	29,448	29,448	0	0	0	0.0
Cybersecurity liability insurance policy	26,827	26,827	0	0	0	0.0
Vehicle lease payments adjustment	18,557	18,557	0	0	0	0.0
Payments to OIT adjustment	(1,551,695)	(1,551,695)	0	0	0	0.0
Payment to risk management / property funds adjustment	(344,880)	(344,880)	0	0	0	0.0
Short-term disability adjustment	(30,020)	(33,701)	3,681	0	0	0.0
Merit pay adjustment	(7,354)	(7,354)	0	0	0	0.0
<b>TOTAL</b>	<b>\$13,427,205</b>	<b>\$12,407,331</b>	<b>\$1,019,874</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**CONTRACT ATTORNEY RATE INCREASE:** The appropriation includes an additional \$5.5 million General Fund for a 6.7 percent hourly rate increase for the contract attorneys who provide legal representation for clients of the Office of the Alternate Defense Counsel, the Office of the Child's Representative, the Office of the Respondent Parents' Counsel, and the main Judicial Department. The increase also raises the rate paid to contractors who support the work of these attorneys, such as paralegals, social workers, and investigators.

**OSPD WORKLOAD AND CASELOAD INCREASE:** The appropriation includes \$4.2 million General Fund and 56.4 FTE to respond to the caseload and workload increases that the Office of the State Public Defender has experienced.

**OADC CASELOAD INCREASE:** The appropriation includes \$4.1 million General Fund for the increased caseload of the Office of Alternate Defense Counsel.

**COURTHOUSE FURNISHING AND INFRASTRUCTURE MAINTENANCE:** The appropriation includes \$3.2 million total funds, including \$2.7 million General Fund and \$500,000 cash funds, to fulfill the State's statutory responsibility to provide furnishing and equipment for court facilities.

**SYSTEM MAINTENANCE STUDY:** The appropriation includes \$2.9 million total funds to increase salaries for two job classes for which the Judicial Department is experiencing high turnover.

**GRANTS FOR UNDERFUNDED COURTHOUSE FACILITIES:** The appropriation increases grants for underfunded courthouse facilities by \$1,000,000. This is accomplished by depositing \$1,000,000 into the Underfunded Courthouse Facility Cash Fund, which requires a \$1.0 million General Fund appropriation, and providing an additional \$1.0 million of spending authority for grants from the cash fund, which requires a \$1.0 million reappropriation.

**OPG OFFICE OF PUBLIC GUARDIANSHIP:** The appropriation adds \$1.4 million cash funds spending authority and 12.0 FTE for the Office of Public Guardianship to allow it to spend grants and donations that it receives.

**OSPD IT SUPPORT, SECURITY, AND DEVELOPMENT:** The appropriation includes \$870,620 General Fund and 4.0 FTE for development of a case management system, provision of increased IT support for the Public Defender's 21 regional offices, software licensure, hardware replacement, and security upgrades.

**IT PROJECT MANAGEMENT AND INFORMATION SECURITY STAFF:** The appropriation includes \$840,015 General Fund and 7.0 FTE to establish an IT Project Management Office in the Judicial Department and hire additional information security staff.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments related to prior year legislation.

ANNUALIZE YEAR PRIOR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB17-1265 PERA Judicial Division Total Employer Contrib.	\$726,273	\$704,485	\$21,788	\$0	\$0	0.0
HB17-1087 Office of Public Guardianship	107,176	107,176	0	0	0	0.0
HB 17-1303 Judicial performance evaluation system	0	0	0	0	0	0.0
SB 08-054 Judicial Performance Evaluations (No public awareness poll this year pursuant that bill)	(30,000)	0	(30,000)	0	0	0.0
HB 17-1204 Juvenile delinquency record expungement	(4,703)	(4,703)	0	0	0	0.2
<b>TOTAL</b>	<b>\$798,746</b>	<b>\$806,958</b>	<b>(\$8,212)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.2</b>

**PROBLEM SOLVING COURT COORDINATORS:** The appropriation includes \$500,682 General Fund to add 7.0 FTE Problem Solving Court Coordinators.

**COURT APPOINTED SPECIAL ADVOCATES (CASA):** The appropriation includes \$500,000 General Fund for the CASA program, which provides non-attorney advocates for children involved in court proceedings.

**CORRECTIONAL TREATMENT CASH FUND ADJUSTMENT:** The appropriation increases spending authority from the Correctional Treatment Cash Fund (CTCF) by \$429,881 cash funds.

**E-FILING/POSTAGE/MAILING/PROCESSING:** The appropriation includes \$340,000 cash funds from the Judicial Information Technology Cash Fund to pay for printing and postage costs associated with public access and e-filing.

**COMMUNITY PROVIDER RATE:** The appropriation includes \$339,696 total funds, including \$154,131 General Fund, for an across-the-board increase for community providers of 1.0 percent.

**ORPC CONTINUATION OF SOCIAL WORKER PILOT PROGRAM:** The appropriation includes \$302,640 General Fund to continue and evaluate an ORPC pilot program that provides respondent parents' counsel in two judicial districts with access to contract social workers.

**COURTHOUSE SECURITY GRANTS:** The appropriation increases spending from the Court Security Cash Fund by \$375,000, using \$250,000 to increase grants for courthouse security and using \$125,000 to offset \$125,000 of General Fund that is currently used to make courthouse security grants.

**INTERPRETERS:** The appropriation includes \$234,457 General Fund to increase by \$5 the hourly rate paid to certified contract court interpreters.

**OCPO ADDITIONAL FTE FOR INVESTIGATIONS:** The appropriation includes \$209,706 General Fund and 2.0 FTE to the Office of the Child Protection Ombudsman for additional investigations.

**INDIRECT COST ASSESSMENTS.** The appropriation includes a net increase of \$209,053 in the Department's indirect cost assessments, all from cash fund sources.

**ORPC MANDATED COSTS:** The appropriation includes \$191,999 General Fund for increased mandated costs to pay for expert witnesses, transcripts, and other court costs for the Office of the Respondent Parents' Counsel.

**ACCESS TO JUSTICE COORDINATOR:** The appropriation includes \$133,876 General Fund and 1.0 FTE for an Access to Justice Coordinator to guide and coordinate resources to broaden access to civil justice for all litigants, including self-represented litigants, individuals of modest means, those of limited or no English proficiency, and individuals with mental or physical disabilities.

**RESTORATIVE JUSTICE:** The appropriation includes \$120,000 cash funds from the Restorative Justice Surcharge Cash Fund to support growth in existing Restorative Justice programs and to expand funding for new Restorative Justice programs.

**INTERSTATE COMPACT FTE TRANSFER:** The appropriation transfers 2.0 FTE from the Department of Corrections to the Judicial Department, increasing General Fund expenditures by \$119,409 in the Judicial Department. These FTE administer an interstate compact that governs the placement of Colorado probationers and parolees in other states and the placement in Colorado of probationers and parolees from other states.

**OCR SOCIAL SERVICES PROFESSIONAL COORDINATOR:** The appropriation includes \$107,963 General Fund for 1.0 FTE Social Service Professional Coordinator who will expand the use of professional social workers in court proceedings involving children, such as dependency and neglect cases.

**IT STAFF AND PAY ADJUSTMENTS:** The appropriation provides the Judicial Department with \$80,775 General Fund to fill the personal-services funding shortfall that was created over the course of the last year as it matched pay offers that 10 of its IT professionals received from other potential employers. The appropriation also reduces FTE by 2.0, reflecting IT positions that the Department cannot fill.

**DISTRICT ATTORNEY MANDATED COSTS:** The appropriation includes \$74,543 General Fund to cover projected increases in mandated costs incurred by district attorneys.

**OSPD Additional grants:** The appropriation includes an additional informational cash funds appropriation of \$55,000 and 0.3 FTE that reflects a grant that the OSPD is receiving from the City and County of Denver.

**OADC ADMINISTRATIVE SUPPORT:** The appropriation includes \$49,981 General Fund and 1.0 FTE support staff to deal with the Office's caseload increase.

**OCR RECLASSIFY STAFF POSITIONS:** The appropriation includes \$49,538 General Fund for the reclassification of several positions in the OCR's El Paso County Guardian Ad Litem office.

**OSPD INTERPRETERS:** The appropriation includes \$38,702 General Fund for the increased cost of contract non-Spanish language interpreters. The appropriation is in response to a translator rate increase enacted by the Judicial Department during 2017 as well as increased demand for non-Spanish language interpreters.

**MERCHANT AND COURIER FEES:** The appropriation includes \$33,473 General Fund to pay for increased merchant fees on credit card transactions and increased fees for armored transportation of court fines and fees collected at each court location.

**OCR ADMINISTRATIVE ASSISTANT:** The appropriation includes \$20,896 General Fund and 0.5 FTE to increase a part time Administrative Assistant position in the Denver Office of the Child's Representative from half to full time.

**OCR INFORMATION SYSTEMS MANAGER:** The appropriation includes \$18,889 General Fund for reclassification of the Office's IT specialist.

**ORPC OPERATING EXPENSES.** The appropriation includes \$16,931 General Fund to align the appropriation with the needs of the Office of the Respondent Parent's Counsel and to complete scheduled replacements of computers and acquisition of software.

**OCR SALARY ALIGNMENT:** The appropriation includes \$5,350 to align salaries for two of the Office's positions with similar positions within the State Court Administrator's Office (i.e. the main Judicial office).

**FUND SOURCE ADJUSTMENT FOR INDIRECT COSTS.** The appropriation includes a \$77,739 decrease in the amount of indirect cost recoveries that are used to reduce the Department's General Fund appropriations, which is accomplished by decreasing the Department's appropriation of reappropriated funds from indirect cost recoveries by \$77,739 and increasing the appropriation of General Fund by an equal and offsetting amount.

**CREATE IT COST RECOVERIES LINE ITEM:** The appropriation creates a new line item called "IT cost recoveries" and transfers \$3,000,000 of cash fund appropriations related to e-filing to it in order to isolate e-filing program expenditures in the Long Bill.

**RELOCATE APPROPRIATION FOR CORRECTIONAL TREATMENT BOARD STAFF:** The appropriation moves the Long Bill appropriation for a Correctional Treatment Board staff member to the line item that contains most of the appropriations from the Correctional Treatment Cash Fund.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 17-18 ORPC Lease payment	\$46,687	\$46,687	\$0	\$0	\$0	0.0
FY 17-18 Adjust payment to PERA Judicial Div Trust due to 2.5% prior year increase in Judge salaries	41,019	41,019	0	0	0	0.0
FY 17-18 Salary survey	17,159	17,159	0	0	0	0.0
FY 17-18 Merit base pay	7,354	7,354	0	0	0	0.0
FY 17-18 Courthouse capital & infrastructure maintenance	(3,448,056)	(2,639,800)	(808,256)	0	0	0.0
FY 17-18 Judicial Department disaster recovery capability	(2,572,647)	0	(2,572,647)	0	0	0.0
FY 17-18 OCR Case management and billing system	(795,000)	(795,000)	0	0	0	0.0
FY 17-18 Payout to exonerated person	(658,844)	(658,844)	0	0	0	0.0
FY 17-18 ORPC Social Worker Pilot Program	(301,033)	(301,033)	0	0	0	0.0
FY 17-18 Supplemental for courthouse security	(250,000)	0	(250,000)	0	0	0.0
FY 17-18 OSPD Mandated and electronic data management expenses	(116,246)	(116,246)	0	0	0	0.0
FY 17-18 Funding for Archuleta County Court	(50,700)	(50,700)	0	0	0	0.0
FY 17-18 OCR El Paso Guardian ad Litem office	(37,864)	(37,864)	0	0	0	0.0
FY 17-18 OSPB supplemental	(23,772)	(23,772)	0	0	0	0.0
FY 17-18 OSPD Vehicles	(15,667)	(15,667)	0	0	0	0.0
FY 17-18 OSPD Support staff	(10,534)	(10,534)	0	0	0	0.0
FY 17-18 OSPD New criminal judge in the 12 <sup>th</sup> District	(2,168)	(2,168)	0	0	0	0.0
<b>TOTAL</b>	<b>(\$8,170,312)</b>	<b>(\$4,539,409)</b>	<b>(\$3,630,903)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**OCR CASELOAD/WORKLOAD:** The appropriation includes a \$612,421 General Fund reduction to align the Office's Court-Appointed Counsel appropriation with its lower workload and caseload.

**COMPENSATION FOR EXONERATED PERSONS:** The appropriation eliminates a \$110,124 General Fund appropriation for compensation of exonerated persons. There are currently no individuals who qualify for these payments.

**FUND SOURCE ADJUSTMENT FOR CARR CENTER TENANTS:** The appropriation reflects the effect of a \$105,682 increase in the leased space payments paid by tenants within the Ralph L. Carr Colorado Judicial Center, which are reflected as reappropriated funds.

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

# DEPARTMENT OF LABOR AND EMPLOYMENT

The Department consists of seven divisions:

- 1 The Executive Director's Office is responsible for providing common services to all divisions, including human resources and accounting services.
- 2 The Division of Unemployment Insurance is responsible for the administration and monitoring of Colorado's unemployment insurance programs, including audits and investigations to ensure proper payment of premiums and benefits.
- 3 The Division of Employment and Training is responsible for the administration of the workforce development programs, state-run workforce centers, and research and analysis on Colorado's employment trends.
- 4 The Division of Labor Standards and Statistics is responsible for ensuring employer compliance with State and federal employment laws and provides annual and monthly information on general labor market trends including unemployment rates, industry trends, and employee compensation by region and industry.
- 5 The Division of Oil and Public Safety is responsible for the inspection of boilers, conveyances, amusement park and carnival rides, distribution centers of petroleum products, storage sites for explosive materials, and monitoring the clean-up of leaking underground storage tanks.
- 6 The Division of Workers' Compensation is responsible for enforcing workers' compensation laws and the administration of the Major Medical Insurance and Subsequent Injury Funds.
- 7 The Division of Vocational Rehabilitation and Independent Living Services provides vocational rehabilitation services to individuals with disabilities so they can obtain employment. It also provides financial and technical support to non-profit independent living centers that help individuals with disabilities live and work independently in the community of their choice.

## DEPARTMENT BUDGET: RECENT APPROPRIATIONS

FUNDING SOURCE	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
General Fund	\$8,008,584	\$20,786,362	\$21,380,958	\$19,475,174
Cash Funds	74,251,770	71,493,888	72,525,276	80,841,770
Reappropriated Funds	4,439,547	9,401,877	9,515,450	7,521,018
Federal Funds	100,821,204	142,469,635	145,439,550	151,711,122
<b>TOTAL FUNDS</b>	<b>\$187,521,105</b>	<b>\$244,151,762</b>	<b>\$248,861,234</b>	<b>\$259,549,084</b>
Full Time Equiv. Staff	1,030.3	1,279.8	1,279.8	1,280.6

## GENERAL FACTORS DRIVING THE BUDGET

Funding for this department consists of 7.5 percent General Fund, 31.1 percent cash funds, 2.9 percent reappropriated funds, and 58.5 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

## WORKFORCE DEVELOPMENT PROGRAMS

These programs provide employment services for businesses and job training and placement services for job seekers through a network of state- and county-run one-stop workforce centers. Although most activities are supported with federal funds not subject to appropriation by the General Assembly, a portion is covered by state-appropriated cash funds. In addition, in recent years the General Assembly has created various targeted workforce development programs in this division that receive state General Fund appropriations. Employment and training programs account for 26.0 percent of the total Department appropriations and 13.2 of its General Fund appropriations in FY 2018-19. The Department's FY 2018-19 budget includes various changes associated with the final year of previously-authorized state workforce development programs and the reauthorization of these programs through new 2018 legislation.

## UNEMPLOYMENT INSURANCE PROGRAMS

The Unemployment Insurance Programs (UI Programs) provide temporary compensation to individuals who are laid off through no fault of their own. The appropriation for UI Programs 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. Unemployment Insurance claims are paid from the Unemployment Insurance Trust Fund (UITF), which is derived from premiums paid by Colorado employers but resides in the federal treasury. The federal Unemployment Insurance Program maintains the UITF in conjunction with the State.

The appropriation for administering the UI Programs accounts for 17.6 percent of the Department's FY 2018-19 appropriation. Over 70 percent of this is federal funds, while most of the balance is cash funds derived from a portion of employers' unemployment insurance premiums.

Economic cycles drive the demand for this program. In a healthy economy, the number of claims is lower, resulting in fewer benefits being paid. This both reduces the demand for state administrative activities and builds up the balance of the UITF. During challenging economic times, the number of claims and benefits paid increases, increasing administrative costs and reducing the balance of the UITF. As of May 2018, the balance in the UITF was \$958.3 million. A total of \$410 million in UI claims were paid in FY 2017-18.

## WORKERS' COMPENSATION

Colorado employers are required to carry workers' compensation insurance to pay for medical expenses incurred during the treatment of work-related injuries and for partial wage replacement. The Division of Workers' Compensation provides services to support this mandate including customer service, claims resolution, employer and employee education, and cost containment programs. The budget for the Division of Worker's Compensation 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. These administrative activities are supported by cash fund surcharges on workers' compensation premiums that are subject to appropriation by the General Assembly.

The Division also administers the Major Medical and Subsequent Injury programs, which provide benefits to individuals injured at work. The Major Medical program is available to industrial workers who sustained catastrophic injuries between 1971 and 1981. The Subsequent Injury program is designed to compensate employers for hiring an individual who has an existing partial disability. The injury must have been sustained before 1993 for traumatic injuries and before 1994 for occupational diseases. Funds for both programs are continuously appropriated pursuant Sections 8-46-202 (1)(c) and 8-46-101 (4)(b), C.R.S., respectively, and expenditures are dependent on claims processed during the fiscal year.

## DIVISION OF VOCATIONAL REHABILITATION AND INDEPENDENT LIVING CENTERS

On July 1, 2016 the Department of Labor and Employment began administering services previously provided by the Department of Human Services in the newly created Division of Vocational Rehabilitation and Independent Living Services. This division, created in FY 2016-17, consists of two subdivisions: (A) Vocational Rehabilitation Programs and (B) Office of Independent Living Services.

(A) Vocational Rehabilitation Programs assist individuals whose disabilities result in barriers to employment or independent living with attaining and maintaining employment and/or independent living. At any of the 43 field and satellite offices located throughout the state, rehabilitation counselors work with clients to assess their needs and identify appropriate vocational rehabilitation services. Most vocational rehabilitation program services are subject to a prescribed match rate of 78.7 percent federal funds to 21.3 percent non-federal funds.

(B) The Office of Independent Living Services distributes funding to the nine Independent Living Centers in Colorado that provide services to individuals with significant disabilities. The goal of independent living services is to provide individuals with the resources and skills to live independently in the community. Funding for independent living services is primarily state General Fund.

This division accounts for 22.7 percent of the Department's total appropriations and 58.9 percent of its General Fund appropriations in FY 2018-19.

## APPROPRIATION HIGHLIGHTS - 2018 LEGISLATIVE SESSION

DEPARTMENT OF LABOR AND EMPLOYMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$248,855,234	\$21,380,958	\$72,519,276	\$9,515,450	\$145,439,550	1,279.8
HB 17-1119	6,000	0	6,000	0	0	0.0
<b>TOTAL</b>	<b>\$248,861,234</b>	<b>\$21,380,958</b>	<b>\$72,525,276</b>	<b>\$9,515,450</b>	<b>\$145,439,550</b>	<b>1,279.8</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$248,861,234	\$21,380,958	\$72,525,276	\$9,515,450	\$145,439,550	1,279.8
Centrally appropriated line items	5,173,442	351,115	2,772,386	19,976	2,029,965	0.0
Informational funds adjustments	4,564,686	0	3,892	454,123	4,106,671	0.0
WORK Fund adjustments	1,600,000	0	5,000,000	(3,400,000)	0	0.0
Unemployment insurance reemployment program	180,900	0	180,900	0	0	0.0
Community provider rate adjustment	66,668	66,668	0	0	0	0.0
Indirect cost assessment	45,034	0	(57,802)	7,376	95,460	0.0
Fund source adjustment	0	0	73,030	(73,030)	0	0.0
Annualize prior year legislation	(3,565,296)	(3,400,000)	(165,296)	0	0	(0.5)
Annualize prior year budget actions	(468,981)	(7,539)	(498,041)	(2,877)	39,476	0.0
<b>HB 18-1322</b>	<b>\$256,457,687</b>	<b>\$18,391,202</b>	<b>\$79,834,345</b>	<b>\$6,521,018</b>	<b>\$151,711,122</b>	<b>1,279.3</b>
SB 18-145	2,131	2,131	0	0	0	0.0
SB 18-167	81,841	81,841	0	0	0	0.8
HB 18-1316	2,000,000	1,000,000	0	1,000,000	0	0.0
HB 18-1339	7,425	0	7,425	0	0	0.0
HB 18-1343	1,000,000	0	1,000,000	0	0	0.5
<b>TOTAL</b>	<b>\$259,549,084</b>	<b>\$19,475,174</b>	<b>\$80,841,770</b>	<b>\$7,521,018</b>	<b>\$151,711,122</b>	<b>1,280.6</b>
<b>INCREASE/(DECREASE)</b>	<b>\$10,687,850</b>	<b>(\$1,905,784)</b>	<b>\$8,316,494</b>	<b>(\$1,994,432)</b>	<b>\$6,271,572</b>	<b>0.8</b>
Percentage Change	4.3%	(8.9%)	11.5%	(21.0%)	4.3%	0.1%



## FY 2018-19 APPROPRIATION HIGHLIGHTS

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items, as detailed in the following table.

CENTRALLY APPROPRIATED LINE ITEMS					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
Salary survey adjustment	\$2,651,053	\$134,693	\$1,111,893	\$20,030	\$1,384,437
Health, life, and dental adjustment	921,942	12,989	886,396	13,851	8,706
Payments to OIT adjustment	704,928	190,768	124,479	(15,141)	404,822
Workers' compensation adjustment	274,436	10,978	76,843	0	186,615
CORE adjustment	180,924	0	45,071	0	135,853
Leased space adjustment	176,422	11,887	71,120	0	93,415
AED adjustment	155,586	(14,563)	296,423	613	(126,887)
SAED adjustment	155,586	(14,563)	296,423	613	(126,887)
Legal services adjustment	90,896	19,317	0	0	71,579
Payment to risk management / property funds adjustment	23,707	1,455	5,810	0	16,442
Vehicle lease payments adjustment	7,701	617	3,180	104	3,800
ALJ adjustment	(145,288)	0	(145,288)	0	0
Capitol Complex leased space adjustment	(14,781)	(1,124)	(4,607)	0	(9,050)
Short-term disability adjustment	(9,670)	(1,339)	4,643	(94)	(12,880)
<b>TOTAL</b>	<b>\$5,173,442</b>	<b>\$351,115</b>	<b>\$2,772,386</b>	<b>\$19,976</b>	<b>\$2,029,965</b>

**INFORMATIONAL FUNDS ADJUSTMENTS:** The appropriation includes adjustments to cash funds, reappropriated funds, and federal funds reflected in the Long Bill for informational purposes only. This includes adjustments for federal support for unemployment insurance program administration and school district and federal support for the School to Work Alliance Program in the Division of Vocational Rehabilitation.

**WORK FUND ADJUSTMENTS:** The appropriation includes an adjustment to funding for the Skilled Worker Outreach, Recruitment, and Key Training (WORK) Program that eliminates \$3.4 million reappropriated funds and replaces this amount with \$5.0 million cash funds. Both the reappropriated and cash fund amounts are from the WORK Fund and originate as General Fund appropriated in prior years. The FY 2018-19 amount provides sufficient spending authority to close out spending for the program.

**UNEMPLOYMENT INSURANCE REEMPLOYMENT PROGRAM:** The appropriation adds \$180,900 cash funds from the Unemployment Revenue Fund in FY 2018-19, decreasing to \$150,000 in future years, to implement a new online job search readiness system for claimants of unemployment insurance. The Department will purchase, from a vendor, licenses for claimant access to a suite of online job preparedness modules.

**COMMUNITY PROVIDER RATE ADJUSTMENT:** The appropriation includes an increase of \$66,668 General Fund for the 1.0 percent community provider rate increase for independent living centers in the Division of Vocational Rehabilitation.

**INDIRECT COST ASSESSMENT:** The appropriation includes an increase of \$45,034 total funds for the Department's statewide indirect cost assessment.

**FUND SOURCE ADJUSTMENT:** The appropriation includes a net \$0 fund source adjustment based on available revenue sources and the Department's indirect cost collection plan.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments related to prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 15-1276 Skilled Worker Outreach, Recruitment and Key Training Program	(\$3,400,000)	(\$3,400,000)	\$0	\$0	\$0	0.0
HB 16-1267 Veterans Service-to-Career Pilot Program	(165,296)	0	(165,296)	0	0	(0.5)
<b>TOTAL</b>	<b>(\$3,565,296)</b>	<b>(\$3,400,000)</b>	<b>(\$165,296)</b>	<b>\$0</b>	<b>\$0</b>	<b>(0.5)</b>

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 Conveyance app and database	(\$445,000)	\$0	(\$445,000)	\$0	\$0	0.0
FY 2017-18 Merit pay	(13,273)	114	(27,436)	(1,267)	15,316	0.0
FY 2017-18 Salary survey	(10,708)	(7,653)	(25,605)	(1,610)	24,160	0.0
<b>TOTAL</b>	<b>(\$468,981)</b>	<b>(\$7,539)</b>	<b>(\$498,041)</b>	<b>(\$2,877)</b>	<b>\$39,476</b>	<b>0.0</b>

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

# DEPARTMENT OF LAW

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

The Attorney General also has primary authority for: enforcement of consumer protection and antitrust laws; prosecution of criminal appeals and some complex white-collar crimes; the statewide grand jury; training and certification of peace officers; and certain natural resource and environmental matters. The Attorney General and her 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 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
General Fund	\$15,283,511	\$15,190,519	\$16,214,183	\$16,611,039
Cash Funds	15,807,162	15,629,323	17,314,175	18,047,080
Reappropriated Funds	44,919,639	45,875,081	45,720,252	46,803,973
Federal Funds	1,796,425	1,785,637	1,828,471	2,002,322
<b>TOTAL FUNDS</b>	<b>\$77,806,737</b>	<b>\$78,480,560</b>	<b>\$81,077,081</b>	<b>\$83,464,414</b>
Full Time Equiv. Staff	477.6	484.5	473.4	477.2

## GENERAL FACTORS DRIVING THE BUDGET

Funding for this department consists of 19.9 percent General Fund, 21.6 percent cash funds, 56.1 percent reappropriated funds, and 2.4 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

### LEGAL SERVICES TO STATE AGENCIES

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

For FY 2018-19, the General Assembly has authorized the Department of Law to spend up to \$41.1 million providing legal services to state agencies (including associated central appropriations for items such as employee benefits, leased space, and information technology costs). This amount represents 49.2 percent of the Department's total appropriation. As shown in the table below, eight agencies account for more than 84.0 percent of these services. The table also details the total number of hours of legal services provided and the blended hourly rate charged by the Department.

## LEGAL SERVICES TO STATE AGENCIES: FY 2014-15 TO FY 2018-19

STATE DEPARTMENT	FY 14-15 ACTUAL	FY 15-16 ACTUAL	FY 16-17 ACTUAL	FY 17-18 APPROP./ ESTIM.	FY 18-19 APPROP./ ESTIM.	PERCENT OF TOTAL
Regulatory Agencies	\$9,965,585	\$8,480,393	\$9,053,456	\$10,112,352	\$10,021,244	24.4%
Personnel	4,262,304	4,440,913	4,565,137	7,288,282	5,273,083	12.8%
Natural Resources	5,105,845	4,881,713	4,761,792	5,433,175	5,508,277	13.4%
Revenue	3,971,975	3,839,366	4,096,760	4,218,602	4,370,044	10.6%
Public Health and Environment	2,958,702	3,024,527	2,966,184	3,266,490	3,266,490	8.0%
Human Services	2,122,858	1,995,197	2,173,268	2,263,270	2,336,860	5.7%
Corrections	1,985,056	1,728,433	1,768,814	1,869,702	2,030,978	4.9%
Transportation	1,488,468	1,480,174	1,335,102	1,576,768	1,670,132	4.1%
Other agencies <sup>1</sup>	6,068,147	5,761,599	5,935,443	6,718,670	6,605,006	16.1%
<b>Total Expenditures/ Appropriation</b>	<b>\$37,928,940</b>	<b>\$35,632,315</b>	<b>\$36,655,956</b>	<b>\$42,747,311</b>	<b>\$41,082,114</b>	<b>100.0%</b>
% change of total from prior year	14.4%	(6.1%)	2.9%	16.6%	(3.9%)	
% of total Department of Law appropriations	50.7%	45.8%	46.7%	52.7%	49.2%	
% of total state operating appropriations	0.2%	0.1%	0.1%	0.1%	0.1%	
<b>Blended Legal Rate</b>	<b>\$99.01</b>	<b>\$95.01</b>	<b>\$95.05</b>	<b>\$106.56</b>	<b>\$103.63</b>	
% change from prior year	8.7%	(4.0%)	0.0%	12.1%	(2.7%)	
<b>Total Hours</b>	<b>383,032</b>	<b>375,058</b>	<b>385,649</b>	<b>401,157</b>	<b>382,305</b>	
% change from prior year	5.2%	(2.1%)	2.8%	4.0%	(4.7%)	

<sup>1</sup>Actual expenditures are provided by the Department of Law. The appropriation columns include the Department's estimates of legal services to be provided to institutions of higher education and to the Public Employees' Retirement Association (PERA).

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

## CRIMINAL JUSTICE AND APPELLATE

The largest allocation of General Fund in the Department is for the Criminal Justice and Appellate section, which accounts for 36.8 percent of General Fund appropriations to the Department for FY 2018-19. More than half of the General Fund in this section is devoted to the Appellate Unit, which represents the State in criminal appeals, and about one-third is devoted to the Special Prosecutions Unit, which investigates and prosecutes a variety of crimes. The following table provides expenditure and workload data for the Appellate Unit. In FY 2013-14, the General Assembly appropriated funding to add 6.0 attorney FTE to allow the Department to address a growing backlog of criminal appeals cases. The FY 2014-15 appropriation added an additional administrative assistant to support the expanded Appellate Unit. The FY 2016-17 appropriation eliminated 1.0 attorney FTE added on a time-limited basis in FY 2014-15 to address the case backlog.

### APPELLATE UNIT DATA: FY 2013-14 TO FY 2018-19

	FY 13-14 ACTUAL	FY 14-15 ACTUAL	FY 15-16 ACTUAL	FY 16-17 ACTUAL	FY 17-18 APPROP.	FY 18-19 APPROP.
Expenditures/Appropriations (excluding central appropriations)	\$3,230,248	\$3,692,658	\$3,498,574	\$3,854,792	\$3,858,054	\$3,953,309
FTE	37.0	37.7	36.2	35.8	38.0	38.0
Opening briefs received	911	952	1,056	968	n/a	n/a
Answer briefs filed	1,149	1,017	911	931	n/a	n/a
Case backlog	320	264	428	466	n/a	n/a

## DISTRICT ATTORNEYS' SALARIES

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

render legal advice to peace officers pertaining to affidavits and warrants for arrests, searches, seizures, and court orders for the production of records.

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

The appropriation to the Department of Law for the State's contribution for DA salaries currently accounts for 16.6 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 2018-19			
FISCAL YEAR	EXPENDITURES/ APPROPRIATIONS	ANNUAL INCREASE	CUMULATIVE INCREASE
2007-08	\$1,315,985	n/a	n/a
2008-09	1,654,605	\$338,620	\$338,620
2009-10	2,096,027	441,422	780,042
2010-11	2,263,229	167,202	947,244
2011-12	2,479,847	216,618	1,163,862
2012-13	2,656,471	176,624	1,340,486
2013-14	2,676,960	20,489	1,360,975
2014-15	2,697,640	20,680	1,381,655
2015-16	2,718,249	20,609	1,402,264
2016-17	2,738,841	20,592	1,422,856
2017-18 appropriation	2,749,138	10,297	1,433,153
2018-19 appropriation	2,749,138	0	1,433,153

## APPROPRIATION HIGHLIGHTS - 2018 LEGISLATIVE SESSION

DEPARTMENT OF LAW						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$80,889,104	\$16,196,933	\$17,305,035	\$45,558,665	\$1,828,471	472.5
SB 17-126	19,750	17,250	2,500	0	0	0.0
SB 17-198	9,505	0	0	9,505	0	0.1
SB 17-216	6,640	0	6,640	0	0	0.0
HB 17-1221	4,753	0	0	4,753	0	0.0
HB 17-1284	42,773	0	0	42,773	0	0.3
HB 17-1313	4,753	0	0	4,753	0	0.0
HB 17-1326	4,753	0	0	4,753	0	0.0
HB 17-1367	95,050	0	0	95,050	0	0.5
<b>TOTAL</b>	<b>\$81,077,081</b>	<b>\$16,214,183</b>	<b>\$17,314,175</b>	<b>\$45,720,252</b>	<b>\$1,828,471</b>	<b>473.4</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$81,077,081	\$16,214,183	\$17,314,175	\$45,720,252	\$1,828,471	473.4
Centrally appropriated line items	1,930,279	644,807	419,493	764,783	101,196	0.0
Indirect cost assessment	221,562	4,744	75,124	137,118	4,576	0.0
Annualize prior year legislation	171,731	0	0	171,731	0	1.0
Medicaid fraud investigator	90,772	22,693	0	0	68,079	0.0
POST compliance inspector	76,070	0	76,070	0	0	1.0
Adjust anticipated grant funds	12,956	0	0	12,956	0	0.0

DEPARTMENT OF LAW						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Fund source adjustments	0	(133,124)	349,168	(216,044)	0	0.0
Combine marijuana appropriations in POST	0	0	0	0	0	(1.0)
Budget reductions	(425,000)	0	(325,000)	(100,000)	0	0.0
Annualize prior year budget actions	(88,363)	(142,264)	(26,870)	80,771	0	0.0
<b>HB 18-1322</b>	<b>\$83,067,088</b>	<b>\$16,611,039</b>	<b>\$17,882,160</b>	<b>\$46,571,567</b>	<b>\$2,002,322</b>	<b>474.4</b>
SB 18-027	93,773	0	0	93,773	0	0.5
SB 18-145	2,131	0	0	2,131	0	0.0
SB 18-167	12,787	0	0	12,787	0	0.1
SB 18-234	5,328	0	0	5,328	0	0.0
SB 18-243	10,656	0	0	10,656	0	0.1
SB 18-271	10,656	0	0	10,656	0	0.0
HB 18-1017	15,984	0	0	15,984	0	0.1
HB 18-1224	64,575	0	0	64,575	0	0.3
HB 18-1280	14,918	0	0	14,918	0	0.1
HB 18-1353	1,598	0	0	1,598	0	0.0
HB 18-1434	164,920	0	164,920	0	0	1.6
<b>TOTAL</b>	<b>\$83,464,414</b>	<b>\$16,611,039</b>	<b>\$18,047,080</b>	<b>\$46,803,973</b>	<b>\$2,002,322</b>	<b>477.2</b>
<b>INCREASE/(DECREASE)</b>	<b>\$2,387,333</b>	<b>\$396,856</b>	<b>\$732,905</b>	<b>\$1,083,721</b>	<b>\$173,851</b>	<b>3.8</b>
Percentage Change	2.9%	2.4%	4.2%	2.4%	9.5%	0.8%

## FY 2018-19 APPROPRIATION HIGHLIGHTS

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items, as detailed in the following table.

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey	\$1,475,495	\$410,639	\$164,611	\$863,599	\$36,646	0.0
Health, life, and dental	346,036	76,273	116,483	114,607	38,673	0.0
Workers' compensation	61,278	18,298	10,241	30,963	1,776	0.0
Carr Judicial Center lease costs	59,002	26,716	90,837	(62,032)	3,481	0.0
AED	52,625	51,766	2,603	(11,759)	10,015	0.0
SAED	52,625	51,766	2,603	(11,759)	10,015	0.0
CORE operations	22,090	6,848	3,798	10,797	647	0.0
Vehicle lease payments	20,792	9,734	5,907	5,151	0	0.0
Legal services	3,921	1,908	2,013	0	0	0.0
Short-term disability	2,000	1,967	99	(447)	381	0.0
IT asset maintenance	0	2,093	22,495	(25,024)	436	0.0
Payments to OIT	(104,024)	(11)	4,945	(109,208)	250	0.0
Payment to risk management / property funds	(51,118)	(12,953)	(5,059)	(31,982)	(1,124)	0.0
Continuing legal education	(8,360)	(237)	0	(8,123)	0	0.0
Administrative law judge services	(2,083)	0	(2,083)	0	0	0.0
<b>TOTAL</b>	<b>\$1,930,279</b>	<b>\$644,807</b>	<b>\$419,493</b>	<b>\$764,783</b>	<b>\$101,196</b>	<b>0.0</b>

**INDIRECT COST ASSESSMENT:** The appropriation includes adjustments based on the Department's indirect cost assessment plan.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments related to prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 17-1284 Protecting At-risk Adults	\$175,842	\$0	\$0	\$175,842	\$0	1.0
HB 17-1057 Physical Therapy Interstate Compact	14,259	0	0	14,259	0	0.1
SB 15-288 Compensation Paid to Certain Public Officials	10,621	0	0	10,621	0	0.0
HB 17-1367 Marijuana Research Authorization	(19,010)	0	0	(19,010)	0	(0.1)
HB 17-1221 Gray and Black Market Marijuana Enforcement Grants	(3,327)	0	0	(3,327)	0	0.0
HB 17-1313 Civil Forfeiture Reform	(3,327)	0	0	(3,327)	0	0.0
HB 17-1326 Justice Reinvestment Crime Prevention	(3,327)	0	0	(3,327)	0	0.0
<b>TOTAL</b>	<b>\$171,731</b>	<b>\$0</b>	<b>\$0</b>	<b>\$171,731</b>	<b>\$0</b>	<b>1.0</b>

**MEDICAID FRAUD INVESTIGATOR:** The appropriation includes an increase of \$90,772 total funds (including \$22,693 General Fund and \$68,079 federal funds) to support an additional criminal investigator in the Medicaid Fraud Control Unit (MFCU). As the MFCU has a vacant position, an additional FTE is not necessary.

**POST COMPLIANCE INSPECTOR:** The appropriation includes an increase of \$76,070 cash funds from the Peace Officers Standards and Training (P.O.S.T.) Board Cash Fund and 1.0 FTE to support an additional compliance inspector on the P.O.S.T. Board staff to address increasing workload and increase the frequency of compliance inspections of law enforcement training academies.

**ADJUST ANTICIPATED GRANT FUNDS:** The appropriation includes an increase of \$12,956 reappropriated funds to reflect the total amount of grant funding anticipated to be available from the Department of Public Safety. The total includes the following increases: (1) \$11,084 for efforts to investigate and prosecute multi-jurisdictional auto theft; and (2) \$1,872 associated with victims' assistance programs. Section 24-31-108 (1)(b)(I), C.R.S., continuously appropriates grant funds to the Department of Law, and these funds are reflected in the Long Bill for informational purposes only.

**FUND SOURCE ADJUSTMENTS:** The appropriation includes an increase of cash funds that is offset by reductions in General Fund and reappropriated funds.

**COMBINE MARIJUANA APPROPRIATIONS IN POST:** The appropriation includes a shift of \$286,766 cash funds from the Marijuana Tax Cash Fund and 1.0 FTE from the Special Prosecutions Unit to the P.O.S.T. Board in order to consolidate all of the Department's marijuana-related training activities within the P.O.S.T. Board line item. The appropriation also consolidates 2.0 FTE previously appropriated to the Special Prosecutions Unit into a single position in the P.O.S.T. Board, resulting in a reduction of 1.0 FTE below the FY 2017-18 appropriation.

**BUDGET REDUCTIONS:** The appropriation includes reductions of cash and reappropriated funds spending authority totaling \$425,000 to better align appropriations with anticipated expenditures for three line items, including the following reductions: (1) \$200,000 cash funds from the Tobacco Settlement Defense Account currently appropriated to the Tobacco Litigation line item; (2) \$125,000 cash funds from the Colorado Water Conservation Board Litigation Fund currently appropriated to the Consultant Expenses line item in the Water and Natural Resources section; and (3) \$100,000 reappropriated funds (originally from the Hazardous Substance Response Fund in the Department of Public Health and Environment) to eliminate the Comprehensive Environmental Response, Compensation and Liability (CERCLA) Acts Contracts line item, also within the Water and Natural Resources section.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments related to prior year budget actions, primarily decision items. The following table itemizes the recommended annualizations for FY 2018-19.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 17-18 Salary survey	\$0	(\$61,127)	\$0	\$61,127	\$0	0.0
FY 17-18 Merit base pay	0	(26,137)	0	26,137	0	0.0
FY 16-17 Developmental disability funding for deputy district attorneys	(55,000)	(55,000)	0	0	0	0.0
FY 17-18 Consumer protection FTE	(16,728)	0	(16,728)	0	0	0.0
FY 17-18 Financial fraud investigators	(11,932)	0	(10,142)	(1,790)	0	0.0
FY 17-18 IT security FTE	(4,703)	0	0	(4,703)	0	0.0
<b>TOTAL</b>	<b>(\$88,363)</b>	<b>(\$142,264)</b>	<b>(\$26,870)</b>	<b>\$80,771</b>	<b>\$0</b>	<b>0.0</b>

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



# LEGISLATIVE BRANCH

The Legislative Branch includes the elected officials of the House of Representatives and the Senate and the necessary staff to support them in their duties and responsibilities. The staff includes those assigned to both the House and the Senate; the State Auditor's Office; the Joint Budget Committee; the Legislative Council; the Office of Legislative Legal Services; and the Colorado Reapportionment Commission. The service agency staff is full-time nonpartisan professionals, while the majority of the House and Senate staff serves only when the General Assembly is in session.

## DEPARTMENT BUDGET: RECENT APPROPRIATIONS

FUNDING SOURCE	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
General Fund	\$43,297,162	\$44,789,293	\$48,280,517	\$50,287,893
Cash Funds	179,000	179,000	470,869	470,869
Reappropriated Funds	1,165,000	900,000	1,177,000	961,299
Federal Funds	0	0	0	0
<b>TOTAL FUNDS</b>	<b>\$44,641,162</b>	<b>\$45,868,293</b>	<b>\$49,928,386</b>	<b>\$51,720,061</b>
Full Time Equiv. Staff	281.3	285.0	287.7	289.5

## GENERAL FACTORS DRIVING THE BUDGET

Funding for this department consists of 97.2 percent General Fund, 0.9 percent cash funds, and 1.9 percent reappropriated funds. Some of the major factors driving the Department's budget are discussed below.

### SPECIAL STUDIES OR FUNCTIONS

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

LEGISLATIVE SPECIAL STUDIES				
SPECIAL STUDY	FY 2015-16 ACTUAL	FY 2016-17 ACTUAL	FY 2017-18 ESTIMATE	FY 2018-19 ESTIMATE
Property Tax Study	\$624,000	\$644,000	\$654,000	\$676,000
Ballot Analysis	\$497,888	\$2,105,770	\$0	\$2,200,000

# APPROPRIATION HIGHLIGHTS - 2018 LEGISLATIVE SESSION

LEGISLATIVE DEPARTMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-230 (Legislative Appropriation)	\$43,595,138	\$42,578,138	\$90,000	\$927,000	\$0	286.9
SB 17-254 (Long Bill)	5,626,005	5,376,005	0	250,000	0	0.0
HB 17-1216	26,374	26,374	0	0	0	0.4
HB 17-1340	380,869	0	380,869	0	0	0.4
HB 17-1361	300,000	300,000	0	0	0	0.0
<b>TOTAL</b>	<b>\$49,928,386</b>	<b>\$48,280,517</b>	<b>\$470,869</b>	<b>\$1,177,000</b>	<b>\$0</b>	<b>287.7</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$49,928,386	\$48,280,517	\$470,869	\$1,177,000	\$0	287.7
Salary/benefits/operating adjustments	1,894,964	1,860,665	0	34,299	0	(0.4)
Property tax study adjustment	16,000	16,000	0	0	0	0.0
Cost of living analysis adjustment	(250,000)	0	0	(250,000)	0	0.0
Ballot analysis adjustment	(244,170)	(244,170)	0	0	0	0.0
Centrally appropriated line items	(165,649)	(165,649)	0	0	0	0.0
<b>HB 18-1293 (Legislative Appropriation)<sup>1</sup></b>	<b>\$46,348,261</b>	<b>\$44,916,093</b>	<b>\$470,869</b>	<b>\$961,299</b>	<b>\$0</b>	<b>287.3</b>
<b>HB 18-1322 (Long Bill)<sup>1</sup></b>	<b>4,831,270</b>	<b>4,831,270</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>
SB 18-031	54,257	54,257	0	0	0	1.0
SB 18-039	49,125	49,125	0	0	0	0.4
SB 18-163	31,155	31,155	0	0	0	0.4
SB 18-200	200,000	200,000	0	0	0	0.0
HB 18-1003	39,249	39,249	0	0	0	0.4
HB 18-1186	25,000	25,000	0	0	0	0.0
HB 18-1421	141,744	141,744	0	0	0	0.0
<b>TOTAL</b>	<b>\$51,720,061</b>	<b>\$50,287,893</b>	<b>\$470,869</b>	<b>\$961,299</b>	<b>\$0</b>	<b>289.5</b>
<b>INCREASE/(DECREASE)</b>	<b>\$1,791,675</b>	<b>\$2,007,376</b>	<b>\$0</b>	<b>(\$215,701)</b>	<b>\$0</b>	<b>1.8</b>
Percentage Change	3.6%	4.2%	0.0%	(18.3%)	n/a	0.6%

<sup>1</sup> The FY 2017-18 Appropriation plus the sum of the incremental changes described in the appropriation highlights equals the combined appropriation in H.B. 18-1293 (Legislative Appropriation) and H.B. 18-1322 (Long Bill).

## FY 2018-19 APPROPRIATION HIGHLIGHTS

**SALARY/BENEFITS/OPERATING ADJUSTMENTS:** The appropriation includes a net increase of \$1,894,964, including an increase of \$1,860,665 General Fund, that is primarily the result of changes in health, life, and dental insurance benefits; increases for a 3.0 percent base salary increase; increases to specific agencies' personal services, operating, and travel budgets; an increase for the Capitol Building Advisory Committee; an increase for non-metro legislator per diem pursuant to statute; increases for the Legislative Aides Program; and dues for joint governmental agencies.

**PROPERTY TAX STUDY ADJUSTMENT:** The appropriation includes an increase of \$16,000 General Fund for the audit of county assessor values that the Legislative Council staff is required to complete annually pursuant to Section 39-1-104 (16)(a), C.R.S.

**COST OF LIVING ANALYSIS ADJUSTMENT:** The appropriation includes a decrease of \$250,000 reappropriated funds from a transfer from the Department of Education for a cost of living study. Legislative Council staff, pursuant to Section 22-54-104 (5)(c)(III)(A), C.R.S., is required to certify the cost of living factor for each school district every two years based on a cost of living analysis that is typically conducted through a contract. The appropriation is eliminated for FY 2018-19 as the Legislative Council staff is not required to perform the analysis in FY 2018-19.

**BALLOT ANALYSIS ADJUSTMENT:** The appropriation includes a decrease of \$244,170 General Fund for the costs associated with an analysis of measures on the ballot. Section 1 (7.5) of Article V of the State Constitution requires the nonpartisan research staff of the General Assembly to perform this function.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for the following: supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund, Capitol Complex maintenance costs, workers compensation, payments to risk management and property funds, CORE operations, legal services, and information technology costs.

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# DEPARTMENT OF LOCAL AFFAIRS

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

## DEPARTMENT BUDGET: RECENT APPROPRIATIONS

FUNDING SOURCE	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
General Fund <sup>1</sup>	\$24,626,224	\$25,487,580	\$30,324,944	\$37,086,367
Cash Funds	209,312,306	194,098,487	181,821,729	186,097,459
Reappropriated Funds	10,487,107	10,915,745	11,319,391	12,147,248
Federal Funds	76,876,045	75,085,768	80,705,121	80,813,401
<b>TOTAL FUNDS</b>	<b>\$321,301,682</b>	<b>\$305,587,580</b>	<b>\$304,171,185</b>	<b>\$316,144,475</b>
Full Time Equiv. Staff	172.5	173.9	179.2	181.1

<sup>1</sup> Includes General Fund Exempt.

## GENERAL FACTORS DRIVING THE BUDGET

Funding for this department consists of 11.7 percent General Fund, 58.9 percent cash funds, 3.8 percent reappropriated funds, and 25.6 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

### DEDICATED CASH FUND SOURCES

The Department awards grants and oversees direct distributions to local governments for various programs with dedicated cash fund revenue sources. The FY 2018-19 appropriation for the Department reflects \$154.9 million cash funds for these programs, nearly half of the Department's overall budget. These amounts are shown for informational purposes only, and actual expenditures may differ significantly from the amounts shown in the annual Long Bill. These sources include the following:

- Local Government Mineral and Energy Impact Grants and Disbursements (\$100.0 million) – state severance tax and federal mineral lease revenues that are distributed to local governments affected by mineral extraction activities through statutory formulas and grants;
- Conservation Trust Fund Disbursements (\$50.0 million) – state lottery proceeds distributed to local entities on a formula basis for parks, recreation, and open space purposes; and
- Limited Gaming Impact Grants (\$4.9 million) – limited gaming tax revenues distributed to communities impacted by gaming activities.

### FEDERAL FUNDS

Federal funds comprise about one quarter (\$80.8 million) of the Department of Local Affairs' FY 2018-19 appropriation. Most of the Department's federally-funded programs do not require state matching funds and are provided at the discretion of federal authorities. Annual expenditures from some of the major ongoing federal grants administered by this department are summarized in the following table.

**ANNUAL EXPENDITURES FROM MAJOR ONGOING FEDERAL GRANTS  
ADMINISTERED BY DEPARTMENT OF LOCAL AFFAIRS (\$ MILLIONS)**

	FY 2014-15 ACTUAL	FY 2015-16 ACTUAL	FY 2016-17 ACTUAL	FY 2017-18 APPROP.
Federal Department of Housing and Urban Development (HUD)				
rental subsidies	\$44.6	\$49.4	\$52.2	\$50.5
HUD affordable housing development <sup>1</sup>	6.2	5.0	3.7	12.0
Health and Human Services Community Services Block Grant	6.1	6.3	5.5	6.0
HUD Community Development Block Grant <sup>1</sup>	14.0	8.3	9.6	5.2
HUD Emergency Shelter and Homeless Prevention Programs	1.6	1.5	1.7	1.8

<sup>1</sup>The portion of the Community Development Block Grant (CDBG) that is used for affordable housing development in the appropriation year is included in the affordable housing development amount, rather than the CDBG amount. However, actual expenditures reflect the Department's practice of expending all CDBG funds in the CDBG line item. In addition, the CDBG amount does not include CDBG-DR (disaster recovery) amounts that are not reflected in the Long Bill.

## DISCRETIONARY APPROPRIATIONS OF STATE FUNDS

Appropriations to the Department from the General Fund and the Marijuana Tax Cash Fund (MTCF) have increased in recent years to support a number of new initiatives, including the following annual appropriations:

- \$15.3 million from the MTCF to provide construction funding, rental assistance, and supportive services for individuals with behavioral health disorders, individuals who are transitioning from the criminal or juvenile justice systems, and other individuals with significant needs who are homeless or at risk of homelessness;
- \$6.0 million from the MTCF to provide grants to support local law enforcement efforts to investigate and prosecute unlicensed and illegal marijuana cultivation and distribution operations;
- \$5.0 million General Fund for the Fort Lyon Supportive Residential Community, a program that was created in 2013 to provide transitional housing and supportive services to chronically homeless individuals;
- \$4.0 million General Fund for small business loans and grants that are designed to reduce crime and promote community development in the target communities of north Aurora and southeast Colorado Springs;
- \$2.0 million General Fund to support local law enforcement efforts to engage mental health professionals who can provide on-scene response services to support officers' handling of persons with mental health disorders, as well as counseling services to peace officers; and
- \$1.9 million General Fund to reimburse local governments for costs associated with the provision of defense counsel to defendants at their first appearances in municipal courts.

## APPROPRIATION HIGHLIGHTS - 2018 LEGISLATIVE SESSION

DEPARTMENT OF LOCAL AFFAIRS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$294,037,300	\$26,136,451	\$175,876,337	\$11,319,391	\$80,705,121	176.6
HB 17-1221	5,945,392	0	5,945,392	0	0	1.3
HB 17-1313	84,451	84,451	0	0	0	0.5
HB 17-1326	5,865,182	5,865,182	0	0	0	0.8
HB 18-1409	(1,761,140)	(1,761,140)	0	0	0	0.0
<b>TOTAL</b>	<b>\$304,171,185</b>	<b>\$30,324,944</b>	<b>\$181,821,729</b>	<b>\$11,319,391</b>	<b>\$80,705,121</b>	<b>179.2</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$304,171,185	\$30,324,944	\$181,821,729	\$11,319,391	\$80,705,121	179.2
Housing assistance for reentry population	4,758,600	0	4,758,600	0	0	0.0
Peace Officers Mental Health Support Grant Program	4,000,000	2,000,000	0	2,000,000	0	0.0
Affordable housing construction grants and loans	1,000,000	1,000,000	0	0	0	0.0
Centrally appropriated line items	614,602	(380,458)	635,670	188,648	170,742	0.0

DEPARTMENT OF LOCAL AFFAIRS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Indirect cost assessment	335,035	0	65,566	331,931	(62,462)	0.0
Cybersecurity training for local governments	250,000	250,000	0	0	0	0.0
Technical changes	66,904	182,569	(115,665)	0	0	0.0
Strategic Planning Group on Coloradans Age 50 and Over	55,000	55,000	0	0	0	0.0
Indirect cost assessment fund source adjustment	0	50,985	0	(50,985)	0	0.0
Eliminate funding for Marijuana Impact Grant Program	(1,120,636)	0	(1,120,636)	0	0	(1.0)
Modify use of energy impact funds for administration	(305,809)	1,391,437	0	(1,697,246)	0	0.0
Annualize prior year legislation	(83,766)	(86,131)	2,365	0	0	0.4
Annualize prior year budget actions	(5,476)	(27)	(170)	(5,279)	0	0.0
<b>HB 18-1322</b>	<b>\$313,735,639</b>	<b>\$34,788,319</b>	<b>\$186,047,459</b>	<b>\$12,086,460</b>	<b>\$80,813,401</b>	<b>178.6</b>
SB 18-016	60,788	0	0	60,788	0	1.0
SB 18-191	50,000	0	50,000	0	0	0.0
HB 18-1267	132,328	132,328	0	0	0	1.0
HB 18-1326	306,000	306,000	0	0	0	0.0
HB 18-1339	6,683	6,683	0	0	0	0.0
HB 18-1353	1,853,037	1,853,037	0	0	0	0.5
<b>TOTAL</b>	<b>\$316,144,475</b>	<b>\$37,086,367</b>	<b>\$186,097,459</b>	<b>\$12,147,248</b>	<b>\$80,813,401</b>	<b>181.1</b>
<b>INCREASE/(DECREASE)</b>	<b>\$11,973,290</b>	<b>\$6,761,423</b>	<b>\$4,275,730</b>	<b>\$827,857</b>	<b>\$108,280</b>	<b>1.9</b>
Percentage Change	3.9%	22.3%	2.4%	7.3%	0.1%	1.1%

<sup>1</sup> Includes General Fund Exempt.

<sup>2</sup> Includes \$4,230,000 in FY 2017-18 and \$4,300,000 in FY 2018-19 that is not subject to the statutory restriction on state General Fund appropriations imposed by Section 24-75-201.1, C.R.S.

## FY 2017-18 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 18-1409 eliminates the \$1,761,140 General Fund appropriation to the Parole Savings Fund that was included in H.B. 17-1326.

## FY 2018-19 APPROPRIATION HIGHLIGHTS

**HOUSING ASSISTANCE FOR REENTRY POPULATION:** The appropriation includes \$4,758,600 cash funds from the Housing Assistance for Persons Transitioning from the Criminal or Juvenile Justice System Cash Fund. Pursuant to S.B. 17-021, these funds will be used by the Department's Division of Housing to provide housing assistance for persons with behavioral or mental health disorders who are transitioning from incarceration. The source of funding is a transfer of unspent General Fund money that was appropriated to the Department of Public Safety for FY 2016-17 for community corrections programs and services.

**PEACE OFFICERS MENTAL HEALTH SUPPORT GRANT PROGRAM:** The appropriation includes \$2,000,000 General Fund for implementation of the Peace Officers Mental Health Support Grant Program. This program was created through H.B. 17-1215 to provide financial support for local law enforcement agencies to engage mental health professionals who can provide on-scene response services to support officers' handling of persons with mental health disorders, as well as counseling services to peace officers. This appropriation is credited to the Peace Officers Mental Health Support Fund, so the appropriation includes a matching amount of spending authority out of this cash fund (reappropriated funds).

**AFFORDABLE HOUSING CONSTRUCTION GRANTS AND LOANS:** The appropriation includes \$1,000,000 General Fund for affordable housing construction grant and loan programs.

**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 Employee Retirement Association (PERA) pension fund; salary survey; workers' compensation; legal services; payment to risk management and property funds; vehicle lease payments; Capitol complex leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net increase in the Department's indirect cost assessments. This net increase of \$335,035 total funds does not, however, include the \$305,809 reduction in indirect cost assessments that results from the modified use of energy impact funds for department administrative functions (described below).

**CYBERSECURITY TRAINING FOR LOCAL GOVERNMENTS:** The appropriation includes \$250,000 General Fund to reimburse local government staff and other eligible personnel for cybersecurity training.

**TECHNICAL CHANGES:** The appropriation includes three technical changes, as detailed in the table below.

TECHNICAL CHANGES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Annual adjustment for volunteer firefighter retirement plans	\$70,000	\$70,000	\$0	\$0	\$0	0.0
Fund source adjustment	0	112,569	(112,569)	0	0	0.0
Adjust amount from Conservation Trust Fund to reflect rounded estimate	(3,096)	0	(3,096)	0	0	0.0
<b>TOTAL</b>	<b>\$66,904</b>	<b>\$182,569</b>	<b>(\$115,665)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**STRATEGIC PLANNING GROUP ON COLORADANS AGE 50 AND OVER:** The appropriation includes \$55,000 General Fund to support the continued work of this planning group that was established through H.B. 15-1033.

**INDIRECT COST ASSESSMENT FUND SOURCE ADJUSTMENT:** The appropriation includes a net decrease in the amounts from indirect cost recoveries and reserves in the Indirect Cost Recoveries Cash Fund that are applied to offset the need for General Fund in the Department. The appropriation also simplifies the application of indirect cost recoveries by consolidating all appropriations from these sources in the Executive Director's Office, which results in a \$0 overall impact.

**ELIMINATE FUNDING FOR MARIJUANA IMPACT GRANT PROGRAM:** The appropriation reflects a decrease of \$1,120,636 cash funds from the Marijuana Tax Cash Fund and 1.0 FTE to eliminate funding for the Local Government Marijuana Impact Grant Program.

**MODIFY USE OF ENERGY IMPACT FUNDS FOR ADMINISTRATION:** The appropriation reflects a series of fund source adjustments to establish a new methodology for using energy impact funds to support Department administrative functions. This new methodology is better aligned with workload related to serving energy-impacted communities and administering energy impact grant and distribution programs, and it increases the amount available for grants. The adjustments reduce appropriations from reappropriated fund sources by a total of \$1,697,246, including:

- A \$1,085,628 reduction in appropriations of energy impact funds for administrative functions;
- A \$305,809 reduction in appropriations of energy impact funds for indirect cost assessments; and
- A \$305,809 reduction in appropriations of indirect cost recoveries in the Executive Director's Office.

These adjustments require an increase of \$1,391,437 General Fund to maintain existing funding for department operations.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments for the second-year impact of prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 17-1221 Gray and black market marijuana enforcement grant program	\$2,365	\$0	\$2,365	\$0	\$0	0.2
HB 17-1313 Civil forfeiture reform	(46,035)	(46,035)	0	0	0	0.0
HB 17-1326 Justice reinvestment crime prevention initiatives (as amended by HB 18-1409)	(40,096)	(40,096)	0	0	0	0.2
<b>TOTAL</b>	<b>(\$83,766)</b>	<b>(\$86,131)</b>	<b>\$2,365</b>	<b>\$0</b>	<b>\$0</b>	<b>0.4</b>

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 Rural services coordinator	(\$4,703)	\$0	\$0	(\$4,703)	\$0	0.0
Salary survey and merit base	(773)	(27)	(170)	(576)	0	0.0
<b>TOTAL</b>	<b>(\$5,476)</b>	<b>(\$27)</b>	<b>(\$170)</b>	<b>(\$5,279)</b>	<b>\$0</b>	<b>0.0</b>

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



# DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

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

The Department maintains the equipment and facilities for the state military forces; provides for safekeeping of the public arms, military records, relics and banners of the state; assists veterans and National Guard members with benefits claims; maintains the Western Slope Veterans' Cemetery; supports the Civil Air Patrol, Colorado Wing; and assists in fighting the spread of drug trafficking and abuse.

Approximately 95 percent of the Department's budget is federal funds, which fully funds the training and salary of National Guard troops and provides the majority of the funding for the construction of armories and other military buildings. Under the 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 between 20.0 and 25.0 percent of costs at four other facilities.

## DEPARTMENT BUDGET: RECENT APPROPRIATIONS

FUNDING SOURCE	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
General Fund	\$8,294,927	\$8,443,132	\$10,530,168	\$11,110,115
Cash Funds	1,281,079	1,211,976	1,135,343	1,203,530
Reappropriated Funds	800,000	800,000	0	0
Federal Funds	215,007,350	215,043,743	215,302,549	219,710,038
<b>TOTAL FUNDS</b>	<b>\$225,383,356</b>	<b>\$225,498,851</b>	<b>\$226,968,060</b>	<b>\$232,023,683</b>
Full Time Equiv. Staff	1,392.3	1,392.4	1,393.3	1,407.2

## GENERAL FACTORS DRIVING THE BUDGET

Funding for this department consists of 4.8 percent General Fund, 0.5 percent cash funds, and 94.7 percent federal funds. Some of the major factors driving the Department's budget are discussed below. The primary factors driving the budget are National Guard operations and state services provided for veterans. The Department also provides limited assistance to the Colorado Wing of the Civil Air Patrol.

### COLORADO NATIONAL GUARD

Colorado National Guard expenditures are driven by 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. Combined with the associated facilities maintenance and utilities needs, this determines the amount of federal funds flowing into and through the Department.

The table below shows the authorized strength and active membership of the Colorado National Guard.

COLORADO NATIONAL GUARD AUTHORIZED STRENGTH AND MEMBERSHIP					
TOTAL AUTHORIZED STRENGTH	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18 <sup>1</sup>
Army National Guard	3,998	3,980	3,825	3,812	3,834
Air National Guard	1,553	1,566	1,559	1,559	1,650

## COLORADO NATIONAL GUARD AUTHORIZED STRENGTH AND MEMBERSHIP

TOTAL NATIONAL GUARD MEMBERS	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Army National Guard	3,902	3,964	3,787	3,933	3,768
Air National Guard	1,534	1,544	1,518	1,507	1,547
<b>Total Members</b>	<b>5,436</b>	<b>5,508</b>	<b>5,305</b>	<b>5,440</b>	<b>5,447</b>
Percentage of Slots Filled	97.9%	99.3%	98.5%	101.3%	96.9%

<sup>1</sup> Figures as of June 5, 2018.

The State budget shows federal funds for informational purposes. The budget includes rough estimates of federal outlays for military personnel and equipment and more precise estimates of the federal share of expenditures to maintain and operate National Guard facilities in cooperation with the state. The State is financially responsible for the majority of the state's central administrative costs for the National Guard and funds a portion of maintenance and operations costs at National Guard facilities. The amount of state support required for National Guard operations is driven by the creation or expansion of armories, changes in federal policies on cost-sharing with states, and state policies on compensation costs for the Department's civilian administrative staff and related operating expenses.

In addition, the State provides a tuition assistance program for members of the Colorado National Guard. Funding for the tuition assistance program is driven by tuition rates at state institutions of higher education, program participation, and legislative appropriations and policy.

### DIVISION OF VETERANS AFFAIRS

The Division of Veterans Affairs (DVA) budget includes state support to assist veterans in obtaining federal veterans' benefits, state support for grants to governmental and non-profit entities that provide mental health, family counseling, job training, employment, housing, and other services to veterans, and state funding for the Western Slope Veterans' Cemetery in Grand Junction.

About half of the appropriations in this division support staff who assist veterans in obtaining federal benefits. The state's veterans' service operations staff assist veterans with claims before the U.S. Department of Veterans Affairs and support county veterans' service officers with training and other resources. County veterans' services officers are located throughout the State, and associated county costs are partially reimbursed by the Division. From July 1, 2017 through June 1, 2018, the DVA and the County Veterans Service Officer program assisted with 23,447 benefit claims from veterans. In 2016, the number of veterans in Colorado eligible to receive federal assistance was 407,616 (9.8 percent of Colorado's adult population), but most did not receive federal assistance. For example, among Colorado veterans, only 40.4 percent were enrolled in the federal Veterans Administration (VA) healthcare system in 2016.

Budget drivers include discretionary decisions by the General Assembly to enhance state-supported veterans' services and grant programs, the amount of Tobacco Master Settlement funds received and disbursed from the Colorado State Veterans Trust Fund, and the operating costs for the Western Slope Veterans' Cemetery in Grand Junction. In the last several years, the General Assembly has increased county reimbursements for county veterans' services officers, increased grant funding for veterans programs, and, through H.B. 18-1337, authorized the new Grand Junction Veterans One-stop Center, which will provide a central location for government and non-profit veterans' services in the Grand Junction area. The state budget does not include federal outlays for veterans' services.

# APPROPRIATION HIGHLIGHTS - 2018 LEGISLATIVE SESSION

## DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$226,868,060	\$10,430,168	\$1,135,343	\$0	\$215,302,549	1,393.3
SB 17-183	100,000	100,000	0	0	0	0.0
<b>TOTAL</b>	<b>\$226,968,060</b>	<b>\$10,530,168</b>	<b>\$1,135,343</b>	<b>\$0</b>	<b>\$215,302,549</b>	<b>1,393.3</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$226,968,060	\$10,530,168	\$1,135,343	\$0	\$215,302,549	1,393.3
Informational funds adjustments	4,166,705	0	0	0	4,166,705	12.7
Centrally appropriated line items	344,734	201,756	14,293	0	128,685	0.0
Increase for county veterans services officers	300,000	300,000	0	0	0	0.0
Federal administrative support and indirect cost adjustments	112,568	(2,851)	3,137	0	112,282	0.0
Tobacco Master Settlement Agreement revenue adjustment	80,367	0	80,367	0	0	0.0
Safety training	54,585	54,585	0	0	0	0.0
Annualize prior year budget actions	1,609	1,792	0	0	(183)	0.1
Support for joint information request with Health Care Policy and Financing	1,200	1,200	0	0	0	0.0
Air National Guard reorganization	0	0	0	0	0	0.0
Annualize prior year legislation	(100,000)	(100,000)	0	0	0	0.0
Cash funds adjustments	(29,610)	0	(29,610)	0	0	0.0
<b>HB 18-1322</b>	<b>\$231,900,218</b>	<b>\$10,986,650</b>	<b>\$1,203,530</b>	<b>\$0</b>	<b>\$219,710,038</b>	<b>1,406.1</b>
HB 18-1337	123,465	123,465	0	0	0	1.1
<b>TOTAL</b>	<b>\$232,023,683</b>	<b>\$11,110,115</b>	<b>\$1,203,530</b>	<b>\$0</b>	<b>\$219,710,038</b>	<b>1,407.2</b>
<b>INCREASE/(DECREASE)</b>	<b>\$5,055,623</b>	<b>\$579,947</b>	<b>\$68,187</b>	<b>\$0</b>	<b>\$4,407,489</b>	<b>13.9</b>
Percentage Change	2.2%	5.5%	6.0%	n/a	2.0%	1.0%

## FY 2018-19 APPROPRIATION HIGHLIGHTS

**INFORMATIONAL FUNDS ADJUSTMENTS:** The appropriation includes adjustments to federal funds shown for informational purposes. Most of the adjustment is for an increase in funding anticipated to be received for the Army National Guard Cooperative Agreements.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items, as detailed in the following table.

## CENTRALLY APPROPRIATED LINE ITEMS

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey adjustment	\$276,353	\$101,574	\$4,553	\$0	\$170,226	0.0
Workers' compensation adjustment	28,674	13,782	0	0	14,892	0.0
Payment to risk management / property funds adjustment	98,708	98,708	0	0	0	0.0
CORE adjustment	7,816	7,816	0	0	0	0.0
Legal services adjustment	4,396	4,396	0	0	0	0.0
Shift differential adjustment	3,242	0	0	0	3,242	0.0
Offset GF in vehicle lease	0	(33,389)	0	0	33,389	0.0
Health, life, and dental adjustment	(32,822)	31,614	4,049	0	(68,485)	0.0
Payments to OIT adjustment	(25,028)	(25,028)	0	0	0	0.0
Vehicle lease payments adjustment	(6,701)	(6,701)	0	0	0	0.0
Capitol Complex leased space adjustment	(6,093)	(6,093)	0	0	0	0.0

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Short-term disability adjustment	(1,451)	(235)	79	0	(1,295)	0.0
AED adjustment	(1,180)	7,656	2,806	0	(11,642)	0.0
SAED adjustment	(1,180)	7,656	2,806	0	(11,642)	0.0
<b>TOTAL</b>	<b>\$344,734</b>	<b>\$201,756</b>	<b>\$14,293</b>	<b>\$0</b>	<b>\$128,685</b>	<b>0.0</b>

**INCREASE FOR COUNTY VETERANS' SERVICES OFFICERS:** The appropriation includes an increase of \$300,000 General Fund for county veterans' services officers.

**FEDERAL ADMINISTRATIVE SUPPORT AND INDIRECT COST ADJUSTMENTS:** The appropriation includes an increase for the centralized personnel plan, which provides federal cost-sharing for administrative activities. The appropriation also includes an adjustment for cash funds collected for the Department's statewide indirect cost assessment.

**TOBACCO MASTER SETTLEMENT AGREEMENT REVENUE ADJUSTMENT:** The appropriation includes an adjustment based on the Legislative Council FY 2018-19 Tobacco Master Settlement Agreement revenue projection.

**SAFETY TRAINING:** The appropriation adds \$54,585 General Fund for training, materials and equipment to support the Department safety program for all personnel. This amount decreases to \$24,085 General Fund in FY 2019-20 and subsequent years.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Annualize FY 18 lease adjustment	\$1,006	\$1,006	\$0	\$0	\$0	0.0
Annualize FY 18 Coop Agreement Payment	887	887	0	0	0	0.1
Annualize prior year salary survey	0	0	1	0	(1)	0.0
Annualize merit base pay	(284)	(101)	(1)	0	(182)	0.0
<b>TOTAL</b>	<b>\$1,609</b>	<b>\$1,792</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$183)</b>	<b>0.1</b>

**SUPPORT FOR JOINT INFORMATION REQUEST WITH HEALTH CARE POLICY AND FINANCING:** The appropriation includes \$1,200 General Fund for travel costs to enable Department staff to learn on the ground about a Washington State program that matches Medicaid and federal Veterans Administration (VA) data and assists veterans in increasing the use of VA services in lieu of Medicaid.

**AIR NATIONAL GUARD REORGANIZATION:** The appropriation includes net \$0 adjustments to line items in the Air National Guard division.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation eliminates one-time funding appropriated in S.B. 17-183 (U.S.S. Colorado Commissioning).

**CASH FUNDS ADJUSTMENTS:** The appropriation includes adjustments to align cash funds appropriations and actual expenditures.

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

# DEPARTMENT OF NATURAL RESOURCES

The Department of Natural Resources is responsible for developing, protecting, and enhancing Colorado's natural resources for the use and enjoyment of present and future residents and visitors. The Department is comprised of the following divisions: the Executive Director's Office, including the Colorado Avalanche Information Center; the Division of Reclamation, Mining, and Safety; the Oil and Gas Conservation Commission; the State Board of Land Commissioners; the Division of Parks and Wildlife; the Colorado Water Conservation Board; and the Water Resources Division.

## DEPARTMENT BUDGET: RECENT APPROPRIATIONS

FUNDING SOURCE	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
General Fund	\$27,671,518	\$28,742,941	\$30,864,532	\$32,005,418
Cash Funds	198,404,864	202,967,586	230,795,872	238,857,665
Reappropriated Funds	8,701,045	7,703,225	6,932,593	7,933,687
Federal Funds	29,141,800	26,641,222	26,699,468	26,568,474
<b>TOTAL FUNDS</b>	<b>\$263,919,227</b>	<b>\$266,054,974</b>	<b>\$295,292,465</b>	<b>\$305,365,244</b>
Full Time Equiv. Staff	1,462.6	1,462.7	1,458.6	1,464.5

## GENERAL FACTORS DRIVING THE BUDGET

Funding for the Department of Natural Resources in FY 2018-19 consists of 10.5 percent General Fund, 78.2 percent cash funds, 2.6 percent reappropriated funds, and 8.7 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

### SEVERANCE TAX REVENUE (OPERATIONAL FUND)

The availability of severance tax revenues affects funding for many programs in the Department. Pursuant to Section 39-29-108 (2)(b), C.R.S., total severance tax revenues are divided equally between the State Severance Tax Trust Fund, administered by the Department of Natural Resources, and the Local Government Severance Tax Fund, which is administered by the Department of Local Affairs to provide funding to local governments impacted by mining activities. Of revenues credited to the State Severance Tax Trust Fund, 50.0 percent (or 25.0 percent of total severance tax revenues) are allocated to the Severance Tax Perpetual Base Fund, used by the Colorado Water Conservation Board for water construction projects. The other 50.0 percent of State Severance Tax Trust Fund revenues (or 25.0 percent of total severance tax revenues) are allocated to the Severance Tax Operational Fund for "programs that promote and encourage sound natural resource planning, management, and development related to minerals, energy, geology, and water."

Severance tax revenues are highly variable due to fluctuations in commodity prices and an ad valorem tax credit, which lags production by two-years. Therefore, programs supported by the Operational Fund are divided into two tiers to manage the impact of this variability. Tier 1 expenditures primarily support employee salaries and on-going costs for programs in the Department. The required reserve for Tier 1 programs is equal to total appropriations for Tier 1 programs in a given fiscal year. Tier 2 programs generally support grants, loans, research, and construction and the distribution of funding is staggered: 40.0 percent released July 1, 30.0 percent released January 4, and the remaining 30.0 percent released April 1 of a given fiscal year. The required reserve for Tier 2 programs is equal to 15.0 percent of the authorized expenditures for Tier 2 programs in that fiscal year. Tier 2 programs are subject to proportional reductions if revenue projections indicate there are insufficient funds available to support authorized expenditures. However, due to uncertainty around severance tax revenue, the General Assembly enacted H.B. 18-

1338 (Reduced Severance Tax Revenue Operational Fund Transfers), which provided General Fund directly to Tier 1 and several Tier 2 programs. It also diverts revenue that would have been transferred to the Operational Fund into the General Fund and prevents any Tier 2 transfers until or unless the General Fund receives approximately \$41.0 from this provision. For more information on H.B. 18-1338, see the "Recent Legislation" section at the end of Part III for this department.

Based on the March 2018 Legislative Council Staff severance tax revenue forecast, Tier 2 programs received zero percent of authorized distributions in FY 2016-17 and only \$2.3 million in FY 2017-18. For FY 2018-19, revenues are anticipated to recover slightly.

SEVERANCE TAX OPERATIONAL FUND SUMMARY						
	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 ACTUAL	FY 2016-17 ACTUAL	FY 2017-18 ESTIMATE	FY 2018-19 ESTIMATE
Beginning Balance	\$18,981,012	\$34,935,927	\$52,759,696	\$16,352,419	\$14,405,310	\$740,876
Revenues	65,222,486	68,307,732	16,972,369	16,199,916	5,820,638	29,066,596
<b>TOTAL FUNDS AVAILABLE</b>	<b>\$84,203,498</b>	<b>\$103,243,659</b>	<b>\$69,732,065</b>	<b>\$32,552,335</b>	<b>\$20,225,948</b>	<b>\$29,807,472</b>
Tier 1 Expenditures	\$13,135,215	\$12,680,817	\$14,698,496	\$17,772,025	\$16,641,746	\$17,013,276
Tier 2 Transfers <sup>1</sup>	36,078,691	38,251,072	38,306,150	0	2,321,963	0
Other <sup>2</sup>	53,665	64,305	375,000	375,000	521,363	0
<b>TOTAL EXPENDITURES</b>	<b>\$49,267,571</b>	<b>\$50,996,194</b>	<b>\$53,379,646</b>	<b>\$18,147,025</b>	<b>\$19,485,072</b>	<b>\$17,013,276</b>
Ending Balance	\$34,935,927	\$52,247,464	\$16,352,419	\$14,405,310	\$740,876	\$12,794,196
Tier 1 and 2 Reserve Requirements	18,497,876	18,418,478	21,010,207	20,323,736	22,098,457	22,469,987
<b>UNOBLIGATED BALANCE</b>	<b>\$16,438,051</b>	<b>\$33,828,986</b>	<b>(\$4,657,788)</b>	<b>(\$5,918,426)</b>	<b>(\$21,357,581)</b>	<b>(\$9,675,791)</b>

<sup>1</sup> Tier 2 spending in FY 2017-18 and FY 2018-19 is based on the March 2018 Legislative Council Staff Revenue Forecast.

<sup>2</sup> Includes roll-forwards and off the top expenditures. See Appendix H for more detail.

While Tier 2 programs will likely not receive any transfers based on the statutory spillover, the General Assembly made several specific transfers it determined were critical and could not survive a year or more with no additional funding. Those transfers are detailed in the following table.

TIER 2 PROGRAMS TARGETED WITH TRANSFERS	
TIER 2 PROGRAM	TRANSFER INCLUDED
Aquatic Nuisance Species	\$3,636,364
Species Conservation Trust Fund	3,000,000
Forestry and Wildfire Grants	2,272,727
Soil Conservation Districts Matching Grants	450,000
Forfeited Mine Site Reclamation	127,000
<b>TOTAL TIER 2 TRANSFERS</b>	<b>\$9,486,091</b>

## STATE BOARD OF LAND COMMISSIONERS

The State Board of Land Commissioners (State Land Board) manages agricultural, commercial, mineral, and other leases on eight public trusts of land and is tasked with generating reasonable and consistent revenue for trust beneficiaries over time. Total trust revenues have more than tripled over the past ten years, with a record high of \$191.4 million in FY 2014-15. This growth is largely driven by record bonus payments on mineral leases and by rental payments and royalties on oil and gas production. However, bonus payments are expected to taper off significantly over the next two years as the number of available land parcels decreases and payments for oil and gas development leases on the State Land Board's Lowry Range and 70 Ranch properties are completed.

The Public School Trust benefiting K-12 education is the largest of the trusts managed by the State Land Board, accounting for more than 98 percent of total trust revenues. House Bill 08-1335, also known as the Building Excellent Schools Today or BEST Act, significantly changed the distribution of state public school land revenue

(see Section 22-43.7-104, C.R.S.). 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 Fund for the BEST program. Of the remaining 50.0 percent, approximately \$10.2 million will support State Land Board operations and the Investment and Development Fund in FY 2018-19 and the remainder will be deposited into the Public School (Permanent) Fund.

PUBLIC SCHOOL TRUST REVENUE						
	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 ACTUAL	FY 2016-17 ACTUAL	FY 2017-18 FORECAST	FY 2018-19 FORECAST <sup>1</sup>
Mineral royalties	\$101,215,660	\$113,189,670	\$63,157,705	\$72,503,247	\$69,203,000	\$61,019,385
Mineral bonuses	50,038,216	50,445,063	42,672,837	20,292,014	14,000,000	2,500,000
Mineral rental	2,849,719	2,231,912	1,771,837	1,699,455	1,811,592	1,847,824
Surface rental	10,010,655	11,744,758	13,149,443	16,809,489	17,852,388	18,208,796
Commercial/other	7,449,732	7,208,034	9,124,821	5,299,509	4,255,972	4,809,092
Land and timber sales	86,250	58,558	32,431	79,120	80,702	82,316
Non-reinvested sales	0	3,750,892	5,302,996	1,354,697	0	0
Interest income	185,148	875,725	952,322	319,329	345,000	350,000
<b>TOTAL REVENUES</b>	<b>\$171,835,380</b>	<b>\$189,504,612</b>	<b>\$136,164,392</b>	<b>\$118,356,860</b>	<b>\$107,548,654</b>	<b>\$88,817,413</b>

<sup>1</sup> Based on the State Land Board's Fall 2017 revenue forecast. Out-year estimates are updated annually; revised figures for FY 2018-19 will be available in Fall 2018.

## OIL AND GAS ACTIVITY

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

OGCC WORKLOAD MEASURES						
	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 ACTUAL	FY 2016-17 ACTUAL	FY 2017-18 ESTIMATE <sup>2</sup>	FY 2018-19 ESTIMATE <sup>2</sup>
Active wells	52,337	53,608	53,651	54,605	54,000	55,000
Drilling permits requested	4,401	3,895	3,317	4,624	7,730	6,200
Well starts (spud)	2,135	1,986	1,083	1,525	1,900	1,900
Active drilling rigs	66	58	25	25	34	34
Site investigations & remediation workplans	546	551	514	456	620	575
Avg. inspection frequency	2	2	1	1	2	2
Hearing applications	614	672	680	635	950	1,050
<b>OGCC EXPENDITURES<sup>3</sup></b>	<b>\$9,619,457</b>	<b>\$10,307,697</b>	<b>\$11,403,628</b>	<b>\$12,501,619</b>	<b>\$12,471,154</b>	<b>\$18,050,559</b>
<b>TOTAL FTE</b>	<b>82.4</b>	<b>94.6</b>	<b>104.0</b>	<b>110.3</b>	<b>110.3</b>	<b>116.3</b>

<sup>2</sup> Data included for FY 2017-18 and FY 2018-19 are estimates provided by the Oil and Gas Conservation Commission.

<sup>3</sup> Expenditures are shown for the division only. They include all fund sources (including bond claims) but do not include centrally appropriated items funded in the Executive Director's Office. Expenditures for FY 2017-18 and FY 2018-19 reflect the appropriated amount.

## DIVISION OF PARKS AND WILDLIFE

### STATE PARKS

The Division of Parks and Wildlife (CPW) manages 41 state parks and several special purpose programs including the snowmobile program, the off-highway vehicle program, river outfitters regulation, federal grants, aquatic nuisance species control and prevention, and the distribution of trails grants. The level of services at existing state parks and the acquisition and development of new properties are driven by available funding sources. Workload, and some revenue, is driven by visitation. For FY 2017-18, State Parks are expected to have an estimated 14.3 million visitors and will receive an estimated \$80.6 million in revenue from fees, lottery funds, and other state and federal funds, as shown in the following tables.

STATE PARKS VISITATION				
	FY 2015-16 ACTUAL	FY 2016-17 ACTUAL	FY 2017-18 ESTIMATE	FY 2018-19 ESTIMATE
State Parks Visitation	13,635,112	14,982,198	14,308,655	14,308,655

STATE PARK REVENUES				
	FY 2015-16 ACTUAL	FY 2016-17 ACTUAL	FY 2017-18 ESTIMATE	FY 2018-19 ESTIMATE
Licenses, passes, fees, and permits	\$24,447,417	\$28,793,086	\$28,790,000	\$28,790,000
Registrations	9,261,437	9,361,656	9,361,000	9,360,000
Federal and state grants	6,202,454	6,575,143	6,580,000	6,580,000
Lottery and Great Outdoors Colorado	28,852,271	26,543,314	26,540,000	26,540,000
Sale of goods, services, and assets	2,109,164	2,387,000	2,390,000	2,390,000
Interest income	399,187	545,905	550,000	550,000
Other revenues	4,154,115	3,480,080	3,480,000	3,480,000
General Fund and Severance Tax	5,309,836	2,869,670	2,870,000	2,870,000
<b>REVENUES BEFORE TRANSFERS</b>	<b>\$80,735,881</b>	<b>\$80,555,854</b>	<b>\$80,561,000</b>	<b>\$80,560,000</b>
Intra-Agency, Inter-Fund Transfers	13,483,874	12,721,180	12,720,000	12,720,000
<b>TOTAL REVENUES</b>	<b>\$94,219,755</b>	<b>\$93,277,034</b>	<b>\$93,281,000</b>	<b>\$93,280,000</b>

## GREAT OUTDOORS COLORADO (GOCO) BOARD GRANTS

GOCO awards annual grants to the Division of Parks and Wildlife. Grants for State Parks are used for developing new parks (capital) as well as enhancing and maintaining existing parks (operating). Wildlife grants are used for species protection, habitat development, watchable wildlife, and wildlife education. Pursuant to Article XXVII of the State Constitution, these grants are not subject to legislative appropriation. The table below shows recent GOCO awards.

GREAT OUTDOORS COLORADO (GOCO) BOARD GRANTS				
	FY 2015-16 AWARD	FY 2016-17 AWARD	FY 2017-18 AWARD	FY 2018-19 ESTIMATE
Parks Capital Budget	\$13,954,544	\$10,144,085	\$11,227,434	\$12,506,795
Parks Operating Budget	5,056,500	5,106,500	5,381,500	5,845,000
<b>TOTAL GOCO GRANTS FOR STATE PARKS</b>	<b>\$19,011,044</b>	<b>\$15,250,585</b>	<b>\$16,608,934</b>	<b>\$18,351,795</b>
Wildlife Base Capital Budget	\$4,319,500	\$7,660,085	\$7,220,000	\$7,975,000
Wildlife Operating Budget	7,480,500	7,590,500	7,965,500	8,365,500
<b>TOTAL GOCO GRANTS FOR WILDLIFE</b>	<b>\$11,800,000</b>	<b>\$15,250,585</b>	<b>\$15,185,500</b>	<b>\$16,340,500</b>

## WILDLIFE

CPW also manages the state's 900 game and non-game wildlife species by issuing fishing and hunting licenses, enforcing wildlife regulations, protecting habitat and native wildlife populations, and managing more than 350 state wildlife areas. Funding for Wildlife operations and programs is a mixture of cash funds from license fees, federal funds, Great Outdoors Colorado funds, and various other sources. Hunting and fishing licenses provide more than half of the revenue for wildlife programs. Approximately 71.4 percent of all hunting licenses sold are for big game species (mainly elk and deer), and 59.1 percent of all revenue from the sale of hunting and fishing licenses comes from the sale of non-resident big game hunting licenses. The table below shows Wildlife revenues by category.

WILDLIFE REVENUES				
	FY 2015-16 ACTUAL	FY 2016-17 ACTUAL	FY 2017-18 ESTIMATE	FY 2018-19 ESTIMATE
Licenses, passes, fees, and permits	\$89,655,303	\$92,842,825	\$92,840,000	\$92,840,000
Federal and state grants	24,588,047	25,855,415	25,860,000	25,860,000
Lottery and Great Outdoors Colorado	10,783,201	12,015,621	12,020,000	12,020,000
Sale of goods, services, and assets	380,085	326,705	330,000	330,000
Donations	1,134,257	1,266,850	1,270,000	1,270,000
Interest income	674,038	1,013,990	1,010,000	1,010,000
Other revenues	917,896	2,793,173	2,800,000	2,800,000
General Fund and Severance Tax	3,639,255	2,033,625	2,030,000	2,030,000



## WILDLIFE REVENUES

	FY 2015-16 ACTUAL	FY 2016-17 ACTUAL	FY 2017-18 ESTIMATE	FY 2018-19 ESTIMATE
<b>REVENUES BEFORE TRANSFERS</b>	<b>\$131,772,082</b>	<b>\$138,148,204</b>	<b>\$138,160,000</b>	<b>\$138,160,000</b>
Intra-Agency, Inter-Fund Transfers	10,370,511	10,474,711	10,470,000	10,470,000
<b>TOTAL REVENUES</b>	<b>\$142,142,593</b>	<b>\$148,622,915</b>	<b>\$148,630,000</b>	<b>\$148,630,000</b>

## WATER RESOURCES DIVISION (STATE ENGINEER'S OFFICE)

The Water Resources Division (DWR) is responsible for the supervision and control of water resources in the state of Colorado (Section 37-80-102 (1)(h), C.R.S.), which includes administration and operation of 170,000 surface and ground water rights. This includes daily oversight of water allocation to farmers, industries, municipalities, and all other water users within the state. This allocation system operates in accordance with the Doctrine of Prior Appropriation (i.e., those that put the water to use first are entitled to get their water first during periods of water shortage), Colorado Supreme Court decisions, water court decrees, and rules and regulations issued by the State Engineer. The DWR has contractual water delivery obligations for each of its nine compacts, two United States Supreme Court decrees, and interstate water allocation agreements.

The DWR also safeguards the public health of the people of Colorado and protects the ground water in Colorado by setting and enforcing minimum standards through permit applications and inspections for the construction and repair of wells. The DWR oversees approximately 297,000 permitted and decreed wells. Additionally, the dam safety program protects public safety through the regulation of 1,962 jurisdictional dams, including an average of 550 dam inspections annually. The DWR staff also maintains 570 streamflow, ditch and reservoir gages used for administration of water rights and reservoir operations. In order to accomplish these and other work duties, the DWR staff drives approximately 2.1 million miles annually.

## COLORADO WATER CONSERVATION BOARD CONSTRUCTION FUND

The Colorado Water Conservation Board (CWCB) Construction Fund, created in Section 37-60-121 (1)(a), C.R.S., provides loans and grants for projects that will increase the beneficial consumptive use of Colorado's waters. Sections 37-60-122 (1)(b) and 37-60-121 (1)(b)(IV), C.R.S., authorize the CWCB to make loans up to \$10.0 million without General Assembly approval, but limit participation to projects that can repay the CWCB's investment unless specifically authorized by the legislature. The unappropriated balance of money in the CWCB Construction Fund and the Severance Tax Trust Fund Perpetual Base Account are continuously appropriated for this purpose. The CWCB Construction Fund also pays for the administrative expenses of the CWCB.

CWCB Construction Fund revenues are from interest earnings, transfers from the Severance Tax Perpetual Base Fund, and Federal Mineral Lease Fund distributions, as shown in the following table. For FY 2018-19, S.B. 18-218 (CWCB Construction Fund Projects) appropriates \$24,716,894 cash funds from the CWCB Construction Fund to the Department of Natural Resources in FY 2018-19 for various water-related projects. The bill also authorizes the following transfers:

- \$30,000,000 from the Loan Guarantee Fund to the Severance Tax Perpetual Base Fund;
- \$4,000,000 from the Severance Tax Perpetual Base Fund to the CWCB Construction Fund to support appropriations made in other sections of the bill;
- \$2,000,000 from the CWCB Construction Fund to the Water Supply Reserve Fund to support water basin roundtable approved projects;
- \$2,000,000 from the CWCB Construction Fund to replenish the continuously-appropriated Litigation Fund;
- \$500,000 from the CWCB Construction Fund to replenish the continuously-appropriated Flood and Drought Response Fund; and

- \$500,000 from the CWCBC Construction Fund to replenish the continuously-appropriated Feasibility Study Small Grant Fund.

COLORADO WATER CONSERVATION BOARD CONSTRUCTION FUND (CASH FLOW SUMMARY REPORT BASED ON MARCH 2018 LEGISLATIVE COUNCIL STAFF REVENUE ESTIMATE)				
	FY 2015-16 ACTUAL	FY 2016-17 ACTUAL	FY 2017-18 ESTIMATE	FY 2018-19 ESTIMATE
Interest (loans, Treasury, miscellaneous)	\$10,788,108	\$9,566,358	\$10,400,427	\$9,856,968
Federal Mineral Lease (FML) revenues	8,614,578	9,041,071	8,919,367	9,989,950
Other revenues (including pass-through)	2,577,773	12,924,122	25,828,215	4,038,996
Contingent transfer of General Fund Surplus pursuant to S.B. 13-236	0	0	0	0
Water Plan implementation	0	0	10,000,000	10,000,000
Chatfield Reservoir Reallocation Project	0	27,851,358	0	4,000,000
Windy Gap Reservoir Bypass Channel Project	0	0	200,000	0
Watershed grants	0	0	5,000,000	0
Rio Grande Cooperative Project	0	0	10,000,000	0
Transfers from other sources (Gen Fund and Nat Resources)	4,767,498	778,887	778,887	0
State gov't grant – other state depts.	2,244,452	2,075,839	0	0
Governor's Executive Order for Forest Fires	276,191	352,679	736,770	0
<b>TOTAL REVENUES</b>	<b>\$29,268,600</b>	<b>\$62,590,313</b>	<b>\$71,863,666</b>	<b>\$37,885,914</b>
Cash expenditures/CWCBC operating costs <sup>1</sup>	\$9,205,725	\$12,000,018	\$8,281,680	\$14,531,022
Non-reimbursable expenditures	5,731,211	10,666,177	4,429,000	5,716,894
Transfer to other CWCBC funds	564,873	564,873	359,000	564,873
Water Plan implementation	0	0	10,000,000	7,000,000
Flood Emergency Funds (from Dept of Public Safety)	379,008	0	0	0
Rio Grande Cooperative Project expense	146,500	44,529	10,000,000	0
Windy Gap Reservoir Bypass Channel Project	0	0	2,200,000	0
Transfer to Water Supply Reserve Fund	0	0	0	2,000,000
Republican River Matters	0	0	0	8,000,000
Flood Emergency Funds (from Dept of Public Safety)	379,008	1,249,431	0	0
Chatfield Reservoir Reallocation Project	0	3,649,913	25,350,087	4,511,894
Governor's Executive Order for Forest Fires	276,191	352,679	736,770	0
Non-potable Water reuse funds (for CDPHE)	0	0	260,000	0
Transfer to Natural Resources (Operating)	625,190	0	0	0
FEMA (Federal Grants)	0	0	25,000,000	3,000,000
Watershed grants	565,876	575,083	5,000,000	2,000,000
<b>TOTAL EXPENDITURES</b>	<b>\$17,873,582</b>	<b>\$29,102,703</b>	<b>\$91,616,537</b>	<b>\$47,324,683</b>
<b>NET CASH FLOW</b>	<b>\$11,395,018</b>	<b>\$33,487,611</b>	<b>(\$19,752,871)</b>	<b>(\$9,438,769)</b>

<sup>1</sup>Includes cash expenditures for all Long Bill line items less non-reimbursable expenditures.

## SEVERANCE TAX PERPETUAL BASE FUND

The Severance Tax Perpetual Base Fund (Section 39-29-109 (2)(a), C.R.S.) receives half of the revenue allocated to the State Severance Tax Trust Fund, or 25.0 percent of total severance tax revenue, and provides loans or grants for construction, rehabilitation, enlargement, or improvement of water projects. This fund is a revolving loan account, and, as such, no permanent programs depend on this fund. The tables below summarize recent fund activity.

SEVERANCE TAX PERPETUAL BASE FUND BALANCE REPORT				
	FY 2015-16 ACTUAL	FY 2016-17 ACTUAL	FY 2017-18 ESTIMATE	FY 2018-19 ESTIMATE
Net cash assets less loan obligations	\$81,086,042 <sup>2</sup>	\$113,559,682	\$51,976,536	\$81,263,093
New project loans	2,912,840	3,994,505	26,143,446	30,000,000

<sup>2</sup> Reflects the restriction of \$19.1 million in accordance with provisions in S.B. 16-218 (State Severance Tax Refunds).

**SEVERANCE TAX PERPETUAL BASE FUND CASH FLOW SUMMARY**  
(CASH FLOW SUMMARY REPORT BASED ON MARCH 2018 LEGISLATIVE COUNCIL STAFF REVENUE ESTIMATE)

	FY 2015-16 ACTUAL	FY 2016-17 ACTUAL	FY 2017-18 ESTIMATE	FY 2018-19 ESTIMATE
Severance Tax revenues	\$17,129,382	\$15,762,201	\$17,528,835	\$32,512,610
Interest (loans and Treasury)	5,678,271	5,797,327	6,443,593	5,729,818
Transfer from Loan Guarantee Fund	0	0	0	30,000,000
<b>TOTAL REVENUES</b>	<b>\$22,807,653</b>	<b>\$21,559,528</b>	<b>\$23,972,428</b>	<b>\$68,242,428</b>
Agriculture Emergency Drought Grants	\$0	\$0	\$1,000,000	\$1,000,000
Transfer to Construction Fund - Water Plan Implementation	0	0	10,000,000	10,000,000
Transfer to Construction Fund - Watershed Grants	0	0	5,000,000	0
Transfer to Construction Fund - Water Supply Reserve Fund	0	0	10,000,000	0
Transfer to Construction Fund - Rio Grande Coop Proj	0	0	10,000,000	0
Transfer to Construction Fund - Windy Gap Res Bypass Proj	0	0	200,000	0
Transfer to Loan Guarantee Fund	0	0	30,000,000	0
Chatfield Reservoir Reallocation Project (2013 Projects Bill)	0	27,640,163	0	4,000,000
Statutory Transfer to CDPHE	0	0	0	0
Colorado Energy Office	0	0	30,814	30,814
Other Real Property	1,359,837	0	0	0
Misc. Fines and Fees	586	0	0	0
<b>Total Expenditures</b>	<b>\$1,360,423</b>	<b>\$27,640,163</b>	<b>\$66,230,814</b>	<b>\$15,030,814</b>
<b>Net Cash Flow</b>	<b>\$21,447,230</b>	<b>(\$6,080,635)</b>	<b>(\$42,258,386)</b>	<b>\$53,211,614</b>

## APPROPRIATION HIGHLIGHTS - 2018 LEGISLATIVE SESSION

### DEPARTMENT OF NATURAL RESOURCES

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2017-18 APPROPRIATION:</b>						
SB 17-254	\$261,308,465	\$30,864,532	\$196,811,872	\$6,932,593	\$26,699,468	1,458.6
SB 17-202	3,850,000	0	3,850,000	0	0	0.0
HB 17-1248	30,134,000	0	30,134,000	0	0	0.0
<b>TOTAL</b>	<b>\$295,292,465</b>	<b>\$30,864,532</b>	<b>\$230,795,872</b>	<b>\$6,932,593</b>	<b>\$26,699,468</b>	<b>1,458.6</b>
<b>FY 2018-19 APPROPRIATION:</b>						
FY 2017-18 Appropriation	\$295,292,465	\$30,864,532	\$230,795,872	\$6,932,593	\$26,699,468	1,458.6
Centrally appropriated line items	9,635,746	1,775,336	7,475,039	322,105	63,266	0.0
Plugging and reclaiming orphan wells spending authority	5,000,000	0	5,000,000	0	0	4.0
Indirect cost adjustment	987,594	(670,293)	1,032,572	670,293	(44,978)	0.0
State Forest State Park resources increase	375,932	0	375,932	0	0	1.0
Additional staffing and equipment for flowline safety	353,400	0	353,400	0	0	2.0
Increase IT application development and support	115,445	36,942	66,976	9,236	2,291	0.0
Additional staff for SLB stewardship	76,483	0	76,483	0	0	1.0
CWCB membership dues	65,109	0	65,109	0	0	0.0
Chatfield reallocation project loan repayment increase	59,871	0	59,871	0	0	0.0
Other technical adjustments	16,921	0	16,921	0	0	(1.1)
EDO line item reorganization	0	0	0	0	0	0.0
CPW leased space refinance	0	0	0	0	0	0.0
Annualize prior year legislation	(34,056,343)	0	(34,056,343)	0	0	0.0
RMS coal program reduction	(189,276)	0	(39,748)	0	(149,528)	(1.0)

DEPARTMENT OF NATURAL RESOURCES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Interruptible water supply reduction	(61,589)	0	(61,589)	0	0	0.0
Annualize prior year budget actions	(23,408)	(1,099)	(19,724)	(540)	(2,045)	0.0
<b>HB 18-1322</b>	<b>\$277,648,350</b>	<b>\$32,005,418</b>	<b>\$211,140,771</b>	<b>\$7,933,687</b>	<b>\$26,568,474</b>	<b>1,464.5</b>
SB 18-218	24,716,894	0	24,716,894	0	0	0.0
HB 18-1338	3,000,000	0	3,000,000	0	0	0.0
<b>TOTAL</b>	<b>\$305,365,244</b>	<b>\$32,005,418</b>	<b>\$238,857,665</b>	<b>\$7,933,687</b>	<b>\$26,568,474</b>	<b>1,464.5</b>
<b>INCREASE/(DECREASE)</b>	<b>\$10,072,779</b>	<b>\$1,140,886</b>	<b>\$8,061,793</b>	<b>\$1,001,094</b>	<b>(\$130,994)</b>	<b>5.9</b>
Percentage Change	3.4%	3.7%	3.5%	14.4%	(0.5%)	0.4%

## FY 2018-19 APPROPRIATION HIGHLIGHTS

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

**PLUGGING AND RECLAIMING ORPHAN WELLS SPENDING AUTHORITY:** The appropriation includes an increase of \$5.0 million cash funds spending authority and 4.0 FTE from the Oil and Gas Conservation and Environmental Response Fund to increase the number of projects undertaken to plug and reclaim oil and gas wells that have been abandoned by the operator or historic ones recently discovered. The FTE will manage contracts with non-state entities to perform the plugging and reclaiming of the wells and sites and perform inspections once work has been completed.

**INDIRECT COST ADJUSTMENT:** The appropriation includes an increase of \$987,594 in the Department's indirect cost assessment, comprised of an increase of \$1,032,572 cash funds, an increase of \$670,293 reappropriated funds, and a decrease of \$44,978 federal funds. These additional assessments are used to reduce General Fund appropriations by \$670,293 in the Executive Director's Office.

**STATE FOREST STATE PARK RESOURCES INCREASE:** The appropriation includes an increase of \$375,932 cash funds and 1.0 FTE to support the expansion of operations at the State Forest State Park. The additional resources will allow the Division of Parks and Wildlife to meet its additional operating responsibilities resulting from a new lease to manage the State Land Board's North Park Campground.

**ADDITIONAL STAFFING AND EQUIPMENT FOR FLOWLINE SAFETY:** The appropriation includes an increase of \$353,400 cash funds from the Oil and Gas Conservation Commission (OGCC) Emergency and Environmental Response fund and 2.0 FTE to increase the capacity for oversight of flowlines constructed by oil and gas operators. The additional funding will allow the OGCC to have a flowline specialist on the Western Slope and adds another flowline engineer to review plans and integrity tests of flowlines submitted by operators.

**INCREASE IT APPLICATION AND DEVELOPMENT SUPPORT:** The appropriation includes an increase of \$115,445 total funds, including \$36,942 General Fund. This appropriation will allow the Department to purchase an additional 1,548 hours of software development and support from the Governor's Office of Information Technology (OIT).

**ADDITIONAL STAFF FOR SLB STEWARDSHIP:** The appropriation includes an increase of \$76,483 and 1.0 FTE from the State Land Board Trust Administration Fund to address deficiencies identified in the October 2017

Performance Audit surrounding administration of its Stewardship Trust lands, as required by a 1996 constitutional amendment. Additional staff will allow the Land Board to catch up on reviewing and amending the backlog of lease contracts on Stewardship Trust lands for which no Stewardship-specific provisions are included.

**CWCB MEMBERSHIP DUES:** The appropriation includes an increase of \$65,109 cash funds for the Colorado Water Conservation Board (CWCB) to pay for increases in membership dues to interstate water organizations. The CWCB Construction Fund will support this expenditure.

**CHATFIELD REALLOCATION PROJECT LOAN REPAYMENT INCREASE:** The appropriation includes an increase of \$59,871 cash funds for the Division of Parks and Wildlife's Chatfield Reallocation Project. This increase is a result of updated cost estimates for the project, which will require CPW to increase their loan repayments to the CWCB. The project will reduce depletions and dependency on non-renewable basin groundwater, facilitate re-use of water, and use the existing reservoir capacity to provide additional supplies for municipal and agricultural users without requiring new dam construction.

**OTHER TECHNICAL ADJUSTMENTS:** The appropriation includes an increase of \$16,921 cash funds, a decrease of 1.1 FTE, and the addition of two new line items in the Executive Director's Office and the Division of Parks and Wildlife: Administrative Law Judge Services and Annual Depreciation-lease Equivalent Payment, respectively.

**EDO LINE ITEM REORGANIZATION:** The appropriation includes a budget neutral line item reorganization in the Department's Executive Director's Office. The bill creates a new Capital Outlay line item in the EDO, shifting \$1,057,006 cash funds and \$5,337 federal funds from the EDO's Operating Expenses line item. This reorganization will more accurately reflect the EDO's expenditures and increase budgetary transparency.

**CPW LEASED SPACE REFINANCE:** The appropriation includes a budget neutral refinance of leased space expenditures from the Division of Parks and Wildlife (CPW) to the EDO. The increase of the EDO's Leased Space line item by \$21,450 cash funds is matched with an equivalent reduction from CPW's Wildlife Operations line item. This expenditure covers the cost of new leased space for CPW's Wildlife Area 3 administrative staff.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments for the out-year impacts of prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 15-1016 Precipitation harvesting pilot project	\$8,160	\$0	\$8,160	\$0	\$0	0.0
HB 17-1248 CWCB projects	(30,134,000)	0	(30,134,000)	0	0	0.0
SB 17-202 Species Conservation Trust Fund	(3,850,000)	0	(3,850,000)	0	0	0.0
HB 15-1178 Emergency pumping of high groundwater	(80,503)	0	(80,503)	0	0	0.0
<b>TOTAL</b>	<b>(\$34,056,343)</b>	<b>\$0</b>	<b>(\$34,056,343)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**RMS COAL PROGRAM REDUCTION:** The appropriation includes a decrease of \$189,276 total funds and 1.0 FTE, consisting of \$149,528 federal funds and \$39,748 cash funds from the Severance Tax Operational Fund to reflect reduced grants from the federal government anticipated in FY 2018-19 and the reduced need for matching funds.

**INTERRUPTIBLE WATER SUPPLY REDUCTION:** The appropriation includes a decrease of \$61,589 cash funds and absorption of the Interruptible Water Supply Program line item into the Division of Water Resources' Water Administration line item.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for second-year impact of prior year budget actions.

## ANNUALIZE PRIOR YEAR BUDGET ACTIONS

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 17-18 Assistant subdistrict coordinator	\$1,056	\$1,056	\$0	\$0	\$0	0.0
FY 17-18 Salary survey	0	0	0	0	0	0.0
FY 17-18 Merit pay	(19,761)	(2,155)	(15,021)	(540)	(2,045)	0.0
FY 17-18 ISF program assistant	(4,703)	0	(4,703)	0	0	0.0
<b>TOTAL</b>	<b>(\$23,408)</b>	<b>(\$1,099)</b>	<b>(\$19,724)</b>	<b>(\$540)</b>	<b>(\$2,045)</b>	<b>0.0</b>

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

# DEPARTMENT OF PERSONNEL

The Department of Personnel administers the state personnel system, and its responsibilities 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, and short-term disability insurance. It supports the State Personnel Board, which is responsible for ensuring compliance with the state personnel system. The Department also provides general support services for state agencies including overseeing state fiscal rules through the Office of the State Controller, administering the state's procurement policies, maintaining the state archives and public records, providing for statewide planning and post-appropriation construction for capital construction and controlled maintenance and overseeing statewide lease and building energy policy through the Office of the State Architect, maintaining the buildings in the capitol complex, providing mail services for state agencies, providing document handling services such as printing and copying, administering the state's motor vehicle fleet, and providing administrative law judge services.

## DEPARTMENT BUDGET: RECENT APPROPRIATIONS

FUNDING SOURCE	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
General Fund	\$11,817,618	\$13,145,504	\$12,499,410	\$14,074,381
Cash Funds	14,293,652	16,928,150	14,926,636	14,016,747
Reappropriated Funds	163,651,651	162,444,496	168,790,189	178,358,368
Federal Funds	0	0	0	0
<b>TOTAL FUNDS</b>	<b>\$189,762,921</b>	<b>\$192,518,150</b>	<b>\$196,216,235</b>	<b>\$206,449,496</b>
Full Time Equiv. Staff	410.1	421.5	422.1	425.6

## GENERAL FACTORS DRIVING THE BUDGET

Funding for this department consists of 6.8 percent General Fund, 6.8 percent cash funds, and 86.4 percent reappropriated funds. The primary source of reappropriated funds is user fees transferred from other agencies for the provision of statewide services. Some of the major factors driving the Department's budget are discussed below.

### NUMBER OF STATE EMPLOYEES

The Department administers the state's policies and programs related to employee compensation and benefits. Statewide expenditures 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 employees in the Department of Higher Education.

STATE EMPLOYEES - FTE REFLECTED IN APPROPRIATIONS										
	FY09-10	FY10-11	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18	FY18-19
Total FTE <sup>1</sup>	31,070.5	31,466.9	30,657.3	30,559.8	30,787.2	31,480.9	31,878.2	32,178.1	32,413.9	32,819.4
Percent Change		1.3%	(2.6%)	(0.3%)	0.7%	2.3%	1.3%	0.9%	0.7%	1.3%
Average FTE Percentage Change										0.62%
Colorado Population Average Growth - 2007-2016 (10 years) <sup>2</sup>										1.55%

<sup>1</sup> Excludes Department of Higher Education.

<sup>2</sup> Data from the State Demography Office and utilizes data for the most recent 10 years that is available.

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.

## RISK MANAGEMENT

The state's Risk Management Program provides insurance coverage to departments and state agencies for workers' compensation and property and liability insurance. The state is self-insured for workers' compensation and liability and purchases property insurance from a commercial insurer. Appropriations and allocations to state agencies for risk management coverage are calculated using actuarially-determined prospective claims losses. The larger higher education institutions administer their own risk management programs. For FY 2018-19 the total appropriation for risk management is \$65.1 million compared to \$61.5 million in FY 2017-18.

## STATE FLEET PROGRAM

The Division of Capital Assets 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. Vehicle costs include variable and fixed expenses. Variable costs are billed at a rate per mile based on department and vehicle type and are typically paid from *Operating Expenses* line items. Variable costs include insurance, fuel, maintenance, and repairs. Fixed costs include the vehicle lease payments and the Department's vehicle management fee and are included in each department's *Vehicle Lease Payments* line item. The Department acquires private-sector financing for new or replacement vehicles. Leases vary between 72 and 120 months, with the exception of State Patrol vehicles, which are leased for 48 months. For FY 2018-19 the total appropriation for the Fleet Management program is \$43.9 million compared to \$42.5 million in FY 2017-18.

## APPROPRIATION HIGHLIGHTS - 2018 LEGISLATIVE SESSION

DEPARTMENT OF PERSONNEL						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$195,012,900	\$12,491,310	\$13,927,636	\$168,593,954	\$0	422.3
SB 17-121	8,100	8,100	0	0	0	0.0
HB 17-1296	196,235	0	0	196,235	0	(0.2)
HB 18-1164	999,000	0	999,000	0	0	0.0
<b>TOTAL</b>	<b>\$196,216,235</b>	<b>\$12,499,410</b>	<b>\$14,926,636</b>	<b>\$168,790,189</b>	<b>\$0</b>	<b>422.1</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$196,216,235	\$12,499,410	\$14,926,636	\$168,790,189	\$0	422.1
CBMS/Peak adjustments	3,391,028	0	0	3,391,028	0	0.0
Risk Management adjustments	3,309,892	0	0	3,309,892	0	0.0
Centrally appropriated line items	2,836,642	136,273	297,394	2,402,975	0	0.0
Fleet Management adjustments	1,672,085	0	0	1,672,085	0	0.0
Annualize prior year budget actions	583,617	178,397	46,234	358,986	0	(2.0)
CO State Archives digitization and electronic record plan	414,335	372,335	42,000	0	0	3.0
Cybersecurity liability insurance policy	378,069	827	291	376,951	0	0.0
Address Confidentiality Program resources	303,113	283,113	20,000	0	0	2.5
CO State Archives historic preservation	125,000	125,000	0	0	0	0.0
Microsoft operating system and Microsoft Office productivity suite service offerings	34,098	9,105	3,240	21,753	0	0.0
CORE Operations adjustments	33,759	17,149	8,271	8,339	0	0.0
Governor transition funding	25,000	25,000	0	0	0	0.0
Department operating adjustments	21,379	3,876	0	17,503	0	0.0
Capitol Complex adjustments	7,829	0	0	7,829	0	0.0
Central Services reorganization	0	0	0	0	0	(0.4)
Fund source adjustment	0	(3,004)	3,004	0	0	0.0
Transfer Governor residence restoration to capital budget	(1,000,000)	(1,000,000)	0	0	0	0.0
Statewide indirect cost plan adjustments	(709,975)	1,183,598	(304,202)	(1,589,371)	0	0.0
Indirect cost assessment	(673,880)	0	(221,953)	(451,927)	0	0.0
Annualize prior year legislation	(550,280)	231,669	(804,168)	22,219	0	0.2
<b>HB 18-1322</b>	<b>\$206,417,946</b>	<b>\$14,062,748</b>	<b>\$14,016,747</b>	<b>\$178,338,451</b>	<b>\$0</b>	<b>425.4</b>
HB 18-1224	19,917	0	0	19,917	0	0.2



DEPARTMENT OF PERSONNEL						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 18-1339	11,633	11,633	0	0	0	0.0
<b>TOTAL</b>	<b>\$206,449,496</b>	<b>\$14,074,381</b>	<b>\$14,016,747</b>	<b>\$178,358,368</b>	<b>\$0</b>	<b>425.6</b>
<b>INCREASE/(DECREASE)</b>	\$10,233,261	\$1,574,971	(\$909,889)	\$9,568,179	\$0	3.5
Percentage Change	5.2%	12.6%	(6.1%)	5.7%	n/a	0.8%

## FY 2017-18 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 18-1164 modifies the FY 2017-18 appropriation to increase cash fund spending authority by \$999,000 (for a total of \$1.0 million) from the Recovery Audit Cash Fund to facilitate a recovery audit covering FY 2014-15 through FY 2016-17, as required by statute. It also included a provision authorizing the appropriation to be spent over a two-year period, FY 2017-18 and FY 2018-19. The vendor who performs the recovery audit retains a portion of any recoveries made, also required by statute, and thus the activity is self-funded. The previous appropriation of \$1,000 served as a placeholder for the Recovery Audit Program, which does not operate each year.

## FY 2018-19 APPROPRIATION HIGHLIGHTS

**CBMS/PEAK ADJUSTMENTS:** The appropriation includes an increase of \$3,391,028 reappropriated funds to meet increasing costs associated with the operation of the Colorado Benefits Management System (CBMS). The funds will be used for producing and mailing client correspondence, meeting federal security requirements, and covering the software licensing, maintenance, and support costs associated with existing capacity and performance issues.

**RISK MANAGEMENT ADJUSTMENTS:** The appropriation includes a net increase of \$3,309,892 reappropriated funds for risk management adjustments.

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

**FLEET MANAGEMENT ADJUSTMENTS:** The appropriation adds \$1,672,085 reappropriated funds for vehicle lease-purchase payments in the Fleet Management Program for approved replacement vehicles and new vehicles.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the out-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 17-18 Salary survey	\$476,162	\$169,609	\$32,082	\$274,471	\$0	0.0
FY 14-15 Total compensation vendor	300,000	300,000	0	0	0	0.0
FY 17-18 Merit pay	201,688	65,021	14,152	122,515	0	0.0
FY 13-14 Employee engagement survey	(215,000)	(215,000)	0	0	0	0.0
FY 14-15 Legislative audio digitization	(141,233)	(141,233)	0	0	0	(2.0)
FY 17-18 Admin Courts Case Mgmt System	(38,000)	0	0	(38,000)	0	0.0
<b>TOTAL</b>	<b>\$583,617</b>	<b>\$178,397</b>	<b>\$46,234</b>	<b>\$358,986</b>	<b>\$0</b>	<b>(2.0)</b>

**CO STATE ARCHIVES DIGITIZATION AND ELECTRONIC RECORD PLAN:** The appropriation includes an increase of \$414,335 total funds, including \$372,335 General Fund, and 3.0 FTE to continue digitization of legislative audio, refresh aging technology used for conversion and digitization, and implement a long-term Electronic Record Plan (ERP) to retain critical state records required to be kept in perpetuity.

**CYBERSECURITY LIABILITY INSURANCE POLICY:** The appropriation includes an increase of \$375,000 reappropriated funds in FY 2018-19 and ongoing to fund the purchase of a cybersecurity insurance policy. Of the amount appropriated, \$325,000 is for the annual liability premium and \$50,000 is for anticipated payments required for liabilities that do not exceed the plan deductible. The insurance plan is to be billed out to state agencies like other liability insurance policies. This item also includes \$3,069, including \$827 General Fund, for the Department's share of the new policy.

**ADDRESS CONFIDENTIALITY PROGRAM RESOURCES:** The appropriation includes an increase of \$303,113 total funds, including \$283,113 General Fund, to operate the Address Confidentiality Program, including increasing outreach due to program growth.

**CO STATE ARCHIVES HISTORIC PRESERVATION:** The appropriation includes an increase of \$125,000 General Fund for Colorado State Archives to assist General Assembly staff in restoring and preserving recovered and discovered items of historic value to the State Capitol at the direction of the Capitol Advisory Committee.

**MICROSOFT OPERATING SYSTEM AND MICROSOFT OFFICE PRODUCTIVITY SUITE SERVICE OFFERINGS:** The appropriation includes an increase of \$34,098 total funds, including \$9,105 General Fund, transferred to the Governor's Office of Information Technology to transition from a non-consolidated licensing approach for operating system and Microsoft Office applications to a centralized approach managed by the Office for all state agencies.

**CORE OPERATIONS ADJUSTMENTS:** The appropriation adds \$33,759 total funds, including \$17,149 General Fund, for maintenance and operations of the Colorado Operations Resource Engine.

**GOVERNOR TRANSITION FUNDING:** The appropriation includes \$25,000 General Fund to assist in the transition to a new Governor in FY 2018-19. Section 24-8-105, C.R.S., directs the General Assembly to appropriate at least \$10,000 for this purpose. During the last Governor transition, the Department sought a supplemental budget change to address a shortfall of just less than \$15,000 when the General Assembly appropriated only the minimum required by statute.

**DEPARTMENT OPERATING ADJUSTMENTS:** The appropriation includes an increase of \$21,379, including \$3,876 General Fund, to support operating costs for three of its programs: Colorado State Employees Assistance Program (CSEAP), State Personnel Board, and the Office of Administrative Courts. The additional funding will allow:

- The CSEAP program to provide services at satellite offices and acquire new lease space in Colorado Springs at the end of its current lease in FY 2017-18;
- The State Personnel Board to access the new case management system implemented recently by the Office of Administrative Courts; and
- The Office of Administrative Courts to offer remote hearings, primarily for workers' compensation disputes, and ones closer to the location of the dispute.

**CAPITOL COMPLEX ADJUSTMENTS:** The appropriation includes a net increase of \$7,829 reappropriated funds for Capitol Complex Security paid to the Department of Public Safety.

**CENTRAL SERVICES REORGANIZATION:** The appropriation includes a net zero reorganization of the Division of Central Services (DCS). During the last half of FY 2016-17, the Department's executive management team implemented a new organizational structure for the Division of Central Services with the intent of flattening the Department's organization. The reorganization will create better alignment within working groups, provide greater agility, and improve communications between programs. The change allows the department to calculate overhead costs allocated to each of the programs that provide services to state agencies more accurately, which creates more equity in the allocation plan.

**FUND SOURCE ADJUSTMENT:** The appropriation includes a decrease in General Fund offset by an increase in cash funds. This includes an increase in the amount of total department indirect cost recoveries applied to offset the need for General Fund, which necessitates an increase in the cash funds appropriation.

**TRANSFER GOVERNOR RESIDENCE RESTORATION TO CAPITAL BUDGET:** The appropriation includes a transfer from this section of the budget to the capital budget, which totals \$1,000,000 General Fund.

**STATEWIDE INDIRECT COST PLAN ADJUSTMENTS:** The appropriation includes a net decrease of \$709,975 total funds, including an increase of \$1,183,598 General Fund, due to reduced indirect costs allocated to the Department by other agencies.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net decrease in indirect cost assessments in several divisions.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments for the out-year impact of prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 17-1144 Amend Cap Const Automatic Funding	\$352,601	\$239,769	\$112,832	\$0	\$0	0.0
SB 13-276 Disability investigational and pilot support	82,000	0	82,000	0	0	0.0
HB 16-1467 First Homebuyer Saving Account	14,903	0	0	14,903	0	0.0
HB 17-1296 Assignment of State Vehicles	8,366	0	0	8,366	0	0.2
HB 18-1168 Supplemental Bill	(999,000)	0	(999,000)	0	0	0.0
SB17-121 Improve Medicaid Compliance	(6,750)	(8,100)	0	1,350	0	0.0
HB 16-1194 Ag Asset Lease Tax Deduction	(2,400)	0	0	(2,400)	0	0.0
<b>TOTAL</b>	<b>(\$550,280)</b>	<b>\$231,669</b>	<b>(\$804,168)</b>	<b>\$22,219</b>	<b>\$0</b>	<b>0.2</b>

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

# DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT

The Department of Public Health and Environment consists of the following 11 divisions:

- 1 Administration and Support
  - a. Provides department-wide administrative services
  - b. Houses the Health Disparities Program, which provides grants for health initiatives aimed at reducing and eliminating disparities currently existing in the provision of health services across the state
  - c. Houses the Office of Planning and Partnerships, which oversees the distribution of state funds to local public health agencies
- 2 Center for Health and Environmental Information
  - a. Maintains a database of all Colorado births, deaths, marriages, and divorces
  - b. Provides birth and death certificates
  - c. Gathers and analyzes health data for use by public and private agencies
  - d. Operates the Medical Marijuana Registry
- 3 Laboratory Services
  - a. Provides testing, analysis, and results reporting of laboratory tests on specimens and samples submitted by other divisions, departments, and private clients
  - b. Includes the following laboratory units:
    - i. Molecular Sciences and Newborn Screening Units
    - ii. Public Health Microbiology and Environmental Microbiology Units
    - iii. Radiation counting facility
    - iv. Organic and Inorganic Units
    - v. Evidential Breath and Alcohol Testing and Certification Units
- 4 Air Pollution Control Division
  - a. Performs statewide air monitoring, pollutant analysis, and air emission modeling
  - b. Researches the causes and effects of pollution from mobile vehicles and implements strategies aimed at reducing emissions from mobile sources
  - c. Permits, monitors, and inspects factories, power plants, and other commercial air pollutant emitters for compliance with air pollutant emissions standards
- 5 Water Quality Control Division
  - a. Issues waste water discharge permits and, if necessary, takes enforcement action to ensure compliance with water quality standards
  - b. Issues water quality permits for the following sectors: construction, public and private utilities, commerce and industry, pesticides, and water quality certification
  - c. Monitors the pollutant levels in rivers, streams, and other bodies of water
  - d. Conducts surveillance of public and non-public drinking water sources to ensure compliance with federal and state water quality standards
  - e. Reviews designs and specifications of new and/or expanding water treatment facilities

- 6 Hazardous Materials and Waste Management Division
  - a. Regulates the treatment, storage, and disposal of solid and hazardous waste in Colorado
  - b. Performs inspections of solid waste facilities
  - c. Oversees hazardous waste generators, transporters, and storage facilities
  - d. Regulates commercial radioactive materials in Colorado
  - e. Administers the Waste Tire Program
- 7 Division of Environmental Health and Sustainability
  - a. Certifies and inspects wholesale food distributors and dairy processors
  - b. Oversees restaurant, child care facility, and school inspections done by local public health agencies (with a few exceptions where the State is responsible for these inspections)
  - c. Administers the following environmental sustainability programs:
    - i. Environmental Leadership Program
    - ii. Pollution Prevention Program
    - iii. Pharmaceutical Take-Back Program
  - d. Administers the Recycling Resources Opportunity Program
  - e. Administers the Animal Feeding Operations Program
- 8 Disease Control and Environmental Epidemiology Division
  - a. Responsible for identifying, containing, controlling, and tracking the spread of communicable diseases, with a focus on: hepatitis, tuberculosis, sexually transmitted infections, and HIV/AIDS
  - b. Operates the Immunization Program, which includes the Immunization Outreach Program, the Colorado Immunization Information System, and grants to local public health agencies for operation of immunization clinics
  - c. 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
  - a. Administers the Tobacco Education, Prevention, and Cessation Program and the Cancer, Cardiovascular Disease, and Chronic Pulmonary Disease Prevention, Early Detection, and Treatment Program
  - b. Operates the Breast and Cervical Cancer Screening Program
  - c. Operates programs for children with special needs and the Genetics Counseling Program
  - d. Administers the School-Based Health Centers Program
  - e. Administers injury and suicide prevention programs
  - f. Operates the Primary Care Office and Oral Health Program
  - g. Administers the following two federal food assistance programs:
    - i. Women, Infants, and Children Program, and
    - ii. Child and Adult Care Food Program.
- 10 Health Facilities and Emergency Medical Services Division
  - a. Enforces, through certification and inspections, the standards for the operation of health care facilities, including hospitals and nursing facilities
  - b. Inspects and certifies emergency medical and trauma service providers

## 11 Office of Emergency Preparedness and Response

- Works with local agencies and other state departments to ensure Colorado is prepared for, and able to respond to, a variety of natural and man-made disasters
- 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 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
General Fund <sup>1</sup>	\$48,015,287	\$47,629,976	\$48,798,277	\$52,020,069
Cash Funds	157,897,569	189,303,546	188,457,556	192,576,513
Reappropriated Funds	37,770,563	41,342,484	45,239,889	47,088,905
Federal Funds	294,153,882	288,692,568	297,512,266	299,022,334
<b>TOTAL FUNDS</b>	<b>\$537,837,301</b>	<b>\$566,968,574</b>	<b>\$580,007,988</b>	<b>\$590,707,821</b>
Full Time Equiv. Staff	1,288.6	1,311.3	1,336.0	1,345.8

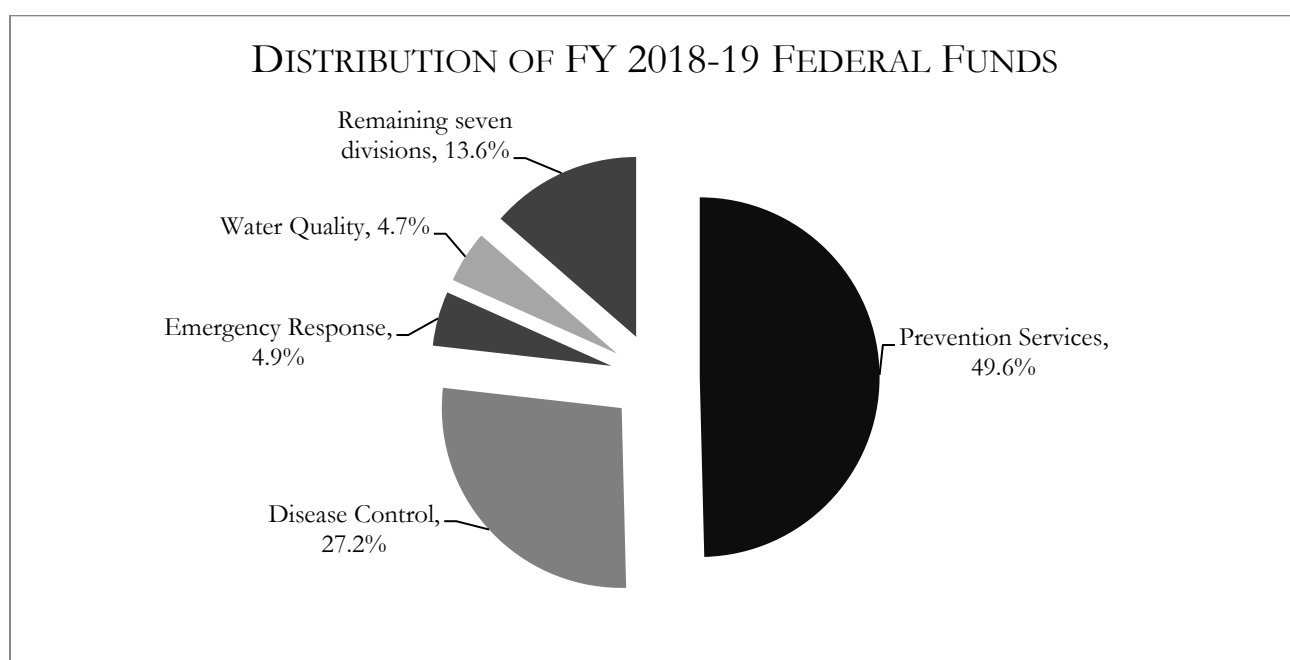
<sup>1</sup> Includes General Fund Exempt.

## GENERAL FACTORS DRIVING THE BUDGET

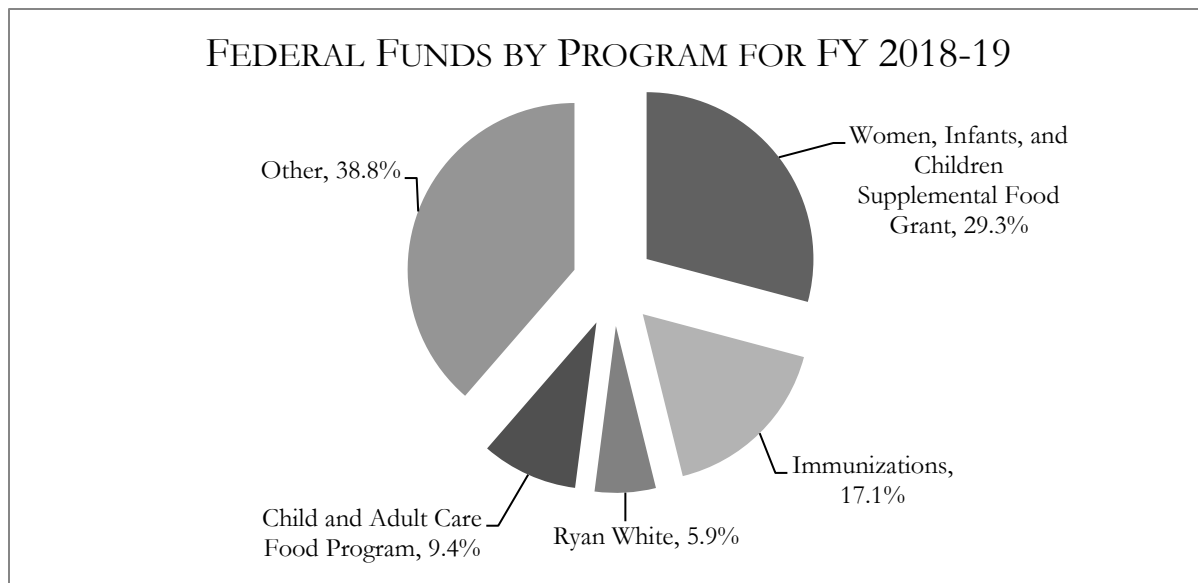
Funding for the Department for FY 2018-19 consists of 8.8 percent General Fund (including appropriations from the General Fund Exempt account), 32.6 percent cash funds, 8.0 percent reappropriated funds, and 50.6 percent federal funds. Some of the major factors driving the budget are reviewed below.

### FEDERAL FUNDS

Federal funds account for 50.6 percent of the Department's FY 2018-19 total appropriation. The Department receives federal funds from multiple federal agencies ranging from the Environmental Protection Agency to the U.S. Department of Health and Human Services. The majority of the federal funds in the Department's Long Bill are shown for informational purposes because the General Assembly does not have the authority to limit the amount of federal funds the Department may receive and expend. The following graphic illustrates the projected distribution of federal funds by division for FY 2018-19.



The majority of federal funds (\$115.0 million of \$148.4 million) within the Prevention Services Division are for two federally funded nutrition programs: the Women, Infants, and Children Program (WIC) and the Adult and Child Food Care Program (CACFP). Within the Disease Control and Environmental Epidemiology Division, 62.5 percent of the federal funds are for the purchase of immunizations for local public health agencies, and 21.7 percent are for the Ryan White Comprehensive AIDS Resources Emergency Act. The Ryan White Act funds are used for primary care and support services for individuals living with HIV and AIDS who lack health insurance and the financial resources to pay for their care.



## REVENUE FROM AMENDMENT 35 TOBACCO TAX AND THE TOBACCO MASTER SETTLEMENT AGREEMENT

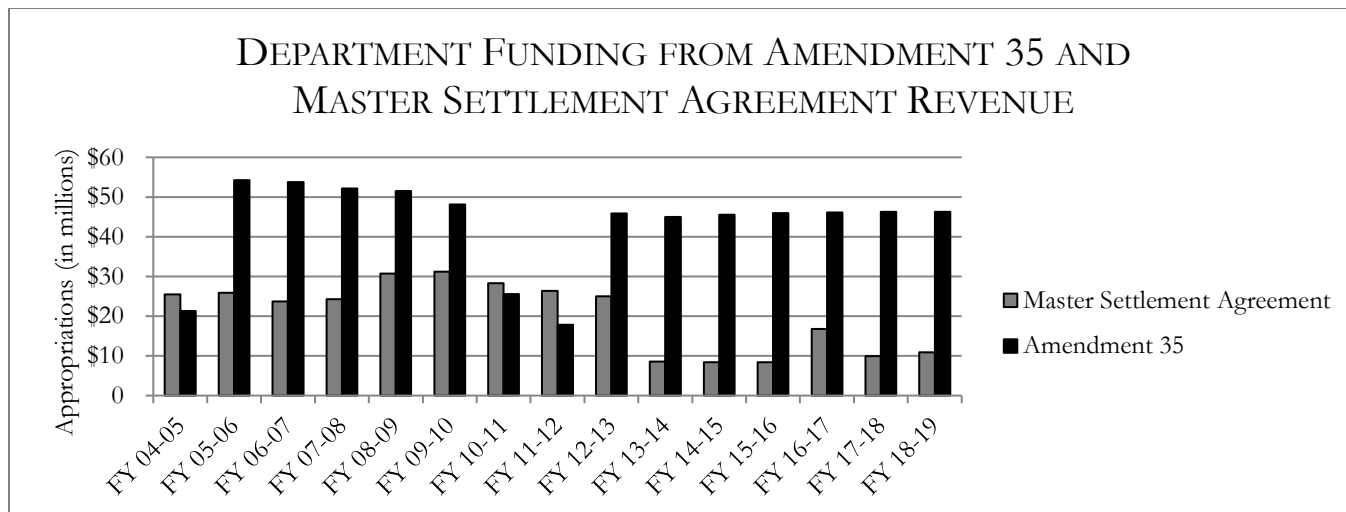
The Department receives revenue from the Amendment 35 tobacco tax and from the Tobacco Master Settlement Agreement. Amendment 35 was approved by voters in 2004 and imposed a \$0.64 tax on each pack of cigarettes sold in Colorado and related taxes on other tobacco products. Amendment 35 revenues are distributed based on a state constitutional formula. The following department programs receive Amendment 35 revenue:

- Tobacco Education, Prevention, and Cessation Program;
- Health Disparities Grant Program;
- Cardiovascular, Pulmonary, and Chronic Disease Grant Program; and
- Breast and Cervical Cancer Screening Program.

Revenue from the Tobacco Master Settlement Agreement (MSA) is the product of a 1998 legal settlement between tobacco manufacturers and the states who sued the tobacco manufacturers as a way to recover Medicaid and other health-related costs they incurred as a result of treating smoking related illnesses. Statutory formulas dictate the distribution of MSA revenue, and the Department receives revenue for:

- Drug assistance programs;
- Colorado AIDS and HIV Prevention Grant Program (CHAPP);
- Colorado Immunizations Program;
- Health Care Professional Loan Forgiveness Program (i.e. the Health Services Corps); and
- Dental Loan Repayment Program.

As these two revenue streams decrease over time, programs must reassess the amount of funds available for administrative overhead and the amount of funds available for grants. The following table summarizes the Department's funding from these two revenue sources from FY 2004-05 through FY 2018-19.



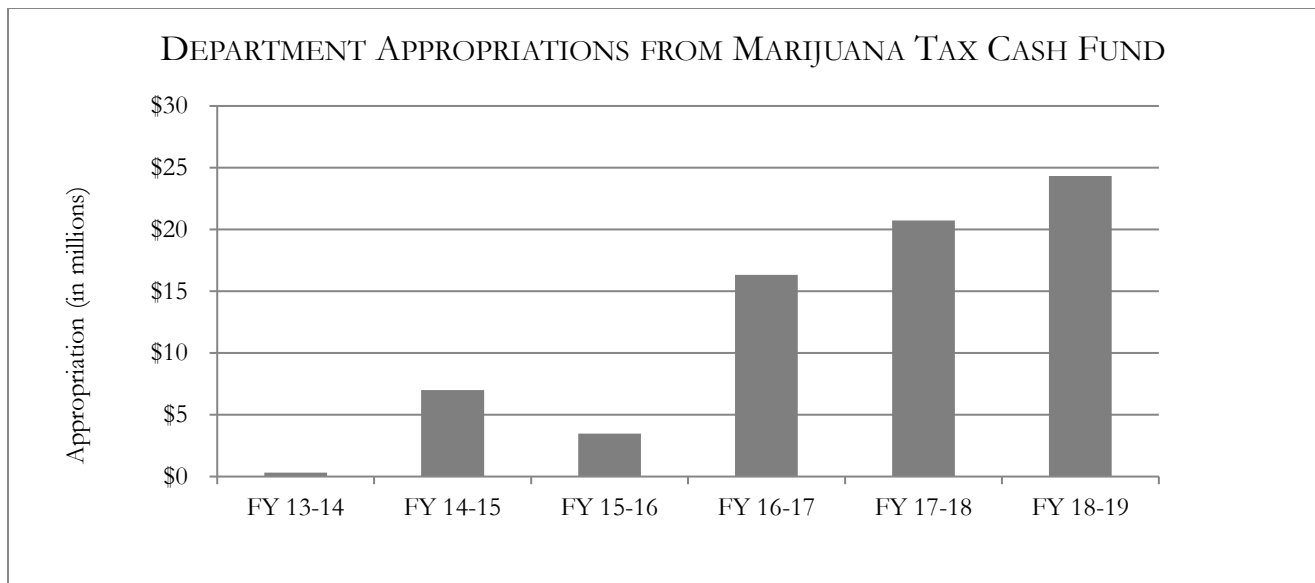
The following policy changes drove the significant revenue changes shown in the above table:

- Amendment 35 tobacco tax revenues were first generated for the second part of FY 2004-05.
- Between FY 2010-11 and FY 2012-13 the General Assembly declared a fiscal emergency and, on that basis, diverted Amendment 35 revenue from the Department to the Department of Health Care Policy and Financing to offset the need for General Fund for health related programs.
- Master Settlement Agreement funds fell starting in FY 2013-14 due to the transfer of the Nurse Home Visitor Program and the Tony Gramscas Youth Services Program to the Department of Human Services.
- House Bill 16-1408 (Cash Fund Allocations for Health-related Programs) included adjustments to the amount of Tobacco Master Settlement money received by department programs, including increases for the AIDS & HIV Prevention Grants, the Dental Loan Repayment Program, and the Immunization Program. Prior to H.B. 16-1408, Local Public Health Agencies received Tobacco Master Settlement money, but the General Assembly replaced this with Marijuana Tax Cash Fund dollars starting in FY 2016-17.

## PROGRAMS FUNDED WITH MARIJUANA TAX REVENUE

Voters legalized recreational marijuana in 2012 and subsequently approved new taxes on recreational marijuana. Based on this, the General Assembly adopted legislation authorizing the Department to use a portion of the new marijuana tax revenue for new and existing programs. Over time, the General Assembly has increased the number of programs and the amount of funding the Department receives from the Marijuana Tax Cash Fund. The following table summarizes appropriations of marijuana tax revenues to the Department for FY 2013-14 through FY 2018-19.





For more information about Marijuana Tax Cash Fund appropriations, see Appendix J.

## REGULATORY STAFF

The Department is responsible for the regulation, inspection, and enforcement of numerous health and environment statutes designed to protect the health of Coloradans and the environment. In order to meet the growing regulatory workload, which is a result of both population growth and an increasing number of statutory and regulatory requirements, the Department has expanded regulatory resources. Due to the diversity of the Department's regulatory programs, the resource increases range from air emission inspectors to manufactured food inspectors to assisted living residence surveyors. The following table summarizes the recent resource increases.

SUMMARY OF FTE ADDITIONS TO THE DEPARTMENT SINCE FY 2012-13		
DIVISION, PROGRAM	FTE	FISCAL YEAR
Air Pollution Control Division		
Oil and Gas Inspectors	13.0	FY 2012-13
IR Camera and Title V Inspectors	13.0	FY 2015-16
Water Quality Control Division		
Clean Water Sectors	16.0	FY 2013-14
Clean Water Sectors - Reclaimed water reuse	0.7	FY 2018-19
Construction Sector via HB 15-1249	5.0	FY 2016-17
Clean Water Program	0.6	FY 2018-19
Division of Environmental Health and Sustainability		
Manufactured Food Programs	2.0	FY 2015-16
Health Facilities Surveys		
Home Care Agencies	2.1	FY 2014-15
Assisted Living Residences	2.0	FY 2015-16
IDD Facility Surveyors	5.0	FY 2017-18
Various Health Facility Surveyors (including freestanding emergency rooms, hospitals, community clinics, and nursing homes)	8.0	FY 2017-18
Hazardous Materials and Solid Waste Division		
Solid Waste Program	6.2	FY 2012-13
Waste Tire Program	1.0	FY 2014-15
State Laboratory		
Marijuana laboratory certification and proficiency testing	2.5	FY 2015-16
Marijuana reference library	4.0	FY 2017-18
<b>TOTAL NEW FTE</b>	<b>81.1</b>	

## ENVIRONMENTAL DIVISIONS' PRIMARY CASH FUNDS

The four environmental divisions (APCD, WQCD, HMSWD, and DEHS) are primarily cash funded, with each division utilizing multiple cash funds to cover operational expenditures for their programs. In aggregate, 60.9 percent of these divisions' FY 2018-19 appropriation was cash funds. The revenue in these cash funds are derived primarily from program fees and are indicative of each division's workload and programmatic scope; available revenue determines expenditures. The following table summarizes the three largest cash funds by appropriation for each of the four divisions.

CASH FUND SUMMARY FOR ENVIRONMENTAL DIVISIONS			
DIVISION	CASH FUND	STATUTORY CITATION	FY 2018-19 APPROPRIATION
Air Pollution Control Division	Stationary Sources Control Fund	25-7-114.7 (2)(b)(I)	\$12,209,074
	CDPHE HUTF AIR Subaccount	42-3-304 (18)(c)	6,584,531
	Ozone Protection Fund	25-7-135 (1)	162,238
Water Quality Control Division	Public and Private Utilities Sector Fund	25-8-502 (1.5)(a)(V)	2,003,461
	Water Quality Improvement Fund	25-8-608 (1.5)	1,981,675
	Construction Sector Fund	25-8-502 (1.5)(a)(II)	1,564,152
Hazardous Materials and Waste Management Division	Hazardous Substance Response Fund	25-16-104.6 (1)(a)	4,412,903
	Solid Waste Management Fund	30-20-118 (1)	4,043,231
	Waste Tire Administration, Enforcement, and Cleanup Fund	30-20-1404 (1)	2,875,000
Division of Environmental Health and Sustainability	Recycling Resources Economic Opportunity Fund	25-16.5-106.5 (1)(a)	5,000,200
	Food Protection Cash Fund	25-4-1608 (1)	1,035,225
	Wholesale Food and Storage Protection Cash Fund	25-5-426 (5)	595,945

## APPROPRIATION HIGHLIGHTS - 2018 LEGISLATIVE SESSION

DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT						
	TOTAL FUNDS	GENERAL FUND <sup>1,2</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$577,561,316	\$48,365,235	\$186,449,278	\$45,234,537	\$297,512,266	1,331.6
HB 17-1079	491,510	0	491,510	0	0	3.0
HB 17-1248	260,000	0	260,000	0	0	0.0
HB 17-1285	1,258,007	433,042	824,965	0	0	0.0
HB 17-1306	431,803	0	431,803	0	0	1.3
HB 17-1315	5,352	0	0	5,352	0	0.1
<b>TOTAL</b>	<b>\$580,007,988</b>	<b>\$48,798,277</b>	<b>\$188,457,556</b>	<b>\$45,239,889</b>	<b>\$297,512,266</b>	<b>1,336.0</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$580,007,988	\$48,798,277	\$188,457,556	\$45,239,889	\$297,512,266	1,336.0
Centrally appropriated line items	6,524,959	1,162,013	1,533,786	2,371,338	1,457,822	0.0
Medical marijuana research grants	3,000,000	0	3,000,000	0	0	0.0
Indirect cost adjustment	2,199,166	687,717	2,026,882	(515,433)	0	0.0
Tobacco Master Settlement Agreement adjustment	1,337,072	0	1,337,072	0	0	0.0
Recycling Resources Economic Opportunity Fund increase	1,150,000	0	1,150,000	0	0	0.0
Water Quality Improvement Fund increase	732,804	0	732,804	0	0	0.0
Increase funding for oral health programs	500,000	500,000	0	0	0	0.0
Health Information Exchange	387,516	387,516	0	0	0	0.0
Family medicine loan repayment	225,000	225,000	0	0	0	0.0
SharePoint upgrade	212,098	0	0	212,098	0	0.0
Transfer Mental Health First Aid from DHS	210,000	210,000	0	0	0	0.0
Addressing critical public health threats	208,289	208,289	0	0	0	3.2
Healthy food incentives	200,000	200,000	0	0	0	0.0

DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT						
	TOTAL FUNDS	GENERAL FUND <sup>1, 2</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Provider rate increase	92,787	67,653	17,924	7,210	0	0.0
Other technical adjustments	88,896	89,345	0	0	(449)	0.0
Annualize prior year legislation	(3,475,492)	(70,467)	(3,408,946)	3,921	0	(0.4)
Annualize prior year budget actions	(3,175,600)	(1,795,468)	(1,209,485)	(223,342)	52,695	2.5
Chronic disease grants adjustment	(2,362,788)	0	(2,362,788)	0	0	0.0
Amendment 35 tobacco tax adjustment	(1,872,748)	(10,431)	(1,855,541)	(6,776)	0	0.0
Stationary Sources Control Fund reduction	(1,555,752)	0	(1,555,752)	0	0	0.0
Medical marijuana adjustment	(166,268)	0	(166,268)	0	0	0.0
Transfer to Department of Law	(75,430)	0	(75,430)	0	0	0.0
Animal Feeding Operations Cash Fund reduction	(14,323)	0	(14,323)	0	0	0.0
<b>HB 18-1322</b>	<b>\$584,378,174</b>	<b>\$50,659,444</b>	<b>\$187,607,491</b>	<b>\$47,088,905</b>	<b>\$299,022,334</b>	<b>1,341.3</b>
SB 18-024	2,500,000	0	2,500,000	0	0	2.0
SB 18-033	14,323	0	14,323	0	0	0.0
SB 18-038	40,602	40,602	0	0	0	0.4
SB 18-146	34,725	0	34,725	0	0	0.5
SB 18-272	400,000	400,000	0	0	0	0.3
HB 18-1003	775,000	0	775,000	0	0	0.0
HB 18-1006	89,222	0	89,222	0	0	1.0
HB 18-1069	25,054	25,054	0	0	0	0.2
HB 18-1093	14,399	14,399	0	0	0	0.1
HB 18-1400	1,555,752	0	1,555,752	0	0	0.0
HB 18-1409	880,570	880,570	0	0	0	0.0
<b>TOTAL</b>	<b>\$590,707,821</b>	<b>\$52,020,069</b>	<b>\$192,576,513</b>	<b>\$47,088,905</b>	<b>\$299,022,334</b>	<b>1,345.8</b>
<b>INCREASE/(DECREASE)</b>	<b>\$10,699,833</b>	<b>\$3,221,792</b>	<b>\$4,118,957</b>	<b>\$1,849,016</b>	<b>\$1,510,068</b>	<b>9.8</b>
Percentage Change	1.8%	6.6%	2.2%	4.1%	0.5%	0.7%

<sup>1</sup> Includes General Fund Exempt.

<sup>2</sup> Includes \$440,340 in FY 2017-18 and \$429,909 in FY 2018-19 that is not subject to the statutory restriction on state General Fund appropriations imposed by Section 24-75-201.1, C.R.S.

## FY 2018-19 APPROPRIATION HIGHLIGHTS

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items, as detailed in the following table:

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey adjustment	\$3,408,357	\$475,738	\$1,161,721	\$405,088	\$1,365,810	0.0
Payments to OIT adjustment	1,196,214	59,632	0	1,136,582	0	0.0
Health, life, and dental adjustment	1,119,080	321,810	338,029	278,444	180,797	0.0
AED adjustment	204,555	128,402	42,351	53,289	(19,487)	0.0
SAED adjustment	204,555	128,402	42,351	53,289	(19,487)	0.0
CORE adjustment	140,652	52,131	0	88,521	0	0.0
Workers' compensation adjustment	102,545	0	0	102,545	0	0.0
OIT operating system suite	74,072	(5,136)	(75,873)	197,547	(42,466)	0.0
Payment to risk management / property funds adjustment	52,975	0	0	52,975	0	0.0
Vehicle lease payments adjustment	39,562	0	28,954	7,152	3,456	0.0
Cybersecurity liability insurance policy	5,914	0	0	5,914	0	0.0
Legal services adjustment	950	0	0	950	0	0.0
Short-term disability adjustment	(10,702)	2,190	(4,668)	(182)	(8,042)	0.0
Administrative Law Judge adjustment	(6,685)	0	0	(6,685)	0	0.0
Capitol Complex leased space adjustment	(4,091)	0	0	(4,091)	0	0.0
Shift differential adjustment	(2,994)	(1,156)	921	0	(2,759)	0.0
<b>TOTAL</b>	<b>\$6,524,959</b>	<b>\$1,162,013</b>	<b>\$1,533,786</b>	<b>\$2,371,338</b>	<b>\$1,457,822</b>	<b>0.0</b>

**MEDICAL MARIJUANA RESEARCH GRANTS:** The appropriation includes an increase of \$3.0 million cash funds from the Marijuana Tax Cash Fund for medical marijuana research grants.

**INDIRECT COST ASSESSMENT:** The appropriation includes adjustments based on the Department's indirect cost assessment plan, as well as amounts available in the Indirect Cost Excess Recoveries Cash Fund for the Department. The adjustments include an increase of \$2.2 million total funds, including \$687,717 General Fund, for indirect costs recoveries assessed to the various divisions of the Department.

**TOBACCO MASTER SETTLEMENT AGREEMENT ADJUSTMENT:** The appropriation includes an increase of \$1.3 million cash funds based on the Legislative Council FY 2018-19 Tobacco Master Settlement Agreement revenue projection, as well as adjustments related to existing cash fund balances.

**RECYCLING RESOURCES ECONOMIC OPPORTUNITY FUND INCREASE:** The appropriation includes an increase of \$1.2 million cash funds from the Recycling Resources Economic Opportunity Fund. The additional spending authority allows the Recycling Resources Economic Opportunity Program in the Division of Environmental Health and Sustainability to increase the number of grants and rebates awarded for financial assistance to private, public, and non-profit stakeholders to encourage the development of waste diversion infrastructure in Colorado.

**WATER QUALITY IMPROVEMENT FUND INCREASE:** The appropriation includes an increase of \$732,804 cash funds from the Water Quality Improvement Fund. The additional spending authority allows the Water Quality Control Division to increase the amount and number of grants awarded from the Water Quality Improvement Fund. These grants provide financial assistance to public, non-profit, and private stakeholders for water quality improvement projects.

**INCREASE FUNDING FOR ORAL HEALTH PROGRAMS:** The appropriation includes \$500,000 General Fund to increase funding for oral health prevention programs for children.

**HEALTH INFORMATION EXCHANGE:** The appropriation includes \$387,516 General Fund to support development of additional interfaces to connect providers to the Health Information Exchange.

**FAMILY MEDICINE LOAN REPAYMENT:** The appropriation includes \$225,000 General Fund to increase funding for family medicine loan repayment programs.

**SHAREPOINT UPGRADE:** The appropriation includes an increase of \$212,098 reappropriated funds to update the Department's SharePoint platform. The Department uses SharePoint for internal administrative functions and various programmatic activities.

**TRANSFER MENTAL HEALTH FIRST AID FROM DHS:** The appropriation includes \$210,000 General Fund to transfer funding for Mental Health First Aid training from the Department of Human Services (DHS) to the Department of Public Health and Environment.

**ADDRESSING CRITICAL PUBLIC HEALTH THREATS:** The appropriation includes \$208,289 General Fund and 3.2 FTE to support testing capabilities for infectious disease surveillance and to address the emergent public health risk from harmful algal blooms at 20 high risk lakes in Colorado.

**HEALTHY FOOD INCENTIVES:** The appropriation includes \$200,000 General Fund to subsidize the purchase of fresh fruits and vegetables for low-income individuals by providing matching incentives for produce purchased at local farmers markets.

**PROVIDER RATE INCREASE:** The appropriation includes an increase of \$92,787 total funds, including \$67,653 General Fund, for a 1.0 percent provider rate increase for Local Public Health Agencies.

**OTHER TECHNICAL ADJUSTMENTS:** The appropriation includes four technical changes, as detailed in the table below:

OTHER TECHNICAL ADJUSTMENTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Depreciation equivalent payments	\$89,345	\$89,345	\$0	\$0	\$0	0.0
Communities that Care base adjustment	0	0	0	0	0	0.0
Adjustment to Medicare/Medicaid transfer	(449)	0	0	0	(449)	0.0
<b>TOTAL</b>	<b>\$88,896</b>	<b>\$89,345</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$449)</b>	<b>0.0</b>

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments related to prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 17-1315 DUI data	\$1,069	\$0	\$0	\$1,069	\$0	0.0
HB 14-1352 Waste tire fee sunset	(3,094,319)	0	(3,094,319)	0	0	0.0
HB 17-1248 CWCB projects bill	(260,000)	0	(260,000)	0	0	0.0
HB 16-1280 Air ambulance	(71,749)	0	(71,749)	0	0	(0.3)
HB 17-1306 Test lead in public schools drinking water	(35,128)	0	(35,128)	0	0	(0.1)
SB 16-069 Community paramedics	(10,662)	(70,467)	56,953	2,852	0	0.0
HB 15-1015 EMS compact	(4,703)	0	(4,703)	0	0	0.0
<b>TOTAL</b>	<b>(\$3,475,492)</b>	<b>(\$70,467)</b>	<b>(\$3,408,946)</b>	<b>\$3,921</b>	<b>\$0</b>	<b>(0.4)</b>

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the out-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 17-18 Lease escalator	\$189,814	\$0	\$17,504	\$172,310	\$0	0.0
FY 17-18 Health facilities staffing	134,844	6,763	29,317	33,511	65,253	2.5
FY 17-18 Rural landfills	(1,595,000)	(1,345,000)	(250,000)	0	0	0.0
FY 16-17 Oil and gas health activities	(804,660)	0	(402,330)	(402,330)	0	0.0
FY 17-18 Marijuana reference library	(593,467)	0	(593,467)	0	0	0.0
FY 14-15 HIE funding	(453,516)	(453,516)	0	0	0	0.0
FY 17-18 merit pay	(24,136)	(2,973)	(8,377)	(2,828)	(9,958)	0.0
FY 17-18 R2 IDD facility survey staffing	(23,315)	0	0	(23,315)	0	0.0
FY 17-18 salary survey	(6,164)	(742)	(2,132)	(690)	(2,600)	0.0
<b>TOTAL</b>	<b>(\$3,175,600)</b>	<b>(\$1,795,468)</b>	<b>(\$1,209,485)</b>	<b>(\$223,342)</b>	<b>\$52,695</b>	<b>2.5</b>

**CHRONIC DISEASE GRANTS ADJUSTMENT:** The appropriation includes a reduction of \$2.4 million cash funds in the Cancer, Cardiovascular and Chronic Disease Prevention Grants line item in the Prevention Services Division, reducing spending authority to properly reflect actual fund availability and expenditures.

**AMENDMENT 35 TOBACCO TAX ADJUSTMENT:** The appropriation includes a reduction of \$1.9 million total funds, including \$10,431 General Fund, to reflect forecasted revenue, as well as adjustments related to existing cash fund balances.

**STATIONARY SOURCES CONTROL FUND REDUCTION:** The appropriation includes a reduction of \$1.6 million cash funds from the Stationary Sources Control Fund (SSCF). This reduction will align the spending authority from

the Fund with its available revenue from fees and the Fund's projected FY 2018-19 beginning balance. This reduction occurs primarily in the Air Pollution Control Division, but also affects the Administration and Support Division and the Division of Environmental Health and Sustainability.

**MEDICAL MARIJUANA ADJUSTMENT:** The appropriation includes a total reduction of \$166,268 cash funds from the Medical Marijuana Cash Fund. The reduction includes a decrease of \$284,888 from personal services expenditures and an increase of \$118,620 for operating expenditures to fund annual maintenance costs for the online Medical Marijuana Registration system.

**TRANSFER TO DEPARTMENT OF LAW:** The appropriation includes a decrease of \$75,430 cash funds to reflect adjustments in the Department of Law for expenses charged to the Hazardous Substance Response Fund. These funds are appropriated to the Department of Public Health and Environment first, then transferred to the Department of Law.

**ANIMAL FEEDING OPERATIONS CASH FUND REDUCTION:** The appropriation includes a reduction of \$14,323 cash funds from the Animal Feeding Operations Cash Fund. This reduction aligns the appropriation from the Fund with anticipated available revenue.

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

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# DEPARTMENT OF PUBLIC SAFETY

The Department consists of six divisions: the 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 Executive Director's Office is responsible for department-wide management and administration, including policy development, human resources, accounting, purchasing and budgeting. This office includes the Witness Protection Program, the Colorado Integrated Criminal Justice Information System (CICJIS), and the School Safety Resource Center.

The Colorado State Patrol facilitates motor vehicle traffic and enforces all applicable laws on approximately 9,100 miles of state and federal highways and more than 57,000 miles of county roads. Port of Entry officers collect fuel taxes and registration fees and ensure compliance with statutory weight and size restrictions for commercial vehicles. State Troopers perform commercial motor vehicle safety, hazardous materials routing and rule making, aviation, homeland security, communications, investigative services, capitol complex security, and criminal interdiction.

The Division of Fire Prevention and Control is tasked with fire code enforcement, training, and certification, as well as wildfire preparedness, response, suppression, coordination, and management.

The Division of Criminal Justice conducts criminal-justice research, assists with policy formation, administers grants for law enforcement and community crime control programs, addresses the needs of crime victims, oversees community corrections programs, and sets standards for the treatment of sex and domestic violence offenders.

The Colorado Bureau of Investigation assists state and local law enforcement in investigating crime and enforcing criminal laws, maintains fingerprint records and DNA profiles, oversees the statewide crime reporting program, and operates scientific laboratories.

The Division of Homeland Security and Emergency Management consists of three offices: Office of Emergency Management, Office of Prevention and Security, and Office of Preparedness. The Division is tasked with consolidating and restructuring the state's homeland security and disaster preparedness and response functions through better coordination of emergency management and homeland security entities in the state.

## DEPARTMENT BUDGET: RECENT APPROPRIATIONS

FUNDING SOURCE	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
General Fund	\$119,777,386	\$122,680,880	\$124,687,644	\$183,106,198
Cash Funds	185,772,422	190,524,914	200,795,010	216,527,076
Reappropriated Funds	34,381,520	38,933,169	40,845,123	43,430,450
Federal Funds	59,519,141	61,508,579	56,766,887	69,838,616
<b>TOTAL FUNDS</b>	<b>\$399,450,469</b>	<b>\$413,647,542</b>	<b>\$423,094,664</b>	<b>\$512,902,340</b>
Full Time Equiv. Staff	1,727.1	1,783.4	1,802.5	1,854.3

## GENERAL FACTORS DRIVING THE BUDGET

Funding for this Department consists of 35.7 percent General Fund, 42.2 percent cash funds, 8.5 percent reappropriated funds, and 13.6 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

### HIGHWAY SUPERVISION AND THE HIGHWAY USERS TAX FUND

The Highway Users Tax Fund (HUTF) is the primary source of state highway funds in Colorado. HUTF revenues include gas and special-fuel taxes, driver's license fees, motor vehicle title and registration fees, fines, license plate fees, and passenger-mile taxes. Pursuant to Section 18 of Article X of the Colorado Constitution, HUTF revenues are required to be used exclusively for the construction, maintenance, and supervision of state public highways, and associated administrative costs.

Prior to appropriating HUTF revenue for construction and maintenance of highways, the General Assembly appropriates HUTF revenues to the Department of Public Safety for highway-related administrative and supervisory functions. The distribution to the State Patrol is taken "off-the-top," before the statutory formula allocation of HUTF to the state highway fund, counties, and cities. Pursuant to Section 43-4-201 (3)(a)(I)(C), C.R.S., off-the-top appropriations are limited to a 6.0 percent annual growth from the prior year's total HUTF appropriation, and may not exceed 23.0 percent of the total prior fiscal year HUTF revenue. After the off-the-top share is disbursed, remaining HUTF revenues are distributed to cities, counties, and the State Highway Fund. For more information about HUTF off-the-top, see Appendix G.

### TROOPER PAY AND FTE

A significant driver of the Colorado State Patrol and off-the-top budget is salaries for Troopers. Pursuant to Section 24-50-104 (1)(III)(A), C.R.S., salaries for Colorado State Troopers must be at least 99.0 percent of the actual average salary paid by the top three law enforcement agencies in Colorado with more than 100 commissioned officers.

Each year, the Department of Personnel produces a Total Compensation Report on market findings for the appropriate pay level for the State Patrol Trooper classifications. This report is used to determine if adjustments are needed in order to comply with statute. An increase raises the salary range for the various trooper classes. Because of this statutory requirement, Troopers often receive a salary survey increase that is higher than other state employees, as seen in the table below.

SALARY SURVEY PERCENTAGE INCREASES		
FISCAL YEAR	TROOPERS	STATE EMPLOYEES
FY 2018-19	3.0	3.0
FY 2017-18	7.0	1.0
FY 2016-17	7.0	0.0
FY 2015-16	3.8	1.0
FY 2014-15	7.0	2.5

### COMMUNITY CORRECTIONS

The primary factor driving the Division of Criminal Justice's General Fund budget is the cost of community corrections programs. Community corrections facilities, also called halfway houses, are operated by local governments, private providers, and non-profit agencies. 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 prison sentence (i.e. diverted from prison);



- 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 criminogenic needs, substance use disorders, or mental health needs. The additional cost of a specialized residential program, over and above the standard residential rate, is called a differential. The following table summarizes the number of placements by type in recent years.

COMMUNITY CORRECTIONS POPULATION, RATES, AND EXPENDITURES					
	FY 2014-15 ACTUAL	FY 2015-16 ACTUAL	FY 2016-17 ACTUAL	FY 2017-18 ESTIMATE	FY 2018-19 APPROP.
Average daily population (ADP) in community corrections	3,813.2	3,612.2	3,584.0	3,859.1	3,690.0
Residential ADP	3,077.4	2,938.7	2,940.9	3,177.1	3,290.0
Nonresidential ADP	735.8	673.5	643.1	682.0	670.0
Percentage of ADP that is residential	80.7%	81.4%	82.1%	82.3%	83.1%
Percentage of residential ADP in:					
Diversion	49.5%	49.8%	53.7%	53.5%	43.3%
Transition	43.6%	43.5%	39.2%	39.1%	50.0%
Parole	6.9%	6.6%	7.1%	7.7%	6.7%
Specialized programs <sup>1</sup>	17.7%	18.5%	19.6%	17.9%	16.2%
Daily residential rate for a standard bed	\$41.34	\$42.09	\$42.09	\$42.68	\$43.11
Percent change	6.9%	1.8%	0.0%	1.4%	1.0%
Average daily differential for specialized programs <sup>2</sup>	\$36.57	\$37.46	\$38.28	\$39.44	\$39.19
Percent change	10.7%	2.5%	2.2%	3.0%	(0.7%)
Daily non-residential rate	\$6.03	\$6.13	\$6.13	\$6.22	\$6.28
Percent change	14.9%	1.7%	0.0%	1.5%	1.0%
GF expenditure of Community Corrections subdivision (\$ mil.)	\$58.5	\$57.4	\$56.4	\$64.2	\$68.1
General Fund expenditure change	7.6%	(2.0%)	(1.6%)	13.8%	6.1%

<sup>1</sup> Diversion + transition + parole = 100%. A portion of each of these populations is in specialized programs.

<sup>2</sup> The average differential is a weighted average of differentials for the various types of specialized residential programs. This average changes when rates change or when the mix of offenders in specialized programs changes.

## LABORATORY AND INVESTIGATIVE SERVICES

The Colorado Bureau of Investigation (CBI) provides information technology, laboratory, and investigative services to local, state, and federal law enforcement agencies upon request. Pursuant to Section 24-33.5-412 (1)(a), C.R.S., the CBI is charged with assisting any sheriff, chief of police, district attorney, head of a state agency, or chief law enforcement officer in the investigation and detection of crime and in the enforcement of the laws of the state. CBI laboratories provide forensic evidence analysis, including: DNA, fingerprint, firearm, physiological fluid, chemical, digital, shoe, and tire tracks evidence. In addition, the CBI field team investigates crime scenes upon the request of local, state, and federal law enforcement agencies.

CBI's laboratory services and budget have increased in recent years due to legislation passed by the General Assembly. House Bill 14-1340 (State Toxicology Laboratory) requires the CBI to operate a state toxicology laboratory and to assist local law enforcement agencies in the enforcement of laws for driving under the influence of alcohol or drugs. House Bill 13-1020 (Testing Evidence of Sexual Assault) added new requirements for the Department regarding the processing and reduction of the backlog of sexual assault kits. Due to the increase in required laboratory services, the General Assembly authorized expansion of the Pueblo and Denver/Arvada labs to accommodate growing caseloads.

The Colorado Crime Information Center (CCIC) provides information to law enforcement agencies on warrants, case status, stolen property, registrations, known offenders, and drivers' licenses. The CCIC maintains system hardware and software, including a statewide telecommunications network connecting more than 500 client law enforcement agencies to the CCIC. The CCIC provides criminal identification checks, criminal background checks, and fingerprint-based criminal background checks, and also operates the State's "instacheck" criminal background check program for the firearms industry. The budget is driven primarily by information technology enhancement needs and the expansion of statutory requirements.

COLORADO BUREAU OF INVESTIGATION WORKLOAD MEASURES					
	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
Total laboratory specimens analyzed	116,528	117,358	138,986	137,554	163,972
Total civil fingerprint and name checks	481,543	458,632	500,620	546,014	555,368
Total criminal fingerprints processed	216,491	209,738	240,421	224,340	233,148
Total instant criminal background checks (for firearms)	436,553	310,807	325,085	372,386	362,346

## EMERGENCY RESPONSE

The Division of Homeland Security and Emergency Management (DHSEM) supports the State's response to all hazards and disasters such as flooding, tornadoes, wildfires, hazardous materials incidents, and acts of terrorism. During and following a significant emergency event in the state, DHSEM serves as a central hub for receiving and distributing funds for emergency response and recovery. This can significantly impact the budget, as it did following the 2013 floods in Colorado. From September 9-12, 2013, a series of floods impacted multiple communities across the Front Range, causing approximately \$4 billion in damage and resulting in 10 deaths. The Governor has set aside \$111.5 million from the Disaster Emergency Fund thus far for flood response efforts. In the weeks following the flooding, Governor Hickenlooper also pledged to impacted communities that the State would provide one half of the 25.0 percent match required for Federal Emergency Management (FEMA) grants. As recovery efforts have progressed, costs and estimates for rebuilding have increased. At this time, the Governor's Office and the Division of Homeland Security and Emergency Management have identified a \$62.1 million shortfall related to flood recovery. As a result, legislation was passed during the 2017 session to provide additional General Fund dollars for recovery efforts through FY 2020-21.

## APPROPRIATION HIGHLIGHTS - 2018 LEGISLATIVE SESSION

DEPARTMENT OF PUBLIC SAFETY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$420,382,651	\$123,435,771	\$199,253,031	\$40,957,422	\$56,736,427	1,800.5
SB 17-096	814,834	0	814,834	0	0	0.3
SB 17-187	1,159	0	0	1,159	0	0.0
SB 17-240	162,983	0	162,983	0	0	0.8
HB 17-1204	12,294	12,294	0	0	0	0.4
HB 17-1315	20,352	0	20,352	0	0	0.0
SB 18-027	233,702	0	233,702	0	0	0.5
HB 18-1165	347,881	120,771	310,108	(113,458)	30,460	0.0
HB 18-1322	1,118,808	1,118,808	0	0	0	0.0
<b>TOTAL</b>	<b>\$423,094,664</b>	<b>\$124,687,644</b>	<b>\$200,795,010</b>	<b>\$40,845,123</b>	<b>\$56,766,887</b>	<b>1,802.5</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$423,094,664	\$124,687,644	\$200,795,010	\$40,845,123	\$56,766,887	1,802.5
Appropriation to the School Safety Resource Center Cash Fund	35,000,000	35,000,000	0	0	0	0.0
2013 Flood recovery transfer	12,500,000	12,500,000	0	0	0	0.0
Informational funds adjustment	12,182,386	0	(75,000)	0	12,257,386	3.3

DEPARTMENT OF PUBLIC SAFETY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Centrally appropriated line items	8,591,000	4,458,475	4,587,078	(588,253)	133,700	0.0
Community corrections bed adjustment	3,985,142	3,985,142	0	0	0	0.0
Increase funding for wildfire preparedness	3,000,000	3,000,000	0	0	0	0.0
Indirect cost assessment	2,188,694	(2,743,094)	974,683	3,244,593	712,512	0.0
Additional troopers and support staff	1,755,003	0	1,691,684	63,319	0	14.5
Officer safety equipment	1,098,589	0	1,098,589	0	0	0.0
Black market marijuana interdiction	1,093,470	0	1,093,470	0	0	8.0
Community provider rate	661,209	608,503	0	52,706	0	0.0
Access and functional needs planning	500,000	500,000	0	0	0	0.0
Training simulator resources	450,000	450,000	0	0	0	4.0
SOMB data collection and evaluation	444,686	244,686	200,000	0	0	0.9
Community corrections provider evaluations	350,180	350,180	0	0	0	3.6
Child abuse investigations	300,000	300,000	0	0	0	0.0
Safe2Tell communications officers	295,517	295,517	0	0	0	5.2
Subsistence grace period	275,000	275,000	0	0	0	0.0
Planning and communications office capacity building	165,700	0	0	165,700	0	1.0
Community correction boards administration	155,350	155,350	0	0	0	0.0
Reduce salary disparities for criminal investigators	148,575	119,117	28,078	1,380	0	0.0
Additional leased space	56,469	56,469	0	0	0	0.0
Criminal history backlog and updates	0	0	0	0	0	0.0
Annualize prior year budget actions	(1,413,344)	(1,250,749)	(259,319)	128,638	(31,914)	5.0
Annualize prior year legislation	(1,306,715)	(247,816)	(1,058,899)	0	0	(2.9)
Office of Prevention spending authority reduction	(634,549)	0	0	(634,549)	0	0.0
Statutory program repeal	(20,000)	0	(20,000)	0	0	0.0
Sex offender surcharge fund correction	(15,462)	0	(15,462)	0	0	0.0
Technical changes	(1,380)	(157,739)	126,269	30,045	45	0.0
<b>HB 18-1322</b>	<b>\$504,900,184</b>	<b>\$182,586,685</b>	<b>\$209,166,181</b>	<b>\$43,308,702</b>	<b>\$69,838,616</b>	<b>1,845.1</b>
SB 18-027	336,009	0	336,009	0	0	2.0
SB 18-071	3,000	0	3,000	0	0	0.0
SB 18-158	5,000,000	0	5,000,000	0	0	2.3
SB 18-229	34,065	0	34,065	0	0	0.2
HB 18-1020	1,487,821	0	1,487,821	0	0	0.8
HB 18-1251	264,070	264,070	0	0	0	0.8
HB 18-1287	255,443	255,443	0	0	0	2.5
HB 18-1339	121,748	0	0	121,748	0	0.6
HB 18-1413	500,000	0	500,000	0	0	0.0
<b>TOTAL</b>	<b>\$512,902,340</b>	<b>\$183,106,198</b>	<b>\$216,527,076</b>	<b>\$43,430,450</b>	<b>\$69,838,616</b>	<b>1,854.3</b>
<b>INCREASE/(DECREASE)</b>	<b>\$89,807,676</b>	<b>\$58,418,554</b>	<b>\$15,732,066</b>	<b>\$2,585,327</b>	<b>\$13,071,729</b>	<b>51.8</b>
Percentage Change	21.2%	46.9%	7.8%	6.3%	23.0%	2.9%

## FY 2017-18 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 18-027 modifies the FY 2017-18 appropriation to provide fingerprint-based criminal history checks for nurses licensed under the Enhanced Nurse Licensure Compact.

House Bill 18-1165 modifies the FY 2017-18 appropriation to:

- Add \$380,000 cash funds from the Highway Users Tax Fund for officer safety equipment;
- Make a net neutral transfer of \$256,256 cash funds spending authority between two line items to hire 22.0 temporary FTE to process 375,926 criminal records unexpectedly received in the fall of 2017; and

- Reduce \$32,119 total funds, including an increase of \$120,771 General Fund, for adjustments to fleet vehicle expenses.

House Bill 18-1322 modifies the FY 2017-18 appropriation by adding \$1,118,808 General Fund to adjust the appropriation for community corrections beds based on utilization through the end of February 2018.

SUMMARY OF LONG BILL SUPPLEMENTAL CHANGES TO COMMUNITY CORRECTIONS BEDS			
	BEDS OVER/(UNDER) FY 2017-18 LONG BILL APPROPRIATION	COST PER DAY	COST FOR 6 MONTHS
Standard Residential Beds	123	\$42.68	\$955,723
Cognitive Behavioral Treatment Pilot Program Beds	(22)	95.32	(\$375,751)
Intensive Residential Treatment Beds	47	90.04	\$775,605
Inpatient Therapeutic Community Beds	(19)	70.80	(\$246,791)
Residential Dual Diagnosis Treatment Beds	(18)	78.46	(\$254,877)
Sex Offender Beds	19	78.46	\$264,901
<b>TOTAL</b>	<b>130</b>		<b>\$1,118,808</b>

## FY 2018-19 APPROPRIATION HIGHLIGHTS

**APPROPRIATION TO THE SCHOOL SAFETY RESOURCE CENTER CASH FUND:** The appropriation includes a \$35.0 million General Fund appropriation to the School Safety Resource Center Cash Fund.

**2013 FLOOD RECOVERY TRANSFER:** The appropriation includes \$12.5 million General Fund for ongoing recovery from the September 2013 floods.

**INFORMATIONAL FUNDS ADJUSTMENT:** The appropriation includes an increase of \$12.2 million total funds and 3.3 FTE that is reflected in the Long Bill for informational purposes only. The increase of federal funds is due to additional federal funds appropriated in the federal budget for the Office of Victims Programs.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items, as detailed in the following table:

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey adjustment	\$4,102,115	\$959,350	\$2,702,713	\$319,370	\$120,682	0.0
Payments to OIT adjustment	2,169,109	1,098,889	1,050,463	13,132	6,625	0.0
Health, life, and dental adjustment	1,960,654	428,393	1,174,021	391,434	(33,194)	0.0
AED adjustment	531,081	117,171	307,276	130,217	(23,583)	0.0
SAED adjustment	531,081	117,171	307,276	130,217	(23,583)	0.0
Workers' compensation adjustment	160,506	951,214	(589,269)	(201,439)	0	0.0
CORE adjustment	42,305	21,626	29,884	(9,205)	0	0.0
Payment to risk management / property funds adjustment	(511,216)	532,758	(260,103)	(783,871)	0	0.0
Capitol Complex leased space adjustment	(166,717)	254,036	(45,102)	(375,651)	0	0.0
Leased space adjustment	(152,915)	(118,925)	0	(33,990)	0	0.0
Legal services adjustment	(32,933)	(13,690)	0	(19,243)	0	0.0
Fleet vehicle request	(17,567)	132,809	(123,527)	(115,213)	88,364	0.0
Shift differential adjustment	(16,340)	(19,609)	39,818	(36,740)	191	0.0
Short-term disability adjustment	(8,163)	(2,718)	(6,372)	2,729	(1,802)	0.0
<b>TOTAL</b>	<b>\$8,591,000</b>	<b>\$4,458,475</b>	<b>\$4,587,078</b>	<b>(\$588,253)</b>	<b>\$133,700</b>	<b>\$0</b>

**COMMUNITY CORRECTIONS BED ADJUSTMENT:** The appropriation includes an increase of \$4.0 million General Fund to add a net of 318 community corrections beds for FY 2018-19.

COMMUNITY CORRECTION BEDS FY 2018-19 RECOMMENDATION						
BED TYPE	CHANGES FROM FY 2017-18			FY 2018-19 BEDS		
	DIVERSION	TRANSITION	PAROLE	DIVERSION	TRANSITION	PAROLE
Standard residential	0	353	0	1,183	1,464	109
Cognitive Behavioral Treatment Pilot Program	(24)	24	0	24	24	0
Intensive residential treatment	0	0	(6)	39	43	68
Inpatient therapeutic community	(20)	0	0	58	49	15
Residential dual diagnosis treatment	(7)	0	0	64	46	14
Sex offender	0	0	0	57	20	13
<i>Subtotal Inpatient/Residential</i>	<i>(51)</i>	<i>377</i>	<i>(6)</i>	<i>1,425</i>	<i>1,646</i>	<i>219</i>
Standard non-residential	0	0	0	574	5	5
Outpatient day treatment	(2)	0	0	0	0	0
Outpatient therapeutic community	0	0	0	55	25	6
<i>Subtotal Outpatient/Non-residential</i>	<i>(2)</i>	<i>0</i>	<i>0</i>	<i>629</i>	<i>30</i>	<i>11</i>
<b>TOTAL BEDS</b>	<b>(53)</b>	<b>377</b>	<b>(6)</b>	<b>2,054</b>	<b>1,676</b>	<b>230</b>

**INCREASED FUNDING FOR WILDFIRE PREPAREDNESS:** The appropriation includes \$3.0 million General Fund for wildfire preparedness programs in the Division of Fire Prevention and Control.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net increase of \$2.2 million total funds for the Department's indirect cost assessment.

**ADDITIONAL TROOPERS AND SUPPORT STAFF:** The appropriation includes an increase of \$1.8 million total funds, including \$1.7 million cash funds from the Highway Users Tax Fund, for an additional 14.5 FTE to increase the number of Colorado State Troopers and support staff.

**OFFICER SAFETY EQUIPMENT:** The appropriation includes \$1.1 million of off-the-top cash funds from the Highway Users Tax Fund to upgrade, expand, and maintain the Officer Safety Equipment Package provided to Colorado State Troopers. Additions include patrol rifles and ammunition, hard body armor, helmets, and naxolone.

**BLACK MARKET MARIJUANA INTERDICTION:** The appropriation includes \$1.1 million cash funds from the Marijuana Tax Cash Fund and 8.0 FTE to establish an 8-person unit within the Colorado Bureau of Investigation to investigate black market marijuana operations. This unit will provide rural law enforcement agencies with the experienced personnel necessary to gather actionable intelligence and affect arrests of organized criminal enterprises operating across multiple jurisdictions.

**COMMUNITY PROVIDER RATE:** The appropriation includes an increase of \$661,209 total funds, of which \$608,503 is General Fund, for a 1.0 percent community provider rate increase.

**ACCESS AND FUNCTIONAL NEEDS PLANNING:** The appropriation includes \$500,000 General Fund to develop a statewide network of local disability service emergency coordinators and further develop emergency preparedness plans for people with disabilities.

**TRAINING SIMULATOR RESOURCES:** The appropriation includes \$450,000 General Fund and 4.0 FTE to create two teams dedicated to increasing statewide access to the Division of Fire Prevention and Control's portable training units. The teams will consist of a driver and a trainer, who will transport the equipment and provide training to local agencies.

**SOMB DATA COLLECTION AND EVALUATION:** The appropriation includes an increase of \$444,686 total funds (\$244,686 General Fund and \$200,000 cash funds) and 0.9 FTE for the development and implementation of data collection by the Sex Offender Management Board (SOMB).

**COMMUNITY CORRECTIONS PROVIDER EVALUATIONS:** The appropriation includes an increase of \$350,180 General Fund and 3.6 FTE to add four community corrections program evaluators to enable the Division of Criminal Justice to evaluate all community corrections providers with the Program Assessment for Correctional Excellence tool by the end of calendar year 2019.

**CHILD ABUSE INVESTIGATIONS:** The appropriation adds \$300,000 General Fund for child abuse investigations conducted by Children's Advocacy Centers.

**SAFE2TELL COMMUNICATIONS OFFICERS:** The appropriation includes \$295,517 General Fund and 5.2 FTE to expand dispatch capacity and create a dedicated unit to field calls, tips, and reports made to the Safe2Tell program, which is experiencing growing call volume. This unit will be placed in a newly created "Watch Center," which will consolidate 24/7 response functions within the Department. In addition to providing dispatch services for Safe2Tell, dispatchers will staff the Watch Center.

**SUBSISTENCE GRACE PERIOD:** The appropriation adds \$275,000 General Fund for a program under which offenders newly arrived in community corrections facilities will not have to pay the normal \$17 per day "subsistence" fee for their first 10 days in residence or until they receive their first pay check, whichever comes first.

**PLANNING AND COMMUNICATIONS OFFICE CAPACITY BUILDING:** The appropriation includes \$165,700 reappropriated funds and 1.0 FTE to increase capacity within the newly created Planning and Communications Office, housed in the Executive Director's Office.

**COMMUNITY CORRECTION BOARDS ADMINISTRATION:** The appropriation includes an increase of \$155,350 General Fund for administrative costs of community corrections boards.

**REDUCE SALARY DISPARITIES FOR CRIMINAL INVESTIGATORS:** The appropriation includes \$148,575 total funds, of which \$119,117 is General Fund, to increase base salaries to the mid-point for Criminal Investigator III positions within the Colorado Bureau of Investigation (CBI) in order to reduce pay disparities.

**ADDITIONAL LEASED SPACE:** The appropriation includes \$56,469 General Fund to pay for existing leased space for the Center of Excellence (CoE) in Rifle. Garfield County provided the current space at no cost for three years beginning in 2015, when the Division of Fire Prevention and Control selected Rifle as the permanent location for the CoE.

**CRIMINAL HISTORY BACKLOG AND UPDATES:** The appropriation includes a net neutral transfer of \$256,256 cash funds spending authority between two line items to hire 22.0 temporary FTE to process 375,926 criminal records unexpectedly received in the fall of 2017.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 17-18 Trooper increase	\$240,826	\$0	\$222,235	\$18,591	\$0	5.0
FY 17-18 Vehicle lease adjustment	32,119	(120,771)	69,892	113,458	(30,460)	0.0
FY 17-18 Long Bill supplemental for Community Corrections	(1,118,808)	(1,118,808)	0	0	0	0.0
FY 17-18 Officer safety equipment	(380,000)	0	(380,000)	0	0	0.0
FY 17-18 Expedited record seal	(101,759)	0	(101,759)	0	0	0.0
FY 17-18 Merit pay	(43,762)	(10,821)	(28,510)	(3,031)	(1,400)	0.0
FY 17-18 Patrol managed lanes	(39,698)	0	(39,698)	0	0	0.0

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 17-18 Salary survey	(2,262)	(349)	(1,479)	(380)	(54)	0.0
<b>TOTAL</b>	<b>(\$1,413,344)</b>	<b>(\$1,250,749)</b>	<b>(\$259,319)</b>	<b>\$128,638</b>	<b>(\$31,914)</b>	<b>5.0</b>

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments for the second year impact of prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 17-1204 Juvenile record expungement	\$7,627	\$7,627	\$0	\$0	\$0	0.1
SB 16-197 Liquor-licensed drugstores	4,038	0	4,038	0	0	0.0
SB 17-096 Reserve peace officer academy	(798,651)	0	(798,651)	0	0	0.0
SB 13-007 CCJJ repeal	(255,443)	(255,443)	0	0	0	(2.5)
SB 18-027 Enhanced nurse licensure compact	(233,702)	0	(233,702)	0	0	(0.5)
HB 17-240 Sunset motor vehicle dealers	(26,653)	0	(26,653)	0	0	0.0
HB 17-1315 Require DCJ to report DUI data	(3,931)	0	(3,931)	0	0	0.0
<b>TOTAL</b>	<b>(\$1,306,715)</b>	<b>(\$247,816)</b>	<b>(\$1,058,899)</b>	<b>\$0</b>	<b>\$0</b>	<b>(2.9)</b>

**OFFICE OF PREVENTION SPENDING AUTHORITY:** The appropriation includes a reduction of \$634,549 reappropriated funds to reflect actual spending. This spending authority was included in H.B. 12-1283 (Consolidate Homeland Security Functions Under CDPS) but has never been utilized.

**STATUTORY PROGRAM REPEAL:** The appropriation includes a reduction of \$20,000 cash funds due to the repeal of the Substance Abuse Trend and Response Task Force. Senate Bill 18-071 continues the Task Force until 2028.

**SEX OFFENDER SURCHARGE FUND CORRECTION:** The appropriation aligns the appropriation with the funds available from the Sex Offender Surcharge Fund.

**TECHNICAL CHANGES:** The appropriation includes minor technical adjustments.

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

# DEPARTMENT OF REGULATORY AGENCIES

The Department of Regulatory Agencies consists of the following eleven divisions:

- 1 The Executive Director's Office is responsible for department-wide administrative functions and houses the Office of Policy, Research and Regulatory Reform, which conducts sunrise and sunset reviews.
- 2 Division of Banking is responsible for enforcement and compliance with banking laws.
- 3 Civil Rights Division is responsible for enforcing state and federal laws regarding the civil rights of individuals and resolving complaints of rights violations.
- 4 Office of Consumer Counsel is responsible for representing the rights of small businesses and consumers at hearings before the Public Utilities Commission.
- 5 Division of Financial Services is responsible for enforcing state and federal laws relating to the regulation of credit unions and savings and loan associations.
- 6 Division of Insurance is responsible for licensing insurance agents and companies.
- 7 Public Utilities Commission is responsible for regulating utilities throughout the state.
- 8 Division of Real Estate licenses real estate agents and mortgage brokers and investigates allegations of real estate and mortgage fraud.
- 9 Division of Professions and Occupations licenses individuals in over 50 professions and occupations.
- 10 Division of Securities licenses securities agents and investigates allegations of securities misconduct.
- 11 Division of Conservation Easements manages the state's conservation easement program.

## DEPARTMENT BUDGET: RECENT APPROPRIATIONS

FUNDING SOURCE	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
General Fund	\$1,923,405	\$1,769,297	\$1,844,627	\$1,951,431
Cash Funds	80,625,258	78,137,343	91,673,404	91,205,734
Reappropriated Funds	4,875,289	4,852,173	5,060,383	5,211,298
Federal Funds	1,486,010	1,383,918	1,107,143	1,249,820
<b>TOTAL FUNDS</b>	<b>\$88,909,962</b>	<b>\$86,142,731</b>	<b>\$99,685,557</b>	<b>\$99,618,283</b>
Full Time Equiv. Staff	585.5	588.2	573.1	574.7

## GENERAL FACTORS DRIVING THE BUDGET

The Department's FY 2018-19 budget consists of 2.0 percent General Fund, 91.6 percent cash funds, 5.2 percent reappropriated funds, and 1.2 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

### Legal Services

Due to the impact on parties involved in many of the Department's regulatory decisions, legal services has been, and will continue to be, a driving factor of the Department's budget. Legal services account for 10.1 percent of the Department's FY 2018-19 total appropriation and 25.5 percent of the total legal services provided to all state agencies by the Department of Law.

### Licenses Issued

The Department is responsible for consumer protection and licenses professionals in various industries as part of this mission. The Divisions of Insurance, Real Estate, Professions and Occupations, and Securities issue the majority of individual licenses. Budgets in these divisions are driven primarily by the number of



individuals requiring licensure. The total number of licenses issued in FY 2016-17 for these divisions was 829,350, which is the most current complete year numbers.

### Number of Examinations by the Divisions of Banking and Securities

Securities examinations increased in FY 2011-12 due to additional oversight requirements in federal law. These increases have remained relatively steady over the years. The number of inspections in FY 2016-17 was 334, which is the most current complete year numbers.

### Other Legislation

The General Assembly has passed an average of 9 bills per session over the last ten sessions that impact the Department's regulatory responsibilities. The 2018 Session included 7 bills with appropriations for an additional \$456,148 total funds. The following table shows the impact of other legislation on the Department's budget.

IMPACT OF OTHER LEGISLATION ON THE DORA BUDGET						
SESSION	NO. OF BILLS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	TOTAL	FTE
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	5	0	378,246	0	378,246	2.0
2013	16	0	334,518	0	334,518	12.8
2014	10	0	802,770	0	802,770	7.0
2015	5	0	148,422	0	148,422	0.0
2016	8	0	875,311	0	0	2.7
2017	5	0	93,891	0	0	0.0
2018	7	10,000	446,148	0	0	2.0
<b>AVERAGE</b>	<b>9</b>	<b>\$1,000</b>	<b>\$548,828</b>	<b>\$59,333</b>	<b>\$466,626</b>	<b>4.72</b>

## APPROPRIATION HIGHLIGHTS - 2018 LEGISLATIVE SESSION

DEPARTMENT OF REGULATORY AGENCIES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$99,104,340	\$1,844,627	\$90,930,685	\$5,060,383	\$1,268,645	572.5
SB 17-088	42,006	0	42,006	0	0	0.5
SB 17-148	10,000	0	10,000	0	0	0.0
SB 17-198	9,505	0	9,505	0	0	0.0
HB 17-1057	12,386	0	12,386	0	0	0.1
HB 17-1165	20,000	0	20,000	0	0	0.0
SB 18-027	114,000	0	114,000	0	0	0.0
HB 18-1166	373,320	0	534,822	0	(161,502)	0.0
<b>TOTAL</b>	<b>\$99,685,557</b>	<b>\$1,844,627</b>	<b>\$91,673,404</b>	<b>\$5,060,383</b>	<b>\$1,107,143</b>	<b>573.1</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$99,685,557	\$1,844,627	\$91,673,404	\$5,060,383	\$1,107,143	573.1
Centrally appropriated line items	2,120,432	132,366	1,897,958	117,826	(27,718)	0.0
Translation services for the deaf and hard of hearing	700,000	0	700,000	0	0	0.0
Indirect cost assessment	186,291	(8,742)	158,115	8,742	28,176	0.0
Non prioritized changes	106,675	794	104,574	1,056	251	0.0
Technical changes	91,528	(27,140)	94,598	24,070	0	0.0
PUC State safety vehicle lease	3,207	0	3,207	0	0	0.0
Annualize prior year budget actions and legislation	(3,228,182)	(474)	(3,388,385)	(779)	161,456	(0.2)
Base reduction	(483,885)	0	(483,885)	0	0	0.0

DEPARTMENT OF REGULATORY AGENCIES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Civil Rights Division	(19,488)	0	0	0	(19,488)	(0.0)
<b>HB 18-1322</b>	<b>\$99,162,135</b>	<b>\$1,941,431</b>	<b>\$90,759,586</b>	<b>\$5,211,298</b>	<b>\$1,249,820</b>	<b>572.9</b>
SB 18-027	134,746	0	134,746	0	0	0.6
SB 18-132	9,200	0	9,200	0	0	0.0
SB 18-234	17,159	0	17,159	0	0	0.3
HB 18-1017	151,332	0	151,332	0	0	0.5
HB 18-1224	125,356	0	125,356	0	0	0.3
HB 18-1256	10,000	10,000	0	0	0	0.0
HB 18-1357	8,355	0	8,355	0	0	0.1
<b>TOTAL</b>	<b>\$99,618,283</b>	<b>\$1,951,431</b>	<b>\$91,205,734</b>	<b>\$5,211,298</b>	<b>\$1,249,820</b>	<b>574.7</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$67,274)</b>	<b>\$106,804</b>	<b>(\$467,670)</b>	<b>\$150,915</b>	<b>\$142,677</b>	<b>1.6</b>
Percentage Change	(0.1%)	5.8%	(0.5%)	3.0%	12.9%	0.3%

## FY 2018-19 APPROPRIATION HIGHLIGHTS

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

**TRANSLATION SERVICES FOR THE DEAF AND HEARING IMPAIRED:** The appropriation includes \$700,000 cash funds for increased services for the deaf and hard of hearing.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net increase in the department's indirect cost assessment.

**NON PRIORITIZED CHANGES:** The appropriation includes an increase of \$106,675 total funds, including \$794 General Fund, for non prioritized changes.

**TECHNICAL CHANGES:** The appropriation includes a decrease of \$91,528 total funds for various technical changes, including the following:

TECHNICAL CHANGES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Technical adjustments based on actuals	\$91,528	\$0	\$91,528	\$0	\$0	0.0
Sunset split adjustment	0	(27,140)	3,070	24,070	0	0.0
<b>TOTAL</b>	<b>\$91,528</b>	<b>(\$27,140)</b>	<b>\$94,598</b>	<b>\$24,070</b>	<b>\$0</b>	<b>0.0</b>

**PUC STATE SAFETY VEHICLE LEASE:** The appropriation includes an increase of \$3,207 cash funds for vehicle leases within the Public Utilities Commission (PUC).

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS AND LEGISLATION:** The appropriation includes adjustments for the second year impact of prior year's budget actions and legislation, including the following acts:

ANNUALIZE PRIOR YEAR BUDGET ACTIONS AND LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 17-18 Salary survey	\$287,022	\$10,794	\$257,536	\$18,069	\$623	0.0

ANNUALIZE PRIOR YEAR BUDGET ACTIONS AND LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB1057 Interstate Physical Therapy Compact	128,811	0	128,811	0	0	0.3
FY 17-18 Marijuana grey market	0	0	0	0	0	0.0
FY 17-18 Legal supplemental	0	0	(161,502)	0	161,502	0.0
FY 17-18 Rural broadband	(2,950,000)	0	(2,950,000)	0	0	0.0
FY 17-18 Merit pay	(299,867)	(11,268)	(269,082)	(18,848)	(669)	0.0
FY 17-18 Supplemental Bill	(200,000)	0	(200,000)	0	0	0.0
SB18-027 Enhanced Nurse Licensure Compact	(114,000)	0	(114,000)	0	0	0.0
SB17-088 Participating Provider Network Selection Criteria	(36,828)	0	(36,828)	0	0	(0.5)
FY 17-18 Vehicle supplemental	(23,320)	0	(23,320)	0	0	0.0
HB17-1165 Boards Disciplinary Action Resolution process	(20,000)	0	(20,000)	0	0	0.0
<b>TOTAL</b>	<b>(\$3,228,182)</b>	<b>(\$474)</b>	<b>(\$3,388,385)</b>	<b>(\$779)</b>	<b>\$161,456</b>	<b>(0.2)</b>

**BASE REDUCTION:** The appropriation includes a decrease of \$483,885 cash funds, which includes a decrease of \$293,941 cash funds in the Division of Professions and Occupations and a decrease of \$189,944 cash funds in the Public Utilities Commission.

**CIVIL RIGHTS DIVISION:** The appropriation includes a decrease of \$19,488 federal funds to reflect funding for the Civil Rights Division.

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the “Recent Legislation” section at the end of this department.

# DEPARTMENT OF REVENUE

The Department of Revenue is organized into three functional groups: Taxation, Motor Vehicles, and Enforcement. The Taxation Business Group collects revenues for state and 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 truck drivers. The Enforcement Group regulates limited stakes gambling, alcohol, tobacco, racing events, and motor vehicle dealers, and regulates medical and retail marijuana dispensaries, cultivation facilities, and infused products manufacturing facilities. The three functional areas are supported by the Executive Director's Office and Information Technology Division. The hearings division operates under the Executive Director's Office and conducts hearings for each of the enforcement programs.

The Department is statutorily authorized to contract with cities and counties to collect any tax that it also collects for State government. The Department currently receives and distributes sales and use taxes on behalf of approximately 250 local governments and special districts.

The Department also operates the State Lottery, which accounts for approximately one-third of the Department's annual budget. Lottery proceeds (sales less prizes and expenses) are distributed to the Conservation Trust Fund, Great Outdoors Colorado, Parks and Outdoors Recreation, and the Public School Capital Construction Fund.

## DEPARTMENT BUDGET: RECENT APPROPRIATIONS

FUNDING SOURCE	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
General Fund	\$97,942,157	\$100,886,490	\$108,468,830	\$113,271,850
Cash Funds	221,218,250	233,790,126	241,710,307	249,529,454
Reappropriated Funds	5,314,170	6,522,588	6,245,246	6,381,910
Federal Funds	824,388	824,388	824,388	824,388
<b>TOTAL FUNDS</b>	<b>\$325,298,965</b>	<b>\$342,023,592</b>	<b>\$357,248,771</b>	<b>\$370,007,602</b>
Full Time Equiv. Staff	1,371.4	1,430.4	1,437.2	1,472.0

## GENERAL FACTORS DRIVING THE BUDGET

The Department's funding for FY 2018-19 consists of 30.5 percent General Fund, 67.5 percent cash funds, 1.7 percent reappropriated funds, and 0.2 percent federal funds. The Department's primary budget drivers are the State's tax structure, population levels, business activity in regulated industries, and technological capabilities. In addition, mineral severance activity and legislative changes related to identification document requirements have increased demands on Department staff and systems in recent years.

## HEARINGS DIVISION

The Hearings Division, which exists within the Executive Director's Office, 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.

## EXECUTIVE DIRECTOR'S OFFICE—HEARINGS DIVISION

	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
Total motor vehicle related hearings <sup>1</sup>	21,867	20,390	22,188	19,424	23,114
Other hearings <sup>2</sup>	132	95	78	99	55
Total hearings	21,999	20,485	22,266	19,523	23,169

<sup>1</sup> Includes hearings related to excessive points, express consent, driving under the influence convictions, habitual traffic offender, insurance related restraints, vehicular assault/homicide, controlled substance, underage drinking and driving, and ignition interlock cases.

<sup>2</sup> Includes hearings related to liquor, racing, tax, tobacco, vehicle emissions, commercial driver's licenses and 3rd party testers, automobile salespersons, gaming, and marijuana.

## TAXATION BUSINESS GROUP

The complexity of Colorado's tax structure affects the resources required by the Taxation Business Group and Information Technology Division. In addition to collecting state taxes, the Department collects local taxes for most counties, cities and special districts in Colorado, and tracks and distributes the collections monthly to the local governments. Local sales taxes collected include: county lodging, local marketing, regional transportation, football stadium, scientific and cultural, local improvement, mass transit, and short term rental tax. In FY 2016-17, the most recent year with finalized and audited data, \$7.3 billion dollars in corporate and individual incomes taxes were collected and \$210.4 million in general and special sales taxes on marijuana.

## DIVISION OF MOTOR VEHICLES

The Division of Motor Vehicles issues driver's licenses and identification cards, maintains driver records and enforces administrative sanctions, suspensions, and reinstatements of driver's licenses, regulates commercial driving schools, oversees the State's vehicle emissions program, provides support for the Statewide Vehicle Titling and Registration System (CSTARS), oversees the motorist insurance identification database program, and administers the Ignition Interlock Subsidy Program.

## DRIVER AND VEHICLE SERVICES

There are 56 driver's license offices (36 operated by the State and 20 operated by the counties) that issue driver's licenses and state identification (ID) cards.

Legislation on both the state and federal levels is a significant budget driver for this division. In 2001, the term of a driver's license was increased from five to ten years. The number of driver's licenses issued dropped in FY 2006-07 as the first drivers who were issued ten-year licenses did not have to renew their licenses. As a result of subsequent legislation passed in order to comply with federal law, the State returned to five-year renewals beginning in 2005. Starting in January 2011, the first five-year driver's licenses that were issued starting in 2005, along with the ten-year licenses that were issued in 2001, were due for renewal at the same time, resulting in an increase in the number of documents issued.

Recent changes in state and federal law have also increased transaction times for driver's licenses and ID cards. For example, the Department has instituted new policies and procedures to ensure that those documents are secure and verifiable by utilizing databases to confirm residency and legal status.

In addition to issuing driver's licenses, the Driver Services and Vehicle Services sections are responsible for: managing driver's licensing records; verifying documents presented for identification, including proof of the applicant's legal presence in the United States; identifying and administering administrative sanctions, including all restraints for alcohol related driving offenses; investigating fraud related to driver's licenses and identification cards; providing support and coordination for the motor vehicle registration process; administering the Colorado Road and Community Safety Act; and supervising license plate ordering and distribution.

The following table outlines the number and type of driver's license suspensions since FY 2011-12.

DRIVER'S LICENSE SUSPENSIONS						
	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
Excessive points	9,907	8,947	7,380	7,811	5,534	7,010
Adult impaired driving arrests	26,062	26,859	24,592	23,581	19,871	18,254
License restricted by other state	3,953	3,675	4,071	4,409	3,638	6,483
DUI convictions	4,318	4,125	3,944	3,463	3,142	6,995
Habitual traffic offender	3,279	3,265	2,887	2,567	2,437	2,540
Accident without insurance	1,876	1,258	1,441	1,552	1,595	4,480
Driving without insurance	26,075	24,417	21,050	18,448	17,490	14,136
Vehicle assault/homicide	195	156	153	211	189	197
Controlled substance convictions	4	1	0	0	0	0
Underage drinking/driving	1,693	1,468	1,373	1,178	993	829
Underage buy/possess alcohol	1,149	846	613	422	385	289
Child support arrears	17,834	18,201	18,774	18,645	17,426	34,505
Unpaid ticket/failure to appear in court	81,085	78,868	77,519	76,662	74,128	86,926
Other	37,678	37,573	48,129	43,503	42,922	66,513
<b>Total</b>	<b>215,108</b>	<b>209,659</b>	<b>211,926</b>	<b>202,452</b>	<b>189,750</b>	<b>249,157</b>

## 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.

DIVISION OF MOTOR VEHICLES—EMISSIONS PROGRAM ACTIVITY					
	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
Station licenses issued	87	87	81	82	81
Station licenses renewed	81	51	49	53	66
Inspectors licenses issued	683	593	496	480	479
Inspectors licenses renewed	245	173	161	224	171

## TITLES PROGRAM

The Titles Program is responsible for the issuance of legal, negotiable certificates of title to protect the public when purchasing motor vehicles. Program staff review all high-risk title applications to verify that the assignment of ownership has been properly made.

DIVISION OF MOTOR VEHICLES—TITLE PROGRAM					
	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
Title applications received	1,608,557	1,621,277	1,561,035	1,850,487	1,860,984

## 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. Funding for the Program comes from a \$0.10 surcharge on motor vehicle registration fees.

## ENFORCEMENT BUSINESS GROUP

The Enforcement Business Group regulates the liquor, tobacco, medical and retail marijuana, racing, gambling (except games of chance operated for charity, which are regulated by the Secretary of State), and automobile sales industries. The Limited Gaming Control Commission approves the Limited Gaming Division budget.

## LIMITED GAMING DIVISION

The Limited Gaming Division licenses and regulates the limited gaming industry, including gaming devices, facilities, personnel, and activities. The Division also enforces the laws contained in the Limited Gaming Act, as well as the rules and regulations promulgated by the Colorado Limited Gaming Control Commission (Commission). The

Commission has constitutional authority to allocate money to the Division and thus approves the Limited Gaming Division budget. Money remains 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 REVENUE, EXPENSES, AND DISTRIBUTIONS					
	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
Limited gaming revenue	\$104,644,974	\$106,322,700	\$111,421,159	\$118,073,006	\$119,169,899
Commission/division expenses	(12,872,721)	(13,877,185)	(13,981,725)	(14,561,705)	(15,022,463)
Total limited gaming distributions	(\$92,686,816)	(\$92,219,372)	(\$97,218,342)	(\$103,684,917)	(\$104,082,249)
<b>AMENDMENT 50 DISTRIBUTIONS</b>					
Limited gaming counties (12 percent)	\$993,906	\$1,005,480	\$1,185,549	\$1,506,898	\$1,610,384
Limited gaming cities (10 percent)	828,255	837,900	987,059	1,255,749	1,341,986
Community college system (78 percent)	6,460,388	6,535,622	7,702,884	9,794,840	10,467,496
<b>TOTAL DISTRIBUTIONS - AMENDMENT 50</b>	<b>\$8,282,549</b>	<b>\$8,379,002</b>	<b>\$9,875,492</b>	<b>\$12,557,487</b>	<b>\$13,419,866</b>
<b>STATE SHARE DISTRIBUTIONS (50 PERCENT):</b>					
State General Fund	\$12,102,134	\$11,820,185	\$13,571,425	\$15,463,715	\$15,231,191
Local Government Gaming Impact Fund	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Tourism Promotion Fund	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Film Incentives Cash Fund	500,000	500,000	500,000	500,000	500,000
Bioscience Discovery Evaluation Grant Program	5,500,000	5,500,000	0	0	n/a
Advanced Industries Acceleration Cash Fund	0	0	5,500,000	5,500,000	5,500,000
Innovative Higher Ed Research Fund	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000
Creative Industries Cash Fund	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
<b>TOTAL DISTRIBUTIONS - STATE SHARE</b>	<b>\$42,202,134</b>	<b>\$41,920,185</b>	<b>\$43,671,425</b>	<b>\$45,563,715</b>	<b>\$45,331,191</b>
<b>STATE HISTORICAL FUND DISTRIBUTION (28 PERCENT)</b>	<b>\$23,633,195</b>	<b>\$23,475,304</b>	<b>\$24,455,998</b>	<b>\$25,515,681</b>	<b>\$25,385,467</b>
<b>LIMITED GAMING COUNTIES (12 PERCENT)</b>					
Gilpin County	\$8,364,125	\$8,373,641	\$8,780,053	\$9,162,681	\$9,095,250
Teller County	1,764,387	1,687,203	1,701,089	1,772,611	1,784,236
<b>TOTAL DISTRIBUTIONS - COUNTIES</b>	<b>\$10,128,512</b>	<b>\$10,060,844</b>	<b>\$10,481,142</b>	<b>\$10,935,292</b>	<b>\$10,879,486</b>
<b>LIMITED GAMING CITIES (10 PERCENT)</b>					
City of Black Hawk	\$6,174,172	\$6,244,431	\$6,592,639	\$6,864,629	\$6,792,426
Central City	795,932	733,603	724,072	770,938	786,949
City of Cripple Creek	1,470,322	1,406,003	1,417,574	1,477,176	1,486,863
<b>TOTAL DISTRIBUTIONS - CITIES</b>	<b>\$8,440,426</b>	<b>\$8,384,037</b>	<b>\$8,734,285</b>	<b>\$9,112,743</b>	<b>\$9,066,238</b>

## 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 AND TOBACCO ENFORCEMENT DIVISION - ENFORCEMENT ACTIONS					
	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
Total liquor licenses in force	12,816	12,998	13,348	14,113	14,154
State administrative actions	424	382	314	452	409
State revocations	0	5	0	0	4
State suspensions	70	44	33	57	41
State denials	1	3	3	3	1
Division filed court cases	1,042	1,026	988	874	482
Division assisted local hearings	12	5	3	1	2
<b>TOTAL ENFORCEMENT ACTIONS</b>	<b>1,549</b>	<b>1,465</b>	<b>1,341</b>	<b>1,387</b>	<b>939</b>

## MOTOR VEHICLE DEALER LICENSING BOARD

The Motor Vehicle Dealer Licensing Board is responsible for licensing and regulating the sale and distribution of motor vehicles and promulgating consumer protection regulations. Responsibilities include licensing all salespersons and those with ownership interests in new and used auto dealerships.

MOTOR VEHICLE DEALER LICENSING BOARD - LICENSE AND REGULATION ACTIVITY					
	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
Total dealer/salesperson licenses issued	18,699	19,295	19,952	20,893	22,251
Complaints received	1,234	1,225	1,218	1,242	1,067
Investigations completed	1,304	1,270	1,220	1,297	1,189
Violations/founded complaints	673	656	697	761	671
Verbal warnings issued	326	238	181	122	97
Written warnings issued	175	225	321	420	406
Criminal summons issued	22	11	25	12	23
Cases presented to Dealer Board	135	159	153	93	141
<b>TOTAL LICENSE AND REGULATION ACTIVITY</b>	<b>22,568</b>	<b>23,079</b>	<b>23,767</b>	<b>24,840</b>	<b>25,845</b>

## MARIJUANA ENFORCEMENT

House Bill 10-1284 established the Medical Marijuana Enforcement Division, which is responsible for the licensing and regulation of medical marijuana dispensaries, cultivation facilities, and infused products manufacturing facilities, and enforcing state laws and regulations regarding medical marijuana. House Bill 13-1317 renamed the division the Marijuana Enforcement Division and gave the Division responsibility for regulation of recreational and medical marijuana retailers, cultivation facilities, and infused products manufacturers. Senate Bill 14-215 created the Marijuana Tax Cash Fund (MTCF) and directs that all sales taxes collected by the State starting in FY 2014-15 from retail and medical marijuana be deposited in the MTCF instead of the Marijuana Cash Fund (MCF). For more information about bills related to the topic of marijuana and the disposition of marijuana taxes made through the FY 2018-19 Long Bill, please refer to Appendix J – Marijuana.

MARIJUANA ENFORCEMENT - LICENSING ACTIVITY					
	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
<b>MEDICAL MARIJUANA LICENSING ACTIVITY</b>					
MM center business licenses issued	372	493	512	529	509
MM infused product business licenses issued	80	144	183	237	256
MM optional premises cultivation business licenses issued	488	727	763	785	765
<b>RETAIL MARIJUANA LICENSING ACTIVITY</b>					
RM licenses issued		205	372	435	492
RM product manufacturer licenses issued		58	132	193	271
RM cultivation		272	471	572	692
RM testing facility business licenses issued		7	19	15	13



## STATE LOTTERY DIVISION

The State Lottery recorded sales of \$555.3 million in FY 2016-17, and net proceeds of \$133.5 million were distributed to the beneficiaries. The table below shows total sales and distributions of net proceeds from the lottery.

LOTTERY - SALES AND DISTRIBUTIONS (\$ MILLIONS)					
	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
Total Sales	\$566.3	\$545.0	\$538.0	\$594.4	\$555.3
Distributions					
Conservation Trust Fund	54.2	52.1	51.2	57.4	53.4
Great Outdoors Colorado	59.2	60.3	62.0	63.7	64.5
Colorado Parks and Wildlife	13.6	13.0	12.8	14.4	13.3
Public School Capital Construction Fund (BEST)	8.6	4.7	2.0	8.1	2.3
<b>TOTAL DISTRIBUTIONS</b>	<b>\$135.6</b>	<b>\$130.1</b>	<b>\$128.0</b>	<b>\$143.6</b>	<b>\$133.5</b>

## APPROPRIATION HIGHLIGHTS - 2018 LEGISLATIVE SESSION

DEPARTMENT OF REVENUE						
	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$355,833,948	\$107,585,406	\$241,178,908	\$6,245,246	\$824,388	1,435.3
SB 17-187	1,159	0	1,159	0	0	0.0
SB 17-192	69,058	9,600	59,458	0	0	0.3
SB 17-240	70,011	0	70,011	0	0	1.1
SB 17-267	0	0	0	0	0	0.0
HB 17-1027	33,750	0	33,750	0	0	0.0
HB 17-1120	22,150	0	22,150	0	0	0.0
HB 17-1162	108,000	0	108,000	0	0	0.0
HB 17-1249	8,000	0	8,000	0	0	0.0
HB 17-1250	2,200	0	2,200	0	0	0.0
HB 17-1367	226,671	0	226,671	0	0	0.5
HB 18-1167	873,824	873,824	0	0	0	0.0
<b>TOTAL</b>	<b>\$357,248,771</b>	<b>\$108,468,830</b>	<b>\$241,710,307</b>	<b>\$6,245,246</b>	<b>\$824,388</b>	<b>1,437.2</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$357,248,771	\$108,468,830	\$241,710,307	\$6,245,246	\$824,388	1,437.2
Revenue forecast adjustments	5,481,363	5,512,656	(31,293)	0	0	0.0
Lottery vendor fees and retail compensation	4,028,785	0	4,028,785	0	0	0.0
DRIVES system maintenance and support	2,600,000	0	2,600,000	0	0	0.0
Technical items	1,272,781	1,256,253	16,528	0	0	0.0
DRIVES production support	1,136,585	0	1,136,585	0	0	21.0
Centrally appropriated line items	1,087,682	811,027	278,129	(1,474)	0	0.0
Division of Motor Vehicles staffing	649,973	0	649,973	0	0	10.0
Armored car increase	63,551	1,177	62,374	0	0	0.0
Liquor Enforcement Division operating increase	43,734	0	43,734	0	0	0.0
Enforcement Business Group realignment	0	1,908	(80,432)	78,524	0	0.0
Annualize prior year legislation	(1,250,881)	(1,046,032)	(204,849)	0	0	1.6
Gross conservation easement reduction	(1,216,425)	(1,216,425)	0	0	0	0.0
Annualize prior year budget actions	(961,179)	(14,723)	(946,414)	(42)	0	0.0
GenTax fraud manager reduction	(600,000)	(600,000)	0	0	0	0.0
Indirect cost adjustment	(3,344)	(5,268)	5,268	(3,344)	0	0.0
<b>HB 18-1322</b>	<b>\$369,581,396</b>	<b>\$113,169,403</b>	<b>\$249,268,695</b>	<b>\$6,318,910</b>	<b>\$824,388</b>	<b>1,469.8</b>
SB 18-036	6,730	0	6,730	0	0	0.0
SB 18-108	108,992	0	108,992	0	0	1.2

DEPARTMENT OF REVENUE						
	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 18-233	63,000	0	0	63,000	0	0.0
SB 18-243	91,092	0	91,092	0	0	1.0
SB 18-259	15,840	15,840	0	0	0	0.0
SB 18-271	10,656	0	10,656	0	0	0.0
HB 18-1025	3,091	0	3,091	0	0	0.0
HB 18-1042	20,865	20,865	0	0	0	(0.3)
HB 18-1244	2,960	0	2,960	0	0	0.0
HB 18-1255	8,288	0	8,288	0	0	0.0
HB 18-1280	28,950	0	28,950	0	0	0.0
HB 18-1285	9,870	9,870	0	0	0	0.0
HB 18-1299	0	0	0	0	0	0.0
HB 18-1339	41,580	41,580	0	0	0	0.0
HB 18-1350	14,292	14,292	0	0	0	0.3
<b>TOTAL</b>	<b>\$370,007,602</b>	<b>\$113,271,850</b>	<b>\$249,529,454</b>	<b>\$6,381,910</b>	<b>\$824,388</b>	<b>1,472.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$12,758,831</b>	<b>\$4,803,020</b>	<b>\$7,819,147</b>	<b>\$136,664</b>	<b>\$0</b>	<b>34.8</b>
Percentage Change	3.6%	4.4%	3.2%	2.2%	0.0%	2.4%

<sup>1</sup> Includes \$28,600,000 in FY 2017-18 and \$34,112,656 in FY 2018-19 that is not subject to the statutory restriction on state General Fund appropriations imposed by Section 24-75-201.1, C.R.S.

## FY 2017-18 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 18-1167 (Supplemental Bill) modifies the FY 2017-18 appropriation to add \$873,824 General Fund to reflect increased costs for document services purchased from the Department of Personnel's Integrated Document Solutions unit for tax processing, transportation, imaging, and storage.

## FY 2018-19 APPROPRIATION HIGHLIGHTS

**REVENUE FORECAST ADJUSTMENTS:** The appropriation includes adjustments resulting from the revenue forecast for Tobacco and Marijuana tax dollars distributed to local governments via statutory or constitutional formula.

**LOTTERY VENDOR FEES AND RETAIL COMPENSATION:** The appropriation includes an increase of \$4.0 million cash funds spending authority from the Lottery Fund. Projections identify a need for an additional \$1.7 million in vendor fees and \$2.3 million in retailer compensation to satisfy lottery contract provisions for vendors and retailers related to lottery sales growth.

**DRIVES SYSTEM MAINTENANCE AND SUPPORT:** The appropriation includes an increase of \$2.6 million cash funds from the Licensing Services Cash Fund (LSCF) and the Colorado State Titling and Registration (CSTARS) account/Colorado DRIVES Vehicle Services account. The appropriation funds annual operating costs for post-implementation hosting, maintenance, and support services for the Driver License, Record, Identification, and Vehicle Enterprise Solution (DRIVES) information technology system.

**TECHNICAL ITEMS:** The appropriation includes adjustments related to budget requests made by other departments that impact the Department of Revenue in FY 2018-19, which are summarized below.

TECHNICAL ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
DPA pipeline adjustment	\$873,824	\$873,824	\$0	\$0	\$0	0.0
IDS rate methodology adjustment	371,756	371,756	0	0	0	0.0
Operating system suite	18,321	7,157	11,164	0	0	0.0
Cybersecurity liability insurance policy	8,880	3,516	5,364	0	0	0.0

TECHNICAL ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>TOTAL</b>	<b>\$1,272,781</b>	<b>\$1,256,253</b>	<b>\$16,528</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**DRIVES PRODUCTION SUPPORT:** The appropriation includes a net increase of \$1.1 million cash funds from the Licensing Services Cash Fund (LSCF) and the Colorado State Titling and Registration (CSTARS) account/Colorado DRIVES Vehicle Services account and 21.0 FTE to fund staffing to support the DRIVES system.

**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; salary survey; workers' compensation; legal services; payment to risk management and property funds; vehicle lease payments; Capitol complex leased space; Payments to the Governor's Office of Information Technology (OIT); and CORE operations.

**DIVISION OF MOTOR VEHICLES STAFFING:** The appropriation includes \$649,973 cash funds from the Licensing Services Cash Fund (LSCF) and 10.0 FTE to fund staffing a secondary Driver License Office (DLO) location in Westminster.

**ARMORED CAR INCREASE:** The appropriation includes an increase of \$63,551 total funds, including \$1,177 General Fund, to pay for increased rates for third-party armored car services.

**LIQUOR ENFORCEMENT DIVISION OPERATING INCREASE:** The appropriation includes an increase of \$43,734 cash funds from the Liquor Enforcement Division and State Licensing Authority Cash Fund to support travel costs to improve compliance and enforcement operations statewide in remote areas and for equipment replacement.

**ENFORCEMENT BUSINESS GROUP REALIGNMENT:** The appropriation includes a realignment of 2.0 FTE from the Division of Gaming to the Administration section of the Enforcement Business Group. The recommendation is a net-neutral adjustment in total funds, and includes an increase of \$1,908 General Fund, a net increase of \$78,524 reappropriated funds, and a net decrease of \$80,432 cash funds.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments related to prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB16-197 Liquor-licensed Drugstore Multiple	\$72,189	\$0	\$72,189	\$0	\$0	1.5
HB17-1212 Colorado Aviation Special License	913	0	913	0	0	0.0
HB17-1012 Pueblo Chile License Plate	912	0	912	0	0	0.0
HB18-1167 Supplemental Bill	(873,824)	(873,824)	0	0	0	0.0
HB17-1162 Outstanding Judgments and Drivers	(108,000)	0	(108,000)	0	0	0.0
HB16-1467 First Time Homebuyer Savings Acct	(84,493)	(84,493)	0	0	0	0.0
HB17-1367 Authorize Marijuana Clinical Research	(45,801)	0	(45,801)	0	0	0.0
HB16-1142 Rural Care Preceptors Tax Credit	(45,038)	(45,038)	0	0	0	0.0
SB17-192 Marijuana Business Efficiency Measure	(39,709)	(9,600)	(30,109)	0	0	0.1
HB17-1027 Remove Fund Repeal and Clarify	(33,750)	0	(33,750)	0	0	0.0
HB16-1194 First Time Farmer IT Deduction	(33,077)	(33,077)	0	0	0	0.0
SB17-240 Sunset Motor Vehicle Dealer Sales	(28,853)	0	(28,853)	0	0	0.0
HB17-1120 Alcohol Beverage License Higher Ed	(22,150)	0	(22,150)	0	0	0.0
HB17-1249 Penalties for Unlicensed MV Sales	(8,000)	0	(8,000)	0	0	0.0
HB17-1250 Renew and Expand Tax Checkoff	(2,200)	0	(2,200)	0	0	0.0
<b>TOTAL</b>	<b>(\$1,250,881)</b>	<b>(\$1,046,032)</b>	<b>(\$204,849)</b>	<b>\$0</b>	<b>\$0</b>	<b>1.6</b>

**GROSS CONSERVATION EASEMENT REDUCTION:** The appropriation includes a decrease of \$1.2 million General Fund. This appropriation was included in H.B. 11-1300 (Conservation Easement Tax Credit Dispute Resolution) for consultant work. The majority of the work has been completed and the appropriation for the consultant is no longer needed.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 17-18 DMV Leased Space	(\$893,400)	\$0	(\$893,400)	\$0	\$0	0.0
FY 17-18 AID Regulatory Staff Increase	(33,182)	0	(33,182)	0	0	0.0
FY 17-18 Salary survey	(25,637)	(10,992)	(14,615)	(30)	0	0.0
FY 17-18 Merit pay	(8,960)	(3,731)	(5,217)	(12)	0	0.0
<b>TOTAL</b>	<b>(\$961,179)</b>	<b>(\$14,723)</b>	<b>(\$946,414)</b>	<b>(\$42)</b>	<b>\$0</b>	<b>0.0</b>

**GEN TAX FRAUD MANAGER REDUCTION:** The appropriation includes a decrease of \$600,000 General Fund. This item was first appropriated in a FY 2015-16 supplemental to implement a functional service in the GenTax system. The Department and vendor were unable to reach agreement so the service was not implemented.

**INDIRECT COST ADJUSTMENT:** The appropriation includes net adjustments to indirect costs across the Department.

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

# DEPARTMENT OF STATE

The Secretary of State is one of five independently elected constitutional officers of the State and serves as Colorado's chief elections official and the chief executive officer of the Department of State. The Department of State is broadly responsible for overseeing elections, registering businesses, and publishing information and records for public use. This includes: administering statutory provisions that pertain to elections; managing the statewide voter registration database; implementing the Help America Vote Act; overseeing campaign finance reporting; registering lobbyists and monitoring the filing of required disclosures; collecting, maintaining, and providing public access to business filings; regulating charities and charitable gaming; and certifying notaries public. The Department has four divisions: (1) Administration; (2) Information Technology Services; (3) Elections Division; and (4) Business and Licensing Division.

## DEPARTMENT BUDGET: RECENT APPROPRIATIONS

FUNDING SOURCE	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
General Fund	\$0	\$0	\$0	\$0
Cash Funds	21,580,286	22,498,655	22,995,624	25,375,937
Reappropriated Funds	0	0	0	0
Federal Funds	0	0	0	0
<b>TOTAL FUNDS</b>	<b>\$21,580,286</b>	<b>\$22,498,655</b>	<b>\$22,995,624</b>	<b>\$25,375,937</b>
Full Time Equiv. Staff	137.3	137.4	137.4	142.9

## GENERAL FACTORS DRIVING THE BUDGET

Funding for this department comes entirely from cash funds. Some of the major factors driving the Department's budget are discussed below.

The budget for the Department of State is driven by three major factors:

- 1 The volume of business filings, which generate nearly all the cash fund revenue used to support department programs through the associated fees;
- 2 Department-wide expenses related to the administration of elections; and
- 3 Information technology projects required to support elections and business filing processes.

## BUSINESS FILING FEES AND CASH FUND REVENUES

The Department is almost entirely cash-funded through the Department of State (DOS) Cash Fund. Cash fund revenues are primarily driven by the volume of business filings and the fees associated with each filing, with 92.0 percent of all Department revenue accounted for by the business filing fees alone in FY 2017-18. Fees from other programs, including bingo-raffle licensing, campaign finance reporting, and the registration of lobbyists and notaries public, account for the remainder.

Pursuant to Section 24-21-104 (3)(b), C.R.S., the Department of State is authorized to "adjust fees so that the revenue generated from the fees approximates [the Department's] direct and indirect costs" and to manage the uncommitted reserve in the DOS Cash Fund. It is currently Department policy to conduct regular competitiveness review when setting fee amounts to keep business filing fees at or near the lowest rate in the country. The following table provides data on total business filings received by the Department, as well as a comparison of revenue from business filing fees with total cash fund revenue:

DOS BUSINESS FILING FEES AND CASH FUND REVENUE				
FISCAL YEAR	TOTAL BUSINESS FILINGS	REVENUE FROM BUSINESS FILING FEES <sup>1</sup>	TOTAL DOS CF REVENUE	FILING FEES AS PERCENT OF TOTAL
FY 2011-12	625,078	\$14,700,605	\$17,298,268	85.0%
FY 2012-13	682,949	12,749,090	14,838,261	85.9%
FY 2013-14	696,140	16,335,768	20,869,466	78.3%
FY 2014-15	748,368	16,981,602	19,878,791	85.4%
FY 2015-16	782,017	19,097,497	21,462,890	89.0%
FY 2016-17	822,564	20,048,615	22,446,407	89.3%
FY 2017-18 <sup>2</sup>	882,547	\$21,028,971	\$22,864,558	92.0%

<sup>1</sup> This column shows revenues from business filing fees only. It excludes revenue collected by other programs within the Business & Licensing Division.

<sup>2</sup> Data for FY 2017-18 is estimated by the Department of State.

## ELECTIONS ADMINISTRATION AND EXPENDITURES

A large proportion of Department expenditures are driven by costs associated with the administration of elections, which can vary based on growth in the population of eligible voters, changes in election laws, and the unique characteristics of each election cycle. The Department has not reassessed its estimate made in February 2015, but at that time the direct and indirect costs of the Elections Division accounted for an estimated 60 to 70 percent of the Department's total budget. As of May 2018, there are 3,281,294 registered active voters in Colorado, which is a 21.7 percent increase compared to 2008.

The Elections Division has specific appropriations for three types of expenditures in addition to personal services and operating costs:

- 1 The *Initiative and Referendum* line item funds the verification of signatures on candidate and initiative petitions. Department expenditures on signature verification depend on the year and number of initiatives on the ballot. While initiatives on the ballot for odd-year elections are limited to TABOR-related matters, there are no restrictions on the types of initiatives for even-year elections (presidential and gubernatorial election years) which results in higher even-year expenditures on signature verification.
- 2 The *Local Election Reimbursement* line item reimburses counties for costs related to statewide ballot issues and questions on a 'per voter' basis. These expenditures are driven by the number of eligible registered voters in each county and the reimbursement rate specified in statute. For FY 2018-19, the Department estimates that \$3.2 million will be required to fulfill reimbursement obligations for the November 2018 election.
- 3 The *Help America Vote Act Program* (HAVA) line item uses federal funds and matching cash funds to replace outdated voting technology, ensure accessibility for disabled voters, and institute a statewide voter registration system.

## INFORMATION TECHNOLOGY SERVICES PROJECTS

The Information Technology (IT) Services Division provides most of the technology support for other divisions in the Department.

- *Business and Licensing Division:* Most of the business filing processes, public records resources, certification programs, and other services provided by the Department are handled electronically with 2,500 web-based transactions (i.e. filings with fees) processed daily. The IT Services Division maintains and provides support for the systems used to manage these services.
- *Elections Division:* The IT Services Division currently has 4.75 FTE dedicated exclusively to elections-related projects, including maintaining the federally-mandated SCORE system for statewide computerized voter registration and election management. SCORE is required by the Help America Vote Act and, while its creation was primarily funded by the Federal Elections Assistance Fund, the costs of any changes to the system are now supported by the Department of State Cash Fund.

## BUSINESS AND LICENSING DIVISION EXPENDITURES

The Business and Licensing Division accounts for 13.2 percent of the Department's total FY 2018-19 budget and is primarily responsible for collecting, maintaining, and providing public access to filings made by businesses and non-profit organizations. The Division also administers the *Business Intelligence Center* (BIC), which aggregates and standardizes datasets from across state agencies to improve access to public information. Approximately half of the funding for BIC is used to host the “Go Code Colorado” statewide software development contest, where teams of developers and professionals compete to create apps that utilize available data to solve business challenges. Winning development teams receive a one-year contract with the state worth \$25,000. BIC also receives financial contributions and in-kind donations from sponsors for Go Code Colorado, totaling \$126,400 for the 2017 challenge event, and \$65,000 for the 2018 challenge event as of June 14, 2018. These amounts are not reflected in the budget for the Business and Licensing Division.

## APPROPRIATION HIGHLIGHTS - 2018 LEGISLATIVE SESSION

DEPARTMENT OF STATE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$22,711,371	\$0	\$22,711,371	\$0	\$0	137.4
SB 17-152	4,120	0	4,120	0	0	0.0
SB 17-305	157,796	0	157,796	0	0	0.0
HB 17-1200	30,488	0	30,488	0	0	0.0
HB 18-1168	(208,151)	0	(208,151)	0	0	0.0
HB 18-1322	300,000	0	300,000	0	0	0.0
<b>TOTAL</b>	<b>\$22,995,624</b>	<b>\$0</b>	<b>\$22,995,624</b>	<b>\$0</b>	<b>\$0</b>	<b>137.4</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$22,995,624	\$0	\$22,995,624	\$0	\$0	137.4
Modernize business system and SCORE	995,303	0	995,303	0	0	5.0
Centrally appropriated line items	710,388	0	710,388	0	0	0.0
Local election reimbursement funding	500,000	0	500,000	0	0	0.0
Initiative and referendum funding	250,000	0	250,000	0	0	0.0
Voter registration forms costs	24,000	0	24,000	0	0	0.0
Annualize prior year legislation	(249,519)	0	(249,519)	0	0	0.5
Indirect cost adjustment	(6,565)	0	(6,565)	0	0	0.0
Annualize prior year budget actions	(1,849)	0	(1,849)	0	0	0.0
<b>HB 18-1322</b>	<b>\$25,217,382</b>	<b>\$0</b>	<b>\$25,217,382</b>	<b>\$0</b>	<b>\$0</b>	<b>142.9</b>
SB 18-150	95,555	0	95,555	0	0	0.0
SB 18-233	63,000	0	63,000	0	0	0.0
<b>TOTAL</b>	<b>\$25,375,937</b>	<b>\$0</b>	<b>\$25,375,937</b>	<b>\$0</b>	<b>\$0</b>	<b>142.9</b>
<b>INCREASE/(DECREASE)</b>	<b>\$2,380,313</b>	<b>\$0</b>	<b>\$2,380,313</b>	<b>\$0</b>	<b>\$0</b>	<b>5.5</b>
Percentage Change	10.4%	n/a	10.4%	n/a	n/a	4.0%

## FY 2017-18 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 18-1168 (Supplemental Bill) modifies the FY 2017-18 appropriation to:

- Reallocate \$2,380,000 cash funds from the Local Election Reimbursement line item to other line items within the Department. Reallocated funds allow the Department to continue efforts to upgrade and improve its computer systems for both election administration and licensing of business entities in addition to voter outreach to educate unaffiliated voters about the new open primaries;

- Reduce an appropriation for \$210,000 cash funds from the Department of State Cash Fund erroneously included in FY 2017-18 Long Bill when it should have been included for FY 2016-17 for a water cooling system for Department servers; and
- Add \$1,849 cash funds from the Department of State Cash Fund for the Department's share of fleet costs.

House Bill 18-1322 (Long Bill) modifies the FY 2017-18 appropriation to increase the Initiative and Referendum line item by \$300,000 cash funds to fund excessive signature verification for candidate petitions.

## FY 2018-19 APPROPRIATION HIGHLIGHTS

**MODERNIZE BUSINESS SYSTEM AND SCORE:** The appropriation includes an increase of \$995,303 cash funds from the Department of State Cash Fund to support continued development to increase access, features, and cybersecurity related to the Department's business filing system and the **Statewide Colorado Voter Registration Election System (SCORE)**.

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

**LOCAL ELECTION REIMBURSEMENT FUNDING:** The appropriation includes an increase to the Local Election Reimbursement line item of \$500,000 cash funds from the Department of State Cash Fund to account for an increased number of active registered voters that drive the statutory repayment formula. The Department is required to make payments to counties for local election costs related to statewide ballot issues based on said formula.

**INITIATIVE AND REFERENDUM FUNDING:** The appropriation includes \$250,000 cash funds from the Department of State Cash Fund to verify signatures on candidate petitions and fund increased costs of signature verification services provided by the Integrated Document Solutions group at the Department of Personnel.

**VOTER REGISTRATION FORMS COSTS:** The appropriation includes \$24,000 cash funds from the Department of State Cash Fund. The increased funding will provide sufficient resources to bring the Department of State into compliance with state and federal law requiring voter registration forms to be included with all benefit redetermination mailings.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments for the second-year impact of prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB15-288 Compensation of Public Officials	\$11,071	\$0	\$11,071	\$0	\$0	0.0
SB17-305 Primary Election Cleanup	74,018	0	74,018	0	0	0.0
HB17-1200 Update Pub Benefit Corp	(30,488)	0	(30,488)	0	0	0.0
SB17-152 Implement Amendment 71	(4,120)	0	(4,120)	0	0	0.0
HB18-1322 Long Bill add-on	(300,000)	0	(4,120)	0	0	0.0
<b>TOTAL</b>	<b>(\$249,519)</b>	<b>\$0</b>	<b>\$46,361</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>



**INDIRECT COST ADJUSTMENT:** The appropriation includes a reduction of \$6,565 for the Department’s indirect cost assessment, which funds a portion of centralized services provided by the Department of Personnel but not billed directly to agencies.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 17-18 Salary survey	\$0	\$0	\$0	\$0	\$0	0.0
FY 17-18 Merit pay	0	0	0	0	0	0.0
FY 17-18 Supplemental Bill	208,151	0	208,151	0	0	0.0
FY 17-18 Water Cooling Loop Redundancy	(210,000)	0	(210,000)	0	0	0.0
TOTAL	(\$1,849)	\$0	(\$1,849)	\$0	\$0	0.0

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

# DEPARTMENT OF TRANSPORTATION

The Department of Transportation (CDOT) is responsible for operating and maintaining Colorado's 23,061 lane-mile state highway system, including more than 3,447 bridges, and maintaining the aviation system plan, under the policy direction of the eleven-member Transportation Commission. The Department's responsibilities include managing highway construction projects, implementing the State's Highway Safety Plan, repairing and maintaining roads, providing technical support to local airports regarding aviation safety, and administering the reimbursement of aviation fuel tax revenues and discretionary grants to local airports.

Most policy and budget authority for the Department rests with the Transportation Commission, pursuant to Section 43-1-113 (1), C.R.S. Funds controlled by the Transportation Commission are reflected for informational purposes in three Long Bill line items: Construction, Maintenance, and Operations; the High Performance Transportation Enterprise; and the Statewide Bridge Enterprise. These line items are included in the Long Bill as estimates of the anticipated revenues available to the Commission.

The General Assembly appropriates funding for: the Administration division, which is primarily funded from the State Highway Fund; the First Time Drunk Driving Offenders Account, which is funded with driver's license reinstatement fees connected with alcohol-related driving offenses; the Marijuana Impaired Driving Program, which is funded from the Marijuana Tax Cash Fund; and the Southwest Chief Rail Commission, which is funded from the Southwest Chief Rail Line Economic Development, Rural Tourism, and Infrastructure Repair and Maintenance Fund (Southwest Chief Rail Fund). Finally, the General Assembly has statutory oversight of revenue-raising measures and approval of the Governor's appointments to the Transportation Commission.

## DEPARTMENT BUDGET: RECENT APPROPRIATIONS

FUNDING SOURCE	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
General Fund	\$0	\$0	\$0	\$0
Cash Funds	844,073,959	747,975,934	851,844,882	1,134,947,195
Reappropriated Funds	19,777,338	5,866,138	8,552,189	6,672,645
Federal Funds	573,062,075	650,882,799	718,109,752	611,918,704
<b>TOTAL FUNDS</b>	<b>\$1,436,913,372</b>	<b>\$1,404,724,871</b>	<b>\$1,578,506,823</b>	<b>\$1,753,538,544</b>
Full Time Equiv. Staff	3,326.8	3,326.8	3,326.8	3,326.8

## GENERAL FACTORS DRIVING THE BUDGET

Funding for this department in FY 2018-19 consists of 0 percent General Fund, 64.7% percent cash funds, 0.4 percent reappropriated funds, and 34.9 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

### STATE TRANSPORTATION REVENUES

The Department's main source of funding is the Highway Users Tax Fund (HUTF), which is supported by state excise taxes on gasoline, diesel, and special fuels, registration fees, surcharges, and other miscellaneous sources of revenue. CDOT received 59.6 percent of the State's monthly HUTF distributions in FY 2016-17. The excise tax on motor fuels has been set at \$0.22 per gallon of gasoline and \$0.205 per gallon of diesel fuel since 1991 and 1992 respectively. The major source of federal revenue is also an excise tax on motor fuels, which has been set at \$0.184 per gallon of gasoline and \$0.244 per gallon of diesel fuel since 1997. Taken together, the total excise taxes for

Colorado are 40.4¢ per gallon of gasoline and 44.9¢ per gallon of diesel. The average fuel taxes for all states are 48.1¢ per gallon of gas and 54.2¢ per gallon of diesel, leaving Colorado in the lowest quarter of all states.

Fuel excise taxes have decreased purchasing power due to a combination of increased fuel efficiency (resulting in lower revenue per vehicle mile) and increased construction costs. According to the Department, increases in construction costs (as measured by the Construction Cost Index) have outpaced both the Department's revenues and general inflation and \$1.00 in motor fuel tax revenue in 1991 had the purchasing power of 32¢ in 2017.

### SENATE BILL 09-108 (FASTER)

Senate Bill 09-108 (FASTER, Funding Advancement for Surface Transportation and Economic Recovery) authorized the following new revenue sources within the Department:

- Road safety and bridge safety surcharges, which depend on vehicle weight and are collected through the same mechanism used for payment of registration fees and specific ownership taxes;
- A supplemental oversize/overweight vehicle surcharge;
- A daily fee for the use of a rented motor vehicle;
- An increased fee for the late registration of a motor vehicle; and
- An increased unregistered vehicle fine.

### FASTER AND HUTF

FASTER increased overall HUTF revenues, as well as the share of the Department's revenues coming from registration fees and surcharges. Prior to enactment of FASTER, motor fuel taxes accounted for more than 70.0 percent of total HUTF revenues. Following passage of FASTER, the share declined to about 60.0 percent. By law, FASTER proceeds are distributed 60.0 percent to CDOT, 22.0 percent to counties, and 18.0 percent to municipalities.

### FASTER STATEWIDE BRIDGE ENTERPRISE

FASTER has also increased other CDOT revenues. Bridge safety surcharge revenues are credited to the Statewide Bridge Enterprise Special Revenue Fund and are used for the repair and rehabilitation of bridges rated as “poor”, functionally obsolete, or structurally deficient. This dedicated fund is managed by the Statewide Bridge Enterprise. The board of directors for the Enterprise consists of members also on the Transportation Commission.

### HIGH-PERFORMANCE TRANSPORTATION ENTERPRISE (HPTE)

FASTER also replaced the former Statewide Tolling Enterprise with the High-Performance Transportation Enterprise (HPTE). The HPTE has expanded authority to pursue innovative methods of financing the state's transportation system, including:

- Public-private partnerships;
- Operating concession agreements;
- User fee-based project financing;
- Availability payments; and
- Design-build contracting.

FASTER authorizes the HPTE to use road pricing on existing highway capacity as a congestion management tool if the Enterprise secures federal approval and the approval of all affected local governments. The Enterprise is governed by a seven-member board consisting of four appointees of the Governor and three members of the Transportation Commission. Both the Statewide Bridge Enterprise and the High Performance Transportation Enterprise are authorized to issue revenue bonds backed by their respective revenues.

## FEDERAL FUNDS

CDOT receives federal funding for four purposes: highways (Federal Highway Administration funds, FHWA), safety (National Highway Traffic Safety Administration funds NHTSA), transit (Federal Transit Administration funds FTA), and aviation (Federal Aviation Administration funds FAA). Prior to FY 2010-11, the Department also received American Recovery and Reinvestment Act Funding ARRA, which ended in FY 2010-11. Federal funds provide a significant share of the CDOT's resources and fluctuations in federal funds have a substantial impact on the Department's annual budget.

FEDERAL FUNDING FOR CDOT (\$ MILLIONS)										
FEDERAL PROGRAM	FY 08-09 ACTUAL	FY 09-10 ACTUAL	FY 10-11 ACTUAL	FY11-12 ACTUAL	FY 12-13 ACTUAL	FY 13-14 ACTUAL	FY 14-15 ACTUAL	FY 15-16 ACTUAL	FY 16-17 ACTUAL	FY 17-18 ESTIMATE
FHWA	\$536.9	\$568.8	\$349.3	\$472.0	\$514.3	\$606.5	\$656.4	\$672.5	\$620.0	\$656.3
FTA	13.9	13.3	13.2	12.8	15.7	16	20.4	18.9	24.5	19.8
FAA	0.3	0.3	0.2	0.3	0.3	0.1	0.2	0.3	0.0	0.1
NHTSA	2.1	6.3	6.3	7.1	7.9	1.7	8	9.1	8.6	10
ARRA	404.2	12.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>\$957.4</b>	<b>\$601.2</b>	<b>\$369.0</b>	<b>\$492.2</b>	<b>\$538.2</b>	<b>\$624.3</b>	<b>\$685.0</b>	<b>\$700.8</b>	<b>\$653.1</b>	<b>\$686.2</b>

## OTHER STATE TRANSPORTATION FUNDING

Since the late 1990's, the General Assembly has enacted a number of measures that provide additional funding to the State Highway Fund. These included diversions of sales and use taxes from the General Fund to the HUTF pursuant to S.B. 97-001; Limited Gaming Fund appropriations to the HUTF, which used cash funds that would otherwise be credited to the Clean Energy Fund; and H.B. 02-1310 which directed two-thirds of the year-end General Fund surplus to the HUTF. House Bill 99-1325 (which received voter approval in a referendum) permitted the Department to issue Tax Revenue Anticipation Notes (TRANs bonds) to accelerate projects and to use future federal and state revenues to pay back bondholders over time.

Senate Bill 09-228 repealed the General Fund transfers associated with S.B. 97-001 and H.B. 02-1310 and set up a series of General Fund transfers to the HUTF that began in FY 2015-16. Subsequent amendments by H.B. 16-1416, S.B. 17-262, and S.B. 17-267 resulted in the following General Fund transfers to the HUTF:

TRANSFERS TO THE HUTF DUE TO S.B. 09-228, H.B. 16-1416, S.B. 17-262, AND S.B. 17-267		
FY 2015-16	FY 2016-17	FY 2017-18
\$199.2 million	\$79.0 million	\$79.0 million

Senate Bill 17-267 also permits the state to execute lease-purchase agreements on existing state facilities in amounts up to \$500 million per year for the four years FY 2018-19 through FY 2021-22. For FY 2018-19 the first \$120 million of proceeds from the agreements are to be used for Controlled Maintenance and the remaining \$380 million are for CDOT. In subsequent years, CDOT receives all the proceeds from the agreements, i.e. up to \$500 million annually for three years. Thus proceeds to CDOT total \$1.88 billion (= \$380,000,000 + \$500,000,000 \* 3). The borrowing is to be repaid over 20 years with CDOT annually required to repay \$50 million, which corresponds to a total CDOT repayment of \$1.0 billion (= \$50,000,000 \* 20 years of payments).

Senate Bill 18-001 provides additional funding to CDOT and conditionally modifies the lease-purchase provisions of S.B. 17-267. In FY 2018-19 the bill transfers \$495.0 million from the General Fund to state and local transportation projects with 70 percent (\$346.5 million) going to CDOT, 15 percent (\$74.25 million) to a new Multimodal Fund, and 15 percent to counties and municipalities. Of the \$74.25 million transferred to the Multimodal Fund in FY 2018-19, \$2.5 million is subsequently transferred to the Southwest Chief Rail Line Economic Development, Rural Tourism, and Infrastructure Repair and Maintenance Fund. In FY 2019-20 an additional \$105.0 million will be transferred from the General Fund to CDOT with local governments and the Multimodal Fund each receiving \$22.5 million. Other provisions in the bill depend on the result of November 2018

ballot Initiative 167 (which allows CDOT to issue up to \$3.5 billion of TRANs bonds and requires the General Fund to repay the borrowing costs with no increase in taxes) and Initiative 153 (which allows CDOT to issue up to \$6.0 billion of TRANs bonds and increases the state sales tax from 2.9 percent to 3.52 percent to pay part of the borrowing costs). (1) If Initiative 167 passes, then the 2<sup>nd</sup>, 3<sup>rd</sup>, and 4<sup>th</sup> years of lease-purchase agreements under S.B. 17-267 and the related distribution of revenue to CDOT will be rescinded, leaving only the FY 2018-19 agreement. (2) If Initiative 167 does not become law but Initiative 153 passes, the four SB 17-267 lease-purchase agreements all take place along with the related distribution of revenue to CDOT. In addition \$50.0 million is transferred from the General Fund to CDOT annually for 20 years. (3) If neither initiative passes in 2018, then the legislature will refer a ballot measure for the 2019 election asking voters to approve \$2.3 billion in TRANs bonds for state and local projects with 85 percent of the resulting bond revenue devoted to roads and 15 percent to multimodal transportation. (4) If none of the ballot measures become law, the four years of lease-purchase agreements under S.B. 17-267 continue without change.

## APPROPRIATION HIGHLIGHTS - 2018 LEGISLATIVE SESSION

DEPARTMENT OF TRANSPORTATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$1,578,506,823	\$0	\$851,844,882	\$8,552,189	\$718,109,752	3,326.8
<b>TOTAL</b>	<b>\$1,578,506,823</b>	<b>\$0</b>	<b>\$851,844,882</b>	<b>\$8,552,189</b>	<b>\$718,109,752</b>	<b>3,326.8</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$1,578,506,823	\$0	\$851,844,882	\$8,552,189	\$718,109,752	3,326.8
Updated revenue projections	176,733,805	0	283,004,634	(79,781)	(106,191,048)	0.0
Centrally appropriated line items	4,263,131	0	4,373,097	(109,966)	0	0.0
Annualize prior budget actions	287,602	0	277,391	10,211	0	0.0
Funding adjustment for Construction, Maintenance, and Operations	(4,552,817)	0	(4,552,809)	(8)	0	0.0
Close in-house print shop	(1,700,000)	0	0	(1,700,000)	0	0.0
<b>HB 18-1322</b>	<b>\$1,753,538,544</b>	<b>\$0</b>	<b>\$1,134,947,195</b>	<b>\$6,672,645</b>	<b>\$611,918,704</b>	<b>3,326.8</b>
<b>TOTAL</b>	<b>\$1,753,538,544</b>	<b>\$0</b>	<b>\$1,134,947,195</b>	<b>\$6,672,645</b>	<b>\$611,918,704</b>	<b>3,326.8</b>
<b>INCREASE/(DECREASE)</b>	<b>\$175,031,721</b>	<b>\$0</b>	<b>\$283,102,313</b>	<b>(\$1,879,544)</b>	<b>(\$106,191,048)</b>	<b>0.0</b>
Percentage Change	11.1%	n/a	33.2%	(22.0%)	(14.8%)	0.0%

### FY 2018-19 APPROPRIATION HIGHLIGHTS

**UPDATED REVENUE PROJECTIONS:** The appropriation reflects updates to the Department's revenue projections, which are provided for informational purposes only.

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

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments in the Administration Division to annualize prior year salary survey and merit pay.

**FUNDING ADJUSTMENT FOR CONSTRUCTION, MAINTENANCE, AND OPERATIONS:** The appropriation includes a decrease for the Construction, Maintenance, and Operations Division due to increased central appropriations in the

Administration Division. The increased appropriations to Administration translate into less available funding for Construction, Maintenance, and Operations.

**CLOSE IN-HOUSE PRINT SHOP:** The appropriation includes a reduction of \$1.7 million of reappropriated funds due to closure of the Department's in-house printing operation. CDOT is now sending print work to private-sector printers.

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# DEPARTMENT OF THE TREASURY

The State Treasurer is one of five independently elected constitutional officers of the state. The Department of the Treasury is responsible for the following primary duties: (1) acts as the State's banker and investment officer, providing investment, accounting, and cash management services and preparing related reports; (2) administers the Unclaimed Property Program; (3) disburses Senior Citizen and Disabled Veteran Property Tax Exemption payments to local governments; (4) provides short-term interest-free financing to school districts by issuing tax and revenue anticipation notes and making loans from the General Fund; (5) assists charter schools with long-term financing by making direct bond payments; (6) distributes Highway Users Tax Fund (HUTF) revenues to counties and municipalities; (7) distributes federal mineral leasing funds received for the State's share of sales, bonuses, royalties, and rentals of public lands within Colorado; (8) manages certain state public financing transactions; and (9) reimburses certain property taxes owed or paid for real and business personal property destroyed in a natural disaster.

## DEPARTMENT BUDGET: RECENT APPROPRIATIONS

FUNDING SOURCE	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
General Fund	\$135,037,666	\$139,308,257	\$151,447,545	\$400,329,817
Cash Funds	346,610,762	354,267,675	354,874,465	396,084,849
Reappropriated Funds	0	17,775,175	17,773,025	17,685,263
Federal Funds	0	0	0	0
<b>TOTAL FUNDS</b>	<b>\$481,648,428</b>	<b>\$511,351,107</b>	<b>\$524,095,035</b>	<b>\$814,099,929</b>
Full Time Equiv. Staff	31.9	32.9	32.9	32.9

## GENERAL FACTORS DRIVING THE BUDGET

Funding for this department consists of 49.2 percent General Fund, 48.7 percent cash funds, 2.2 percent reappropriated funds.

### SENIOR CITIZEN AND DISABLED VETERAN PROPERTY TAX EXEMPTION

Section 3.5 of Article X of the Colorado Constitution grants a property tax exemption to qualifying senior citizens and disabled veterans. A senior citizen is eligible for the property tax exemption if the property owner-occupier is at least 65 years of age on the assessment date and has occupied the residence for at least ten years, or is the surviving spouse of a person who previously qualified for the exemption. An honorably discharged disabled veteran is eligible for the property tax exemption if the owner-occupier has a 100.0 percent service-connected disability on the assessment date. Property tax is exempted on 50.0 percent of the first \$200,000 of actual property value for qualifying homeowners. The State Treasurer is required to reimburse local governments for the resulting loss of property tax revenues. The Constitution grants the General Assembly the power to raise or lower the amount of residence value that is exempt from taxation.

### PROPERTY TAX REIMBURSEMENTS FOR PROPERTY DESTROYED BY A NATURAL CAUSE

In the 2014 Session, the General Assembly passed H.B. 14-1001 providing a property tax reimbursement for real or business property listed on a single tax schedule that was destroyed by a natural cause (fire, explosion, flood, tornado, action of the elements, act of war or terror, etc.). This property tax reimbursement is subject to an amount equal to the property tax liability applicable to the destroyed property in the property tax year in which the natural cause occurred. Funds made available for this property tax reimbursement are subject to annual appropriation by the General Assembly.

## HIGHWAY USERS TAX FUND DISBURSEMENTS

The Department distributes revenues from the Highway Users Tax Fund (HUTF) to counties and municipalities for use on local transportation projects pursuant to statutory formulas. 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.

## TRANSFERS FROM THE UNCLAIMED PROPERTY TRUST FUND

The Unclaimed Property Program in the Department of the Treasury is established to take custody of dormant or abandoned property and return the property to the rightful owners or heirs. Such intangible property is subject to the custody of the state as unclaimed property and is held in trust on behalf of the owners in the Unclaimed Property Trust Fund (UPTF). Aside from the payment of claims to owners and heirs, the fund balance is used to cover the costs of administering the program, including personal services, operating expenses, promotion and correspondence, leased space, and contract auditor services for the division. In addition, it is used to cover a portion of the Department of Treasury's administrative costs, and a percentage of the salaries paid to the Treasurer and Deputy Treasurer.

## TRANSFERS TO THE STATE EDUCATION FUND

Pursuant to S.B. 13-234, on May 31, 2013, the State Treasurer transferred \$132,409,339 from the General Fund to the FPPA in order to fully resolve the liability created under Section 31-30.5-307, C.R.S. This transfer served to satisfy all future payments to the fund; and upon this transfer, no other transfers will be made to the benefit plan. The transfer reduced the amount of the General Fund surplus that would otherwise have been transferred to the State Education Fund. In order to reimburse this fund, the General Assembly established a repayment schedule for transfers from the General Fund to the State Education Fund. Annual transfers of \$25,231,070 were scheduled for April of each year from 2015 through 2018, with a final transfer of \$24,991,739 scheduled for April of 2019.

## APPROPRIATION HIGHLIGHTS - 2018 LEGISLATIVE SESSION

DEPARTMENT OF THE TREASURY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$524,067,755	\$151,447,545	\$354,847,185	\$17,773,025	\$0	32.9
HB 18-1169	27,280	0	27,280	0	0	0.0
<b>TOTAL</b>	<b>\$524,095,035</b>	<b>\$151,447,545</b>	<b>\$354,874,465</b>	<b>\$17,773,025</b>	<b>\$0</b>	<b>32.9</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$524,095,035	\$151,447,545	\$354,874,465	\$17,773,025	\$0	32.9
S.B. 17-267 Lease Purchase Line Item Addition	37,500,000	9,000,000	28,500,000	0	0	0.0
Property tax exemption adjustment	14,806,461	14,806,461	0	0	0	0.0
HUTF county adjustment	7,147,119	0	7,147,119	0	0	0.0
HUTF municipality adjustment	5,548,502	0	5,548,502	0	0	0.0
Non-prioritized changes	37,070	37,070	0	0	0	0.0
Centrally appropriated line items	16,800	62,519	42,043	(87,762)	0	0.0
Technical changes	(36,772)	(36,772)	0	0	0	0.0
Annualize prior year budget actions and legislation	(14,286)	12,994	(27,280)	0	0	0.0
<b>HB 18-1322</b>	<b>\$589,099,929</b>	<b>\$175,329,817</b>	<b>\$396,084,849</b>	<b>\$17,685,263</b>	<b>\$0</b>	<b>32.9</b>
SB 18-200	225,000,000	225,000,000	0	0	0	0.0
<b>TOTAL</b>	<b>\$814,099,929</b>	<b>\$400,329,817</b>	<b>\$396,084,849</b>	<b>\$17,685,263</b>	<b>\$0</b>	<b>32.9</b>
<b>INCREASE/(DECREASE)</b>	<b>\$290,004,894</b>	<b>\$248,882,272</b>	<b>\$41,210,384</b>	<b>(\$87,762)</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	55.3%	164.3%	11.6%	(0.5%)	n/a	0.0%



## FY 2017-18 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 18-1169 modifies FY 2017-18 appropriations to:

- Increase cash fund appropriations by \$27,280 from the Unclaimed Property Trust Fund to pay sick leave and annual leave for a retiring employee in the Unclaimed Property Program.

## FY 2018-19 APPROPRIATION HIGHLIGHTS

**S.B. 17-267 LEASE PURCHASE LINE ITEM ADDITION:** The appropriation includes \$37.5 million total funds, including \$9.0 million General Fund, for the lease purchase payments due to S.B. 17-267.

**PROPERTY TAX EXEMPTION ADJUSTMENT:** The appropriation includes an increase of \$14.8 million General Fund for reimbursement to local governments for lost property tax revenues. This line item is for informational purposes.

**HUTF COUNTY ADJUSTMENT:** The appropriation includes an increase of \$7.1 million cash funds for adjustments to the county HUTF disbursement. This line item is for informational purposes.

**HUTF MUNICIPALITY ADJUSTMENT:** The appropriation includes an increase of \$5.5 million cash funds for adjustments to the municipality HUTF disbursement. This line item is for informational purposes.

**NON-PRIORITIZED CHANGES:** The appropriation includes an increase of \$37,070 General Fund for non prioritized changes.

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

**TECHNICAL CHANGES:** The appropriation includes a decrease of \$36,772 General Fund for adjustments to budgetary calculations.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS AND LEGISLATION:** The appropriation includes adjustments for the out-year impact of prior year's legislation, including S.B. 15-288 (Compensation Of State & County Public Officials), merit pay, and salary survey.

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

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# CAPITAL CONSTRUCTION

This section summarizes state agency capital construction and controlled maintenance appropriations. Many of the appropriations are from the Capital Construction Fund. The primary source of revenue to the Capital Construction Fund is transfers and appropriations from the General Fund.

## DEPARTMENT BUDGET: RECENT APPROPRIATIONS

FUNDING SOURCE	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19 <sup>1</sup>
Capital Construction Fund	\$252,223,287	\$117,886,557	\$94,800,857	\$154,545,526
Cash Funds	117,768,151	111,718,515	71,680,140	194,459,733
Reappropriated Funds	2,100,000	766,231	10,000,000	18,743,326
Federal Funds	15,436,269	19,168,392	15,559,090	5,179,500
<b>TOTAL FUNDS</b>	<b>\$387,527,707</b>	<b>\$249,539,695</b>	<b>\$192,040,087</b>	<b>\$372,928,085</b>

<sup>1</sup> Excludes statutory appropriations included in S.B. 17-267 of \$120,680,645 total funds, including \$119,922,495 Capital Construction Fund, \$120,000 cash funds, and \$638,150 federal funds. These appropriations are contingent on funding from state building collateralization lease-purchase (certificate of participation or COP) agreements. As of publication, state building collateralization, required to begin as early as July 1, 2018, is delayed due to pending litigation.

## GENERAL FACTORS DRIVING THE BUDGET

### REVENUE AVAILABLE FOR CAPITAL CONSTRUCTION

The amount appropriated for capital construction is primarily based on the recommendations of the Capital Development Committee and the most recent forecast of revenues available for capital construction given constitutional and statutory constraints on the budget. The Capital Construction Fund provides the primary source of capital construction funding for most state departments and appropriations from the Fund vary substantially from year to year.

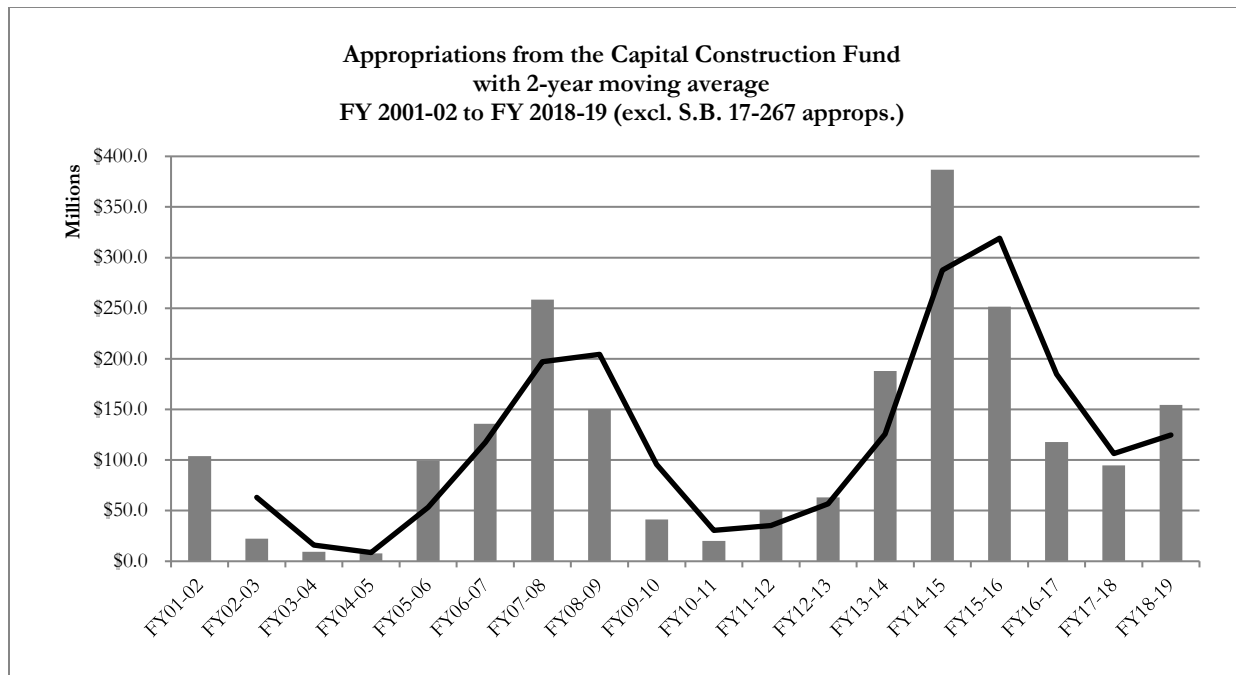
In some years, statutory formulas trigger automatic transfers to the Capital Construction Fund. House Bill 02-1310 provided automatic transfers of excess General Fund revenue to the Capital Construction Fund and the Highway Users Tax Fund. These transfers were replaced in S.B. 09-228, which authorized five years of transfers to the Capital Construction Fund of 0.5 percent of General Fund revenue for two years followed by 1.0 percent of General Fund revenue for three years. While these transfers were originally authorized to begin in FY 2012-13, they were delayed until a personal income-related trigger was met. Specifically, personal income increased by more than five percent in 2014, triggering a transfer in FY 2015-16. However, S.B. 09-228 also provided that a TABOR surplus of between 1.0 and 3.0 percent of General Fund revenue would cut the transfer in half and a TABOR surplus greater than 3.0 percent would eliminate the transfer entirely.

House Bill 16-1416 replaced the transfer formula required by S.B. 09-228 with set amounts to be transferred to the Capital Construction Fund for FY 2015-16 and FY 2016-17, equal to \$49.8 million and \$52.7 million, respectively. The bill did not change the formula for the remaining three years of S.B. 09-228 transfers. However, S.B. 17-262 replaced the final three years of S.B. 09-228 with set amounts of \$0 for FY 2017-18 and \$60.0 million for FY 2018-19 and FY 2019-20. The additional amount necessary to fully fund FY 2018-19 capital construction appropriations with Capital Construction Fund was transferred in H.B. 18-1340 and totaled \$89,181,610 from General Fund, \$500,000 from the General Fund Exempt account, and \$150,000 from the State Historical Fund.

Part 13 of Article 82 of Title 24, C.R.S., enacted in S.B. 17-267, specifies steps for the collateralization of state buildings and repayment for the purpose of funding deferred maintenance of state capital assets. Statute requires that the first \$120.0 million in proceeds is intended for controlled maintenance and capital construction and

transferred to the Capital Construction Fund for that purpose. Contingent appropriations specified in statute total \$120,680,645, including \$119,922,495 from the Capital Construction Fund, \$120,000 from cash funds, and \$638,150 in federal funds. As of publication, state building collateralization, required to begin as early as July 1, 2018, is delayed due to pending litigation.

The following chart outlines appropriations from the Capital Construction Fund since FY 2001-02 and includes a two-year moving average trend line. The chart reflects FY 2018-19 appropriations excluding S.B. 17-267 appropriations.



## APPROPRIATION HIGHLIGHTS - 2018 LEGISLATIVE SESSION

CAPITAL CONSTRUCTION						
	TOTAL FUNDS	CAPITAL CONSTRUCTION FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$183,391,498	\$91,912,328	\$69,179,429	\$10,000,000	\$12,299,741	0.0
HB 18-1170	6,147,878	2,888,529	0	0	3,259,349	0.0
HB 18-1322	2,500,711	0	2,500,711	0	0	0.0
<b>TOTAL</b>	<b>\$192,040,087</b>	<b>\$94,800,857</b>	<b>\$71,680,140</b>	<b>\$10,000,000</b>	<b>\$15,559,090</b>	<b>0.0</b>
FY 2018-19 APPROPRIATION BY CATEGORY:						
Controlled maintenance	\$15,130,478	\$15,130,478	\$0	\$0	\$0	0.0
Capital Renewal and Recapitalization	102,702,846	70,964,814	31,738,032	0	0	0.0
Capital Expansion	203,959,349	52,543,474	151,040,875	375,000	0	0.0
Information Technology Projects	49,272,912	15,206,760	10,518,326	18,368,326	5,179,500	0.0
<b>HB 18-1322</b>	<b>\$371,065,585</b>	<b>\$153,845,526</b>	<b>\$193,297,233</b>	<b>\$18,743,326</b>	<b>\$5,179,500</b>	<b>0.0</b>
HB 18-1006	1,862,500	700,000	1,162,500	0	0	0.0
<b>TOTAL</b>	<b>\$372,928,085</b>	<b>\$154,545,526</b>	<b>\$194,459,733</b>	<b>\$18,743,326</b>	<b>\$5,179,500</b>	<b>0.0</b>
FY 2018-19 APPROPRIATION BY PROJECT:						

CAPITAL CONSTRUCTION						
	TOTAL FUNDS	CAPITAL CONSTRUCTION FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>Controlled Maintenance</b>						
Level 1 Controlled Maintenance	\$15,130,478	\$15,130,478	\$0	\$0	\$0	0.0
<b>Capital Renewal and Recapitalization</b>						
HED: CSU-P Psychology Building Renovation and Addition	\$16,812,751	\$16,812,751	\$0	\$0	\$0	0.0
DNR: Park Infrastructure and Facilities	16,805,025	0	16,805,025	0	0	0.0
HED: CSM Green Center Roof Replacement (capital renewal)	13,183,585	6,591,793	6,591,792	0	0	0.0
GOV-OIT: Public Safety Communication Network Microwave Infrastructure Replacement	10,316,372	10,316,372	0	0	0	0.0
DHS: Upgrade Campus Utility Infrastructure, CMHIFL (capital renewal)	8,935,147	8,935,147	0	0	0	0.0
GOV-OIT: Digital Trunked Radio System, Software Upgrade	7,184,143	7,184,143	0	0	0	0.0
DNR: Infrastructure and Real Property Maintenance, Wildlife Areas	6,859,315	0	6,859,315	0	0	0.0
DHS: Facility Refurbishment for Safety, Risk Mitigation, and Modernization, DYC	5,904,772	5,904,772	0	0	0	0.0
HED: CSU Shepardson Building Renovation and Addition	4,527,223	4,527,223	0	0	0	0.0
HED: ASU Plachy Hall HVAC Upgrade and Replacement (capital renewal)	3,252,559	3,252,559	0	0	0	0.0
GOV-OIT: Microwave Tower Replacement Group D (capital renewal)	3,246,549	3,246,549	0	0	0	0.0
DOC: Fire Alarm System Replacement, AVCF (capital renewal)	2,543,505	2,543,505	0	0	0	0.0
PER: Historical Property Rehabilitation	1,150,000	1,150,000	0	0	0	0.0
DHS: Fall Prevention, Fire Control, and Video Surveillance Improvements, Homelake and McCandless VCLC	781,900	0	781,900	0	0	0.0
HistCO: Regional Museum Preservation Projects	700,000	0	700,000	0	0	0.0
CDOT: Highway Construction Projects	500,000	500,000	0	0	0	0.0
<b>Subtotal - Capital Renewal and Recapitalization</b>	<b>\$102,702,846</b>	<b>\$70,964,814</b>	<b>\$31,738,032</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>Capital Expansion</b>						
HED: UC-Denver CU Anschutz - Center for Personalized Medicine and Behavioral Health	\$156,659,999	\$12,346,906	\$144,313,093	\$0	\$0	0.0
HED: FRCC Larimer Campus Health Care Career Center	18,841,895	14,118,684	4,723,211	0	0	0.0
DHS: DYC, Adams County Youth Services Center Replacement	15,499,760	15,499,760	0	0	0	0.0
HED: WSCU Maintenance Garage - Mountain Search and Rescue	3,662,912	3,462,912	200,000	0	0	0.0
DHS: Grand Junction Regional Center Campus Relocation and Closure	3,511,341	2,336,591	1,174,750	0	0	0.0
HED: FLC Whalen Gymnasium Expansion and Renovation for Exercise Science	3,336,956	3,003,260	333,696	0	0	0.0
HED: CMU Electric Lineworker Building	1,544,486	1,473,361	71,125	0	0	0.0
CDOT: San Luis Valley Doppler Weather Radar Partnership	902,000	302,000	225,000	375,000	0	0.0
<b>Subtotal - Capital Expansion</b>	<b>\$203,959,349</b>	<b>\$52,543,474</b>	<b>\$151,040,875</b>	<b>\$375,000</b>	<b>\$0</b>	<b>0.0</b>
<b>Information Technology Projects</b>						
GOV-OIT: Human Resource Information System Project	\$7,414,260	\$7,414,260	\$0	\$0	\$0	0.0
HCPF: Health Information Technology Roadmap Projects	6,605,000	1,875,500	0	0	4,729,500	0.0

CAPITAL CONSTRUCTION						
	TOTAL FUNDS	CAPITAL CONSTRUCTION FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
GOV-OIT: Health Information Technology Roadmap Projects	6,605,000	0	0	6,605,000	0	0.0
CDLE: Employment Unemployment Insurance Mainframe Migration and Modernization Project	6,300,000	0	6,300,000	0	0	0.0
GOV-OIT: Employment Unemployment Insurance Mainframe Migration and Modernization Project	6,300,000	0	0	6,300,000	0	0.0
GOV-OIT: Data Center Strategic Information Technology Infrastructure Needs Project	5,122,000	5,122,000	0	0	0	0.0
DNR: Law Enforcement Records Management System Project	2,523,326	0	2,523,326	0	0	0.0
GOV-OIT: Law Enforcement Records Management System Project	2,523,326	0	0	2,523,326	0	0.0
CDPHE: Electronic Birth Registration System Replacement Project	2,440,000	745,000	1,695,000	0	0	0.0
GOV-OIT: Electronic Birth Registration System Replacement Project	2,440,000	0	0	2,440,000	0	0.0
DHS: Information Technology Systems Interoperability Project	500,000	50,000	0	0	450,000	0.0
GOV-OIT: Information Technology Systems Interoperability Project	500,000	0	0	500,000	0	0.0
<b>Subtotal - Information Technology Projects</b>	<b>\$49,272,912</b>	<b>\$15,206,760</b>	<b>\$10,518,326</b>	<b>\$18,368,326</b>	<b>\$5,179,500</b>	<b>0.0</b>
<b>HB 18-1322</b>	<b>\$371,065,585</b>	<b>\$153,845,526</b>	<b>\$193,297,233</b>	<b>\$18,743,326</b>	<b>\$5,179,500</b>	<b>0.0</b>
HB 18-1006	1,862,500	700,000	1,162,500	0	0	0.0
<b>TOTAL</b>	<b>\$372,928,085</b>	<b>\$154,545,526</b>	<b>\$194,459,733</b>	<b>\$18,743,326</b>	<b>\$5,179,500</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	\$180,887,998	\$59,744,669	\$122,779,593	\$8,743,326	(\$10,379,590)	0.0
Percentage Change	94.2%	63.0%	171.3%	87.4%	(66.7%)	n/a

## FY 2017-18 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 18-1170 adds \$6,147,878 total funds, including increases of \$2,888,529 Capital Construction Fund and \$3,259,349 federal funds, for mid-year adjustments to FY 2016-17 capital construction appropriations. Changes include:

- An increase of \$2,888,529 Capital Construction Fund for the first phase of implementing the time and leave tracking component in the Human Resources Information System, known as HRWorks;
- An increase of \$2,472,849 federal funds from U.S. Department of Health and Human Services' Administration for Children and Families for a variety of enhancements to the Trails system that supports the state's child welfare and youth services programs; and
- An increase of \$786,500 federal funds from the Child Care Development Fund to complete the Child Care Automated Tracking System (CHATS) replacement project. The supplemental bill for the Department of Human Services includes a decrease of \$386,000 federal funds from the Child Care Development Fund to cover a portion of the costs associated with this supplemental capital construction bill.

House Bill 18-1322 adds:

- \$1.9 million cash funds for increased costs for the Department of Agriculture's Office Consolidation Phase II project for FY 2017-18; and
- \$557,876 cash funds for increased costs for the Replace Heating System, Paul Wright Gymnasium controlled maintenance project at Western State Colorado University for FY 2017-18.

## FY 2018-19 APPROPRIATION HIGHLIGHTS BY CATEGORY

**CONTROLLED MAINTENANCE:** The appropriation includes \$15,130,478 Capital Construction Fund for 23 controlled maintenance items, including 7 projects for state agencies, 15 projects for institutions of higher education, and \$2.0 million for the State Architect's emergency controlled maintenance account.

**CAPITAL RENEWAL AND RECAPITALIZATION:** The appropriation includes \$102,702,846 total funds, including \$70,964,814 Capital Construction Fund and \$31,738,032 cash funds, for 12 state-funded and four cash-funded capital renewal and recapitalization projects.

**CAPITAL EXPANSION:** The appropriation includes \$203,959,349 total funds, including \$52,543,474 Capital Construction Fund, \$151,040,875 cash funds, and \$375,000 reappropriated funds, for eight state-funded new building or other capital expansion projects.

**INFORMATION TECHNOLOGY PROJECTS:** The appropriation includes \$49,272,912 total funds, including \$15,206,760 Capital Construction Fund from the Information Technology Capital Account within the Capital Construction Fund, \$10,518,326 cash funds, \$18,368,326 reappropriated funds, and \$5,179,500 federal funds. The appropriation funds five state-funded and two cash- and federal-funded information technology projects, of which five are included in the table twice to reflect the reappropriated funds appropriation to the Governor's Office of Information Technology.

## FY 2018-19 APPROPRIATION HIGHLIGHTS BY PROJECT

**LEVEL 1 CONTROLLED MAINTENANCE:** The appropriation adds \$15.1 million Capital Construction Fund for 23 controlled maintenance items, including 7 projects for state agencies, 15 projects for institutions of higher education, and \$2.0 million for the State Architect's emergency controlled maintenance account.

**HED: CSU-P PSYCHOLOGY BUILDING RENOVATION AND ADDITION:** The appropriation adds \$16.8 million Capital Construction Fund for the first phase of a two-phase project that renovates 45,987 GSF and constructs a 26,460-GSF addition to the Psychology Building at Colorado State University - Pueblo.

**DNR: PARK INFRASTRUCTURE AND FACILITIES:** The appropriation adds \$16.8 million cash funds, including \$9.1 million from Great Outdoors Colorado (GOCO), \$7.4 million from lottery proceeds, and \$300,000 from the HUTF, for maintenance, restoration and improvements for State Parks facilities and infrastructure. This year's projects include funds for dam maintenance and infrastructure projects at 19 state parks.

**HED: CSM GREEN CENTER ROOF REPLACEMENT (CAPITAL RENEWAL):** The appropriation adds \$13.2 million total funds, including \$6.6 million Capital Construction Fund, for the second phase of a two-phase capital renewal project that makes improvements to the two-story, 158,000-GSF Green Center at the Colorado School of Mines to replace the roof, abate asbestos, and upgrade mechanical systems.

**GOV-OIT: PUBLIC SAFETY COMMUNICATION NETWORK MICROWAVE INFRASTRUCTURE REPLACEMENT:** The appropriation adds \$10.3 million Capital Construction Fund for this multi-year project that replaces the statewide microwave public safety communications system. The project is financed through a lease-purchase agreement and includes out-year equipment upgrades.

**DHS: UPGRADE CAMPUS UTILITY INFRASTRUCTURE, CMHIFL (CAPITAL RENEWAL):** The appropriation adds \$8.9 million Capital Construction Fund for the first phase of a three-phase capital renewal project to repair or replace underground campus infrastructure at the Fort Logan campus, including domestic water mains, sewer

mains, storm water drainage, irrigation lines, and fire lines. The project also replaces roads, parking lots, and sidewalks and adds underground conduit for future communication cabling.

**GOV-OIT: DIGITAL TRUNKED RADIO SYSTEM, SOFTWARE UPGRADE:** The appropriation adds \$7.2 million Capital Construction Fund for lease-purchase payments for an upgrade to the State's Digital Trunked Radio System software, implemented in 2014. The software upgrade allowed for expansion of the system and continued interoperability between agencies.

**DNR: INFRASTRUCTURE AND REAL PROPERTY MAINTENANCE, WILDLIFE AREAS:** The appropriation adds \$6.9 million cash funds from the Wildlife Cash Fund for Wildlife Areas' recapitalization projects. This year's projects include funds for dam maintenance, wildlife crossing improvements, and general maintenance and repair projects.

**DHS: FACILITY REFURBISHMENT FOR SAFETY, RISK MITIGATION, AND MODERNIZATION, DYS:** The appropriation adds \$5.9 million Capital Construction Fund for the fifth phase of a six-phase recapitalization project for 12 Division of Youth Services (DYS) facilities for safety, risk mitigation, and modernization. This year's projects address repairs in four facilities: Marvin W. Foote in Englewood, Mount View in Lakewood, Platte Valley in Greeley, and Spring Creek in Colorado Springs.

**HED: CSU SHEPARDSON BUILDING RENOVATION AND ADDITION:** The appropriation adds \$4.5 million Capital Construction Fund for the first phase of a three-phase project that renovates the existing 46,800-GSF Shepardson Building at Colorado State University that houses the Departments of Horticulture and Landscape Architecture and constructs additions totaling 47,998 GSF.

**HED: ASU PLACHY HALL HVAC UPGRADE AND REPLACEMENT (CAPITAL RENEWAL):** The appropriation adds \$3.3 million Capital Construction Fund for the first phase of a two-phase capital renewal project that repairs and upgrades the HVAC system for the 118,054-GSF Plachy Hall, Adam State's main athletic facility.

**GOV-OIT: MICROWAVE TOWER REPLACEMENT GROUP D (CAPITAL RENEWAL):** The appropriation adds \$3.2 million Capital Construction Fund to replace microwave towers in Group D, which include the Haswell, Storm King, Wray, Anton, Cedar Mountain, and Valley towers.

**DOC: FIRE ALARM SYSTEM REPLACEMENT, AVCF:** The appropriation adds \$2.5 million Capital Construction Fund to replace the fire alarm system at the Arkansas Valley Correctional Facility.

**PER: HISTORICAL PROPERTY REHABILITATION:** The appropriation adds \$1.2 million Capital Construction Fund for Capitol Complex facilities management in the Department of Personnel for capital renewal projects for the Colorado Governor's Mansion property.

**DHS: FALL PREVENTION, FIRE CONTROL, AND VIDEO SURVEILLANCE IMPROVEMENTS, HOMELAKE AND MCCANDLESS VCLC:** The appropriation adds \$781,900 cash funds from the Central Fund for Veterans Community Living Centers (VCLC) for life safety improvements at the Homelake and McCandless VCLCs.

**HISTCO: REGIONAL MUSEUM PRESERVATION PROJECTS:** The appropriation adds \$700,000 cash funds, including \$600,000 from limited gaming revenues and \$100,000 from revenue generated at community museums and historic sites for ongoing preservation projects at History Colorado museums and historic sites.

**CDOT: HIGHWAY CONSTRUCTION PROJECTS:** The appropriation adds \$500,000 Capital Construction Fund for this item funded annually since FY 2010-11 with Referendum C, General Fund Exempt funds.

**HED: UC-DENVER CU ANSCHUTZ - CENTER FOR PERSONALIZED MEDICINE AND BEHAVIORAL HEALTH:** The appropriation adds \$156.7 million total funds, including \$12.3 million Capital Construction Fund and \$144.3 million cash funds from bond revenue repaid from grants and donations. This represents the first of a three-phase project for construction of a ten-story, 390,914-GSF building on the Anschutz Medical Campus to house the Colorado Center for Personalized Medicine, the Colorado Clinical and Translational Sciences Institute, the Simulation Educational HUB, a data center, office space, and other education, research, and clinical space for the School of Medicine, The Colorado School of Public Health, and the University of Colorado Hospital.

**HED: FRCC LARIMER CAMPUS HEALTH CARE CAREER CENTER:** The appropriation adds \$18.8 million total funds, including \$14.1 million Capital Construction Fund and \$4.7 million cash funds from institutional reserves and donations, for Front Range Community College for construction of a 55,333-GSF facility to house the college's health care programs at the Larimer Campus.

**DHS: DYS, ADAMS COUNTY YOUTH SERVICES CENTER REPLACEMENT:** The appropriation adds \$15.5 million Capital Construction Fund for the third phase of a three-phase project for a 40-bed, 38,577-GSF youth detention facility, entailing construction and equipping the facility. The facility replaces the existing 13,788-GSF Adams County Youth Services Center in Brighton.

**HED: WSCU MAINTENANCE GARAGE - MOUNTAIN SEARCH AND RESCUE:** The appropriation adds \$3.7 million total funds, including \$3.5 million Capital Construction Fund and \$200,000 cash funds from university reserves, for construction of a 13,635-GSF garage facility and renovation of 2,398 GSF in an existing office building to house the vehicle maintenance and mountain search and rescue programs.

**DHS: GRAND JUNCTION REGIONAL CENTER CAMPUS RELOCATION AND CLOSURE:** The appropriation adds \$3.5 million total funds, including \$2.3 million Capital Construction Fund and \$1.2 million cash funds from the Grand Junction Regional Center Campus Transition Cash Fund. The projects will build two new, six-resident, state-operated, intermediate care facility (ICF) group homes; relicense two six-resident, state-owned and –operated, ICF group homes; and renovate the 29 Road group home if the Department of Human Services is able to negotiate a public-private partnership to lease the 29 Road home to a private provider.

**HED: FLC WHALEN GYMNASIUM EXPANSION AND RENOVATION FOR EXERCISE SCIENCE:** The appropriation adds \$3.3 million total funds, including \$3.0 million Capital Construction Fund and \$333,696 cash funds from fundraising revenue and college reserves, for renovation of 6,800 GSF within Whalen Gymnasium at Fort Lewis College and construction of a 45,043-GSF expansion for use by the Exercise Science Program.

**HED: CMU ELECTRIC LINeworker BUILDING:** The appropriation adds \$1.5 million total funds, including \$1.5 million Capital Construction Fund and \$71,125 cash funds from institutional reserves and fundraising revenue, for the third phase of a three-phase project that constructs a 8,105-GSF structure to house the University's Electric Lineworker Program.

**CDOT: SAN LUIS VALLEY DOPPLER WEATHER RADAR PARTNERSHIP:** The appropriation adds \$902,000 total funds, including \$302,000 Capital Construction Fund and \$600,000 cash and reappropriated funds. Cash and reappropriated funds include \$375,000 from the Colorado Water Conservation Board, \$125,000 from HUTF, and \$100,000 from a local grant from the Rio Grande Watershed Emergency Coordination Team. The project purchases and installs a Doppler weather radar system at the Alamosa County Airport to improve weather forecasting, water management, public safety, and economic development efforts and initiatives for the San Luis Valley and Southern Colorado areas.



**GOV-OIT: HUMAN RESOURCE INFORMATION SYSTEM PROJECT:** The appropriation adds \$7.4 million Capital Construction Fund to continue the implementation of the time and leave tracking component in the Human Resources Information System (HRIS), known as "HRWorks."

**HCPF: HEALTH INFORMATION TECHNOLOGY ROADMAP PROJECTS:** The appropriation adds \$6.6 million total funds, including \$1.9 million Capital Construction Fund, to implement initiatives of the Colorado Health IT Roadmap for a variety of purposes, including data quality improvement, reporting upgrades, integrating cost and quality data, and using information technology to benefit coordination of care. The bill reappropriates \$6.6 million from the Department to the Governor's Office for the procurement of services and products needed to implement the projects.

**CDLE: UNEMPLOYMENT INSURANCE MAINFRAME MIGRATION AND MODERNIZATION PROJECT:** The appropriation adds \$6.3 million cash funds to complete the final two phases of the Unemployment Insurance Modernization project. The bill reappropriates \$6.3 million from the Department to the Governor's Office of Information Technology for the procurement of services and products needed to implement the project.

**GOV-OIT: DATA CENTER STRATEGIC INFORMATION TECHNOLOGY INFRASTRUCTURE NEEDS PROJECT:** The appropriation adds \$5.1 million Capital Construction Fund to repair the Lakewood Data Center, including implementing technologies to tie together the state's infrastructure (servers, networks, and applications), as well as electrical and cooling improvements.

**DNR: LAW ENFORCEMENT RECORDS MANAGEMENT SYSTEM PROJECT:** The appropriation adds \$2.5 million cash funds for the Department to replace two separate and incompatible law enforcement records systems with one records management system. The costs of the project will be shared by the Parks and Outdoor Recreation Cash Fund and the Wildlife Cash Fund. The bill reappropriates \$2.5 million from the Department to the Governor's Office of Information Technology for the procurement of services and products needed to implement the project.

**CDPHE: ELECTRONIC BIRTH REGISTRATION SYSTEM REPLACEMENT PROJECT:** The appropriation adds \$2.4 million total funds, including \$745,000 Capital Construction Fund, for the Department to replace the Colorado Vital Information System. COVIS, as it is known, is used to issue birth and death certificates. The bill reappropriates \$2.4 million from the Department to the Governor's Office of Information Technology for the procurement of services and products needed to implement the project.

**DHS: INFORMATION TECHNOLOGY SYSTEMS INTEROPERABILITY PROJECT:** The appropriation adds \$500,000 total funds, including \$50,000 Capital Construction Fund, for the fourth phase of a five-phase project for the Department to standardize all existing information technology systems the agency uses in an effort to allow the data contained in the systems to be made available without removing the data from the core systems. The solution, which will rely on enterprise service bus technology, creates interfaces to access the data directly rather than exporting data from the core systems for import into other systems. The bill transfers \$500,000 from the Department to the Governor's Office of Information Technology for the procurement of services and products needed to implement the project.

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

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# PART III

## DEPARTMENT DETAILS

# Details

## DEPARTMENT OF AGRICULTURE

### FY 2017-18 AND FY 2018-19 APPROPRIATIONS BY DIVISION AND BILL

DEPARTMENT OF AGRICULTURE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2017-18 TOTAL APPROPRIATION:</b>	<b>\$50,246,919</b>	<b>\$10,506,004</b>	<b>\$33,408,408</b>	<b>\$2,371,548</b>	<b>\$3,960,959</b>	<b>291.4</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Commissioner's Office and Administrative Services	12,613,677	3,072,123	7,828,288	1,527,548	185,718	18.7
Agricultural Services	16,349,097	4,537,885	8,671,922	799,000	2,340,290	140.2
Agricultural Markets Division	4,869,403	699,841	3,196,392	45,000	928,170	41.4
Brand Board	4,299,958	0	4,299,958	0	0	59.0
Colorado State Fair	9,961,848	1,000,000	8,961,848	0	0	26.9
Conservation Board	2,152,936	1,196,155	450,000	0	506,781	5.2
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
SB 17-254	\$50,246,919	\$10,506,004	\$33,408,408	\$2,371,548	\$3,960,959	291.4
<b>FY 2018-19 TOTAL APPROPRIATION:</b>	<b>\$51,592,874</b>	<b>\$11,107,420</b>	<b>\$34,082,132</b>	<b>\$2,494,460</b>	<b>\$3,908,862</b>	<b>289.9</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Commissioner's Office and Administrative Services	13,383,726	3,520,758	8,091,447	1,650,460	121,061	19.0
Agricultural Services	16,722,431	4,674,998	8,908,143	799,000	2,340,290	138.4
Agricultural Markets Division	4,944,503	708,061	3,250,712	45,000	940,730	41.4
Brand Board	4,406,125	0	4,406,125	0	0	59.0
Colorado State Fair	9,975,705	1,000,000	8,975,705	0	0	26.9
Conservation Board	2,160,384	1,203,603	450,000	0	506,781	5.2
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
HB 18-1322	\$51,549,717	\$11,064,263	\$34,082,132	\$2,494,460	\$3,908,862	289.6
SB 18-042	43,157	43,157	0	0	0	0.3
<b>Increase/(Decrease)</b>	<b>\$1,345,955</b>	<b>\$601,416</b>	<b>\$673,724</b>	<b>\$122,912</b>	<b>(\$52,097)</b>	<b>(1.5)</b>
Percentage Change	2.7%	5.7%	2.0%	5.2%	(1.3%)	(0.5%)

**INFORMATIONAL FUNDS:** The FY 2018-19 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Agriculture are annotated with the "(I)". For additional information, see Appendix E.

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2018-19 Appropriations containing an (I) notation	\$5,812,528	\$0	\$1,903,666	\$0	\$3,908,862

## 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 2017-18 APPROPRIATION:						
SB 17-254	\$12,613,677	\$3,072,123	\$7,828,288	\$1,527,548	\$185,718	18.7
<b>TOTAL</b>	<b>\$12,613,677</b>	<b>\$3,072,123</b>	<b>\$7,828,288</b>	<b>\$1,527,548</b>	<b>\$185,718</b>	<b>18.7</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$12,613,677	\$3,072,123	\$7,828,288	\$1,527,548	\$185,718	18.7
Centrally appropriated line items	1,036,508	401,112	678,451	1,548	(44,603)	0.0
Indirect cost adjustment	9,533	0	(93,121)	121,364	(18,710)	0.0
Pesticide control and regulation of cannabis growing facilities	(238,635)	0	(238,635)	0	0	0.0
Annualize prior year budget actions	(80,514)	4,366	(83,536)	0	(1,344)	0.0
<b>HB 18-1322</b>	<b>\$13,340,569</b>	<b>\$3,477,601</b>	<b>\$8,091,447</b>	<b>\$1,650,460</b>	<b>\$121,061</b>	<b>18.7</b>
SB 18-042	43,157	43,157	0	0	0	0.3
<b>TOTAL</b>	<b>\$13,383,726</b>	<b>\$3,520,758</b>	<b>\$8,091,447</b>	<b>\$1,650,460</b>	<b>\$121,061</b>	<b>19.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$770,049</b>	<b>\$448,635</b>	<b>\$263,159</b>	<b>\$122,912</b>	<b>(\$64,657)</b>	<b>0.3</b>
Percentage Change	6.1%	14.6%	3.4%	8.0%	(34.8%)	1.6%

### FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

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

**INDIRECT COST ADJUSTMENT:** The appropriation includes an increase in the amount of indirect cost recoveries applied to offset the need for General Fund in this division, which appears as an increase in the appropriation of reappropriated funds.

**PESTICIDE CONTROL AND REGULATION OF CANNABIS GROWING FACILITIES:** The appropriation includes a decrease of \$238,635 cash funds for the control and regulation of pesticide use at cannabis growing facilities. The appropriation for the control and regulation of pesticide use at cannabis growing facilities is from the Marijuana Tax Cash Fund created in Section 39-28.8-501 (1), C.R.S.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes a number of changes to reflect the out year impact of funding decisions made through the FY 2017-18 appropriation, including annualization of the prior year salary survey and merit pay.

## AGRICULTURAL SERVICES

This section includes four major Department program areas administered by their respective divisions:

- *ANIMAL INDUSTRY DIVISION* programs monitor the health of livestock and other animals used in various agricultural fields; prevent and control livestock disease; license and inspect pet animal facilities; implement pest control; and investigate animal cruelty claims.
- *PLANT INDUSTRY DIVISION* programs manage statewide pest control programs; register pesticides and pesticide applicators; inspect plants and plant byproducts intended for domestic use or international export; oversee the organic certification program; and inspect nursery stock for quality and health.
- *INSPECTION AND CONSUMER SERVICES DIVISION* programs ensure compliance with product quality standards through licensing and inspection, the certification of large and small commercial weights and measurements devices, and analysis of fertilizer and animal feed for chemical contaminants.
- *CONSERVATION SERVICES DIVISION* programs provide technical and financial support, leadership, statewide coordination, and regulatory oversight to public and private landowners on an array of natural resource management challenges including noxious weed management and biological pest control.

The primary source of revenue supporting appropriations for these divisions is from license and inspection fees, which are credited to several cash funds, as well as General Fund.

AGRICULTURAL SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$16,349,097	\$4,537,885	\$8,671,922	\$799,000	\$2,340,290	140.2
<b>TOTAL</b>	<b>\$16,349,097</b>	<b>\$4,537,885</b>	<b>\$8,671,922</b>	<b>\$799,000</b>	<b>\$2,340,290</b>	<b>140.2</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$16,349,097	\$4,537,885	\$8,671,922	\$799,000	\$2,340,290	140.2
Annualize prior year budget actions	243,270	71,097	172,173	0	0	0.0
Indirect cost adjustment	112,909	0	112,909	0	0	0.0
Federal lands management resources	66,016	66,016	0	0	0	0.9
Pesticide control and regulation of cannabis growing facilities	(48,861)	0	(48,861)	0	0	(2.7)
<b>HB 18-1322</b>	<b>\$16,722,431</b>	<b>\$4,674,998</b>	<b>\$8,908,143</b>	<b>\$799,000</b>	<b>\$2,340,290</b>	<b>138.4</b>
<b>TOTAL</b>	<b>\$16,722,431</b>	<b>\$4,674,998</b>	<b>\$8,908,143</b>	<b>\$799,000</b>	<b>\$2,340,290</b>	<b>138.4</b>
<b>INCREASE/(DECREASE)</b>	<b>\$373,334</b>	<b>\$137,113</b>	<b>\$236,221</b>	<b>\$0</b>	<b>\$0</b>	<b>(1.8)</b>
Percentage Change	2.3%	3.0%	2.7%	0.0%	0.0%	(1.3%)

### FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes a number of changes to reflect the out-year impact of funding decisions made through the FY 2017-18 appropriation, including annualization of the prior year salary survey and merit pay.

**INDIRECT COST ADJUSTMENT:** The appropriation includes an increase in the division's indirect cost assessments.

**FEDERAL LANDS MANAGEMENT RESOURCE:** The appropriation includes an increase of \$66,016 General Fund and 0.9 FTE in FY 2018-19 for the Conservation Services Division to provide increased levels of technical assistance and stakeholder outreach for agriculture producers throughout the federal rangeland management planning process.

**PESTICIDE CONTROL AND REGULATION OF CANNABIS GROWING FACILITIES:** The appropriation includes a decrease of \$48,861 cash funds and 2.7 FTE for the control and regulation of pesticide use at cannabis growing facilities. The appropriation for the control and regulation of pesticide use at cannabis growing facilities is from the Marijuana Tax Cash Fund created in Section 39-28.8-501 (1), C.R.S.

## AGRICULTURAL MARKETS DIVISION

The Agricultural Markets Division is organized into two subdivisions:

- The *AGRICULTURAL MARKETS* subdivision provides support and marketing assistance to Colorado's agricultural businesses competing in local, national, and international arenas by coordinating market orders, promoting Colorado agricultural products, and assisting start-up or expanding food processing companies within the state. The primary sources of funding are the Wine Industry Development Cash Fund, the Agriculture Value-Added Development Cash Fund, and General Fund.
- The *AGRICULTURAL PRODUCTS INSPECTION* subdivision administers the agricultural products inspection program, which performs mandatory and non-mandatory inspections to determine the grade, size, and quality of fruits and vegetables. This subdivision receives \$200,000 General Fund in addition to cash funds from agricultural products inspection fees.

AGRICULTURAL MARKETS DIVISION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$4,869,403	\$699,841	\$3,196,392	\$45,000	\$928,170	41.4
<b>TOTAL</b>	<b>\$4,869,403</b>	<b>\$699,841</b>	<b>\$3,196,392</b>	<b>\$45,000</b>	<b>\$928,170</b>	<b>41.4</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$4,869,403	\$699,841	\$3,196,392	\$45,000	\$928,170	41.4
Annualize prior year budget actions	42,280	8,220	29,781	0	4,279	0.0
Indirect cost adjustment	32,820	0	24,539	0	8,281	0.0
<b>HB 18-1322</b>	<b>\$4,944,503</b>	<b>\$708,061</b>	<b>\$3,250,712</b>	<b>\$45,000</b>	<b>\$940,730</b>	<b>41.4</b>
<b>TOTAL</b>	<b>\$4,944,503</b>	<b>\$708,061</b>	<b>\$3,250,712</b>	<b>\$45,000</b>	<b>\$940,730</b>	<b>41.4</b>
<b>INCREASE/(DECREASE)</b>	<b>\$75,100</b>	<b>\$8,220</b>	<b>\$54,320</b>	<b>\$0</b>	<b>\$12,560</b>	<b>0.0</b>
Percentage Change	1.5%	1.2%	1.7%	0.0%	1.4%	0.0%

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes a number of changes to reflect the out year impact of funding decisions made through the FY 2017-18 appropriation, including annualization of the prior year salary survey and merit pay.

**INDIRECT COST ADJUSTMENT:** The appropriation includes an increase in the division's indirect cost assessments.

## BRAND BOARD

The Brand Board serves the livestock industry and assists the public with problems related to livestock management. This division administers and records livestock brands and inspects cattle, horse, and alternative livestock brands (such as deer and elk) to verify ownership at the time of sale, transport, or slaughter. The Brand Board is cash funded from the Brand Inspection Fund and the Alternative Livestock Farm Cash Fund. Pursuant to Section 35-41-101 (5)(a), C.R.S., the Brand Board constitutes an enterprise for the purposes of Section 20 of Article X of the State Constitution (TABOR).

BRAND BOARD						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$4,299,958	\$0	\$4,299,958	\$0	\$0	59.0
<b>TOTAL</b>	<b>\$4,299,958</b>	<b>\$0</b>	<b>\$4,299,958</b>	<b>\$0</b>	<b>\$0</b>	<b>59.0</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$4,299,958	\$0	\$4,299,958	\$0	\$0	59.0
Annualize prior year budget actions	76,624	0	76,624	0	0	0.0
Indirect cost adjustment	29,543	0	29,543	0	0	0.0
<b>HB 18-1322</b>	<b>\$4,406,125</b>	<b>\$0</b>	<b>\$4,406,125</b>	<b>\$0</b>	<b>\$0</b>	<b>59.0</b>
<b>TOTAL</b>	<b>\$4,406,125</b>	<b>\$0</b>	<b>\$4,406,125</b>	<b>\$0</b>	<b>\$0</b>	<b>59.0</b>
<b>INCREASE/(DECREASE)</b>	\$106,167	\$0	\$106,167	\$0	\$0	0.0
Percentage Change	2.5%	n/a	2.5%	n/a	n/a	0.0%

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes a number of changes to reflect the out year impact of funding decisions made through the FY 2017-18 appropriation, including annualization of the prior year salary survey and merit pay.

**INDIRECT COST ADJUSTMENT:** The appropriation includes an increase in the division's indirect cost assessments.

## COLORADO STATE FAIR

The Colorado State Fair Authority, administered by an eleven-member board, plans and operates the annual fair event, as well as non-fair events held at the fairgrounds during the rest of the year. The State Fair is designated as a Type 1 agency pursuant to Section 35-65-401 (1)(a), C.R.S., and is almost entirely cash funded from the Colorado State Fair Authority Cash Fund and the Agriculture Management Fund. Revenue is from fees collected during the State Fair and from other non-fair events. These fees fund personal services and operating expenses. The State Fair receives \$1.0 million General Fund for Future Farmers of America and 4-H program support, program costs, and facility maintenance. Attendance for the 2017 State Fair was 480,204.

COLORADO STATE FAIR						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$9,961,848	\$1,000,000	\$8,961,848	\$0	\$0	26.9
<b>TOTAL</b>	<b>\$9,961,848</b>	<b>\$1,000,000</b>	<b>\$8,961,848</b>	<b>\$0</b>	<b>\$0</b>	<b>26.9</b>
FY 2018-19 APPROPRIATION:						



COLORADO STATE FAIR						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 Appropriation	\$9,961,848	\$1,000,000	\$8,961,848	\$0	\$0	26.9
Annualize prior year budget actions	13,857	0	13,857	0	0	0.0
<b>HB 18-1322</b>	<b>\$9,975,705</b>	<b>\$1,000,000</b>	<b>\$8,975,705</b>	<b>\$0</b>	<b>\$0</b>	<b>26.9</b>
<b>TOTAL</b>	<b>\$9,975,705</b>	<b>\$1,000,000</b>	<b>\$8,975,705</b>	<b>\$0</b>	<b>\$0</b>	<b>26.9</b>
<b>INCREASE/(DECREASE)</b>	\$13,857	\$0	\$13,857	\$0	\$0	0.0
Percentage Change	0.1%	0.0%	0.2%	n/a	n/a	0.0%

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes a number of changes to reflect the out-year impact of funding decisions made through the FY 2017-18 appropriation, including annualization of the prior year salary survey and merit pay.

## CONSERVATION BOARD

The Conservation Board is responsible for providing administrative and fiscal oversight to Colorado's 77 conservation districts. The Board also coordinates federal programs related to natural resource issues, provides guidance on stream bank erosion, and assists farmers and ranchers in implementing a variety of water and energy practices. The primary sources of funding are General Fund, federal grant dollars from the U.S. Department of Agriculture Natural Resources Conservation Service, and cash funds transferred from the Severance Tax Operational Fund.

CONSERVATION BOARD						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$2,152,936	\$1,196,155	\$450,000	\$0	\$506,781	5.2
<b>TOTAL</b>	<b>\$2,152,936</b>	<b>\$1,196,155</b>	<b>\$450,000</b>	<b>\$0</b>	<b>\$506,781</b>	<b>5.2</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$2,152,936	\$1,196,155	\$450,000	\$0	\$506,781	5.2
Annualize prior year budget actions	7,448	7,448	0	0	0	0.0
Conservation districts matching grants	0	0	0	0	0	0.0
<b>HB 18-1322</b>	<b>\$2,160,384</b>	<b>\$1,203,603</b>	<b>\$450,000</b>	<b>\$0</b>	<b>\$506,781</b>	<b>5.2</b>
<b>TOTAL</b>	<b>\$2,160,384</b>	<b>\$1,203,603</b>	<b>\$450,000</b>	<b>\$0</b>	<b>\$506,781</b>	<b>5.2</b>
<b>INCREASE/(DECREASE)</b>	\$7,448	\$7,448	\$0	\$0	\$0	0.0
Percentage Change	0.3%	0.6%	0.0%	n/a	0.0%	0.0%

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes a number of changes to reflect the out year impact of funding decisions made through the FY 2017-18 appropriation, including annualization of the prior year salary survey and merit pay.

**CONSERVATION DISTRICT MATCHING GRANTS:** The appropriation includes a budget neutral refinance of the cash funds appropriated to the Conservation Board's matching grants to districts, allocating \$100,000 cash funds from

the Agriculture Management Fund (AMF) while reducing by the same amount the cash funds appropriation from Conservation District Grant Fund (CDGF), created in Section 35-1-106.7, C.R.S.

## RECENT LEGISLATION

### 2017 SESSION BILLS

**S.B. 17-117 (RECOGNIZE INDUSTRIAL HEMP AGRICULTURE PRODUCTION FOR AGRICULTURE WATER RIGHT):** Clarifies that a person with an absolute or conditional water right decreed for agricultural use can use that water for the growth or cultivation of industrial hemp if the water right holder is registered with the Colorado Department of Agriculture to grow industrial hemp for commercial or research and development purposes.

**S.B. 17-254 (LONG BILL):** General appropriations act for FY 2017-18.

**H.B. 17-1197 (EXCLUDE MARIJUANA FROM FARM PRODUCTS DEFINITION):** Excludes marijuana from the definition of farm products in the Colorado Farm Products Act, thereby exempting marijuana businesses from the licensing and bonding requirements of the act.

### 2018 SESSION BILLS

**S.B. 18-038 (RECLAIMED WATER USE ON INDUSTRIAL HEMP):** Codifies rules promulgated by the Water Quality Control Commission (WQCC) within the Colorado Department of Public Health and Environment (CDPHE) related to the allowable uses of reclaimed domestic wastewater, and expands allowable uses to include irrigation of industrial hemp, when it is not used as a food crop.

**S.B. 18-042 (AGRICULTURE WORKFORCE DEVELOPMENT PROGRAM):** Creates an Agriculture Workforce Development program to reimburse agricultural businesses that hire interns. Eligible businesses may be reimbursed up to 50 percent of the costs to employ an intern, including wages, fixed expenses, and other costs. The internships must provide an intern with at least 130 hours of work experience over no more than six months. Appropriates \$43,157 General Fund and 0.3 FTE to the Commissioner's Office for implementation.

**S.B. 18-188 (AGRICULTURE MARKETING ACT NOTICES AND INCLUSION OF MILLET):** Amends the Colorado Agricultural Marketing Act of 1939 to add millet to the definition of agricultural commodity and allows the Commissioner of Agriculture to determine how the public announcement of the issuance, suspension, amendment, or termination of a marketing order will be made. By defining millet as an agricultural commodity, millet producers will be able to seek a referendum to establish a millet market order.

**S.B. 18-205 (INDUSTRIAL HEMP DESIGNATION AGRICULTURE PRODUCT):** Adds industrial hemp to the definition of commodity and farm products and authorizes the Commissioner of Agriculture to set fees for the Industrial Hemp Program sufficient to cover its direct and indirect costs.

**H.B. 18-1322 (LONG BILL):** General appropriations act for FY 2018-19.

**H.B. 18-1338 (REDUCED REVENUE SEVERANCE TAX OPERATIONAL FUND TRANSFERS):** Transfers \$450,000 General Fund to the Conservation District Grant Fund (CDGF), which funds matching grants to conservation districts throughout Colorado. Pursuant to Section 35-1-106.7, C.R.S., the CDGF is continuously appropriated. For more information about this bill, see Part III at the end of the Department of Natural Resources.

# Details

## DEPARTMENT OF CORRECTIONS

### FY 2017-18 AND FY 2018-19 APPROPRIATIONS BY DIVISION AND BILL

DEPARTMENT OF CORRECTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2017-18 TOTAL APPROPRIATION:</b>	<b>\$872,690,547</b>	<b>\$777,720,189</b>	<b>\$39,182,940</b>	<b>\$51,620,128</b>	<b>\$4,167,290</b>	<b>6,247.0</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Management	226,506,067	220,705,632	5,258,718	248,805	292,912	91.9
Institutions	429,748,612	428,102,482	1,646,130	0	0	4,735.8
Support Services	43,980,321	41,453,991	779,333	1,746,997	0	241.2
Inmate Programs	43,155,679	39,712,856	1,405,175	1,944,090	93,558	549.2
Community Services	48,309,025	46,060,744	10,000	2,199,183	39,098	428.4
Parole Board	1,684,484	1,684,484	0	0	0	17.5
Correctional Industries	64,273,837	0	15,051,062	45,481,053	3,741,722	155.0
Canteen Operation	15,032,522	0	15,032,522	0	0	28.0
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
SB 17-254	\$862,934,388	\$767,386,310	\$39,760,660	\$51,620,128	\$4,167,290	6,246.2
HB 13-1154	76,655	76,655	0	0	0	0.0
SB 14-049	64,452	64,452	0	0	0	0.0
SB 14-176	64,452	64,452	0	0	0	0.0
HB 14-1037	21,484	21,484	0	0	0	0.0
HB 14-1214	20,052	20,052	0	0	0	0.0
SB 15-067	329,363	329,363	0	0	0	0.0
HB 15-1043	6,497,158	6,497,158	0	0	0	0.0
HB 15-1229	22,068	22,068	0	0	0	0.0
HB 15-1305	22,068	22,068	0	0	0	0.0
HB 15-1341	487,701	487,701	0	0	0	0.0
SB 16-142	21,864	21,864	0	0	0	0.0
HB 16-1080	43,727	43,727	0	0	0	0.0
HB 17-1326	(5,865,182)	(5,865,182)	0	0	0	0.8
HB 18-1158	7,950,297	8,528,017	(577,720)	0	0	0.0
<b>FY 2018-19 TOTAL APPROPRIATION:</b>	<b>\$907,143,985</b>	<b>\$810,881,347</b>	<b>\$38,410,054</b>	<b>\$54,336,517</b>	<b>\$3,516,067</b>	<b>6,245.9</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Management	224,090,237	219,509,215	4,039,305	248,805	292,912	91.9
Institutions	458,015,766	456,368,844	1,646,922	0	0	4,736.0
Support Services	47,958,603	45,961,747	865,853	1,131,003	0	241.2
Inmate Programs	44,020,204	40,552,109	1,406,368	1,968,480	93,247	549.7
Community Services	52,264,528	46,708,830	10,000	5,506,600	39,098	426.6
Parole Board	1,780,602	1,780,602	0	0	0	17.5
Correctional Industries	63,888,979	0	15,316,540	45,481,629	3,090,810	155.0
Canteen Operation	15,125,066	0	15,125,066	0	0	28.0
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
HB 18-1322	\$893,072,938	\$800,096,300	\$38,410,054	\$51,050,517	\$3,516,067	6,245.9
SB 14-049	85,935	85,935	0	0	0	0.0

DEPARTMENT OF CORRECTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 14-176	82,534	82,534	0	0	0	0.0
HB 14-1037	21,484	21,484	0	0	0	0.0
HB 14-1214	59,295	59,295	0	0	0	0.0
SB 15-067	417,635	417,635	0	0	0	0.0
HB 15-1043	9,397,689	9,397,689	0	0	0	0.0
HB 15-1229	22,068	22,068	0	0	0	0.0
HB 15-1305	11,034	11,034	0	0	0	0.0
HB 15-1341	487,701	487,701	0	0	0	0.0
SB 16-142	546	546	0	0	0	0.0
HB 16-1080	87,454	87,454	0	0	0	0.0
SB 18-119	22,072	22,072	0	0	0	0.0
SB 18-150	89,600	89,600	0	0	0	0.0
HB 18-1176	3,286,000	0	0	3,286,000	0	0.0
<b>Increase/(Decrease)</b>	<b>\$34,453,438</b>	<b>\$33,161,158</b>	<b>(\$772,886)</b>	<b>\$2,716,389</b>	<b>(\$651,223)</b>	<b>(1.1)</b>
Percentage Change	3.9%	4.3%	(2.0%)	5.3%	(15.6%)	(0.0%)

**INFORMATIONAL FUNDS:** The FY 2018-19 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Corrections are annotated with the "(I)". For additional information, see Appendix J.

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2018-19 Appropriations containing an (I) notation	\$18,641,133	\$0	\$ 15,125,066	\$0	\$3,516,067

## DETAIL OF APPROPRIATION BY ADMINISTRATIVE SECTION

### MANAGEMENT

The Management Division contains the main departmental management functions, including the Executive Director's Office, the External Capacity Subprogram, and the Inspector General Subprogram. The Executive Director's Office provides general administrative oversight for the Department. The External Capacity Subprogram reimburses private prisons and local jails and monitors private prisons. The Inspector General Subprogram is responsible for investigating crimes in prisons. Cash funds and reappropriated funds are primarily from Correctional Industries and Canteen sales revenue, the State Criminal Alien Assistance Program Cash Fund, the Victims Assistance and Law Enforcement fund, and from revenues received for monitoring private prisons that house out-of-state offenders in Colorado.

MANAGEMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$227,051,454	\$220,673,299	\$5,836,438	\$248,805	\$292,912	91.9
HB 17-1326	(6,010,723)	(6,010,723)	0	0	0	0.0
HB 18-1158	5,465,336	6,043,056	(577,720)	0	0	0.0
<b>TOTAL</b>	<b>\$226,506,067</b>	<b>\$220,705,632</b>	<b>\$5,258,718</b>	<b>\$248,805</b>	<b>\$292,912</b>	<b>91.9</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$226,506,067	\$220,705,632	\$5,258,718	\$248,805	\$292,912	91.9
Centrally appropriated line items	13,177,971	12,659,059	518,912	0	0	0.0

MANAGEMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Community provider rate	831,694	831,694	0	0	0	0.0
Annualize prior year budget actions	(8,893,334)	(8,655,009)	(238,325)	0	0	0.0
External capacity adjustment	(7,316,812)	(5,816,812)	(1,500,000)	0	0	0.0
Annualize prior year legislation	(205,898)	(205,898)	0	0	0	0.0
Interstate probation position transfer	(9,451)	(9,451)	0	0	0	0.0
<b>HB 18-1322</b>	<b>\$224,090,237</b>	<b>\$219,509,215</b>	<b>\$4,039,305</b>	<b>\$248,805</b>	<b>\$292,912</b>	<b>91.9</b>
<b>TOTAL</b>	<b>\$224,090,237</b>	<b>\$219,509,215</b>	<b>\$4,039,305</b>	<b>\$248,805</b>	<b>\$292,912</b>	<b>91.9</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$2,415,830)</b>	<b>(\$1,196,417)</b>	<b>(\$1,219,413)</b>	<b>\$0</b>	<b>\$0</b>	<b>(0.0)</b>
Percentage Change	(1.1%)	(0.5%)	(23.2%)	0.0%	0.0%	(0.0%)

## FY 2017-18 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 18-1158 modifies the FY 2017-18 appropriation to increase external capacity appropriations by \$5,465,336, comprised of a \$6,043,056 General Fund increase and a \$577,720 cash funds decrease. The change funds additional payments to the jails and private prisons that hold some of the Department's offenders.

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items, as detailed in the following table.

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey	\$10,825,001	\$10,516,363	\$308,638	\$0	\$0	0.0
Health, life, and dental	1,666,559	1,556,187	110,372	0	0	0.0
Workers' compensation	559,506	541,826	17,680	0	0	0.0
Payment to risk management / property funds	157,472	151,267	6,205	0	0	0.0
Leased space	151,856	140,966	10,890	0	0	0.0
Legal services	140,530	135,752	4,778	0	0	0.0
Amortization equalization disbursement (AED)	(95,735)	(119,622)	23,887	0	0	0.0
Supplemental amortization equalization disbursement (SAED)	(95,735)	(119,622)	23,887	0	0	0.0
Short-term disability	(70,061)	(69,010)	(1,051)	0	0	0.0
Shift differential	(54,292)	(69,955)	15,663	0	0	0.0
Capitol complex leased space	(7,130)	(5,093)	(2,037)	0	0	0.0
<b>TOTAL</b>	<b>\$13,177,971</b>	<b>\$12,659,059</b>	<b>\$518,912</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**COMMUNITY PROVIDER RATE:** The appropriation includes an increase of \$831,694 General Fund for the community provider rate increase.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes annualization of FY 17-18 salary survey and merit base pay and annualization of a FY 17-18 budget initiative that placed additional teachers in the Restrictive Housing Unit at Sterling Correctional Facility.

**EXTERNAL CAPACITY ADJUSTMENT:** The appropriation includes a reduction of \$7.3 million total funds, including a \$5.8 million General Fund decrease, for external capacity, which pays for the placement of inmates and parolees in jails, private prisons, and community return to custody facilities.

CHANGES TO EXTERNAL CAPACITY APPROPRIATIONS			
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS
Payments to local jails	\$635,275	\$635,275	\$0
Payments to private prisons			
Usage adjustment	(8,137,141)	(8,137,141)	0
Eliminate appropriation from State Alien Criminal Assistance Cash Fund	0	1,500,000	(1,500,000)
Temporary beds for Buena Vista controlled maintenance project	185,054	185,054	0
<b>TOTAL EXTERNAL CAPACITY APPROPRIATION ADJUSTMENTS</b>	<b>(\$7,316,812)</b>	<b>(\$5,816,812)</b>	<b>(\$1,500,000)</b>

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes annualization of H.B. 17-1326, Justice Reinvestment Crime Prevention Initiative.

**INTERSTATE PROBATION POSITION TRANSFER:** The appropriation includes a reduction of \$9,451 General Fund for employee benefits related to the transfer of 2.0 FTE positions that work on the Interstate Compact from the Department of Corrections to the Division of Probation Services in the Judicial Department.

## INSTITUTIONS

The Institutions division includes all cost centers directly attributable to the operation of state-owned and operated correctional facilities. Included are costs for utilities, maintenance, housing and security, food, medical, laundry, case management, mental health, and the costs of running the Youthful Offender System. The cash funds are primarily from fees charged for inmate medical costs and utilities costs associated with Correctional Industries programs. The federal funds that periodically appear in the division are from donated U.S. Department of Agriculture foods.

INSTITUTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$419,592,607	\$417,946,477	\$1,646,130	\$0	\$0	4,735.8
HB 13-1154	76,655	76,655	0	0	0	0.0
SB 14-049	64,452	64,452	0	0	0	0.0
SB 14-176	64,452	64,452	0	0	0	0.0
HB 14-1037	21,484	21,484	0	0	0	0.0
HB 14-1214	20,052	20,052	0	0	0	0.0
SB 15-067	329,363	329,363	0	0	0	0.0
HB 15-1043	6,497,158	6,497,158	0	0	0	0.0
HB 15-1229	22,068	22,068	0	0	0	0.0
HB 15-1305	22,068	22,068	0	0	0	0.0
HB 15-1341	487,701	487,701	0	0	0	0.0
SB 16-142	21,864	21,864	0	0	0	0.0
HB 16-1080	43,727	43,727	0	0	0	0.0
HB 18-1158	2,484,961	2,484,961	0	0	0	0.0
<b>TOTAL</b>	<b>\$429,748,612</b>	<b>\$428,102,482</b>	<b>\$1,646,130</b>	<b>\$0</b>	<b>\$0</b>	<b>4,735.8</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$429,748,612	\$428,102,482	\$1,646,130	\$0	\$0	4,735.8
Hepatitis C treatment	16,514,144	16,514,144	0	0	0	0.0
Annualize prior year budget actions	6,517,455	6,517,455	0	0	0	0.0
Nurse and mid-level provider compensation	5,400,000	5,400,000	0	0	0	0.0
Community provider rate	137,420	137,420	0	0	0	0.0
Inmate pay	100,000	100,000	0	0	0	0.0
Annualize prior year legislation	3,445	3,445	0	0	0	0.2
Indirect cost assessment	792	0	792	0	0	0.0

INSTITUTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Funding already in statute from 5-year sentencing appropriations	(10,673,375)	(10,673,375)	0	0	0	0.0
Medical and pharmaceutical	(427,296)	(427,296)	0	0	0	0.0
COP payment adjustment	(878)	(878)	0	0	0	0.0
<b>HB 18-1322</b>	<b>\$447,320,319</b>	<b>\$445,673,397</b>	<b>\$1,646,922</b>	<b>\$0</b>	<b>\$0</b>	<b>4,736.0</b>
SB 14-049	85,935	85,935	0	0	0	0.0
SB 14-176	82,534	82,534	0	0	0	0.0
HB 14-1037	21,484	21,484	0	0	0	0.0
HB 14-1214	59,295	59,295	0	0	0	0.0
SB 15-067	417,635	417,635	0	0	0	0.0
HB 15-1043	9,397,689	9,397,689	0	0	0	0.0
HB 15-1229	22,068	22,068	0	0	0	0.0
HB 15-1305	11,034	11,034	0	0	0	0.0
HB 15-1341	487,701	487,701	0	0	0	0.0
SB 16-142	546	546	0	0	0	0.0
HB 16-1080	87,454	87,454	0	0	0	0.0
SB 18-119	22,072	22,072	0	0	0	0.0
<b>TOTAL</b>	<b>\$458,015,766</b>	<b>\$456,368,844</b>	<b>\$1,646,922</b>	<b>\$0</b>	<b>\$0</b>	<b>4,736.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$28,267,154</b>	<b>\$28,266,362</b>	<b>\$792</b>	<b>\$0</b>	<b>\$0</b>	<b>0.2</b>
Percentage Change	6.6%	6.6%	0.0%	n/a	n/a	0.0%

## FY 2017-18 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 18-1158 modifies the FY 2017-18 appropriation to:

- Increase medical appropriations for inmates by \$2,156,130 General Fund, which reflects revised offender population projections and revised medical and pharmaceutical costs per offender,
- Increase inmate food appropriations by \$172,514 General Fund to pay for higher food service costs at LaVista Correctional Facility, which purchases food service from the Department of Human Services, and
- Increase General Fund appropriations by \$156,317 to purchase additional safety equipment for corrections officers.

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**HEPATITIS C TREATMENT:** The appropriation increases the General Fund appropriation for hepatitis C drug treatment of inmates by \$16.5 million General Fund, which brings the total appropriation for hepatitis C treatment to \$20.5 million General Fund. The increase will pay for treatment of approximately 630 additional inmates who are seriously ill with hepatitis C.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes annualization of FY 17-18 salary survey and merit base pay, annualization of a FY 17-18 budget initiative that provided additional safety equipment for corrections officers, and annualization of a FY 17-18 budget initiative that placed additional teachers in the Restrictive Housing Unit at Sterling Correctional Facility.

**NURSE AND MID-LEVEL PROVIDER COMPENSATION:** The appropriation includes an increase of \$5.4 million General Fund for nurse and mid-level provider compensation adjustments that will align the compensation of Department of Corrections providers with the compensation of Department of Human Services nurses at the Mental Health Hospital – Pueblo.

**COMMUNITY PROVIDER RATE:** The appropriation includes an increase due to community-provider-rate changes.

**INMATE PAY:** The appropriation includes a General Fund increase for inmate pay.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes annualization of S.B. 16-180, Program for Juvenile Offenders.

**INDIRECT COST ASSESSMENT:** The appropriation includes an increase of the Division's indirect cost assessment.

**FUNDING ALREADY IN STATUTE FROM 5-YEAR SENTENCING APPROPRIATIONS:** The appropriation reduces the General Fund appropriation that would otherwise be in the Long Bill for inmate housing and security by \$10.7 million, which is the amount already appropriated in criminal sentencing bills with five-year statutory appropriations.

**MEDICAL AND PHARMACEUTICAL:** The appropriation includes a decrease of \$427,296 General Fund for medical and pharmaceutical expenditures for inmates based projections of the number of offenders in state prisons and the cost per inmate.

**COP PAYMENT ADJUSTMENT:** The appropriation includes a reduction of \$878 General Fund for the certificate of participation (COP) payments for the Centennial South Correctional Facility. These are the final COP payments.

**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 2017-18 APPROPRIATION:						
SB 17-254	\$43,876,497	\$41,350,167	\$779,333	\$1,746,997	\$0	241.2
HB 17-1326	103,824	103,824	0	0	0	0.0
HB 18-1158	0	0	0	0	0	0.0
<b>TOTAL</b>	<b>\$43,980,321</b>	<b>\$41,453,991</b>	<b>\$779,333</b>	<b>\$1,746,997</b>	<b>\$0</b>	<b>241.2</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$43,980,321	\$41,453,991	\$779,333	\$1,746,997	\$0	241.2
Centrally appropriated line items	3,464,508	3,376,958	84,920	2,630	0	0.0
Annualize prior year budget actions	332,911	331,311	1,600	0	0	0.0
DeCORuM operating	90,723	90,723	0	0	0	0.0
Annualize prior year legislation	540	540	0	0	0	0.0
Indirect cost adjustment	0	618,624	0	(618,624)	0	0.0
<b>HB 18-1322</b>	<b>\$47,869,003</b>	<b>\$45,872,147</b>	<b>\$865,853</b>	<b>\$1,131,003</b>	<b>\$0</b>	<b>241.2</b>
SB 18-150	89,600	89,600	0	0	0	0.0
<b>TOTAL</b>	<b>\$47,958,603</b>	<b>\$45,961,747</b>	<b>\$865,853</b>	<b>\$1,131,003</b>	<b>\$0</b>	<b>241.2</b>
<b>INCREASE/(DECREASE)</b>	<b>\$3,978,282</b>	<b>\$4,507,756</b>	<b>\$86,520</b>	<b>(\$615,994)</b>	<b>\$0</b>	<b>(0.0)</b>
Percentage Change	9.0%	10.9%	11.1%	(35.3%)	n/a	0.0%



## FY 2017-18 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 18-1158 modifies the FY 2017-18 appropriation to make offsetting corrections to cash-fund sources for operating expenses in the Education Subprogram.

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes the following adjustments to centrally appropriated line items that are appropriated to this Division:

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Payments to OIT	\$3,035,944	\$3,019,359	\$16,585	\$0	\$0	0.0
Fleet	382,355	316,819	65,536	0	0	0.0
CORE	46,209	40,780	2,799	2,630	0	0.0
<b>TOTAL</b>	<b>\$3,464,508</b>	<b>\$3,376,958</b>	<b>\$84,920</b>	<b>\$2,630</b>	<b>\$0</b>	<b>0.0</b>

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes annualization of FY 17-18 salary survey and merit base pay and annualization of a FY 17-18 budget initiative that placed additional teachers in the Restrictive Housing Unit at Sterling Correctional Facility.

**DECORUM OPERATING:** The appropriation includes an increase of \$90,723 General Fund for costs associated with the Department of Corrections Offender Records Management System (DeCORuM).

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes annualization of H.B. 17-1326, Justice Reinvestment Crime Prevention Initiative, and S.B. 16-180, Program for Juvenile Offenders.

**INDIRECT COST ADJUSTMENT:** The appropriation includes a decrease in the amount of total department indirect cost recoveries applied to offset the need for General Fund in this division, which necessitates an increase in the General Fund appropriation.

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

## INMATE PROGRAMS

The Inmate Programs division includes educational, vocational, recreational, and inmate labor programs operated by the Department. This division also includes the Sex Offender Treatment Subprogram, the Drug and Alcohol Treatment Subprogram, and the Volunteers Subprogram. Cash and reappropriated funds are primarily from the Correctional Treatment Cash Fund and sales revenue of the Canteen Operation.

INMATE PROGRAMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$43,155,679	\$39,712,856	\$1,405,175	\$1,944,090	\$93,558	549.2
<b>TOTAL</b>	<b>\$43,155,679</b>	<b>\$39,712,856</b>	<b>\$1,405,175</b>	<b>\$1,944,090</b>	<b>\$93,558</b>	<b>549.2</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$43,155,679	\$39,712,856	\$1,405,175	\$1,944,090	\$93,558	549.2

INMATE PROGRAMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Annualize prior year budget actions	814,573	813,380	1,193	0	0	0.3
Community provider rate	45,439	21,049	0	24,390	0	0.0
Annualize prior year legislation	4,824	4,824	0	0	0	0.2
Education cash fund Adjustment	0	0	0	0	0	0.0
Indirect cost assessment	(311)	0	0	0	(311)	0.0
<b>HB 18-1322</b>	<b>\$44,020,204</b>	<b>\$40,552,109</b>	<b>\$1,406,368</b>	<b>\$1,968,480</b>	<b>\$93,247</b>	<b>549.7</b>
<b>TOTAL</b>	<b>\$44,020,204</b>	<b>\$40,552,109</b>	<b>\$1,406,368</b>	<b>\$1,968,480</b>	<b>\$93,247</b>	<b>549.7</b>
<b>INCREASE/(DECREASE)</b>	<b>\$864,525</b>	<b>\$839,253</b>	<b>\$1,193</b>	<b>\$24,390</b>	<b>(\$311)</b>	<b>0.5</b>
Percentage Change	2.0%	2.1%	0.1%	1.3%	(0.3%)	0.1%

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes annualization of FY 17-18 salary survey and merit base pay and annualization of a FY 17-18 budget initiative that placed additional teachers in the Restrictive Housing Unit at Sterling Correctional Facility.

**COMMUNITY PROVIDER RATE:** The appropriation includes an increase due to community-provider-rate changes.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes annualization of S.B. 16-180, Program for Juvenile Offenders.

**EDUCATION CASH FUND ADJUSTMENT:** The appropriation includes offsetting adjustments to inmate-education cash fund sources.

**INDIRECT COST ASSESSMENT:** The appropriation includes a decrease of the Division's indirect cost assessment.

## COMMUNITY SERVICES

The Community Services division includes the Parole Subprogram, the Community Supervision Subprogram for inmates in community corrections and in the Intensive Supervision-Inmate (ISP-Inmate) program, and the Community Re-entry Subprogram. Other costs associated with residential community corrections placements are appropriated to the Department of Public Safety's Division of Criminal Justice. The reappropriated funds are from the Correctional Treatment Cash Fund.

COMMUNITY SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$48,267,308	\$46,019,027	\$10,000	\$2,199,183	\$39,098	427.6
HB 17-1326	41,717	41,717	0	0	0	0.8
<b>TOTAL</b>	<b>\$48,309,025</b>	<b>\$46,060,744</b>	<b>\$10,000</b>	<b>\$2,199,183</b>	<b>\$39,098</b>	<b>428.4</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$48,309,025	\$46,060,744	\$10,000	\$2,199,183	\$39,098	428.4
Annualize prior year budget actions	628,519	628,519	0	0	0	0.0
Community provider rate	131,695	110,278	0	21,417	0	0.0
Annualize prior year legislation	4,102	4,102	0	0	0	0.2
Interstate probation position transfer	(94,813)	(94,813)	0	0	0	(2.0)
<b>HB 18-1322</b>	<b>\$48,978,528</b>	<b>\$46,708,830</b>	<b>\$10,000</b>	<b>\$2,220,600</b>	<b>\$39,098</b>	<b>426.6</b>

COMMUNITY SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 18-1176	3,286,000	0	0	3,286,000	0	0.0
<b>TOTAL</b>	<b>\$52,264,528</b>	<b>\$46,708,830</b>	<b>\$10,000</b>	<b>\$5,506,600</b>	<b>\$39,098</b>	<b>426.6</b>
<b>INCREASE/(DECREASE)</b>	\$3,955,503	\$648,086	\$0	\$3,307,417	\$0	(1.8)
Percentage Change	8.2%	1.4%	0.0%	150.4%	0.0%	(0.4%)

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes annualization of FY 17-18 salary survey and merit base pay.

**COMMUNITY PROVIDER RATE:** The appropriation includes an increase due to community-provider-rate changes.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes an increase for annualization of H.B. 17-1326 (Justice Reinvestment Crime Prevention Initiative).

**INTERSTATE PROBATION POSITION TRANSFER:** The appropriation includes a reduction of \$94,813 General Fund and 2.0 FTE to transfer FTE positions that work on the Interstate Compact to the Division of Probation Services in the Judicial Department.

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

## PAROLE BOARD

The Parole Board has the discretion to grant or deny parole to offenders who have reached their parole eligibility date. The Board must parole offenders when they reach their mandatory parole date. The Board imposes conditions of parole on parolees and it may revoke parole when those conditions are violated.

PAROLE BOARD						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$1,684,484	\$1,684,484	\$0	\$0	\$0	17.5
<b>TOTAL</b>	<b>\$1,684,484</b>	<b>\$1,684,484</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>17.5</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$1,684,484	\$1,684,484	\$0	\$0	\$0	17.5
Annualize prior year budget actions	96,118	96,118	0	0	0	0.0
<b>HB 18-1322</b>	<b>\$1,780,602</b>	<b>\$1,780,602</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>17.5</b>
<b>TOTAL</b>	<b>\$1,780,602</b>	<b>\$1,780,602</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>17.5</b>
<b>INCREASE/(DECREASE)</b>	\$96,118	\$96,118	\$0	\$0	\$0	0.0
Percentage Change	5.7%	5.7%	n/a	n/a	n/a	0.0%

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes annualization of FY 17-18 salary survey and merit base pay.

## CORRECTIONAL INDUSTRIES

Correctional Industries manages profit-oriented work programs that provide inmates with on-the-job training while generating revenues to cover costs. Major businesses operated by Correctional Industries include the manufacture of license plates, office furniture, and modular office systems; a print shop; a leather products shop; wildland fire fighting; dog and horse training; and a garment production operation. Correctional Industries sells its products primarily to other government agencies. Correctional Industries is fully supported by cash and reappropriated funds from sales of Correctional Industries products and services. Because Correctional Industries is an enterprise, its appropriations are exempt from Section 20 of Article X of the State Constitution (TABOR).

CORRECTIONAL INDUSTRIES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$64,273,837	\$0	\$15,051,062	\$45,481,053	\$3,741,722	155.0
<b>TOTAL</b>	<b>\$64,273,837</b>	<b>\$0</b>	<b>\$15,051,062</b>	<b>\$45,481,053</b>	<b>\$3,741,722</b>	<b>155.0</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$64,273,837	\$0	\$15,051,062	\$45,481,053	\$3,741,722	155.0
Annualize prior year budget actions	151,863	0	151,863	0	0	0.0
Inmate pay	94,000	0	94,000	0	0	0.0
Indirect cost assessment	(630,721)	0	19,615	576	(650,912)	0.0
<b>HB 18-1322</b>	<b>\$63,888,979</b>	<b>\$0</b>	<b>\$15,316,540</b>	<b>\$45,481,629</b>	<b>\$3,090,810</b>	<b>155.0</b>
<b>TOTAL</b>	<b>\$63,888,979</b>	<b>\$0</b>	<b>\$15,316,540</b>	<b>\$45,481,629</b>	<b>\$3,090,810</b>	<b>155.0</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$384,858)</b>	<b>\$0</b>	<b>\$265,478</b>	<b>\$576</b>	<b>(\$650,912)</b>	<b>0.0</b>
Percentage Change	(0.6%)	n/a	1.8%	0.0%	(17.4%)	0.0%

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes annualization of FY 17-18 salary survey and merit base pay.

**INMATE PAY:** The appropriation includes a pay increase for inmates who participate in Prison Industry Enhancement (PIE) programs.

**INDIRECT COST ASSESSMENT:** The appropriation includes a decrease of the Division's indirect cost assessment.

## CANTEEN OPERATION

The Canteen Operation provides personal items for purchase by inmates, including toiletries, snack foods, televisions, phone services, and other approved items. Per court order, all funds remaining after expenses are used to provide inmates with additional educational or recreational resources including library materials and cable television services. The Canteen Operation is fully supported by cash funds from sales of canteen products to inmates. Because Correctional Industries is an enterprise, its appropriations are exempt from Section 20 of Article X of the State Constitution (TABOR). Canteen appropriations are informational pursuant to Section 17-24-126 (1) C.R.S.

CANTEEN OPERATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$15,032,522	\$0	\$15,032,522	\$0	\$0	28.0
<b>TOTAL</b>	<b>\$15,032,522</b>	<b>\$0</b>	<b>\$15,032,522</b>	<b>\$0</b>	<b>\$0</b>	<b>28.0</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$15,032,522	\$0	\$15,032,522	\$0	\$0	28.0
Annualize prior year budget actions	80,928	0	80,928	0	0	0.0
Indirect cost assessment	11,616	0	11,616	0	0	0.0
<b>HB 18-1322</b>	<b>\$15,125,066</b>	<b>\$0</b>	<b>\$15,125,066</b>	<b>\$0</b>	<b>\$0</b>	<b>28.0</b>
<b>TOTAL</b>	<b>\$15,125,066</b>	<b>\$0</b>	<b>\$15,125,066</b>	<b>\$0</b>	<b>\$0</b>	<b>28.0</b>
<b>INCREASE/(DECREASE)</b>	\$92,544	\$0	\$92,544	\$0	\$0	0.0
Percentage Change	0.6%	n/a	0.6%	n/a	n/a	0.0%

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes annualization of FY 17-18 salary survey and merit base pay.

**INDIRECT COST ASSESSMENT:** The appropriation includes an increase of the Division's indirect cost assessment.

## RECENT LEGISLATION

### 2017 SESSION BILLS

**S.B. 17-048 (REQUIRE ARREST OF INTENSIVE SUPERVISION PAROLEES WHO ESCAPE FROM DOC):** Specifies that knowingly removing or tampering with an electronic monitoring device required to be worn as a condition of parole is considered escape from custody. Requires arrest of a parolee participating in an intensive supervision program if there is probable cause to believe that the parolee has committed such an act. The arresting officer is required to submit charges to the district attorney for consideration of filing. May increase costs of the Department of Corrections because some parolees may be sentenced for escape rather than being returned to custody for a technical parole violation, thereby increasing their length of stay upon return to prison.

**S.B. 17-176 (MOTOR VEHICLE LICENSE PLATE APPROPRIATION):** Authorizes the use of the Colorado State Titling and Registration (CSTAR) Account in the Highway Users Tax Fund by the Department of Revenue to purchase license plates, decals, and validating tabs from the Department of Corrections. Provides \$2,435,572 reappropriated funds to the Department of Corrections from the Department of Revenue to produce these items. For more information, see the corresponding bill description in the "Recent Legislation" section at the end of Part III of the Department of Revenue.

**S.B. 17-256 (LONG BILL):** General appropriations act for FY 2017-18.

**H.B. 17-1072 (HUMAN TRAFFICKING SEXUAL SERVITUDE):** Adds to the definition of human trafficking for sexual servitude the act of purchasing another person for the purpose of coercing him or her to engage in commercial sexual activity. Also adds this element to the definition of human trafficking of a minor. May increase the number of persons sentenced to the Department of Corrections.

**H.B. 17-1125 (SERVICES IN CORRECTIONAL FACILITIES):** Removes from statute the requirement that Correctional Industries provide vehicle maintenance, physical plant and facility maintenance, and food and laundry services for each of the state's correctional facilities. The changes make statute accord with current practice.

**H.B. 17-1172 (PENALTIES FOR CHILD SEX TRAFFICKERS):** Requires that any person convicted of human trafficking of a minor for sexual servitude be sentenced to the Department of Corrections (DOC) for at least 8 years. May increase the length of sentences to the DOC.

**H.B. 17-1308 (INDIVIDUALIZED CONDITIONS OF PAROLE):** Removes from statute the mandatory imposition of certain parole conditions, which is expected to reduce workload and state General Fund costs for the Department by an indeterminate amount.

**H.B. 17-1326 (JUSTICE REINVESTMENT CRIME PREVENTION INITIATIVE):** Changes maximum parole revocation periods for technical parole violations. Depending on the nature of the parolee's sentence, decreases or increases the revocation period with decreases expected to predominate. Reduces the maximum time a revoked parolee can be held in the Preparole Release and Revocation Facility from 180 to 90 days. Eliminates parole revocation placements in Community Return-to-custody Facilities. Directs the Parole Board to conduct a parole release review in lieu of a hearing, without the presence of the inmate, if (1) the inmate is assessed as being "low" or "very low" risk using a validated risk assessment instrument, (2) the inmate meets readiness criteria, and (3) victim notification is not required. Requires the Division of Adult Parole to investigate the parole release plans of prospective parolees.

Establishes a new crime-prevention program in the Department of Local Affairs (DOLA) to provide small business loans and grants that are designed to reduce crime and promote community development in the target communities of north Aurora and southeast Colorado Springs. Establishes a new Parole Savings Fund to which some of the General Fund savings from the bill's parole revocation rules are appropriated. In FY 2017-18 the DOLA grant and loan program receives direct General Fund appropriations. In subsequent years the grant and loan program will be supported by appropriations from the Parole Savings Fund and that fund will receive General Fund appropriations. Adjusts FY 2017-18 appropriations to the DOC and DOLA as follows:

APPROPRIATION ADJUSTMENTS IN H.B. 17-1326	
	GENERAL FUND
Department of Corrections Appropriation Changes	
Payments to local jails	\$13,595
Payments to in-state private prisons	(2,165,720)
Payments to pre-release parole revocation facilities	(1,082,860)
Payments to Community Return-to-custody Facilities	(2,775,738)
Parole personal services	36,254
FTE	(0.8 FTE)
Parole operating expenses	5,463
Computer programming	103,824
Total DOC adjustments	<b>(\$5,865,182)</b>
DOLA Appropriation Changes	
Division of Local Government	\$51,001
FTE	(0.8 FTE)
Computer programming	48,288
Legal services	4,753
Small business loans	1,000,000
Grants for crime reduction and community development	3,000,000
Parole Savings Fund	1,761,140
Total DOLA Adjustments	<b>\$5,865,182</b>
<b>OVERALL GENERAL FUND ADJUSTMENTS</b>	<b>\$0</b>

**H.B. 17-1330 (NO ESCAPE CONVICTION FOR HABITUAL CRIMINALS):** Clarifies that escape from a community-corrections facility and prior convictions for escape or attempted escape may not be used to adjudicate an offender as an habitual criminal. Habitual criminals are subject to longer periods of incarceration so the bill may reduce future Department costs.

**H.B. 17-1369 (BONDS FOR PERSONS WHO FAIL TO APPEAR DUE TO IMMIGRATION ISSUES):** Allows a person or professional bail bonding agent who posts a bail bond for a defendant to recover the bond if the surety can provide the court satisfactory evidence that the defendant was deported and the District Attorney does not object. Reduces cash fund revenue to the Corrections Expansion Reserve Fund and County Jail Assistance Fund in the Department of Corrections. The revenue reduction is estimated to be \$8,869 annually for each fund.

## 2018 SESSION BILLS

**S.B. 18-119 (FALSE IMPRISONMENT OF A MINOR):** Increases the crime of false imprisonment of a minor from a class 2 misdemeanor to a class 5 felony when a person confines or detains a person under the age of 18 by means of tying, locking, caging, chaining, or otherwise restricting the minor's freedom of movement under circumstances that pose a risk of bodily injury or serious emotional distress. Includes a statutory General Fund appropriation to the Department that provides a total of \$174,751 over 5 years with \$22,072 provided in FY 2018-19 and \$32,077 in FY 2019-20.

**S.B. 18-150 (VOTER REGISTRATION OF INDIVIDUALS IN CRIMINAL JUSTICE SYSTEM):** Allows parolees to preregister to vote and requires parole and probation officers to provide parolees with voter registration information. For FY 2018-19, provides one-time appropriations of \$89,600 to the Department of Corrections from the General Fund and \$95,555 to the Department of State from the Department of State Cash Fund.

**S.B. 18-200 (MODIFICATIONS TO PERA TO ELIMINATE UNFUNDED LIABILITY):** Classifies Correctional Officers I through IV hired on or after January 1, 2020 as state troopers for employer and employee contributions to PERA, which will increase the Department's PERA contribution for these individuals to 13.1 percent from the 10.4 percent rate that would otherwise apply.

**H.B. 18-1077 (BURGLARY OF FIREARMS):** Increases the crime of burglary from a class 4 felony to a class 3 felony if the objective of the burglary is the theft of firearms or ammunition. Includes a statutory General Fund appropriation to the Department that provides a total of \$1,401,432 over 5 years with \$69,856 provided in FY 2020-21 and \$467,144 in FY 2021-22.

**S.B. 18-1132 (COSTS OF INCARCERATING DEPARTMENT OF CORRECTIONS OFFENDERS IN LOCAL JAILS):** Requires counties to annually report to the Joint Budget Committee the average cost of holding Department of Corrections offenders in their jails.

**H.B. 18-1158 (SUPPLEMENTAL BILL):** Modifies FY 2017-18 and FY 2016-17 appropriations to the Department.

**H.B. 18-1176 (REAUTHORIZE OFFENDER REENTRY GRANT PROGRAM):** Continues for 5 years the offender reentry grant program operated by the Department, which makes grants through an intermediary to community organizations that provide parolees with re-entry services that aim to reduce recidivism, enhance public safety, and increase parolee success. For FY 2018-19 provides a one-time appropriation to expand the program of \$3,286,000 from the Correctional Treatment Cash Fund to the Judicial Department and a one-time reappropriation of this amount to the Department of Corrections. The bill's legislative declaration states the General Assembly's intent that the program be supported by the General Fund in fiscal years 2019-20 through 2022-23 and encourages the Department of Corrections to request annual General Fund appropriations of \$5,475,380 for each of those years.

**H.B. 18-1200 (CYBERCRIME CHANGES):** Replaces the term “computer crime” with “cybercrime” in the criminal code, adds three new cybercrimes, adds definitions, and modifies the circumstances and classification of some such crimes. Includes a statutory General Fund appropriation to the Department that provides a total of \$135,418 over 5 years with \$22,072 provided in FY 2019-201 and \$34,677 in FY 2021-22.

**H.B. 18-1251 (COMMUNITY CORRECTIONS TRANSITION PLACEMENTS):** Modifies the procedures for community corrections transition placement referrals involving the State Board of Parole, the Department of Corrections, community corrections boards, and community corrections programs.

**H.B. 18-1287 (REAUTHORIZE COMMISSION ON CRIMINAL AND JUVENILE JUSTICE):** Reauthorizes until 2023 the Commission on Criminal and Juvenile Justice, which engages in evidence-based analysis of the Colorado criminal justice system and annually reports to the Governor, the General Assembly, and the Chief Justice of the Colorado Supreme Court. No appropriation to the Department is in the bill, but reauthorization has the effect of continuing a \$56,160 General Fund appropriation to the Department’s *Planning and Analysis Contracts* line item that would otherwise end.

**H.B. 18-1322 (LONG BILL):** General appropriations act for FY 2018-19.

**H.B. 18-1410 (PRISON POPULATION MEASUREMENT MEASURES):** Requires the Department to notify the Governor, Joint Budget Committee, State Parole Board, each elected district attorney, the chief judge of each judicial district, the State Public Defender, and the Department of Public Safety (DPS) when the vacancy rate in Department facilities and private prisons housing Department offenders falls below two percent. When this occurs, the Department may:

- Request information about unused community corrections beds from the DPS, which must promptly respond and provide weekly updates until the vacancy rate exceeds three percent;
- Provide the Parole Board with names of inmates who do not require full parole board review or victim notification for parole release and (1) are within 90 days of their mandatory release date and have a verified parole sponsor, or (2) were granted conditional parole approval and have satisfied the condition. The Parole Board must conduct a file review of these individuals within 10 days and determine whether or not to order release. Inmates within 90 days of their mandatory release date can be released up to 30 days before that date.



# Details

## DEPARTMENT OF EDUCATION

### FY 2017-18 AND FY 2018-19 APPROPRIATIONS BY DIVISION AND BILL

DEPARTMENT OF EDUCATION						
	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2017-18 TOTAL APPROPRIATION:</b>	<b>\$5,491,800,208</b>	<b>\$4,071,447,763</b>	<b>\$737,188,510</b>	<b>\$34,930,424</b>	<b>\$648,233,511</b>	<b>599.2</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Management and Administration	89,441,956	15,614,705	32,995,676	25,105,842	15,725,733	160.4
Assistance to Public Schools	5,377,127,077	4,039,504,810	702,843,974	5,414,907	629,363,386	220.5
Library Programs	8,952,274	4,824,022	273,860	710,000	3,144,392	38.1
School for the Deaf and the Blind	16,278,901	11,504,226	1,075,000	3,699,675	0	180.2
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
SB 17-254	\$5,595,962,364	\$4,102,153,140	\$811,003,279	\$34,572,434	\$648,233,511	598.5
SB 17-025	47,000	0	47,000	0	0	0.0
SB 17-296	500,000	0	500,000	0	0	0.4
HB 17-1181	(642,786)	0	(642,786)	0	0	0.0
HB 17-1276	18,414	18,414	0	0	0	0.3
HB 18-1159	357,990	0	0	357,990	0	0.0
HB 18-1171	(103,938,958)	(30,723,791)	(73,215,167)	0	0	0.0
HB 18-1322	(503,816)	0	(503,816)	0	0	0.0
<b>FY 2018-19 TOTAL APPROPRIATION:</b>	<b>\$5,991,583,120</b>	<b>\$4,180,288,239</b>	<b>\$1,154,714,411</b>	<b>\$39,385,509</b>	<b>\$617,194,961</b>	<b>602.5</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Management and Administration	102,484,558	24,273,381	33,766,242	30,677,304	13,767,631	163.1
Assistance to Public Schools	5,863,778,532	4,139,455,212	1,119,596,410	4,481,398	600,245,512	221.1
Library Programs	8,831,327	4,864,213	275,296	510,000	3,181,818	38.1
School for the Deaf and the Blind	16,488,703	11,695,433	1,076,463	3,716,807	0	180.2
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
HB 18-1322	\$5,760,809,014	\$4,051,091,776	\$1,053,136,768	\$39,385,509	\$617,194,961	601.6
SB 18-013	564,279	564,279	0	0	0	0.0
SB 18-085	240,000	0	240,000	0	0	0.0
HB 18-1019	30,000	30,000	0	0	0	0.0
HB 18-1070	34,000,000	0	34,000,000	0	0	0.0
HB 18-1189	600,000	600,000	0	0	0	0.0
HB 18-1193	260,937	0	260,937	0	0	0.3
HB 18-1309	1,019,110	1,019,110	0	0	0	0.3
HB 18-1379	189,504,911	123,428,205	66,076,706	0	0	0.0
HB 18-1393	1,000,000	0	1,000,000	0	0	0.0
HB 18-1396	554,869	554,869	0	0	0	0.3
HB 18-1412	3,000,000	3,000,000	0	0	0	0.0
<b>INCREASE/(DECREASE)</b>	<b>\$499,782,912</b>	<b>\$108,840,476</b>	<b>\$417,525,901</b>	<b>\$4,455,085</b>	<b>(\$31,038,550)</b>	<b>3.3</b>
Percentage Change	9.1%	2.7%	56.6%	12.8%	(4.8%)	0.6%

<sup>1</sup> Includes General Fund Exempt.

**GENERAL FUND EXEMPT:** Amounts in the General Fund column include appropriations from both the General Fund and General Fund Exempt Account. The General Fund Exempt Account was created by Referendum C, passed by Colorado voters in November 2005. Referendum C allowed the State to retain for FY 2005-06 through FY 2009-10 all revenue collected in excess of the TABOR limit and for FY 2010-11 and subsequent fiscal years all revenues in excess of the TABOR limit but less than the excess state revenues cap. The retained revenue must be placed in the General Fund Exempt Account. The table below shows the amount of General Fund that is appropriated for FY 2017-18 and FY 2018-19 from the General Fund Exempt Account for preschool through twelfth grade education pursuant to Sections 24-77-103.6 (2)(b) and 24-77-104.5 (3), C.R.S. For additional information on General Fund Exempt appropriations, see Appendix D.

FISCAL YEAR	TOTAL GENERAL FUND	GENERAL FUND	GENERAL FUND EXEMPT
FY 2017-18	\$4,071,447,763	\$3,250,746,097	\$820,701,666
FY 2018-19	\$4,180,288,239	\$3,387,188,239	\$793,100,000

**INFORMATIONAL FUNDS:** The FY 2018-19 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Education are annotated with the "(I)". For additional information, see Appendix E.

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2018-19 Appropriations containing an (I) notation	\$641,341,590	\$0	\$4,046,629	\$20,100,000	\$617,194,961

## 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 2017-18 APPROPRIATION:						
SB 17-254	\$90,084,742	\$15,614,705	\$33,638,462	\$25,105,842	\$15,725,733	160.4
HB 17-1181	(642,786)	0	(642,786)	0	0	0.0
<b>TOTAL</b>	<b>\$89,441,956</b>	<b>\$15,614,705</b>	<b>\$32,995,676</b>	<b>\$25,105,842</b>	<b>\$15,725,733</b>	<b>160.4</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$89,441,956	\$15,614,705	\$32,995,676	\$25,105,842	\$15,725,733	160.4
CSI mill levy equalization	11,047,724	5,523,862	0	5,523,862	0	0.0
Information management systems	2,649,721	2,649,721	0	0	0	2.7

MANAGEMENT AND ADMINISTRATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Centrally appropriated line items	1,432,490	485,033	287,654	88,484	571,319	0.0
State Board meeting transcription	140,408	140,408	0	0	0	0.0
Educator licensure increase	138,000	0	138,000	0	0	0.0
HCPF interagency agreement	0	0	0	37,138	(37,138)	0.0
Assessment adjustments	(1,602,362)	0	484,592	0	(2,086,954)	0.0
Annualize prior year budget actions	(792,674)	(170,348)	(94,514)	(78,022)	(449,790)	0.0
Indirect cost assessment adjustment	(705)	0	(45,166)	0	44,461	0.0
<b>HB 18-1322</b>	<b>\$102,454,558</b>	<b>\$24,243,381</b>	<b>\$33,766,242</b>	<b>\$30,677,304</b>	<b>\$13,767,631</b>	<b>163.1</b>
HB 18-1019	30,000	30,000	0	0	0	0.0
<b>TOTAL</b>	<b>\$102,484,558</b>	<b>\$24,273,381</b>	<b>\$33,766,242</b>	<b>\$30,677,304</b>	<b>\$13,767,631</b>	<b>163.1</b>
<b>INCREASE/(DECREASE)</b>	\$13,042,602	\$8,658,676	\$770,566	\$5,571,462	(\$1,958,102)	2.7
Percentage Change	14.6%	55.5%	2.3%	22.2%	(12.5%)	1.7%

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**CSI MILL LEVY EQUALIZATION:** The appropriation includes an increase of \$11.0 million total funds (including \$5.5 million General Fund appropriated to the Mill Levy Equalization Fund and \$5.5 million reappropriated funds to appropriate those funds out of the cash fund) for distribution to Colorado Charter School Institute (CSI) schools to equalize local mill levy override revenues that are not available to CSI schools.

**INFORMATION MANAGEMENT SYSTEMS:** The appropriation include an increase of \$2.6 million General Fund and 2.7 FTE to update the Department's information management systems and to support additional information technology (IT) staff. The increase includes the following components: (1) \$2.3 million in one-time funding to allow the Department to update its IT infrastructure and make security and data privacy improvements; and (2) \$318,721 in ongoing funding and 2.7 FTE to support additional IT staff focused on information security and the modernization and re-design of the Department's public and private data reporting processes and systems.

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

**STATE BOARD MEETING TRANSCRIPTION:** The appropriation includes an increase of \$140,408 General Fund to support the transcription of all State Board of Education meetings from January 2014 through FY 2018-19 in response to a finding by the U.S. Department of Education's Office of Civil Rights (OCR) requiring the transcription of all meetings.

**EDUCATOR LICENSURE INCREASE:** The appropriation includes an increase of \$138,000 cash funds from the Educator Licensure Cash Fund to align appropriations with anticipated expenditures for the Office of Professional Services. Because the Educator Licensure Cash Fund is continuously appropriated to the Department, the appropriation is reflected for informational purposes only.

**HCPF INTERAGENCY AGREEMENT:** The appropriation adjusts amounts related to the S.B. 97-101 Public School Health Services line item to align with the Department's interagency agreement with the Department of Health Care Policy and Financing (HCPF). In this division, the adjustments reflect centrally appropriated amounts associated with the program as reappropriated funds rather than federal funds.

**ASSESSMENT ADJUSTMENTS:** The appropriation includes a net decrease of \$1.6 million total funds, including an increase of \$484,592 cash funds from the State Education Fund that is offset by a reduction in federal funds, to align appropriations associated with the statewide assessment program with anticipated revenues and expenditures.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 17-18 Salary survey	(\$570,282)	(\$126,904)	(\$67,354)	(\$54,836)	(\$321,188)	0.0
FY 17-18 Merit pay	(222,392)	(43,444)	(27,160)	(23,186)	(128,602)	0.0
<b>TOTAL</b>	<b>(\$792,674)</b>	<b>(\$170,348)</b>	<b>(\$94,514)</b>	<b>(\$78,022)</b>	<b>(\$449,790)</b>	<b>0.0</b>

**INDIRECT COST ASSESSMENT:** The appropriation includes a net decrease in the division's indirect cost assessments.

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

## ASSISTANCE TO PUBLIC SCHOOLS

This section includes funding that is distributed to public schools or is used to directly support public schools (e.g., federally-funded Department staff that provide technical assistance to districts concerning special education programs). This section is comprised of the following four subsections:

- **Public School Finance:** This subsection includes funding for the state share of districts' total program funding required under the School Finance Act, for other distributions that are directly related to school district pupil counts, and for administration of the School Finance Act and related programs.
- **Categorical Programs:** This subsection includes state and federal funding for all programs defined as "categorical programs" pursuant to Article IX, Section 17 of the Colorado Constitution.
- **Grant Programs, Distributions, and Other Assistance:** This subsection includes other state and federal funds that are distributed to schools and districts, or that are used to provide direct support and assistance to schools and districts.
- **Indirect Cost Assessment:** This subsection reflects all of the indirect cost assessments against fund sources within the Assistance to Public Schools division.

The changes in appropriation by subdivision and the factors driving such changes are included in tables for each subdivision.

ASSISTANCE TO PUBLIC SCHOOLS						
	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$5,480,996,447	\$4,070,210,187	\$776,015,957	\$5,406,917	\$629,363,386	219.8
SB 17-025	47,000	0	47,000	0	0	0.0
SB 17-296	500,000	0	500,000	0	0	0.4
HB 17-1276	18,414	18,414	0	0	0	0.3
HB 18-1159	7,990	0	0	7,990	0	0.0
HB 18-1171	(103,938,958)	(30,723,791)	(73,215,167)	0	0	0.0
HB 18-1322	(503,816)	0	(503,816)	0	0	0.0

ASSISTANCE TO PUBLIC SCHOOLS						
	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>TOTAL</b>	<b>\$5,377,127,077</b>	<b>\$4,039,504,810</b>	<b>\$702,843,974</b>	<b>\$5,414,907</b>	<b>\$629,363,386</b>	<b>220.5</b>
FY 2018-19 APPROPRIATION:						
HB 18-1322	\$5,633,034,426	\$4,010,288,749	\$1,018,018,767	\$4,481,398	\$600,245,512	220.2
SB 18-013	564,279	564,279	0	0	0	0.0
SB 18-085	240,000	0	240,000	0	0	0.0
HB 18-1070	34,000,000	0	34,000,000	0	0	0.0
HB 18-1189	600,000	600,000	0	0	0	0.0
HB 18-1193	260,937	0	260,937	0	0	0.3
HB 18-1309	1,019,110	1,019,110	0	0	0	0.3
HB 18-1379	189,504,911	123,428,205	66,076,706	0	0	0.0
HB 18-1393	1,000,000	0	1,000,000	0	0	0.0
HB 18-1396	554,869	554,869	0	0	0	0.3
HB 18-1412	3,000,000	3,000,000	0	0	0	0.0
<b>TOTAL</b>	<b>\$5,863,778,532</b>	<b>\$4,139,455,212</b>	<b>\$1,119,596,410</b>	<b>\$4,481,398</b>	<b>\$600,245,512</b>	<b>221.1</b>
<b>INCREASE/(DECREASE)</b>	<b>\$486,651,455</b>	<b>\$99,950,402</b>	<b>\$416,752,436</b>	<b>(\$933,509)</b>	<b>(\$29,117,874)</b>	<b>0.6</b>
Percentage Change	9.1%	2.5%	59.3%	(17.2%)	(4.6%)	0.3%

<sup>1</sup> Includes General Fund Exempt.

## 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 (35.9 percent of the amount required under the Act for FY 2018-19 or \$2.5 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, and for auditing school districts to ensure compliance with the federal school lunch, public school transportation, and English language proficiency programs.

For FY 2018-19, 87.7 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 2018-19 FUNDING FOR PUBLIC SCHOOL FINANCE

The annual Long Bill contains appropriations based on current law. Thus, for purposes of public school finance, the 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. If necessary, the school finance bill then includes an appropriation clause which increases or decreases Long Bill appropriations for the following fiscal year accordingly.

The FY 2018-19 Long Bill (H.B. 18-1322) includes appropriations sufficient to fully fund public schools based on projected student enrollment for FY 2018-19, support the minimum constitutionally required increase in the statewide base per-pupil funding amount, and maintain the budget stabilization factor as a constant dollar amount from FY 2017-18 to FY 2018-19 (\$822.4 million) as required by S.B. 17-296. Specifically, appropriations in the

Public School Finance subsection of the Long Bill increased by \$267.2 million total funds compared to FY 2017-18, as described below in the “FY 2018-19 Appropriation – H.B. 18-1322 (Long Bill) Issue Descriptions” section.

The 2018 school finance bill (H.B. 18-1379) includes formula modifications that increase the cost of funding the public school finance formula for FY 2018-19. For FY 2018-19, the bill appropriates \$159.3 million total funds for the state share of districts’ total program funding to support the following changes: (1) \$150.0 million total funds to reduce the budget stabilization factor from \$822.4 million in the Long Bill to \$672.4 million; (2) \$5.1 million cash funds from the State Education Fund to account for changes in the cost of living factor driven by the biannual cost of living study; and (3) \$4.2 million General Fund to support 1,000 additional early childhood at-risk enhancement (ECARE) slots.

The largest line item appropriation within this subsection provides the state share of districts’ total program funding. The table below provides data related to this line item appropriation for both FY 2017-18 and FY 2018-19. As detailed in the table, the appropriation for districts’ total program funding (including the Long Bill and the school finance bill) reduces the dollar value of the budget stabilization factor by \$150.0 million from FY 2017-18 to FY 2018-19. Total state and local funding for school districts for FY 2018-19 is \$460.9 million (7.0 percent) higher than for FY 2017-18. This level of funding is anticipated to increase average per-pupil funding from \$7,662 in FY 2017-18 to \$8,137 in FY 2018-19 (an increase of \$475 per pupil, or 6.2 percent).

SCHOOL FINANCE FORMULA OVERVIEW DISTRICTS' TOTAL PROGRAM FUNDING: FY 2017-18 AND FY 2018-19					
SCHOOL FINANCE: TOTAL PROGRAM	FY 2017-18 AMENDED APPROPRIATION	LONG BILL (HB 18-1322) APPROPRIATION	ADJUSTMENTS IN HB 18-1379	FY 2018-19 APPROPRIATION	ANNUAL CHANGE
Funded pupil count	865,016.9	870,641.1	500.0	871,141.1	6,124.2
<i>Annual percent change</i>					0.7%
Statewide base per-pupil funding	\$6,546.20	\$6,768.77	\$0.00	\$6,768.77	\$222.57
<i>Annual percent change</i>					3.4%
<b>Total program funding (prior to budget stabilization factor)</b>	<b>\$7,450,314,093</b>	<b>\$7,751,913,977</b>	<b>\$9,313,868</b>	<b>\$7,761,227,845</b>	<b>\$310,913,752</b>
LESS: Budget stabilization factor reduction	(822,396,894)	(822,396,894)	150,000,000	(672,396,894)	150,000,000
<b>EQUALS: Adjusted total program funding</b>	<b>\$6,627,917,199</b>	<b>\$6,929,517,083</b>	<b>\$159,313,868</b>	<b>\$7,088,830,951</b>	<b>\$460,913,752</b>
<i>Annual percent change</i>					7.0%
<b>Total funds reduction as percent of "full" funding</b>	<b>(11.0%)</b>	<b>(0.6%)</b>		<b>(8.7%)</b>	
Statewide average per-pupil funding	\$7,662.18	\$7,959.10	\$178.31	\$8,137.41	\$475.23
<i>Annual percent change</i>					6.2%
Local share of adjusted total program funding	\$2,507,348,320	\$2,542,655,348	\$0	\$2,542,655,348	\$35,307,028
<i>Annual percent change</i>					1.4%
<b>State share of adjusted total program funding</b>	<b>\$4,120,568,879</b>	<b>\$4,386,861,735</b>	<b>\$159,313,868</b>	<b>\$4,546,175,603</b>	<b>\$425,606,724</b>
<i>Annual percent change</i>					10.3%
<i>State share as % of Districts' Total Program</i>	<i>62.2%</i>	<i>63.3%</i>		<i>64.1%</i>	

The next table compares FY 2017-18 and FY 2018-19 appropriations for the Public School Finance subsection of the budget. This table is followed by descriptions of mid-year adjustments to FY 2017-18 appropriations and descriptions of the year-over-year funding changes that are reflected in the FY 2018-19 Long Bill (H.B. 18-1322). Descriptions of the statutory changes and the appropriation changes included in bills other than the Long Bill are included in the "Recent Legislation" section at the end of the Education section.

PUBLIC SCHOOL FINANCE						
	TOTAL FUNDS	GENERAL FUND <sup>2</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$4,245,059,597	\$3,923,157,330	\$320,281,064	\$1,621,203	\$0	17.9

PUBLIC SCHOOL FINANCE						
	TOTAL FUNDS	GENERAL FUND <sup>2</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 18-1171	(103,938,958)	(30,723,791)	(73,215,167)	0	0	0.0
HB 18-1322	(503,816)	0	(503,816)	0	0	0.0
<b>TOTAL</b>	<b>\$4,140,616,823</b>	<b>\$3,892,433,539</b>	<b>\$246,562,081</b>	<b>\$1,621,203</b>	<b>\$0</b>	<b>17.9</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$4,140,616,823	\$3,892,433,539	\$246,562,081	\$1,621,203	\$0	17.9
Total program increase	266,612,335	(29,248,005)	295,860,340	0	0	0.0
Financial transparency system maintenance	600,000	0	600,000	0	0	0.0
Annualize prior year budget actions	(10,245)	0	(58,899)	48,654	0	0.0
<b>HB 18-1322</b>	<b>\$4,407,818,913</b>	<b>\$3,863,185,534</b>	<b>\$542,963,522</b>	<b>\$1,669,857</b>	<b>\$0</b>	<b>17.9</b>
HB 18-1379	189,504,911	123,428,205	66,076,706	0	0	0.0
<b>TOTAL</b>	<b>\$4,597,323,824</b>	<b>\$3,986,613,739</b>	<b>\$609,040,228</b>	<b>\$1,669,857</b>	<b>\$0</b>	<b>17.9</b>
<b>INCREASE/(DECREASE)</b>	<b>\$456,707,001</b>	<b>\$94,180,200</b>	<b>\$362,478,147</b>	<b>\$48,654</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	11.0%	2.4%	147.0%	3.0%	n/a	0.0%

<sup>2</sup> Includes General Fund Exempt.

## FY 2017-18 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 18-1171 reduces state funding distributed to public schools through the School Finance Act by \$103.9 million total funds (including \$30.7 million General Fund and \$73.2 million cash funds from the State Public School Fund) to account for higher-than-anticipated local revenues and lower-than-anticipated student counts. The reduction in state funds maintained statewide average per pupil funding at the level anticipated in the original FY 2017-18 appropriation (\$7,662 per pupil). By maintaining statewide average per pupil funding at a constant level with lower-than-anticipated student counts and at-risk student counts, the bill reduces the value of the budget stabilization factor by \$5.9 million.

House Bill 18-1322 includes a net decrease of \$503,816 cash funds from the State Education Fund to FY 2017-18 appropriations to account for an increase in local revenues available to support school finance. The bill also adjusts the portion of General Fund appropriations from the General Fund Exempt account.

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**TOTAL PROGRAM INCREASE:** The appropriation increases total state and local funding that is distributed to public schools through the School Finance Act by \$460.9 million, increasing average per pupil funding to \$8,137 (an increase of \$475 per pupil or 6.2 percent). The appropriation anticipates that local tax revenues for school finance will increase by \$35.3 million, so appropriations of state funds increase by \$426.1 million (\$266.6 million through the Long Bill and \$159.5 million through H.B. 18-1379<sup>1</sup>). The total increase in state funds includes increases of \$94.2 million General Fund and \$331.9 million cash funds.

**FINANCIAL TRANSPARENCY SYSTEM MAINTENANCE:** The appropriation includes an increase of \$600,000 cash funds from the Financial Reporting Fund to support the ongoing maintenance of the financial transparency system authorized in H.B. 14-1292 (Student Success Act).

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions.

<sup>1</sup> House Bill 18-1379 also appropriates \$30.0 million cash funds from the State Education Fund for distribution to rural schools outside of the School Finance Act. For additional information see the “Recent Legislation” section at the end of Part III for this department.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 17-18 Salary survey	\$34,532	\$0	\$736	\$33,796	\$0	0.0
FY 17-18 Merit pay	15,180	0	322	14,858	0	0.0
FY 17-18 CPP tax checkoff	(59,957)	0	(59,957)	0	0	0.0
<b>TOTAL</b>	<b>(\$10,245)</b>	<b>\$0</b>	<b>(\$58,899)</b>	<b>\$48,654</b>	<b>\$0</b>	<b>0.0</b>

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

## CATEGORICAL PROGRAMS

This subsection includes appropriations for all "categorical programs," a term that refers to programs designed to serve particular groups of students (e.g., students with limited proficiency in English) or particular student needs (e.g., transportation). Article IX, Section 17 of the Colorado Constitution defines categorical programs and requires the General Assembly to increase total state funding for all categorical programs annually by at least the rate of inflation plus one percent for FY 2001-02 through FY 2010-11 and by at least the rate of inflation for subsequent fiscal years.

Categorical programs are funded primarily with General Fund, cash funds from the State Education Fund, and various sources of federal funds. Additional cash funds are from the Public School Transportation Fund. Reappropriated funds include federal funds transferred from the Department of Human Services.

CATEGORICAL PROGRAMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$464,923,755	\$141,765,474	\$156,306,771	\$191,090	\$166,660,420	73.1
<b>TOTAL</b>	<b>\$464,923,755</b>	<b>\$141,765,474</b>	<b>\$156,306,771</b>	<b>\$191,090</b>	<b>\$166,660,420</b>	<b>73.1</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$464,923,755	\$141,765,474	\$156,306,771	\$191,090	\$166,660,420	73.1
Categorical programs increase	10,119,157	0	10,119,157	0	0	0.0
Annualize prior year budget actions	217,175	0	0	0	217,175	0.0
<b>HB 18-1322</b>	<b>\$475,260,087</b>	<b>\$141,765,474</b>	<b>\$166,425,928</b>	<b>\$191,090</b>	<b>\$166,877,595</b>	<b>73.1</b>
<b>TOTAL</b>	<b>\$475,260,087</b>	<b>\$141,765,474</b>	<b>\$166,425,928</b>	<b>\$191,090</b>	<b>\$166,877,595</b>	<b>73.1</b>
<b>INCREASE/(DECREASE)</b>	<b>\$10,336,332</b>	<b>\$0</b>	<b>\$10,119,157</b>	<b>\$0</b>	<b>\$217,175</b>	<b>0.0</b>
Percentage Change	2.2%	0.0%	6.5%	0.0%	0.1%	0.0%

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**CATEGORICAL PROGRAMS INCREASE:** As required by Amendment 23, the appropriation includes a \$10,119,157 (3.4 percent) increase in *state* funding for categorical programs, based on the actual percent change in the Denver-Boulder-Greeley consumer price index in 2017. The full amount of the increase is from the State Education Fund. The following table details the allocation of the increase among categorical programs.



**LONG BILL APPROPRIATION INCREASE IN STATE FUNDING FOR CATEGORICAL PROGRAMS FOR FY 2018-19**

LONG BILL LINE ITEM	FY 2017-18 APPROPRIATION OF STATE FUNDS	ALLOCATION OF FY 2018-19 INCREASES IN STATE FUNDS		FY 2018-19 LONG BILL APPROPRIATION OF STATE FUNDS
		\$ CHANGE	% CHANGE	
DISTRICT PROGRAMS REQUIRED BY STATUTE				
Special education programs for children with disabilities	\$171,591,964	\$4,537,250	2.6%	\$176,129,214
English language proficiency programs	20,283,048	1,325,163	6.5%	21,608,211
OTHER CATEGORICAL PROGRAMS				
Public school transportation	57,651,722	1,447,428	2.5%	59,099,150
Career and technical education	26,164,481	510,798	2.0%	26,675,279
Special education programs for gifted and talented children	12,355,524	172,517	1.4%	12,528,041
Expelled and at-risk student services grant program	7,493,560	2,000,000	26.7%	9,493,560
Small attendance center aid	1,076,550	0	0.0%	1,076,550
Comprehensive health education	1,005,396	126,000	12.5%	1,131,396
Totals	\$297,622,245	\$10,119,156	3.4%	\$307,741,401

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 17-18 Salary survey	\$155,649	\$0	\$0	\$0	\$155,649	0.0
FY 17-18 Merit pay	61,526	0	0	0	61,526	0.0
<b>TOTAL</b>	<b>\$217,175</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$217,175</b>	<b>0.0</b>

### 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, the Marijuana Tax 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.

GRANT PROGRAMS, DISTRIBUTIONS, AND OTHER ASSISTANCE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$768,362,792	\$5,287,383	\$299,403,122	\$3,539,053	\$460,133,234	128.8
SB 17-025	47,000	0	47,000	0	0	0.0
SB 17-296	500,000	0	500,000	0	0	0.4
HB 17-1276	18,414	18,414	0	0	0	0.3
HB 18-1159	7,990	0	0	7,990	0	0.0
<b>TOTAL</b>	<b>\$768,936,196</b>	<b>\$5,305,797</b>	<b>\$299,950,122</b>	<b>\$3,547,043</b>	<b>\$460,133,234</b>	<b>129.5</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$768,936,196	\$5,305,797	\$299,950,122	\$3,547,043	\$460,133,234	129.5
BEST lease payments increase	6,000,000	0	6,000,000	0	0	0.0
Facility schools adjustment	1,508,255	0	1,478,682	29,573	0	0.0
Career development success pilot increase	1,000,000	1,000,000	0	0	0	0.0
Computer science education grants increase	500,000	0	500,000	0	0	0.0
Supplemental on-line education increase	200,000	0	200,000	0	0	0.0
Centrally appropriated line items	4,094	0	0	4,094	0	0.0
Breakfast after the bell adjustment	(29,389,256)	0	0	0	(29,389,256)	0.0
Annualize prior year budget actions	(1,046,439)	(971,564)	719,506	(989,570)	195,189	0.0
Annualize prior year legislation	(239,048)	3,508	(242,556)	0	0	(0.3)
HCPF interagency agreement	(26,260)	0	0	(26,260)	0	0.0
Interstate compact adjustment	(1,437)	0	(1,437)	0	0	0.0
<b>HB 18-1322</b>	<b>\$747,446,105</b>	<b>\$5,337,741</b>	<b>\$308,604,317</b>	<b>\$2,564,880</b>	<b>\$430,939,167</b>	<b>129.2</b>
SB 18-013	564,279	564,279	0	0	0	0.0
SB 18-085	240,000	0	240,000	0	0	0.0
HB 18-1070	34,000,000	0	34,000,000	0	0	0.0
HB 18-1189	600,000	600,000	0	0	0	0.0
HB 18-1193	260,937	0	260,937	0	0	0.3
HB 18-1309	1,019,110	1,019,110	0	0	0	0.3
HB 18-1393	1,000,000	0	1,000,000	0	0	0.0
HB 18-1396	554,869	554,869	0	0	0	0.3
HB 18-1412	3,000,000	3,000,000	0	0	0	0.0
<b>TOTAL</b>	<b>\$788,685,300</b>	<b>\$11,075,999</b>	<b>\$344,105,254</b>	<b>\$2,564,880</b>	<b>\$430,939,167</b>	<b>130.1</b>
<b>INCREASE/(DECREASE)</b>	<b>\$19,749,104</b>	<b>\$5,770,202</b>	<b>\$44,155,132</b>	<b>(\$982,163)</b>	<b>(\$29,194,067)</b>	<b>0.6</b>
Percentage Change	2.6%	108.8%	14.7%	(27.7%)	(6.3%)	0.5%

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**BEST LEASE PAYMENTS INCREASE:** The appropriation includes an increase of \$6.0 million cash funds from the Public School Capital Construction Assistance Fund to support additional lease-purchase payments by the Building Excellent Schools Today (BEST) program.

**FACILITY SCHOOLS ADJUSTMENT:** The appropriation includes an increase of \$1.5 million cash funds from the State Education Fund for distributions to facility schools based on the Department's estimates of facility school pupil counts in FY 2018-19 and the required per pupil funding for facility school students. The appropriation also includes a related increase of \$29,573 reappropriated funds to align the appropriation for the Facility Schools Unit and Facility Schools Board with the statutory direction that the Department withhold 2.0 percent of facility school funding to support the operations of the Facility Schools Unit and Board.

**CAREER DEVELOPMENT SUCCESS PILOT INCREASE:** The appropriation includes an increase of \$1.0 million General Fund for the Career Development Success Pilot Program created in H.B. 16-1289 (Incentives to Complete Career Development Courses).

**COMPUTER SCIENCE EDUCATION GRANTS INCREASE:** The appropriation includes an increase of \$500,000 cash funds from the State Education Fund for the Computer Science Education Grants for Teachers program.

**SUPPLEMENTAL ON-LINE EDUCATION INCREASE:** The appropriation includes an increase of \$200,000 cash funds from the State Public School Fund for the Supplemental On-line Education Services program.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments related to centrally appropriated amounts for leased space to reflect changes in leased space costs for this division.

**BREAKFAST AFTER THE BELL ADJUSTMENT:** The appropriation includes a decrease of \$29.4 million federal funds previously reflected in the Breakfast After the Bell line item because those funds are accounted for in the Federal Nutrition Program line item.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 17-18 Salary survey	\$223,849	\$19,317	\$52,306	\$13,099	\$139,127	0.0
FY 17-18 Merit pay	92,651	9,119	22,149	5,321	56,062	0.0
FY 17-18 Contingency Reserve Fund	(1,000,000)	(1,000,000)	1,000,000	(1,000,000)	0	0.0
FY 17-18 Academic Standards Revision	(340,840)	0	(340,840)	0	0	0.0
FY 17-18 School Health Professionals	(14,109)	0	(14,109)	0	0	0.0
FY 17-18 Supplemental	(7,990)	0	0	(7,990)	0	0.0
<b>TOTAL</b>	<b>(\$1,046,439)</b>	<b>(\$971,564)</b>	<b>\$719,506</b>	<b>(\$989,570)</b>	<b>\$195,189</b>	<b>0.0</b>

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments related to prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 17-296 School Finance	\$48,375	\$0	\$48,375	\$0	\$0	0.0
HB 17-1276 Restrict Restraints on Public School Students	3,508	3,508	0	0	0	0.0
HB 14-1118 AP Incentives Pilot Program	(260,931)	0	(260,931)	0	0	(0.3)
SB 17-025 Marijuana Resource Bank	(30,000)	0	(30,000)	0	0	0.0
<b>TOTAL</b>	<b>(\$239,048)</b>	<b>\$3,508</b>	<b>(\$242,556)</b>	<b>\$0</b>	<b>\$0</b>	<b>(0.3)</b>

**HCPF INTERAGENCY AGREEMENT:** The appropriation adjusts amounts related to the S.B. 97-101 Public School Health Services line item to align with the Department's interagency agreement with the Department of Health Care Policy and Financing (HCPF) ), resulting in a net decrease of \$26,260 total funds.

**INTERSTATE COMPACT ADJUSTMENT:** The appropriation includes a decrease of \$1,437 cash funds from the State Education Fund to align appropriations with the State's dues for the Interstate Compact on Educational Opportunity for Military Children in FY 2018-19.

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

## INDIRECT COST ASSESSMENT

This subsection reflects all of the indirect cost assessments against fund sources within the Assistance to Public Schools division. Major fund sources include federal funds in the Special Education Programs for Children with Disabilities line item and the Appropriated Sponsored Programs line item, with relatively minor contributions from cash and reappropriated fund sources within the division.

INDIRECT COST ASSESSMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$2,650,303	\$0	\$25,000	\$55,571	\$2,569,732	0.0
<b>TOTAL</b>	<b>\$2,650,303</b>	<b>\$0</b>	<b>\$25,000</b>	<b>\$55,571</b>	<b>\$2,569,732</b>	<b>0.0</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$2,650,303	\$0	\$25,000	\$55,571	\$2,569,732	0.0
Indirect cost assessment	(140,982)	0	0	0	(140,982)	0.0
<b>HB 18-1322</b>	<b>\$2,509,321</b>	<b>\$0</b>	<b>\$25,000</b>	<b>\$55,571</b>	<b>\$2,428,750</b>	<b>0.0</b>
<b>TOTAL</b>	<b>\$2,509,321</b>	<b>\$0</b>	<b>\$25,000</b>	<b>\$55,571</b>	<b>\$2,428,750</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$140,982)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$140,982)</b>	<b>0.0</b>
Percentage Change	(5.3%)	n/a	0.0%	0.0%	(5.5%)	n/a

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**INDIRECT COST ASSESSMENT:** The appropriation includes a net decrease in the division's indirect cost assessment.

## LIBRARY PROGRAMS

This section contains appropriations for all library-related programs and staff. There are approximately 1,800 publicly-funded libraries in Colorado, including libraries operated by school districts, higher education institutions, and counties and municipalities, as well as institutional libraries (e.g., nursing homes, correctional institutions, etc.). State library programs, which provide support to locally-funded libraries, are primarily supported by General Fund and federal funds. Cash fund sources include grants and donations. Reappropriated funds are transferred from the Colorado Disabled Telephone Users Fund to the Reading Services for the Blind Cash Fund and are used to support privately operated reading services for the blind.

LIBRARY PROGRAMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$8,602,274	\$4,824,022	\$273,860	\$360,000	\$3,144,392	38.1
HB 18-1159	350,000	0	0	350,000	0	0.0
<b>TOTAL</b>	<b>\$8,952,274</b>	<b>\$4,824,022</b>	<b>\$273,860</b>	<b>\$710,000</b>	<b>\$3,144,392</b>	<b>38.1</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$8,952,274	\$4,824,022	\$273,860	\$710,000	\$3,144,392	38.1
Annualize prior year budget actions	(120,947)	40,191	1,436	(200,000)	37,426	0.0
<b>HB 18-1322</b>	<b>\$8,831,327</b>	<b>\$4,864,213</b>	<b>\$275,296</b>	<b>\$510,000</b>	<b>\$3,181,818</b>	<b>38.1</b>
<b>TOTAL</b>	<b>\$8,831,327</b>	<b>\$4,864,213</b>	<b>\$275,296</b>	<b>\$510,000</b>	<b>\$3,181,818</b>	<b>38.1</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$120,947)</b>	<b>\$40,191</b>	<b>\$1,436</b>	<b>(\$200,000)</b>	<b>\$37,426</b>	<b>0.0</b>
Percentage Change	(1.4%)	0.8%	0.5%	(28.2%)	1.2%	0.0%

## FY 2017-18 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 18-1159 added \$350,000 reappropriated funds for the Reading Services for the Blind line item to allow for the expansion of services provided to the blind and visually impaired.

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions, including the annualization of FY 2017-18 salary survey and merit pay appropriations as well as the elimination of one-time funding provided for the Reading Services for the Blind line item in the FY 2017-18 supplemental bill (H.B. 18-1159).

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 17-18 Salary survey	\$54,714	\$27,302	\$1,000	\$0	\$26,412	0.0
FY 17-18 Merit pay	24,339	12,889	436	0	11,014	0.0
FY 17-18 Supplemental	(200,000)	0	0	(200,000)	0	0.0
<b>TOTAL</b>	<b>(\$120,947)</b>	<b>\$40,191</b>	<b>\$1,436</b>	<b>(\$200,000)</b>	<b>\$37,426</b>	<b>0.0</b>

## 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, hard of hearing, blind, or visually impaired, and under the age of 21. In FY 2016-17, the CSDB had an on-campus enrollment of 206 students (ages 3 to 21). The on-campus enrollment included 138 deaf/hard of hearing students and 68 blind/visually impaired students. Of the 206 total students, 78 resided at CSDB (returning home on weekends) and the remaining 128 students only attended classes during the day. In addition to the on-campus enrollment, the school provided in-home services to 339 children from birth to age 3 (and their families) through the early intervention (CO-Hears) program and 99 children from birth to age 8 through the Early Literacy Development Initiative (ELDI). The school also provided “outreach” services to 79 school-age students being served in local districts, supported in part by fees paid by the local school districts.

The primary source of funding for the CSDB is General Fund. However, the CSDB also receives State Education Fund money that is reappropriated from the Facility School Funding line item. Similar to community-based residential facilities that operate education programs, the CSDB is permitted to receive up to 1.73 times the *statewide base per pupil funding* level, based on the number of instructional days in the School’s calendar. The CSDB also receives other sources of state and federal funding (e.g., Medicaid and nutrition funding), tuition from other states that place children at CSDB, payments from school districts that place students at CSDB on a short-term basis for diagnostic purposes, and various grants and fees. The General Assembly appropriates General Fund 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 2017-18 APPROPRIATION:						
SB 17-254	\$16,278,901	\$11,504,226	\$1,075,000	\$3,699,675	\$0	180.2
<b>TOTAL</b>	<b>\$16,278,901</b>	<b>\$11,504,226</b>	<b>\$1,075,000</b>	<b>\$3,699,675</b>	<b>\$0</b>	<b>180.2</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$16,278,901	\$11,504,226	\$1,075,000	\$3,699,675	\$0	180.2

SCHOOL FOR THE DEAF AND THE BLIND						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Annualize prior year budget actions	111,036	103,866	1,463	5,707	0	0.0
CSDB teacher salary increase	87,666	87,666	0	0	0	0.0
Centrally appropriated line items	11,100	11,100	0	0	0	0.0
Fund source adjustments	0	(11,425)	0	11,425	0	0.0
<b>HB 18-1322</b>	<b>\$16,488,703</b>	<b>\$11,695,433</b>	<b>\$1,076,463</b>	<b>\$3,716,807</b>	<b>\$0</b>	<b>180.2</b>
<b>TOTAL</b>	<b>\$16,488,703</b>	<b>\$11,695,433</b>	<b>\$1,076,463</b>	<b>\$3,716,807</b>	<b>\$0</b>	<b>180.2</b>
<b>INCREASE/(DECREASE)</b>	\$209,802	\$191,207	\$1,463	\$17,132	\$0	0.0
Percentage Change	1.3%	1.7%	0.1%	0.5%	n/a	0.0%

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes an increase of \$111,036 total funds (including \$103,866 General Fund) to annualize salary survey and merit pay appropriations provided for FY 2017-18.

**CSDB TEACHER SALARY INCREASE:** The appropriation adds \$87,666 General Fund for salary increases for teachers employed at the CSDB based on the Colorado Springs District 11 salary schedule, as required by Section 22-80-106.5, 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 ADJUSTMENTS:** The appropriation includes a decrease in General Fund which is offset by an increase in reappropriated funds transferred from the Facility School Funding line item.

## RECENT LEGISLATION

### 2017 SESSION BILLS

**S.B. 17-025 (MARIJUANA EDUCATION MATERIALS RESOURCE BANK):** Requires the Department, with assistance from the Department of Public Health and Environment and the Marijuana Educational Oversight Committee, to create and maintain a resource bank of materials and curricula related to marijuana. Requires the Department to solicit input regarding materials and curricula and allows the Department to contract for services related to the development of the resource bank and curricula. For FY 2017-18, appropriates \$47,000 cash funds from the Marijuana Tax Cash Fund to the Department of Education.

**S.B. 17-173 (SCHOOL FINANCE MID-YEAR ADJUSTMENTS):** Makes mid-year school finance-related statutory adjustments to reflect actual pupil counts and the local revenues available for school finance in FY 2016-17. Maintains the state share of districts' total program funding at the original appropriated level for FY 2016-17. After adjusting for a \$23.1 million decrease in local revenues available for school finance (below the level anticipated in the original FY 2016-17 appropriation) and a lower-than-anticipated student count (reducing total program funding before the application of the negative factor by \$25.5 million), maintaining state funding at a constant level reduces the negative factor by \$2.4 million in FY 2016-17. For FY 2016-17, appropriates \$3,950 cash funds from the State Education Fund to the Department of Education for the Hold-harmless Full-day Kindergarten program line item.

**S.B. 17-254 (LONG BILL):** General appropriations act for FY 2017-18. Includes provisions modifying FY 2015-16 and FY 2016-17 appropriations to the Department.

**S.B. 17-267 (SUSTAINABILITY OF RURAL COLORADO):** Among other provisions, increases the rate of retail marijuana sales tax (currently 10 percent and scheduled to decrease under current law to 8 percent) to 15 percent effective July 1, 2017 and specifies the following uses of associated revenue:

- Offsets a portion of the state retail marijuana sales tax rate increase by exempting retail sales of marijuana upon which the state retail marijuana sales tax is imposed from the 2.9 percent general state sales tax, but provides that local governments can continue to impose their local general sales taxes on retail sales of marijuana;
- Holds local governments that currently receive an allocation of 15 percent of state retail marijuana sales tax revenue based on the current tax rate of 10 percent harmless by specifying that on and after July 1, 2017, they receive an allocation of 10 percent of state retail marijuana sales tax revenue based on the new rate of 15 percent;
- For FY 2017-18, credits \$30 million of the 90 percent of the state retail marijuana sales tax revenue that the state retains to the State Public School Fund for distribution to rural school districts; and
- For FY 2018-19 and subsequent years, credits 12.59 percent of the state retail marijuana tax revenue that the state retains to the State Public School Fund to support the state share of districts' total program funding.

For FY 2017-18 and subsequent years, includes statutory appropriations to the Department of Education for all marijuana sales tax proceeds transferred to the State Public School Fund. For more information, see the corresponding bill description in the "Recent Legislation" section at the end of Part III of the Department of Health Care Policy and Financing.

**S.B. 17-296 (SCHOOL FINANCE):** Amends the "Public School Finance Act of 1994" and other statutory provisions to provide funding for school districts for FY 2017-18, making the following changes:

- Increases the *statewide base per pupil funding* amount from \$6,367.90 to \$6,546.20 (2.8 percent) to account for the annual change in the Denver-Boulder-Greeley consumer price index in CY 2016;
- Renames the negative factor the budget stabilization factor;
- Maintains the budget stabilization factor at a constant dollar amount (\$828.3 million) from FY 2016-17 to FY 2017-18 and specifies that the budget stabilization factor cannot exceed that amount in FY 2018-19;
- Adjusts requirements concerning the distribution of mill levy override revenues to charter schools;
- Creates the Mill Levy Equalization Fund to, subject to available appropriations, support mill levy equalization payments for institute charter schools on a per pupil basis; and
- Authorizes supplemental assistance from the Contingency Reserve Fund for districts that, because of at least a 20 percent enrollment increase over projected levels, may experience an unusual financial burden to implement or expand a school program. Requires recipient districts to reimburse the State for such assistance following the adjustment in the district's distribution of school finance payments to account for the increased enrollment.

The bill also creates a computer science education grant program for teachers who wish to pursue additional postsecondary education and training in order to then provide computer science education to K-12 students. For FY 2017-18, appropriates \$500,000 cash funds from the State Education Fund and 0.4 FTE to the Department of Education for computer science education grants to teachers.

**H.B. 17-1181 (REQUIRED STATE ASSESSMENT FOR NINTH-GRADE STUDENTS):** Repeals the requirement that public schools administer the state English language arts and mathematics assessments to ninth-grade students and instead requires local education providers to administer a ninth grade assessment aligned with the pre-exam and college entrance exams administered to tenth and eleventh grade students. Requires administration of the assessment during the spring semester, on a schedule to be set annually by the Department of Education. For FY 2017-18, decreases appropriations to the Department of Education for the Colorado Student Assessment Program by \$642,786 cash funds from the State Education Fund.

**H.B. 17-1276 (RESTRICT RESTRAINTS ON PUBLIC SCHOOL STUDENTS):** Prohibits the use of a chemical, mechanical, or prone (face-down) restraint on a public school student. Exceptions are allowed for the use of mechanical or prone restraints when the student is openly displaying a deadly weapon or the person applying the restraint is an armed security officer or a certified peace officer, has received specified training, and has made a referral to a law enforcement agency. The prohibition does not apply to schools operated in state-owned facilities within the Division of Youth Corrections. Creates reporting requirements for any incident involving the use of any type of restraint on a student and requires the State Board of Education to promulgate rules establishing a formal complaint process about the use of restraint or seclusion by any school employee or volunteer. For FY 2017-18, appropriates \$18,414 General Fund and 0.3 FTE to the Department of Education.

**H.B. 17-1340 (LEGISLATIVE INTERIM COMMITTEE ON SCHOOL FINANCE):** Creates a legislative interim committee to study school finance issues and make legislative recommendations concerning how to most accurately meet the educational needs of students through the funding of K-12 education in Colorado. Specifies the membership of the interim committee and requires that members be appointed by July 1, 2017. Specifies a list of issues the committee must consider and authorizes the committee to consider additional issues. The committee will meet up to five times per interim in the 2017 and 2018 interims and may introduce up to five bills during each of the 2018 and 2019 legislative sessions. Subject to available appropriations, requires the committee to contract with a private entity to assist in gathering information for the study and analyzing the chosen issues. For FY 2017-18, appropriates \$380,869 cash funds from the State Public School Fund and 0.4 FTE to the Legislative Department.

## 2018 SESSION BILLS

**S.B. 18-013 (EXPAND CHILD NUTRITION SCHOOL LUNCH PROTECTION ACT):** Expands the Child Nutrition School Lunch Protection Program to include grades six through eight. Current law provides free school lunches to students that qualify for reduced price lunches from kindergarten through fifth grade. This bill expands eligibility to include students through eighth grade. For FY 2018-19, appropriates \$564,279 General Fund to the Department of Education.

**S.B. 18-085 (FINANCIAL INCENTIVES FOR EDUCATION IN RURAL AREAS):** Expands stipends for teachers in rural school districts who are seeking certification as a national board certified teacher or concurrent enrollment teacher. Increases the number of stipends from 20 to 60 and makes other modifications to the program. Stipends may not exceed \$6,000 per teacher, and teachers who accept the stipend must commit to teaching in a rural area for a total of three years. For FY 2018-19, appropriates \$240,000 cash funds from the State Education Fund to the Department of Education and reappropriates that amount to the Department of Higher Education. For more information, see the corresponding bill description in the "Recent Legislation" section at the end of Part III of the Department of Higher Education.

**S.B. 18-158 (SCHOOL ACCESS TO INTEROPERABLE COMMUNICATIONS):** Creates the School Access for Emergency Response (SAFER) grant program in the Division of Homeland Security and Emergency Management in the Department of Public Safety to provide funding to schools and public safety communications networks for interoperable communication hardware, software, equipment maintenance, and training. Creates the SAFER cash fund and directs transfers of \$5.0 million per year from the State Public School Fund to the SAFER cash fund for FY 2018-19 through FY 2023-24. For FY 2018-19, transfers \$5.0 million cash funds from the State Public School Fund to the SAFER cash fund and appropriates \$5.0 million cash funds from the SAFER cash fund to the Department of Public Safety. For more information, see the corresponding bill description in the "Recent Legislation" section at the end of Part III of the Department of Public Safety.

**H.B. 18-1019 (K-12 ACCREDITATION WEIGHTED FACTORS):** Requires the Department of Education to calculate participation in advanced placement (AP) courses or concurrent enrollment when determining accreditation categories for public schools and school districts. Beginning in FY 2020-21, the bill requires the Department to



calculate a score for the statewide accountability system's postsecondary and workforce readiness indicator based on the percentage of students who successfully complete either: (1) an AP course in a subject other than English language arts or mathematics and earn a score of three or higher on the end of year AP exam; or (2) a concurrent enrollment course in a subject other than English language arts or mathematics and earn a grade of "B" or higher in the course. For FY 2018-19, appropriates \$30,000 General Fund to the Department of Education.

**H.B. 18-1070 (ADDITIONAL PUBLIC SCHOOL CAPITAL CONSTRUCTION FUNDING):** Diverts additional marijuana excise tax revenue to the Public School Capital Construction Assistance Fund which supports the Building Excellent Schools Today (BEST) Program. Current law deposits the first \$40.0 million in annual marijuana excise tax funds to the Public School Capital Construction Assistance Fund to support lease purchase payments and cash grants under the BEST Program and deposits any amount above the \$40.0 million into the Public School (Permanent) Fund. Beginning in FY 2018-19, this bill increases the diversion of marijuana excise tax revenues to the Public School Capital Construction Assistance Fund to the greater of \$40.0 million or 90.0 percent of total excise tax revenues. For FY 2018-19, appropriates \$34.0 million cash funds from the Public School Capital Construction Assistance Fund to the Department of Education to support the BEST Program, including \$19.0 million for lease purchase payments and \$15.0 million for cash grants.

**H.B. 18-1100 (EDUCATOR LICENSURE CASH FUND):** Extends the continuous appropriation of the Educator Licensure Cash Fund to the Department of Education. Current law continuously appropriates those funds to the Department through FY 2017-18, and this bill extends the continuous appropriation for three additional years (through FY 2020-21).

**H.B. 18-1101 (RETAIL MARIJUANA SALES TAX APPROPRIATIONS FOR SCHOOLS):** Makes retail marijuana sales tax revenues deposited into the State Public School Fund subject to annual appropriation and requires the General Assembly to appropriate such funds in the year following the year of collection. Current law continuously appropriates marijuana sales tax revenues deposited into the State Public School Fund to the Department of Education in the year of collection.

**H.B. 18-1159 (SUPPLEMENTAL BILL):** Modifies FY 2017-18 appropriations to the Department.

**H.B. 18-1171 (SCHOOL FINANCE MID-YEAR ADJUSTMENTS):** Makes mid-year school finance-related statutory adjustments to reflect actual pupil counts and the local revenues available for school finance in FY 2017-18. Maintains statewide average per pupil funding at the original appropriated level for FY 2017-18 (\$7,662.18). After adjusting for a \$96.9 million increase in local revenues available for school finance (above the level anticipated in the original FY 2017-18 appropriation) and a lower-than-anticipated student count (reducing total program funding before the application of the budget stabilization factor by \$12.9 million), maintaining statewide average per pupil funding at a constant level reduces the budget stabilization factor by \$5.9 million in FY 2017-18 and allows for a reduction of \$103.9 million in state funding for the state share of districts' total program funding. For FY 2017-18, makes the following changes:

- Reduces appropriations for the state share of districts' total program funding by \$103,934,329 total funds, including \$73,210,538 cash funds from the State Public School Fund and \$30,723,791 General Fund.
- Reduces appropriations for hold-harmless full-day kindergarten funding by \$4,629 cash funds from the State Education Fund.
- Transfers \$30,723,791 from the General Fund to the State Public School Fund.

**H.B. 18-1189 (EXPANDING EFFECTIVE TEACHER RESIDENCY PROGRAMS):** Creates the teacher residency expansion program in the Department of Education. Requires the Department to contract with up to three institutions of higher education and up to three alternative teacher licensure program providers that operate teacher residency programs to expand those programs on a pilot basis. Requires the Department to provide funding to

contracting entities to offset a portion of the costs of program expansion. Creates the Teacher Expansion Program Fund, which is continuously appropriated to the Department of Education. For FY 2018-19, appropriates \$600,000 General Fund to the Teacher Expansion Program Fund, which is anticipated to support the program for FY 2018-19 through FY 2022-23.

**H.B. 18-1193 (EXTEND ADVANCED PLACEMENT INCENTIVES PROGRAM):** Extends the Advanced Placement Incentives Pilot Program (originally created in H.B. 14-1118) for three years, through FY 2020-21. Adds annual reporting requirements, including reporting disaggregated data regarding participating student enrollment in advanced placement courses, the number of students that took the end of year advanced placement exams, and the number of students that scored at least a “three” on the exams. For FY 2017-18, appropriates \$260,937 cash funds from the State Education Fund and 0.3 FTE to the Department of Education.

**H.B. 18-1309 (PROGRAMS ADDRESSING EDUCATOR SHORTAGES):** Makes several changes to state law related to programs intended to address educator shortages. Creates a teacher of record license that the Department of Education may issue to applicants who: have completed most of their bachelor degree requirements, have not completed required field work, participate in a “grow your own educator” or teacher of record program, and will be employed in a position in which there is a critical teacher shortage. Requires the Departments of Education and Higher Education to create a framework for the creation of “grow your own” educator programs and requires the Department of Education to distribute grants to districts or schools that employ participating students under a grow your own educator program. Grants are intended to cover payment of participating students’ share of tuition for up to 36 credit hours. Creates the Partnership for Rural Education Preparation at the University of Colorado-Denver to collaborate with other institutions on solutions to the rural teacher shortage. For FY 2018-19, makes the following appropriations: (1) \$1,019,110 General Fund and 0.3 FTE to the Department of Education; and (2) \$156,116 General Fund to the Department of Higher Education.

**H.B. 18-1379 (PUBLIC SCHOOL FINANCE):** Amends the “Public School Finance Act of 1994” and other statutory provisions to provide funding for school districts for FY 2018-19, making the following changes:

- Increases the *statewide base per pupil funding* amount from \$6,546.20 to \$6,768.77 (3.4 percent) to account for the annual change in the Denver-Boulder-Greeley consumer price index in CY 2017.
- Reduces the dollar value of the budget stabilization factor by \$150.0 million from FY 2017-18 (\$822.4 million) to FY 2018-19 (\$672.4 million).
- Specifies that the dollar value of the budget stabilization factor in FY 2019-20 cannot exceed its value in FY 2018-19.
- Adds 1,000 half-day slots to the Early Childhood At-risk Enhancement (ECARE) program, equal to 500.0 student FTE.
- Requires the Department of Education to distribute \$30.0 million to eligible rural school districts and rural institute charter schools and specifies the method of distribution.
- Modifies the distribution of funding under the English Language Proficiency Act categorical program to allocate funds proportionately, based on the number of students who have no or limited English proficiency and the number of students who have been designated as fluent but require continued monitoring.
- Modifies core course level participation and performance reporting requirements.

Makes the following appropriations to the Department of Education for FY 2018-19: (1) \$159,313,868 total funds for the state share of districts’ total program funding (including \$123,428,205 General Fund, \$30,723,791 cash funds from the State Public School Fund, and \$5,161,872 cash funds from the State Education Fund); (2) \$30.0 million cash funds from the State Education Fund for distribution to rural school districts and rural institute charter schools on a per pupil basis; and (3) \$191,043 cash funds from the State Education Fund for hold-harmless full-day kindergarten funding.

**H.B. 18-1393 (EFFECTIVE IMPLEMENTATION OF READ ACT):** Modifies statutory requirements of the Reading to Ensure Academic Development (READ) Act. Specifies that reading assessments and instructional programming under the READ Act must be evidence- or scientifically-based, must be aligned with each other, and must align with preschool through elementary and secondary education standards for reading. Specifies requirements for the Department to review and update the list of approved reading assessments. Specifies requirements for the use of READ Act per pupil intervention funding. Modifies grant requirements for the Early Literacy Competitive Grant Program and provides additional funding for the program. For FY 2018-19, appropriates \$1.0 million cash funds from the Marijuana Tax Cash Fund to the Department of Education.

**H.B. 18-1396 (ADVANCED PLACEMENT EXAM FEE GRANT PROGRAM):** Creates the Advanced Placement (AP) Exam Fee Grant Program in the Department of Education to pay a portion of low-income students' AP exam fees. Requires the Department to review grant applications, determine award amounts, and award grants in accordance with rules to be established by the State Board of Education. For FY 2018-19, appropriates \$554,869 General Fund and 0.3 FTE to the Department of Education.

**H.B. 18-1412 (RETAINING TEACHERS GRANT PROGRAM):** Creates the Retaining Teachers Grant Program in the Department of Education to assist local education providers in the implementation of a variety of specific initiatives intended to improve teacher retention. Requires the Department to review grant applications, recommend grant recipients and amounts to the State Board of Education, and provide technical assistance to local education providers. Species that grants are awarded for three years, subject to annual review by the Department and renewal by the State Board of Education. Creates the Retaining Teachers Fund, which is continuously appropriated to the Department. For FY 2018-19, appropriates \$3.0 million General Fund to the Retaining Teachers Fund, which is anticipated to support the program for FY 2018-19 through FY 2020-21.

# Details

## GOVERNOR – LIEUTENANT GOVERNOR – STATE PLANNING AND BUDGETING

### FY 2017-18 AND FY 2018-19 APPROPRIATIONS BY DIVISION AND BILL

GOVERNOR - LIEUTENANT GOVERNOR - STATE PLANNING AND BUDGETING						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2017-18 TOTAL APPROPRIATION:</b>	<b>\$334,532,856</b>	<b>\$35,324,665</b>	<b>\$47,400,500</b>	<b>\$245,351,971</b>	<b>\$6,455,720</b>	<b>1,091.2</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Office of the Governor	17,890,385	5,030,265	8,076,329	870,409	3,913,382	40.7
Office of the Lieutenant Governor	507,301	506,117	1,184	0	0	5.9
Office of State Planning and Budgeting	3,216,262	1,138,174	500,000	1,578,088	0	20.5
Economic Development Programs	56,001,114	20,232,051	33,262,434	85,291	2,421,338	60.6
Office of Information Technology	256,917,794	8,418,058	5,560,553	242,818,183	121,000	963.5
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
SB 17-254	\$327,294,670	\$30,301,603	\$44,200,500	\$246,336,847	\$6,455,720	1,087.9
SB 17-028	12,960	0	0	12,960	0	0.0
SB 17-060	(218,825)	0	0	(218,825)	0	(1.0)
SB 17-255	3,200,000	0	3,200,000	0	0	0.0
SB 17-280	5,000,000	5,000,000	0	0	0	4.0
HB 17-1090	23,062	23,062	0	0	0	0.3
HB 17-1165	20,000	0	0	20,000	0	0.0
HB 17-1204	108,710	0	0	108,710	0	0.0
HB 17-1221	21,603	0	0	21,603	0	0.0
HB 17-1313	44,486	0	0	44,486	0	0.0
HB 17-1326	152,112	0	0	152,112	0	0.0
SB 18-027	110,000	0	0	110,000	0	0.0
HB 18-1160	(1,235,922)	0	0	(1,235,922)	0	0.0
<b>FY 2018-19 TOTAL APPROPRIATION:</b>	<b>\$352,019,297</b>	<b>\$42,340,000</b>	<b>\$47,889,843</b>	<b>\$255,022,179</b>	<b>\$6,767,275</b>	<b>1,101.5</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Office of the Governor	22,062,914	8,448,283	8,023,620	1,366,074	4,224,937	57.2
Office of the Lieutenant Governor	818,609	817,425	1,184	0	0	5.7
Office of State Planning and Budgeting	3,903,599	1,138,174	1,154,087	1,611,338	0	20.5
Economic Development Programs	57,256,364	20,953,461	33,621,274	260,291	2,421,338	60.6
Office of Information Technology	267,977,811	10,982,657	5,089,678	251,784,476	121,000	957.5
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
HB 18-1322	\$346,224,463	\$39,708,812	\$47,171,431	\$252,576,945	\$6,767,275	1,100.5
SB 18-036	4,630	0	0	4,630	0	0.0
SB 18-086	250,000	250,000	0	0	0	1.0
SB 18-150	89,600	0	0	89,600	0	0.0
HB 18-1017	80,000	0	0	80,000	0	0.0
HB 18-1042	16,016	0	0	16,016	0	0.0
HB 18-1135	350,000	175,000	0	175,000	0	0.0
HB 18-1256	10,000	0	0	10,000	0	0.0

GOVERNOR - LIEUTENANT GOVERNOR - STATE PLANNING AND BUDGETING						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 18-1267	65,508	0	0	65,508	0	0.0
HB 18-1299	0	0	0	0	0	0.0
HB 18-1323	718,412	0	718,412	0	0	0.0
HB 18-1324	200,000	200,000	0	0	0	0.0
HB 18-1325	4,000,000	2,000,000	0	2,000,000	0	0.0
HB 18-1339	6,188	6,188	0	0	0	0.0
HB 18-1353	4,480	0	0	4,480	0	0.0
<b>INCREASE/(DECREASE)</b>	<b>\$17,486,441</b>	<b>\$7,015,335</b>	<b>\$489,343</b>	<b>\$9,670,208</b>	<b>\$311,555</b>	<b>10.3</b>
Percentage Change	5.2%	19.9%	1.0%	3.9%	4.8%	0.9%

**INFORMATIONAL FUNDS:** The FY 2017-18 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department are annotated with the "(I)". For additional information, see Appendix E.

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2018-19 Appropriations containing an (I) notation	\$27,608,041	\$0	\$20,840,766	\$0	\$6,767,275

## DETAIL OF APPROPRIATION BY ADMINISTRATIVE SECTION

### OFFICE OF THE GOVERNOR

The Office of the Governor (division) oversees operation of the executive branch of State government including coordination, direction, and planning of agency operations. The Office represents the State, and serves as a liaison with local and federal governments. Includes the core functions of a traditional executive director's office and the Colorado Energy Office.

OFFICE OF THE GOVERNOR						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2017-18 APPROPRIATION:</b>						
SB 17-254	\$17,890,385	\$5,030,265	\$8,076,329	\$870,409	\$3,913,382	40.7
<b>TOTAL</b>	<b>\$17,890,385</b>	<b>\$5,030,265</b>	<b>\$8,076,329</b>	<b>\$870,409</b>	<b>\$3,913,382</b>	<b>40.7</b>
<b>FY 2018-19 APPROPRIATION:</b>						
FY 2017-18 Appropriation	\$17,890,385	\$5,030,265	\$8,076,329	\$870,409	\$3,913,382	40.7
Funding for the operations of the Colorado Energy Office	3,100,000	3,100,041	0	(41)	0	16.5
Indirect cost assessment	562,355	0	7,978	430,447	123,930	0.0
Governor's Office administration line item refinance	562,240	562,240	0	0	0	0.0
Centrally appropriated line items	377,959	71,487	20,338	98,509	187,625	0.0
Disabled parking education program reduction	(250,000)	(250,000)	0	0	0	0.0
Annualize prior year budget actions	(180,025)	(65,750)	(81,025)	(33,250)	0	0.0
<b>HB 18-1322</b>	<b>\$22,062,914</b>	<b>\$8,448,283</b>	<b>\$8,023,620</b>	<b>\$1,366,074</b>	<b>\$4,224,937</b>	<b>57.2</b>
<b>TOTAL</b>	<b>\$22,062,914</b>	<b>\$8,448,283</b>	<b>\$8,023,620</b>	<b>\$1,366,074</b>	<b>\$4,224,937</b>	<b>57.2</b>
<b>INCREASE/(DECREASE)</b>	<b>\$4,172,529</b>	<b>\$3,418,018</b>	<b>(\$52,709)</b>	<b>\$495,665</b>	<b>\$311,555</b>	<b>16.5</b>
Percentage Change	23.3%	67.9%	(0.7%)	56.9%	8.0%	40.5%

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**FUNDING FOR THE OPERATIONS OF THE COLORADO ENERGY OFFICE:** The appropriation includes an increase of \$3.1 million General Fund and 16.5 FTE to provide the Colorado Energy Office with a base budget to fulfill its statutory obligations.

**INDIRECT COST ASSESSMENT:** The appropriation includes an increase of \$562,355 total funds to the Department's indirect cost assessments.

**GOVERNOR'S OFFICE ADMINISTRATION LINE ITEM REFINANCE:** The appropriation includes an increase of \$562,240 General Fund to meet payroll and operating expenses in the Governor's Office. In prior fiscal years, these costs were covered by off-budget federal funds from the Jobs and Growth Tax Relief Reconciliation Act of 2003. This source of funds will be exhausted during FY 2018-19. This increase is a one-to-one refinance of federal funds with General Fund and does not increase the total amount of funds available to the Governor's Office.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments for centrally appropriated line items, as detailed in the following table.

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey adjustment	\$466,968	\$208,880	\$110,736	\$92,014	\$55,338	0.0
AED adjustment	118,455	33,882	(18,212)	61,984	40,801	0.0
SAED adjustment	118,455	33,882	(18,212)	61,984	40,801	0.0
Health, life, and dental adjustment	107,925	302,357	(42,525)	(211,529)	59,622	0.0
Short-term disability adjustment	1,131	33	(1,426)	1,385	1,139	0.0
Payments to OIT adjustment	(211,860)	(208,383)	0	(3,477)	0	0.0
Legal services adjustment	(168,721)	(169,736)	0	1,015	0	0.0
Capitol Complex leased space adjustment	(31,422)	(65,811)	0	34,389	0	0.0
Workers' compensation adjustment	(16,329)	(19,414)	0	3,085	0	0.0
Payment to risk management / property funds adjustment	(3,790)	(6,751)	0	2,961	0	0.0
CORE adjustment	(2,853)	(37,452)	(10,023)	54,698	(10,076)	0.0
<b>TOTAL</b>	<b>\$377,959</b>	<b>\$71,487</b>	<b>\$20,338</b>	<b>\$98,509</b>	<b>\$187,625</b>	<b>0.0</b>

**DISABLED PARKING EDUCATION PROGRAM REDUCTION:** The appropriation includes a decrease of \$250,000 General Fund for the disabled parking education program administered by the Colorado Advisory Council for Persons with Disabilities. The statutory authorization for the Colorado Advisory Council for Persons with Disabilities is repealed on July 1, 2018.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions, including salary survey and merit pay.

## OFFICE OF THE LIEUTENANT GOVERNOR

The Office of the Lieutenant Governor directly oversees the Colorado Commission of Indian Affairs, Commission on Community Service, and other initiatives. The Lieutenant Governor temporarily takes the Governor's place if the Governor is out of Colorado or is unable to perform his/her duties.

OFFICE OF THE LIEUTENANT GOVERNOR						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$726,126	\$506,117	\$1,184	\$218,825	\$0	6.9
SB 17-060	(218,825)	0	0	(218,825)	0	(1.0)
<b>TOTAL</b>	<b>\$507,301</b>	<b>\$506,117</b>	<b>\$1,184</b>	<b>\$0</b>	<b>\$0</b>	<b>5.9</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$507,301	\$506,117	\$1,184	\$0	\$0	5.9
Funding for the Education Leadership Council	100,000	100,000	0	0	0	0.0
Colorado Commission of Indian Affairs staffing increase	90,000	90,000	0	0	0	(0.2)
Annualize prior year budget actions	21,308	21,308	0	0	0	0.0
Serve Colorado reduction	(100,000)	(100,000)	0	0	0	0.0
<b>HB 18-1322</b>	<b>\$618,609</b>	<b>\$617,425</b>	<b>\$1,184</b>	<b>\$0</b>	<b>\$0</b>	<b>5.7</b>
HB 18-1324	200,000	200,000	0	0	0	0.0
<b>TOTAL</b>	<b>\$818,609</b>	<b>\$817,425</b>	<b>\$1,184</b>	<b>\$0</b>	<b>\$0</b>	<b>5.7</b>
<b>INCREASE/(DECREASE)</b>	<b>\$311,308</b>	<b>\$311,308</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(0.2)</b>
Percentage Change	61.4%	61.5%	0.0%	n/a	n/a	(3.4%)

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**FUNDING FOR THE EDUCATION LEADERSHIP COUNCIL:** The appropriation includes an increase of \$100,000 General Fund to support the administrative functions of the Education Leadership Council.

**COLORADO COMMISSION OF INDIAN AFFAIRS STAFFING INCREASE:** The appropriation includes an increase of \$90,000 General Fund and a decrease 0.2 FTE to add a Program Assistant position to support the Commission's Executive Director, to provide additional funding for existing services and programs that the Commission delivers to fulfill its statutory obligations, as set forth in Section 24-44-103, C.R.S., and to true-up the number of FTE supporting the Commission.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions, including salary survey and merit pay.

**SERVE COLORADO REDUCTION:** The appropriation includes a reduction of \$100,000 General Fund to eliminate funding in the Long Bill for the Lieutenant Governor's community service program, Serve Colorado. The program is not authorized in statute and thus cannot receive appropriations of state funds.

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

## OFFICE OF STATE PLANNING AND BUDGETING

The Office of State Planning and Budgeting (OSPB) develops executive branch budget requests, reviews and analyzes departmental expenditures, and prepares quarterly revenue and economic estimates for the state. Additionally, the Office implements the Results First initiative, a cost benefit analysis model initially developed by the Washington State Institute for Public Policy, and now supported by the Pew Charitable Trusts and the MacArthur Foundation, that aims to determine the monetary value of State policies and programs.

OFFICE OF STATE PLANNING AND BUDGETING						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$3,216,262	\$1,138,174	\$500,000	\$1,578,088	\$0	20.5
<b>TOTAL</b>	<b>\$3,216,262</b>	<b>\$1,138,174</b>	<b>\$500,000</b>	<b>\$1,578,088</b>	<b>\$0</b>	<b>20.5</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$3,216,262	\$1,138,174	\$500,000	\$1,578,088	\$0	20.5
Annualize prior year budget actions	33,250	0	0	33,250	0	0.0
Office of State Planning and Budgeting reduction	(64,325)	0	(64,325)	0	0	0.0
<b>HB 18-1322</b>	<b>\$3,185,187</b>	<b>\$1,138,174</b>	<b>\$435,675</b>	<b>\$1,611,338</b>	<b>\$0</b>	<b>20.5</b>
HB 18-1323	718,412	0	718,412	0	0	0.0
<b>TOTAL</b>	<b>\$3,903,599</b>	<b>\$1,138,174</b>	<b>\$1,154,087</b>	<b>\$1,611,338</b>	<b>\$0</b>	<b>20.5</b>
<b>INCREASE/(DECREASE)</b>	<b>\$687,337</b>	<b>\$0</b>	<b>\$654,087</b>	<b>\$33,250</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	21.4%	0.0%	130.8%	2.1%	n/a	0.0%

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions, including salary survey and merit pay.

**OFFICE OF STATE PLANNING AND BUDGETING REDUCTION:** The appropriation includes a one-time reduction of \$64,325 cash funds from the Marijuana Tax Cash Fund in the line item in the Office that is to be used for grants to agencies to evaluate and/or assist in the implementation of programs funded from the Marijuana Tax Cash Fund. Additionally, the bill makes the FY 2018-19 appropriation for this purpose available through FY 2019-20.

**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 and International Trade (OEDIT) assists in strengthening Colorado's prospects for long-term economic growth by providing broad-based support to businesses. The Office's support services include business funding and incentives, promotion of creative industries, international trade assistance, tourism promotion, minority business assistance, key industry promotion (including advanced industries, aerospace, and health and wellness), and film, television, and media industry development.

ECONOMIC DEVELOPMENT PROGRAMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$50,978,052	\$15,208,989	\$33,262,434	\$85,291	\$2,421,338	56.3
SB 17-280	5,000,000	5,000,000	0	0	0	4.0
HB 17-1090	23,062	23,062	0	0	0	0.3
<b>TOTAL</b>	<b>\$56,001,114</b>	<b>\$20,232,051</b>	<b>\$33,262,434</b>	<b>\$85,291</b>	<b>\$2,421,338</b>	<b>60.6</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$56,001,114	\$20,232,051	\$33,262,434	\$85,291	\$2,421,338	60.6
Rural tourism promotion increase	500,000	500,000	0	0	0	0.0
Indirect cost assessment	277,815	0	277,815	0	0	0.0



ECONOMIC DEVELOPMENT PROGRAMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Annualize prior year budget actions	125,467	44,442	81,025	0	0	0.0
Centrally appropriated line items	1,968	1,968	0	0	0	0.0
<b>HB 18-1322</b>	<b>\$56,906,364</b>	<b>\$20,778,461</b>	<b>\$33,621,274</b>	<b>\$85,291</b>	<b>\$2,421,338</b>	<b>60.6</b>
HB 18-1135	350,000	175,000	0	175,000	0	0.0
<b>TOTAL</b>	<b>\$57,256,364</b>	<b>\$20,953,461</b>	<b>\$33,621,274</b>	<b>\$260,291</b>	<b>\$2,421,338</b>	<b>60.6</b>
<b>INCREASE/(DECREASE)</b>	\$1,255,250	\$721,410	\$358,840	\$175,000	\$0	0.0
Percentage Change	2.2%	3.6%	1.1%	205.2%	0.0%	0.0%

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**RURAL TOURISM PROMOTION INCREASE:** The appropriation includes an increase of \$500,000 General Fund for the Destination Development Program in the Office of Economic Development and International Trade. The Program supports rural tourism partners and assists in creating new tourism assets in less visited regions of the state.

**INDIRECT COST ASSESSMENT:** The appropriation includes an increase of \$277,815 total funds to the Department's indirect cost assessments.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions, including salary survey and merit pay.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for vehicle lease payments.

**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) is responsible for the operation and delivery of all information and communications technology services across state executive branch agencies. The Office is tasked with providing information technology services, as well as promoting Colorado as the ideal location for information technology companies and technology-based workers.

OFFICE OF INFORMATION TECHNOLOGY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$254,483,845	\$8,418,058	\$2,360,553	\$243,584,234	\$121,000	963.5
SB 17-028	12,960	0	0	12,960	0	0.0
SB 17-255	3,200,000	0	3,200,000	0	0	0.0
HB 17-1165	20,000	0	0	20,000	0	0.0
HB 17-1204	108,710	0	0	108,710	0	0.0
HB 17-1221	21,603	0	0	21,603	0	0.0
HB 17-1313	44,486	0	0	44,486	0	0.0
HB 17-1326	152,112	0	0	152,112	0	0.0
SB 18-027	110,000	0	0	110,000	0	0.0
HB 18-1160	(1,235,922)	0	0	(1,235,922)	0	0.0

OFFICE OF INFORMATION TECHNOLOGY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>TOTAL</b>	<b>\$256,917,794</b>	<b>\$8,418,058</b>	<b>\$5,560,553</b>	<b>\$242,818,183</b>	<b>\$121,000</b>	<b>963.5</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$256,917,794	\$8,418,058	\$5,560,553	\$242,818,183	\$121,000	963.5
Microsoft operating system and Microsoft Office productivity suite service offerings	5,228,160	0	0	5,228,160	0	0.0
CBMS/PEAK base adjustment	4,990,762	0	0	4,990,762	0	0.0
Voice and data services spending authority alignment	4,098,059	0	0	4,098,059	0	0.0
Annualize HB 18-1160 (supplemental bill)	1,235,922	0	0	1,235,922	0	0.0
Sex Offender Management Board data collection system build	361,424	0	0	361,424	0	0.0
Department of Health Care Policy and Financing Benefits Utilization Services application final year support	230,040	0	0	230,040	0	0.0
State Broadband Office staffing retention	224,992	224,992	0	0	0	0.0
Department of Health Care Policy and Financing information technology security upgrades	194,302	0	0	194,302	0	0.0
Additional information technology services for the Department of Natural Resources	98,995	0	0	98,995	0	1.0
Department of Corrections offender records management system operating increase	90,723	0	0	90,723	0	0.0
Peace Officers Mental Health Support Grant Program	23,825	0	0	23,825	0	0.0
Centrally appropriated line items	(5,172,863)	83,445	0	(5,256,308)	0	0.0
Annualize prior year budget actions	(2,453,465)	(26)	(470,875)	(1,982,564)	0	0.0
Human Resources Information System (HRIS) timekeeping solution savings	(1,649,287)	0	0	(1,649,287)	0	0.0
Division of Motor Vehicles information technology service reduction	(499,917)	0	0	(499,917)	0	(8.0)
Annualize prior year legislation	(450,555)	0	0	(450,555)	0	0.0
Indirect cost assessment	(17,522)	0	0	(17,522)	0	0.0
<b>HB 18-1322</b>	<b>\$263,451,389</b>	<b>\$8,726,469</b>	<b>\$5,089,678</b>	<b>\$249,514,242</b>	<b>\$121,000</b>	<b>956.5</b>
SB 18-036	4,630	0	0	4,630	0	0.0
SB 18-086	250,000	250,000	0	0	0	1.0
SB 18-150	89,600	0	0	89,600	0	0.0
HB 18-1017	80,000	0	0	80,000	0	0.0
HB 18-1042	16,016	0	0	16,016	0	0.0
HB 18-1256	10,000	0	0	10,000	0	0.0
HB 18-1267	65,508	0	0	65,508	0	0.0
HB 18-1299	0	0	0	0	0	0.0
HB 18-1325	4,000,000	2,000,000	0	2,000,000	0	0.0
HB 18-1339	6,188	6,188	0	0	0	0.0
HB 18-1353	4,480	0	0	4,480	0	0.0
<b>TOTAL</b>	<b>\$267,977,811</b>	<b>\$10,982,657</b>	<b>\$5,089,678</b>	<b>\$251,784,476</b>	<b>\$121,000</b>	<b>957.5</b>
<b>INCREASE/(DECREASE)</b>	<b>\$11,060,017</b>	<b>\$2,564,599</b>	<b>(\$470,875)</b>	<b>\$8,966,293</b>	<b>\$0</b>	<b>(6.0)</b>
Percentage Change	4.3%	30.5%	(8.5%)	3.7%	0.0%	(0.6%)

## FY 2017-18 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 18-1160 modifies FY 2017-18 appropriations to:

- Add \$3,865,373 reappropriated funds transferred from the Department of Health Care Policy and Financing and the Department of Human Services to the Governor's Office of Information Technology to cover the costs associated with an increase in the number of mailings sent out to citizens applying for and/or enrolled in public assistance programs from the Colorado Benefits Management System (CBMS) and the Program Eligibility and Application Kit (PEAK). Additionally, the increase includes funds for a variety of CBMS and PEAK infrastructure costs (e.g. software licensing) and information technology security enhancements.
- Add \$278,356 reappropriated funds transferred from the Department of Health Care Policy and Financing to the Governor's Office of Information Technology to address information technology security issues within the Department; and
- Decrease \$5,379,651 reappropriated funds transferred to the Governor's Office of Information from state agencies through information technology common policy for the operations and maintenance costs associated with the Human Resources Information System, known as HRWorks. The decrease in funding is driven by a delay in the implementation of the HRWorks caused by a change in the technical approach to implementing the time and leave tracking component of the system. This change delays the operational date of HRWorks until October 2018 and postpones the need for funding to cover the system's operations and maintenance costs until a future fiscal year.

Senate Bill 18-027 modifies FY 2017-18 appropriations to add \$110,000 reappropriated funds transferred from the Department of Regulatory Agencies for information technology services associated with implementing the Enhanced Nurse Licensure Compact.

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**MICROSOFT OPERATING SYSTEM AND MICROSOFT OFFICE PRODUCTIVITY SUITE SERVICE OFFERINGS:** The appropriation includes an increase of \$5.2 million reappropriated funds transferred from state agencies to the Governor's Office of Information Technology to transition from a non-consolidated licensing approach for operating system and Microsoft Office applications to a centralized approach managed by the Office for all state agencies. A portion of the total funds needed for this item is offset by reductions across nearly all agencies from operating line items that historically funded operating system and Microsoft Office licenses.

**CBMS/PEAK BASE ADJUSTMENT:** The appropriation includes an increase of \$5.0 million reappropriated funds transferred from the Departments of Health Care Policy and Financing and Human Services to the Governor's Office of Information Technology to meet increasing costs associated with the operation of the Colorado Benefits Management System (CBMS). The funds will be used for producing and mailing client correspondence, meeting federal security requirements, and covering the software licensing, maintenance, and support costs associated with existing capacity and performance issues.

**VOICE AND DATA SERVICES SPENDING AUTHORITY ALIGNMENT:** The appropriation includes an increase of \$4.1 million reappropriated funds to align the Long Bill with the Office of Information Technology's expenditures for voice and data services. State agencies are transitioning away from legacy phone systems and onto the Office's managed internet protocol communications platform, which necessitates additional spending authority for OIT to provide these services back to agencies. Note, the appropriation does not include companion increases in agency appropriations for voice and data services, as base-level appropriations in agency operating budgets are driving the Office's need for increased spending authority.

**ANNUALIZE HB 18-1160 (SUPPLEMENTAL BILL):** The appropriation includes an increase of \$1.2 million reappropriated funds to reverse appropriation changes included in the Department's FY 2017-18 supplemental bill. The table below itemizes each supplemental bill annualization for FY 2018-19.

ANNUALIZE HB 18-1160 (SUPPLEMENTAL BILL)						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Human Resources Information System (HRIS) timekeeping solution savings	\$5,379,651	\$0	\$0	\$5,379,651	\$0	0.0
CBMS/PEAK annual funding adjustment	(3,865,373)	0	0	(3,865,373)	0	0.0
Department of Health Care Policy and Financing information technology security upgrades	(278,356)	0	0	(278,356)	0	0.0
<b>TOTAL</b>	<b>\$1,235,922</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,235,922</b>	<b>\$0</b>	<b>0.0</b>

**SEX OFFENDER MANAGEMENT BOARD DATA COLLECTION SYSTEM BUILD:** The appropriation includes an increase of \$361,424 reappropriated funds transferred from the Department of Public Safety to the Governor's Office of Information Technology to build a data collection system for the Sex Offender Management Board that can be used to determine the impact of policy decisions on the assessment, evaluation, treatment, and behavioral monitoring of sex offenders.

**DEPARTMENT OF HEALTH CARE POLICY AND FINANCING BENEFITS UTILIZATION SERVICES APPLICATION FINAL YEAR SUPPORT:** The appropriation includes an increase of \$230,040 reappropriated funds transferred from the Department of Health Care Policy and Financing to the Governor's Office of Information Technology to maintain the Department's Benefits Utilization Services (BUS) application, which is the official document of record for Long Term Services and Support (LTSS), functional level of care determination, service benefits planning, program certification, and case management operations. The BUS tool is slated for replacement after FY 2018-19.

**STATE BROADBAND OFFICE STAFFING RETENTION:** The appropriation includes an increase of \$224,992 General Fund to retain an existing 2.0 FTE in the State Broadband Office. These employees were previously funded by the federal National Telecommunications and Information Administration and are tasked with supporting the Office's endeavors related to increasing broadband availability across Colorado, as well as supporting the state's implementation of the FirstNet initiative to create a dedicated public safety broadband network.

**DEPARTMENT OF HEALTH CARE POLICY AND FINANCING INFORMATION TECHNOLOGY SECURITY UPGRADES:** The appropriation includes an increase of \$194,302 reappropriated funds transferred from the Department of Health Care Policy and Financing to the Governor's Office of Information Technology to migrate the Department to the state's enterprise firewalls, to contract for security architecture support to advise in positioning security countermeasures and relating these measures to the overall systems architecture, and to implement two-factor authentication for the Department's email system (including encryption) and the network layer.

**ADDITIONAL INFORMATION TECHNOLOGY SERVICES FOR THE DEPARTMENT OF NATURAL RESOURCES:** The appropriation includes an increase of \$98,995 reappropriated funds and 1.0 FTE transferred from the Department of Natural Resources to the Governor's Office of Information Technology to purchase additional hours of application development and support from the Office.

**DEPARTMENT OF CORRECTIONS OFFENDER RECORDS MANAGEMENT SYSTEM OPERATING INCREASE:** The appropriation includes an increase of \$90,723 reappropriated funds transferred from the Department of Corrections to the Governor's Office of Information Technology for the operating expenses associated with implementation of a capital construction project called DeCORuM. FY 2018-19 represents the first year that appropriations for DeCORuM are transitioning from the capital construction budget to the operating budget to cover ongoing system support, including licensing and maintenance expenses.

**PEACE OFFICERS MENTAL HEALTH SUPPORT GRANT PROGRAM:** The appropriation includes \$23,825 reappropriated funds for information technology services provided by the Governor's Office of Information

Technology to the Department of Local Affairs associated with the implementation of the Peace Officers Mental Health Support Grant Program, which was created through H.B. 17-1215 (Mental Health Support For Peace Officers).

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items, as detailed in the following table.

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey adjustment	\$2,437,565	\$27,051	\$0	\$2,410,514	\$0	0.0
Health, life, and dental adjustment	624,514	34,324	0	590,190	0	0.0
AED adjustment	117,411	10,911	0	106,500	0	0.0
SAED adjustment	117,411	10,911	0	106,500	0	0.0
Legal services adjustment	20,549	0	0	20,549	0	0.0
Payment to risk management / property funds adjustment	16,597	0	0	16,597	0	0.0
Leased space adjustment	10,749	0	0	10,749	0	0.0
Shift differential adjustment	6,797	0	0	6,797	0	0.0
CORE adjustment	6,213	0	0	6,213	0	0.0
Annual fleet vehicle adjustment	4,726	0	0	4,726	0	0.0
Payments to OIT adjustment	(8,387,187)	0	0	(8,387,187)	0	0.0
Workers' compensation adjustment	(114,347)	0	0	(114,347)	0	0.0
Capitol Complex leased space adjustment	(23,228)	0	0	(23,228)	0	0.0
Short-term disability adjustment	(10,633)	248	0	(10,881)	0	0.0
<b>TOTAL</b>	<b>(\$5,172,863)</b>	<b>\$83,445</b>	<b>\$0</b>	<b>(\$5,256,308)</b>	<b>\$0</b>	<b>0.0</b>

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second- and third-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 17-18 Deskside Staffing	\$43,583	\$0	\$0	\$43,583	\$0	0.0
FY 17-18 Tax System Maintenance and Support and Hosting	(1,418,292)	0	0	(1,418,292)	0	0.0
FY 17-18 Marijuana Data Coordination	(470,875)	0	(470,875)	0	0	0.0
FY 17-18 HCPF Benefits Utilization System (BUS)	(325,000)	0	0	(325,000)	0	0.0
FY 16-17 End User Configuration Management Tool	(174,404)	0	0	(174,404)	0	0.0
FY 17-18 DÖR Telephone Replacement	(67,500)	0	0	(67,500)	0	0.0
FY 17-18 DPA OAC Electronic Case Management System	(38,000)	0	0	(38,000)	0	0.0
FY 17-18 Merit pay	(1,964)	(18)	0	(1,946)	0	0.0
FY 17-18 Salary survey	(1,013)	(8)	0	(1,005)	0	0.0
<b>TOTAL</b>	<b>(\$2,453,465)</b>	<b>(\$26)</b>	<b>(\$470,875)</b>	<b>(\$1,982,564)</b>	<b>\$0</b>	<b>0.0</b>

**HUMAN RESOURCES INFORMATION SYSTEM (HRIS) TIMEKEEPING SOLUTION SAVINGS:** The appropriation includes a decrease of \$1.6 million reappropriated funds transferred from state agencies to the Office for the operating expenses associated with the time and leave tracking component of the HRIS, known as HRWorks. This savings is a due to a technology change for this component from Kronos, as was originally proposed, to a CGI-based solution that requires less money to operate and maintain.

**DIVISION OF MOTOR VEHICLES INFORMATION TECHNOLOGY SERVICE REDUCTION:** The appropriation includes a reduction of \$499,917 reappropriated funds and 8.0 FTE previously transferred from the Department of Revenue to the Governor's Office of Information Technology to support legacy systems used by the Division of

Motor Vehicles. These support functions are no longer required, as the Division migrated to new systems through the DRIVES project.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments for the second- and third-year impact of prior year legislation.

ANNUALIZE OF PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 17-1057 Interstate Physical Therapy Licensure Compact	\$80,000	\$0	\$0	\$80,000	\$0	0.0
HB 17-1326 Justice Reinvestment Crime Prevention Initiative	(145,520)	0	0	(145,520)	0	0.0
SB 18-027 DORA Nurse Licensure	(110,000)	0	0	(110,000)	0	0.0
HB 17-1204 Juvenile Delinquency Record Expungement	(108,710)	0	0	(108,710)	0	0.0
HB 16-1047 Interstate Medical Licensure Compact	(41,200)	0	0	(41,200)	0	0.0
HB 17-1313 Civil Forfeiture Reform	(38,662)	0	0	(38,662)	0	0.0
SB 16-069 Community Paramedicine Regulation	(38,080)	0	0	(38,080)	0	0.0
HB 17-1165 Department Of Regulatory Agencies Boards Disciplinary Action Resolution Process	(20,000)	0	0	(20,000)	0	0.0
HB 17-1221 Grey And Black Market Marijuana Enforcement Efforts	(15,423)	0	0	(15,423)	0	0.0
SB 17-028 Healthy Families And Military Preparedness Act	(12,960)	0	0	(12,960)	0	0.0
<b>TOTAL</b>	<b>(\$450,555)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$450,555)</b>	<b>\$0</b>	<b>0.0</b>

**INDIRECT COST ASSESSMENT:** The appropriation includes a decrease of \$17,522 total funds to the Department's indirect cost assessments.

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

## RECENT LEGISLATION

### 2017 SESSION BILLS

**S.B. 17-028 (HEALTHY FAMILIES AND MILITARY PREPAREDNESS ACT):** Requires the Department of Human Services and county departments of human or social services to provide notice and to collect and share information with the command authority of national military installations regarding any report received of known or suspected instances of child abuse or neglect in which the person having custody or control of the child is a member of the armed forces, or a spouse, or a significant other or family member residing in the home of the member of the armed forces assigned to that military installation. Appropriates \$12,960 reappropriated funds to the Governor's Office of Information Technology transferred from the Department of Human Services for FY 2017-18 for computer programming services. For additional information, see the "Recent Legislation" section at the end of Part III for the Department of Human Services.

**S.B. 17-060 (CO STUDENT LEADERS INSTITUTE RELOCATION TO CDHE):** Relocates the Colorado Student Leaders Institute from the Office of the Lieutenant Governor to the Department of Higher Education. Transfers an appropriation of \$218,825 General Fund and 1.0 FTE from the Office of the Lieutenant Governor to the Department of Higher Education for FY 2017-18.

**S.B. 17-161 (SUPPLEMENTAL BILL):** Modifies FY 2016-17 appropriations to the Department.

**S.B. 17-254 (LONG BILL):** General appropriations act for FY 2017-18.

**S.B. 17-255 (TECHNOLOGY ADVANCEMENT AND EMERGENCY FUND):** Creates the Technology Advancement and Emergency Fund in the Governor's Office of Information Technology (OIT) to be used for one-time costs associated with emergency information technology expenditures, addressing deferred maintenance of state agency information technology assets, and providing additional services to address unforeseen information technology service demands. Transfers \$2.0 million from the General Fund to the Technology Advancement and Emergency Fund for FY 2017-18 and FY 2018-19. Appropriates \$3.2 million cash funds from the Technology Advancement and Emergency Fund to OIT for FY 2017-18.

**S.B. 17-280 (EXTENDING THE ECONOMIC DEVELOPMENT COMMISSION):** Extends the Economic Development Commission until July 1, 2025. Appropriates \$5,000,000 General Fund to the Office of Economic Development and International Trade for Commission administration, general economic incentives, and marketing. Specifies that the Commission may transfer any General Fund money appropriated to it into the Colorado Economic Development Fund and may spend that money without further appropriation.

**H.B. 17-1090 (ADVANCED INDUSTRY INVESTMENT TAX CREDIT EXTENSION):** Extends the Advanced Industry Investment Income Tax Credit Program through tax years 2018 to 2022. Authorizes the Office of Economic Development and International Trade (OEDIT) to issue \$750,000 worth of state income tax credits each year from 2018 to 2022 to qualified investors. Appropriates \$23,062 General Fund and 0.3 FTE to OEDIT for FY 2017-18 to administer the program. Reduces General Fund revenue by \$262,500 in FY 2017-18.

**H.B. 17-1165 (DORA BOARDS DISCIPLINARY ACTION RESOLUTION PROCESS):** Modifies the disciplinary procedures for six health care boards for health care professionals with prescriptive authority (Colorado Podiatry Board, Colorado Dental Board, Colorado Medical Board, State Board of Nursing, State Board of Optometry, and State Board of Veterinary Medicine) within the Department of Regulatory Agencies. Appropriates \$20,000 reappropriated funds to the Governor's Office of Information Technology transferred from the Department of Regulatory Agencies for FY 2017-18 for computer programming services. For additional information, see the "Recent Legislation" section at the end of Part III for the Department of Regulatory Agencies.

**H.B. 17-1204 (JUVENILE DELINQUENCY RECORD EXPUNGEMENT):** Makes a number of changes relating to access to juvenile delinquency records and the eligibility and process for expunging these records. Appropriates \$108,710 reappropriated funds to the Governor's Office of Information Technology transferred from the Department of Human Services for FY 2017-18 for computer programming services. For additional information, see the "Recent Legislation" section at the end of Part III for the Department of Human Services.

**H.B. 17-1221 (GREY AND BLACK MARKET MJ ENFORCEMENT EFFORTS):** Creates the Gray and Black Market Marijuana Enforcement Grant Program in the Department of Local Affairs. Creates an offense for a person who is not a primary caregiver for possessing a marijuana plant that the person is growing on behalf of another person. Appropriates \$21,603 reappropriated funds to the Governor's Office of Information Technology transferred from the Department of Local Affairs for FY 2017-18 for computer programming services. For additional information, see the "Recent Legislation" section at the end of Part III for the Department of Local Affairs.

**H.B. 17-1313 (CIVIL FORFEITURE REFORM):** Prohibits law enforcement agencies, prosecutors, and multijurisdictional task forces (seizing agencies) from receiving forfeiture proceeds from the federal government unless the aggregate net equity value of the property and currency seized in the case is in excess of \$50,000 and the federal government commences a forfeiture proceeding that relates to a filed criminal case. Requires the Department of Local Affairs to establish a form for seizing agencies to use in submitting to the Department

biannual reports containing specified information on seizures through which the seizing agencies received proceeds from a forfeiture and the use of the proceeds. Appropriates \$44,486 reappropriated funds to the Governor's Office of Information Technology transferred from the Department of Local Affairs for FY 2017-18 for computer programming services. For additional information, see the "Recent Legislation" section at the end of Part III for the Department of Local Affairs.

**H.B. 17-1326 (JUSTICE REINVESTMENT CRIME PREVENTION INITIATIVE):** Makes a number of changes relating to maximum parole revocation periods for technical parole violations. Establishes a new crime-prevention program in the Department of Local Affairs (DOLA) to provide small business loans and grants that are designed to reduce crime and promote community development in the target communities of north Aurora and southeast Colorado Springs. Appropriates \$152,112 reappropriated funds to the Governor's Office of Information Technology transferred from the Departments of Corrections and Local Affairs for FY 2017-18 for computer programming services. For additional information, see the "Recent Legislation" section at the end of Part III for the Department of Corrections.

**H.B. 17-1361 (EVALUATE STATE INFORMATION TECHNOLOGY RESOURCES):** Requires the State Auditor to retain a qualified, independent third-party consulting firm to evaluate the state's implementation of information technology (IT) resources, tools, and projects. Indicates that on or before December 15, 2018, the independent firm shall submit a post-evaluation report with recommendations to the Legislative Audit Committee, the Joint Budget Committee, the Joint Technology Committee, and the Governor's Office of Information Technology. Appropriates \$300,000 General Fund to the State Auditor for FY 2017-18 for this purpose and states that any of the appropriated money that is not expended prior to July 1, 2018, is further appropriated to the State Auditor for FY 2018-19 for the same purpose.

## 2018 SESSION BILLS

**SB 18-027 (ENHANCED NURSE LICENSURE COMPACT):** Adopts the Enhanced Nurse Licensure Compact and repeals the existing Nurse Licensure Compact. The enhanced compact requires that all registered and licensed practical nurses licensed after July 20, 2017, complete a fingerprint-based criminal history check in order to participate in the compact. Nurses holding a multi-state license prior to July 20, 2017, will be grandfathered into the enhanced compact. Transfers \$110,000 from the Department of Regulatory Agencies to the Governor's Office of Information Technology for FY 2017-18 for the provision of technology services to implement this bill. For additional information, see the "Recent Legislation" section at the end of Part III for the Department of Regulatory Agencies.

**S.B. 18-036 (RELOCATE TITLE 24 TOBACCO SALES MINORS TO TITLE 44):** Relocates statutes concerning regulation of tobacco sales to minors from Title 24 to the newly created Title 44 of the Colorado Revised Statutes and makes minor technical changes. In FY 2018-19, appropriates \$6,730 cash funds including \$5,402 from the Liquor Enforcement Division and State Licensing Authority Cash Fund and \$1,328 from the Tobacco Education Programs Fund, to the Department of Revenue, of which \$4,630 is reappropriated to the Governor's Office of Information Technology for FY 2018-19. For additional information, see the "Recent Legislation" section at the end of Part III for the Department of Revenue.

**S.B. 18-086 (CYBER CODING CRYPTOLOGY FOR STATE RECORDS):** Requires the state's Chief Information Security Officer to annually identify, assess, and mitigate cyber threats to the State. Includes various provisions to promote security of state data and Colorado's role as a center for cybersecurity research, development, and training. Among other provisions, appropriates \$5,100,000 General Fund to the Department of Higher Education in FY 2018-19 for allocation to higher education governing boards participating in activities related to cybersecurity and distributed ledger technologies as follows: Colorado Mesa University - \$300,000; Metropolitan State University of Denver - \$300,000; Western State Colorado University - \$200,000; Colorado State University System - \$1,200,000;



University of Colorado System - \$2,800,000; Community College System - \$300,000. General Fund appropriations are first appropriated to the College Opportunity Fund Program and are then reappropriated to the individual governing boards for fee-for-service contracts, resulting in a matching increase of \$5,100,000 reappropriated funds. Appropriates \$250,000 General Fund and 1.0 FTE to the Governor's Office of Information Technology to evaluate the potential use of blockchain and distributed ledger technologies and make recommendations to the Joint Technology Committee on future implementation opportunities of such technologies. For additional information, see the "Recent Legislation" section at the end of Part III for the Department of Higher Education.

**S.B. 18-150 (VOTER REGISTRATION INDIVIDUALS CRIMINAL JUSTICE SYSTEM):** Changes the election code to allow the Department of State to preregister parolees to vote once removed from parole and qualified to vote. Directs the Division of Adult Parole in the Department of Corrections to provide voter information to persons released from parole. Appropriates \$95,555 cash fund from the Department of State Cash Fund. Transfers \$89,600 from the Department of Corrections to the Governor's Office of Information Technology for FY 2018-19 for the provision of technology services to implement this bill. For additional detail, see the "Recent Legislation" section at the end of Part III for the Department of Corrections.

**H.B. 18-1017 (PSYCHOLOGY INTERJURISDICTIONAL COMPACT):** Enters Colorado into the Psychology Interjurisdictional Compact to allow psychologists to practice in other compact states (member states) via telepsychology or short-term, in-person practice. To participate in the compact, a psychologist must have a full and unrestricted psychologist license in a member state and possess appropriate certifications from the Association of State and Provincial Psychology Boards. Transfers \$80,000 from the Department of Regulatory Agencies to the Governor's Office of Information Technology for FY 2018-19 for the provision of technology services to implement this bill. For additional information, see the "Recent Legislation" section at the end of Part III for the Department of Regulatory Agencies.

**H.B. 18-1042 (PRIVATE INTERSTATE COMMERCIAL VEHICLE REGISTRATION):** Allows private parties to perform expedited vehicle registrations for commercial trucks. Requires the Department of Revenue (DOR) to promulgate rules in order to allow a private provider to perform expedited vehicle registration for Class A commercial vehicles. The provider may retain a service fee, but will collect and remit the registration taxes and fees to the department. In FY 2018-19, includes a net appropriation of \$20,865 General Fund and includes a net decrease of 0.3 FTE to the Department of Revenue, of which \$16,016 is reappropriated to the Governor's Office of Information Technology for FY 2018-19. For additional information, see the "Recent Legislation" section at the end of Part III for the Department of Revenue.

**H.B. 18-1135 (EXTEND ADVANCED INDUSTRY EXPORT ACCELERATION PROGRAM):** Extends the Advanced Industries Export Acceleration Program that managed by the Office of Economic Development through January 1, 2025. Appropriates \$175,000 General Fund to the Advanced Industries Export Acceleration Cash Fund for FY 2018-19 and reappropriates an equal amount from the Fund to the Office.

**HB 18-1160 (SUPPLEMENTAL BILL):** Modifies FY 2017-18 appropriations to the Department.

**H.B. 18-1256 (SUNSET CONTINUE CIVIL RIGHTS DIVISION AND COMMISSION):** Continues the state's Civil Rights Division and Civil Rights Commission in the Department of Regulatory Agencies, which are scheduled to repeal on July 1, 2018. Transfers \$10,000 from the Department of Regulatory Agencies to the Governor's Office of Information Technology for FY 2018-19 for the provision of technology services to implement this bill. For additional information, see the "Recent Legislation" section at the end of Part III for the Department of Regulatory Agencies.

**H.B. 18-1267 (INCOME TAX CREDIT FOR RETROFITTING HOME FOR HEALTH):** For tax years 2019 through 2023, allows certain taxpayers to claim a state income tax credit for a portion of qualified costs incurred while

retrofitting their residence for the purpose of improving accessibility, increasing visitability, or allowing qualified individuals to age in place. Requires the Department of Local Affairs (DOLA's) Division of Housing to certify that the taxpayer meets specified requirements, issue tax credits, and ensure that the total amount of credits issued does not exceed \$1.0 million each year. Appropriates \$132,328 General Fund to DOLA for FY 2018-19, and states the assumption that DOLA will require an additional 1.0 FTE. Appropriates \$65,508 of this amount to the Office of the Governor for FY 2018-19 to provide information technology services to DOLA. For additional information, see the "Recent Legislation" section at the end of Part III for the Department of Local Affairs.

**H.B. 18-1299 (ELECTRONIC FILING TITLE REGISTRATION MOTOR VEHICLE):** Under current law, the Department of Revenue (DOR) may establish a system to allow the electronic transmission of registration, lien, and titling information for motor vehicles. To implement this system, the bill allows the DOR to adopt rules to: maintain titling information electronically; accept electronic signatures on any documents; eliminate any notarization requirements for document signatures; allow all parties to electronically file and release lien information; and authorize third-party providers to process registration, lien, and titling information on behalf of a business entity. The bill includes an appropriation clause for FY 2018-19, however the effective date clause in the bill establishes an effective date for the entire bill of July 1, 2019, nullifying the appropriation in FY 2018-19. For additional information, see the "Recent Legislation" section at the end of Part III for the Department of Revenue.

**H.B. 18-1322 (LONG BILL):** General appropriations act for FY 2018-19.

**H.B. 18-1323 (PAY FOR SUCCESS CONTRACTS PILOT PROGRAM FUNDING):** Transfers specified amounts from the General Fund and the Marijuana Tax Cash Fund to the Office of State Planning and Budgeting (OSPB) Youth Pay for Success Initiatives Account within the Pay for Success Contracts Fund for FY 2018-19 through FY 2021-22. OSPB may expend this money for three specified Pay for Success contracts for pilot programs designed to reduce juvenile involvement in the justice system, reduce out-of-home placements of juveniles, and improve on-time high school graduation rates. The Department of Human Services may expend any money appropriated to it from the Account for expenses related to the administration of any pay for success contract. This bill has a General Fund impact of \$401,314 for FY 2018-19 and a total General Fund impact of \$1.9 million between FY 2018-19 and FY 2021-22. Additionally, the bill has a Marijuana Tax Cash Fund impact of \$989,470 for FY 2018-19 and a total Marijuana Tax Cash Fund impact of \$4.4 million between FY 2018-19 and FY 2021-22. Appropriates \$718,412 cash funds from the Youth Pay for Success Initiatives Account within the Pay for Success Contracts Fund to OSPB for FY 2018-19 to implement the pilot programs.

TRANSFERS TO THE OFFICE OF STATE PLANNING AND BUDGETING YOUTH PAY FOR SUCCESS INITIATIVES ACCOUNT					
TRANSFER SOURCE	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	TOTAL
General Fund	\$401,314	\$545,079	\$498,355	\$448,480	\$1,893,228
Marijuana Tax Cash Fund	989,470	1,717,764	1,725,066	0	4,432,300
<b>TOTAL</b>	<b>\$1,390,784</b>	<b>\$2,262,843</b>	<b>\$2,223,421</b>	<b>\$448,480</b>	<b>\$6,325,528</b>

**H.B. 18-1324 (CODIFY GOVERNOR'S COMMISSION ON COMMUNITY SERVICE):** Codifies the Governor's existing Commission on Community Service, known as Serve Colorado, in statute. The program was created through an executive order issued by Governor Romer in 1993. Governor Owens recreated Serve Colorado in 2002 and placed it in the Lieutenant Governor's Office. This bill establishes the powers of Serve Colorado, including the makeup of its commission, its obligations, and its duties. Appropriates \$200,000 General Fund to the Office of the Lieutenant Governor for FY 2018-19 to cover a portion of the program's operations.

**H.B. 18-1325 (Digital Trunked Radio System Coverage Gaps):** Expands the allowable use of the Public Safety Communications Trust Fund and appropriates \$2.0 million from the General Fund to the Fund for FY 2018-19 and FY 2019-20 to address network coverage gaps and reappropriates an equal amount from the Fund to the Office of Information Technology.

**H.B. 18-1339 (BACKGROUND CHECKS FOR EMPLOYEES WITH ACCESS TO FEDERAL TAX INFORMATION):**

Requires each applicant, state employee, state contractor, or other individual who has or may have access through a state agency to federal tax information received from the federal government to submit to a fingerprint-based criminal history records check. Specifies that a state agency that shares such federal tax information with a county may authorize and require the county department applicants, employees, contractors, or other individuals to submit to a fingerprint-based criminal history records check. Requires a state agency to deny access to federal tax information received from the federal government to any individual who does not pass the fingerprint-based criminal history record check. Appropriates \$6,188 General Fund to the Governor's Office of Information Technology for FY 2018-19 to purchase of criminal history background checks for employees. For additional information, see the "Recent Legislation" section at the end of Part III for the Department of Revenue.

**H.B. 18-1353 (DEFENSE COUNSEL ON FIRST APPEARANCE GRANT PROGRAM):**

Creates the Defense Counsel on First Appearance Grant Program in the Department of Local Affairs's Division of Local Government to reimburse local governments for costs associated with the provision of defense counsel to defendants at their first appearances in municipal courts. Allows the Division to spend the annual appropriation for this grant program over two fiscal years. Appropriates \$1,853,037 General Fund to DOLA for FY 2018-19, and states the assumption that DOLA will require an additional 0.5 FTE. Appropriates \$6,078 of this amount to other agencies for FY 2018-19 to provide services to DOLA, including \$4,480 to the Office of the Governor for information technology services and \$1,598 to the Department of Law to provide legal services. For additional information, see the "Recent Legislation" section at the end of Part III for the Department of Local Affairs.

# Details

## DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

### FY 2017-18 AND FY 2018-19 APPROPRIATIONS BY DIVISION AND BILL

	TOTAL FUNDS	GENERAL FUND <sup>1,2</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2017-18 TOTAL APPROPRIATION:</b>	<b>\$9,896,328,729</b>	<b>\$2,810,881,032</b>	<b>\$1,212,347,879</b>	<b>\$77,491,711</b>	<b>\$5,795,608,107</b>	<b>459.3</b>
<b>BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION</b>						
Executive Director's Office	291,016,161	62,027,666	40,720,410	4,193,558	184,074,527	419.2
Medical Services Premiums	7,582,014,060	2,076,557,736	866,879,029	70,731,431	4,567,845,864	0.0
Behavioral Health Community Programs	535,174,626	173,502,009	23,499,835	0	338,172,782	0.0
Office of Community Living	535,569,520	271,545,879	7,516,096	0	256,507,545	40.1
Indigent Care Program	551,602,131	10,409,002	208,257,707	0	332,935,422	0.0
Other Medical Services	287,009,977	162,019,412	63,585,899	2,566,722	58,837,944	0.0
Department of Human Services Medicaid-Funded Programs	113,942,254	54,819,328	1,888,903	0	57,234,023	0.0
<b>BREAKDOWN OF TOTAL APPROPRIATION BY BILL</b>						
SB 17-254	\$9,954,228,476	\$2,821,961,889	\$1,217,535,979	\$77,268,980	\$5,837,461,628	456.8
SB 17-091	2,211,530	1,025,567	18,216	0	1,167,747	0.0
SB 17-121	283,781	95,662	46,228	0	141,891	0.7
SB 17-256	(528,200,000)	0	(264,100,000)	0	(264,100,000)	0.0
SB 17-267	526,381,099	(320,035)	264,035,165	0	262,665,969	0.0
HB 17-1343	222,794	0	111,398	0	111,396	1.0
HB 17-1351	75,000	37,500	0	0	37,500	0.0
HB 18-1161	338,122,444	62,308,625	6,528,987	(202,310)	269,487,142	0.8
HB 18-1322	(405,342,210)	(82,573,991)	(11,828,094)	425,041	(311,365,166)	0.0
HB 18-1329	7,591,815	7,591,815	0	0	0	0.0
HB 18-1330	754,000	754,000	0	0	0	0.0
<b>FY 2018-19 TOTAL APPROPRIATION:</b>						
<b>FY 2018-19 TOTAL APPROPRIATION:</b>	<b>\$10,156,536,635</b>	<b>\$2,904,579,002</b>	<b>\$1,292,022,699</b>	<b>\$84,557,891</b>	<b>\$5,875,377,043</b>	<b>506.3</b>
<b>BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION</b>						
Executive Director's Office	301,704,609	70,437,642	42,206,240	4,530,495	184,530,232	465.8
Medical Services Premiums	7,631,479,929	2,114,180,322	939,712,695	77,385,674	4,500,201,238	0.0
Behavioral Health Community Programs	656,887,430	184,437,583	30,054,951	0	442,394,896	0.0
Office of Community Living	596,683,089	307,692,087	1,564,074	0	287,426,928	40.5
Indigent Care Program	559,668,913	10,188,431	209,466,791	0	340,013,691	0.0
Other Medical Services	292,328,161	160,889,589	67,129,045	2,641,722	61,667,805	0.0
Department of Human Services Medicaid-Funded Programs	117,784,504	56,753,348	1,888,903	0	59,142,253	0.0
<b>BREAKDOWN OF TOTAL APPROPRIATION BY BILL</b>						
HB 18-1322	\$10,130,526,763	\$2,891,689,537	\$1,290,827,504	\$84,557,891	\$5,863,451,831	491.4
SB 18-145	27,675	27,675	0	0	0	0.4
SB 18-231	109,500	109,500	0	0	0	0.0
SB 18-266	(2,061,973)	(730,316)	222,613	0	(1,554,270)	6.8
HB 18-1003	925,000	0	925,000	0	0	0.0

	TOTAL FUNDS	GENERAL FUND <sup>1,2</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 18-1136	473,655	155,193	81,634	0	236,828	1.5
HB 18-1321	(104,303)	0	(34,052)	0	(70,251)	0.8
HB 18-1326	(684,116)	(477,058)	0	0	(207,058)	0.0
HB 18-1327	2,640,790	1,570,395	0	0	1,070,395	0.9
HB 18-1328	97,263	48,630	0	0	48,633	1.8
HB 18-1407	24,586,381	12,185,446	0	0	12,400,935	2.7
<b>INCREASE/(DECREASE)</b>	<b>\$260,207,906</b>	<b>\$93,697,970</b>	<b>\$79,674,820</b>	<b>\$7,066,180</b>	<b>\$79,768,936</b>	<b>47.0</b>
Percentage Change	2.6%	3.3%	6.6%	9.1%	1.4%	10.2%

<sup>1</sup> Includes General Fund Exempt.

<sup>2</sup> Includes \$440,340 in FY 2017-18 and \$429,909 in FY 2018-19 that is not subject to the statutory restriction on state General Fund appropriations imposed by Section 24-75-201.1, C.R.S.

**GENERAL FUND EXEMPT:** Amounts in the General Fund column include appropriations from both the General Fund and General Fund Exempt. Appropriations for this department include two different types of General Fund Exempt, which are described below.

- The General Fund Exempt Account was created by Referendum C, passed by Colorado voters in November 2005. Referendum C allowed the State to retain for FY 2005-06 through FY 2009-10 all revenue collected in excess of the TABOR limit and for FY 2010-11 and subsequent fiscal years all revenues in excess of the TABOR limit but less than the excess state revenues cap. The retained revenue must be placed in the General Fund Exempt Account. Money in the General Fund Exempt Account is appropriated to this department for the purposes of funding health care for Colorado's elderly, low-income, and disabled populations pursuant to Sections 24-77-103.6 (2)(a) and 24-77-104.5 (2)(a)(I), C.R.S.
- Amendment 35, which was approved by voters in November 2004, imposed new cigarette and tobacco taxes through the addition of Section 21 in Article X of the State Constitution. The new tobacco tax revenues authorized by Amendment 35 are exempt from the TABOR state fiscal year spending limit, and General Fund appropriations from these revenues are also exempt from the statutory restriction on General Fund appropriations. Amendment 35 requires that a portion of the new tobacco tax revenues be appropriated to the General Fund and made available to this department for the Children's Basic Health Plan.

The table below reflects General Fund Exempt appropriations for FY 2017-18 and FY 2018-19 from both of the sources described above. For additional information on General Fund Exempt appropriations, see Appendix D.

GENERAL FUND SUMMARY	TOTAL GENERAL FUND	GENERAL FUND	GENERAL FUND EXEMPT
FY 2017-18	\$2,810,881,032	\$1,989,739,026	\$821,142,006
FY 2018-19	\$2,904,579,002	\$2,111,049,093	\$793,529,909

**INFORMATIONAL FUNDS:** The FY 2018-19 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Health Care Policy and Financing are annotated with the "(I)". For additional information, see Appendix E.

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2018-19 Appropriations containing an (I) notation	\$269,817,725	\$0	\$9,946,973	\$0	\$259,870,752

## DETAIL OF APPROPRIATION BY ADMINISTRATIVE SECTION

### EXECUTIVE DIRECTOR'S OFFICE

This appropriation for the Executive Director's Office contains the administrative funding for the Department, including the Department's personnel, operation of the Medicaid Management Information System, utilization reviews, provider audits, eligibility determinations, contract research and analysis, and customer services. The fund sources for this division include the General Fund, federal funds received for the Medicaid and Children's Basic Health Plan programs, the Health Care Expansion Fund, the Children's Basic Health Plan Trust Fund, provider fees from hospitals and nursing facilities, and various other cash funds.

EXECUTIVE DIRECTOR'S OFFICE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$278,481,375	\$61,369,366	\$35,954,741	\$4,149,782	\$177,007,486	417.7
SB 17-121	283,781	95,662	46,228	0	141,891	0.7
SB 17-267	0	0	0	0	0	0.0
HB 17-1343	150,000	0	75,000	0	75,000	0.0
HB 17-1351	75,000	37,500	0	0	37,500	0.0
HB 18-1161	12,026,005	525,138	4,644,441	43,776	6,812,650	0.8
<b>TOTAL</b>	<b>\$291,016,161</b>	<b>\$62,027,666</b>	<b>\$40,720,410</b>	<b>\$4,193,558</b>	<b>\$184,074,527</b>	<b>419.2</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$291,016,161	\$62,027,666	\$40,720,410	\$4,193,558	\$184,074,527	419.2
Centrally appropriated items	2,870,908	770,809	(1,240)	237,600	1,863,739	0.0
Medicaid savings initiatives	2,840,053	689,074	133,342	4,151	2,013,486	5.9
Home care visit verification	2,668,570	568,836	0	0	2,099,734	6.9
Administrative contracts	1,905,636	1,282,614	894,387	0	(271,365)	0.0
Drug cost containment	1,213,297	283,874	0	0	929,423	0.0
Hospital payment oversight	1,068,901	0	527,920	5,564	535,417	9.9
Emergency transport CPE	488,294	244,147	0	0	244,147	0.0
IDD waiver consolidation	478,500	239,250	0	0	239,250	0.0
CBMS-PEAK	467,661	500,178	(267,342)	1,501	233,324	0.0
Transfers to other agencies	173,343	69,355	0	3,831	100,157	0.0
Safety net programs	135,500	28,864	106,636	0	0	0.0
Veterans outreach	25,000	12,500	0	0	12,500	0.0
Community provider rate adjustment	7,210	3,605	0	0	3,605	0.0
Annualize prior year budget actions	(10,849,264)	2,256,302	(729,156)	84,290	(12,460,700)	9.0
Single assessment tool	(4,872,225)	(2,324,518)	0	0	(2,547,707)	0.0
All-payer claims database	(500,000)	(500,000)	0	0	0	0.0
<b>HB 18-1322</b>	<b>\$289,137,545</b>	<b>\$66,152,556</b>	<b>\$41,384,957</b>	<b>\$4,530,495</b>	<b>\$177,069,537</b>	<b>450.9</b>
SB 18-145	27,675	27,675	0	0	0	0.4
SB 18-231	109,500	109,500	0	0	0	0.0
SB 18-266	7,938,027	2,007,911	729,853	0	5,200,263	6.8
HB 18-1136	473,655	155,193	81,634	0	236,828	1.5
HB 18-1321	143,839	40,373	9,796	0	93,670	0.8
HB 18-1326	337,500	33,750	0	0	303,750	0.0
HB 18-1327	2,640,790	1,570,395	0	0	1,070,395	0.9
HB 18-1328	197,279	98,639	0	0	98,640	1.8
HB 18-1407	698,799	241,650	0	0	457,149	2.7
<b>TOTAL</b>	<b>\$301,704,609</b>	<b>\$70,437,642</b>	<b>\$42,206,240</b>	<b>\$4,530,495</b>	<b>\$184,530,232</b>	<b>465.8</b>
<b>INCREASE/(DECREASE)</b>	<b>\$10,688,448</b>	<b>\$8,409,976</b>	<b>\$1,485,830</b>	<b>\$336,937</b>	<b>\$455,705</b>	<b>46.6</b>
Percentage Change	3.7%	13.6%	3.6%	8.0%	0.2%	11.1%

## FY 2017-18 APPROPRIATION - MID-YEAR ADJUSTMENTS

H.B. 18-1161 includes: an increase of \$6.8 million total funds for county administration; an increase of \$5.1 million total funds, including \$748,757 General Fund, for the Colorado Benefits Management System; and miscellaneous other changes to administrative expenditures.

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes \$2.9 million total funds, including \$770,809 General Fund, for 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; salary survey; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; Capitol complex leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

**MEDICAID SAVINGS INITIATIVES:** The appropriation includes an increase of \$2.8 million total funds, including \$689,074 General Fund, and 5.9 FTE for administrative costs related to implementing the following measures designed to decrease Medicaid expenditures: (1) New requirements for prior authorization review before Medicaid will cover certain services, in order to ensure medical necessity and that other less costly alternatives have been exhausted; (2) Automatic notifications that require clients with Medicaid coverage in another state to attest their residency in Colorado or have their Colorado eligibility terminated; (3) Staff to pursue resources in trusts that Medicaid is required to recover; (4) Discounted bus fares to reduce non-emergency medical transportation costs and a new option for Medicaid clients to use public transportation as an alternative to taxi or mobility van services for covered non-medical transportation; and (5) A federal waiver to collect a monthly premium, on a sliding scale based on family income, for the Children's Home and Community Based Services (CHCBS) waiver.

**HOME CARE VISIT VERIFICATION:** The appropriation includes \$2.7 million total funds, including \$568,836 General Fund, and 6.9 FTE to implement a federally required electronic system to track and verify the time that personal care and home health workers spend on home visits. Of the new positions, 4.0 FTE are time-limited through FY 2020-21, as they relate to temporary needs for project development, testing, and fraud investigation (for an expected initial spike in fraud cases).

**ADMINISTRATIVE CONTRACTS:** The appropriation provides \$1.9 million total funds, including \$1.3 million General Fund, for changes to administrative contracts, including: (1) \$234,954 total funds, including \$117,477 General Fund, for higher than expected bids to implement a federally-required electronic asset verification program for Medicaid applicants and a revised caseload estimate; (2) A net zero total funds change, but a decrease of \$259,195 General Fund, for a decrease in the federal match rate for quality reviews of prepaid inpatient health plans that is offset by an allocation of a portion of the state share of costs to the Healthcare Affordability and Sustainability (HAS) Fee; (3) A one-time payment of \$1.3 million General Fund for a federal disallowance based on claiming too high a federal match rate for quality reviews of the Accountable Care Collaborative in prior years; and (4) \$366,400 total funds, including \$120,050 General Fund, to increase contract services that assist in complying with federal cost allocation procedures necessary to claim federal matching funds for administrative functions, especially those performed by vendors that may have costs that are not eligible for Medicaid reimbursement.

**DRUG COST CONTAINMENT:** The appropriation includes \$1.2 million total funds, including \$283,874 General Fund, for administrative costs to implement new prior authorization review (PAR) requirements for physician-administered drugs and to explore alternative payment models for pharmaceuticals. The funding includes increases for contract services to administer the PARs and to research the alternative payment models. An alternative payment model would adjust net payments for drugs based on patient outcomes, and might involve a request for a

federal waiver to allow the Department additional time in reviews before covering new drugs lacking proven clinical efficacy.

**HOSPITAL PAYMENT OVERSIGHT:** The appropriation includes \$1.1 million total funds, including \$524,170 cash funds from the Healthcare Affordability and Sustainability (HAS) Fee, and 9.9 FTE to improve the Department's oversight of the HAS Fee, develop performance payments for hospitals as required by S.B. 17-267 (Sustainability of Rural Colorado), analyze the drivers of Medicaid expenditures on hospitals, and defend the Colorado Healthcare Affordability and Sustainability Enterprise against a legal challenge. Of the total, \$250,000, including \$125,000 cash funds from the HAS Fee, is for the legal services.

**EMERGENCY TRANSPORT CPE (CERTIFIED PUBLIC EXPENDITURES):** The appropriation includes \$488,294 total funds, including \$244,147 General Fund, for administrative costs to take funds spent by local governments on emergency medical transportation (EMT) and certify those funds as public expenditures in order to claim an estimated \$9.8 million in matching federal funds through Medicaid. The Department will use a portion of the increased revenue to offset General Fund costs for administration, similar to the process used for other certified public expenditures, and the bulk to increase reimbursements for public EMT providers by an estimated \$8.6 million.

**IDD WAIVER CONSOLIDATION:** The appropriation includes \$478,500 total funds, including \$239,250 General Fund, for administrative resources related to the consolidation of the Home- and Community-Based Services adult waivers for persons with intellectual and developmental disabilities.

**CBMS-PEAK:** The appropriation includes \$467,661 total funds, including \$500,178 General Fund, for increasing costs of the Colorado Benefits Management System (CBMS) that determines eligibility for Medicaid and other public assistance programs. The funds will be used for producing and mailing client correspondence, meeting federal security requirements, and covering the software licensing, maintenance, and support costs associated with existing capacity and performance issues.

**TRANSFERS TO OTHER AGENCIES:** The appropriation includes \$173,343 total funds, including \$69,355 General Fund, for transfers to other state agencies for programs eligible to receive Medicaid funding, primarily for the Department of Public Health and Environment.

**SAFETY NET PROGRAMS:** The appropriation includes \$135,500 total funds, including \$28,864 General Fund, to finance audits of the Primary Care Fund and Colorado Indigent Care Program with funds reallocated from within the Department and a projected additional \$53,476 in HAS Fee revenue.

**VETERANS OUTREACH:** The appropriation includes \$25,000 total funds, including \$12,500 General Fund, for researching outreach efforts in other states designed to connect veterans with available federal and state services in order to improve health outcomes and reduce Medicaid expenditures.

**COMMUNITY PROVIDER RATE ADJUSTMENT:** The appropriation includes \$7,210 total funds, including \$3,605 General Fund, for a common policy across-the-board increase for most community providers of 1.0 percent. The adjustment does not apply to rates that are capitated, cost-based, or based on a methodology defined in statute or regulation, such as rates for pharmacy reimbursements, rural health centers, federally qualified health centers, home- and community-based services for children with autism, hospice care in nursing facilities, nursing reimbursements, disease management, and administrative contracts.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for out-year impacts of prior year legislation and budget actions, summarized in the table below. The titles of the annualizations begin with either



a bill number or the relevant fiscal year. For budget decisions made in the Long Bill, the title includes a reference to the priority number the Department used in that year for the initiative, if relevant.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 16-192 IDD Needs assessment	\$5,400,000	\$2,700,000	\$0	\$0	\$2,700,000	0.0
FY 16-17 R9 Office of Community Living	2,805,032	701,257	(27,656)	0	2,131,431	0.0
HB 17-1353 Delivery and payment initiatives	335,054	167,527	0	0	167,527	4.6
FY 06-07 R8 Fund nursing facility	279,746	139,873	0	0	139,873	0.0
FY 17-18 CU School of Medicine payment	190,089	0	0	95,044	95,045	3.0
FY 17-18 NP Public Health health surveys	33,511	16,756	0	0	16,755	0.0
FY 16-17 NP OIT CBMS	0	(35,969)	35,969	0	0	0.0
FY 17-18 R8 MMIS operations	(17,498,878)	(912,626)	(699,974)	(10,754)	(15,875,524)	0.2
FY 16-17 BA10 Coordinate Medicaid-Medicare	(621,826)	0	0	0	(621,826)	0.0
FY 17-18 R10 Regional Centers	(593,300)	(59,330)	0	0	(533,970)	0.0
FY 17-18 Vendor transition	(498,458)	(249,229)	0	0	(249,229)	0.0
FY 17-18 Public Health facility survey	(193,346)	(124,064)	0	0	(69,282)	0.0
FY 15-16 R9 Health records	(125,070)	63,548	0	0	(188,618)	0.0
SB 17-121 Client correspondence	(95,953)	(32,125)	(15,851)	0	(47,977)	0.3
FY 17-18 R7 Oversight of state resources	(91,718)	(43,513)	(2,352)	0	(45,853)	0.9
HB 17-1351 Inpatient substance use disorder	(75,000)	(37,500)	0	0	(37,500)	0.0
FY 17-18 Salary survey	(43,403)	(18,137)	(6,534)	0	(18,732)	0.0
FY 17-18 Merit pay	(27,725)	(6,699)	(12,216)	0	(8,810)	0.0
FY 17-18 NP Public Health IDD facility survey	(23,315)	(11,657)	0	0	(11,658)	0.0
SB 16-120 Medicaid explanation of benefits	(4,704)	(1,810)	(542)	0	(2,352)	0.0
<b>TOTAL</b>	<b>(\$10,849,264)</b>	<b>\$2,256,302</b>	<b>(\$729,156)</b>	<b>\$84,290</b>	<b>(\$12,460,700)</b>	<b>9.0</b>

**SINGLE ASSESSMENT TOOL:** The appropriation includes a decrease of \$4.9 million total funds, including a decrease of \$2.3 million General Fund, as part of a reallocation of funds between fiscal years to complete the development and implementation of the single assessment tool required by S.B. 16-192 (Assessment Tool Intellectual and Developmental Disabilities).

**ALL-PAYER CLAIMS DATABASE:** The appropriation includes a decrease of \$500,000 General Fund that previously funded scholarship grants for research using the All-Payer Claims Database.

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

## MEDICAL SERVICES PREMIUMS

This division provides the health care funding for an estimated 1,350,445 Medicaid clients in FY 2018-19. 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 tobacco revenues deposited in the Health Care Expansion Fund, provider fees from hospitals and nursing facilities, funds spent by local governments for health services and certified as the state match for federal funds, unclaimed property trust fund revenues deposited in the Adult Dental Fund, and recoveries and recoupments. The reappropriated funds include transfers from the Department of Higher Education for the University of Colorado supplemental payment and from the Old Age Pension State Medical Program. 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 <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$7,597,506,218	\$2,091,822,734	\$886,211,720	\$70,552,476	\$4,548,919,288	0.0
SB 17-091	2,211,530	1,025,567	18,216	0	1,167,747	0.0
SB 17-256	(528,200,000)	0	(264,100,000)	0	(264,100,000)	0.0
SB 17-267	526,381,099	(320,035)	264,035,165	0	262,665,969	0.0
HB 18-1161	353,389,551	53,900,141	(8,927,993)	(246,086)	308,663,489	0.0
HB 18-1322	(369,274,338)	(69,870,671)	(10,358,079)	425,041	(289,470,629)	0.0
<b>TOTAL</b>	<b>\$7,582,014,060</b>	<b>\$2,076,557,736</b>	<b>\$866,879,029</b>	<b>\$70,731,431</b>	<b>\$4,567,845,864</b>	<b>0.0</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$7,582,014,060	\$2,076,557,736	\$866,879,029	\$70,731,431	\$4,567,845,864	0.0
Community provider rate adjustment	37,963,764	12,271,620	1,552,407	0	24,139,737	0.0
Targeted rate adjustments	29,533,595	14,002,025	404,307	0	15,127,263	0.0
Medical Services Premiums	23,709,908	34,215,228	61,220,308	77,582	(71,803,210)	0.0
Emergency transport CPE	18,139,431	(954,707)	9,547,069	0	9,547,069	0.0
CU School of Medicine payment	13,521,050	0	0	6,760,525	6,760,525	0.0
Yearly contraceptive supply	1,802,293	43,504	88,871	0	1,669,918	0.0
Options counseling	241,942	120,971	0	0	120,971	0.0
Annualize prior year budget actions	(58,943,161)	(15,651,506)	(2,121,707)	(183,864)	(40,986,084)	0.0
Medicaid savings initiatives	(3,659,755)	(2,580,402)	2,732,628	0	(3,811,981)	0.0
Drug cost containment	(1,080,520)	(308,281)	(39,129)	0	(733,110)	0.0
Single assessment tool	(267,050)	(133,525)	0	0	(133,525)	0.0
<b>HB 18-1322</b>	<b>\$7,642,975,557</b>	<b>\$2,117,582,663</b>	<b>\$940,263,783</b>	<b>\$77,385,674</b>	<b>\$4,507,743,437</b>	<b>0.0</b>
SB 18-266	(10,000,000)	(2,738,227)	(507,240)	0	(6,754,533)	0.0
HB 18-1321	(248,142)	(40,373)	(43,848)	0	(163,921)	0.0
HB 18-1326	(1,384,496)	(692,248)	0	0	(692,248)	0.0
HB 18-1328	67,940	33,971	0	0	33,969	0.0
HB 18-1407	69,070	34,536	0	0	34,534	0.0
<b>TOTAL</b>	<b>\$7,631,479,929</b>	<b>\$2,114,180,322</b>	<b>\$939,712,695</b>	<b>\$77,385,674</b>	<b>\$4,500,201,238</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$49,465,869</b>	<b>\$37,622,586</b>	<b>\$72,833,666</b>	<b>\$6,654,243</b>	<b>(\$67,644,626)</b>	<b>0.0</b>
Percentage Change	0.7%	1.8%	8.4%	9.4%	(1.5%)	n/a

<sup>1</sup> Includes General Fund Exempt.

## FY 2017-18 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 18-1161 includes an increase of \$353.4 million total funds, including \$53.9 million General Fund, for medical services and long-term services and supports provided through Medicaid. House Bill 18-1322 includes a net decrease of \$369.3 million total funds, including a decrease of \$69.9 million General Fund, for medical services and long-term services and supports provided through Medicaid.

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**COMMUNITY PROVIDER RATE ADJUSTMENT:** The appropriation includes an increase of \$38.0 million, including \$12.3 million General Fund, for a common policy across-the-board increase for most community providers of 1.0 percent. The adjustment does not apply to rates that are capitated, cost-based, or based on a methodology defined in statute or regulation, such as rates for pharmacy reimbursements, rural health centers, federally qualified health centers, home- and community-based services for children with autism, hospice care in nursing facilities, nursing reimbursements, disease management, and administrative contracts.

**TARGETED RATE ADJUSTMENTS:** The appropriation includes an increase of \$29.5 million, including \$14.0 million General Fund, for the following targeted rate adjustments:

- Alternative Care Facilities – An increase of \$15.7 million total funds, including \$7.8 million General Fund, to increase rates for assisted living residences for the elderly and people with disabilities by 25.0 percent from \$51.92 per day to \$64.88 per day (does not include room and board)
- Personal Care and Homemaker – An increase of \$6.4 million total funds, including \$3.2 million General Fund, to increase personal care, homemaker, and equivalent consumer directed service rates
- Transportation – An increase of \$6.4 million total funds, including \$2.5 million General Fund, to increase rates for emergency medical transportation, non-emergency medical transportation, and non-medical transportation by 7.7 percent
- Neonatology – An increase of \$2.5 million total funds, including \$1.2 million General Fund, to prevent a decrease in rates due to the conversion of the primary care rate bump to performance-based payments that do not include neonatology, and a 5.4 percent increase to account for neonatology providers not being eligible for performance payments
- Physician Services and Surgery – Net budget neutral adjustments to select rates based on place of service and for services that are below 80 percent or above 100 percent of the Medicare benchmark

**MEDICAL SERVICES PREMIUMS:** The appropriation provides an increase of \$23.7 million total funds, including an increase of \$34.2 million General Fund, to reflect a new forecast of enrollment, utilization, and per capita costs for medical services and long-term services and supports provided through Medicaid. Annualizations of prior year budget actions reduce forecasted expenditures by a net \$65.4 million, including an increase of \$2.6 million General Fund. The tables below show the projected year over year changes by detailed enrollment category for the enrollment/utilization trends and annualizations combined. Note that these tables detail changes attributable to the forecast and annualizations only and so they may not match other summary tables in this document that account for other legislation and policy changes beyond the forecast.

ENROLLMENT				
CATEGORY	FY 17-18	FY 18-19	DIFFERENCE	PERCENT
Adults 65+ to SSI	45,945	47,392	1,447	3.1%
Adults with Disabilities 60 to 64	11,742	12,369	627	5.3%
Individuals with Disabilities to 59	67,138	68,495	1,357	2.0%
Disabled Buy-In to 450% FPL	8,188	10,032	1,844	22.5%
Parents / Caretakers to 68% FPL	181,632	186,391	4,759	2.6%
Breast & Cervical Cancer to 250% FPL	142	116	(26)	(18.3%)
Children to 107% FPL	443,986	439,248	(4,738)	(1.1%)
SB 11-008 Children 107% to 147% FPL	66,666	67,553	887	1.3%
Foster Care to 26 years	21,429	22,516	1,087	5.1%
Pregnant Adults to 142% FPL	9,706	9,138	(568)	(5.9%)
SB 11-250 Pregnant 142% to 200% FPL	2,158	2,154	(4)	(0.2%)
Non-Citizens - Emergency Services	2,856	2,881	25	0.9%
Adults 65+ SSI to 135% FPL-Medicare premiums	35,057	36,943	1,886	5.4%
<b>Subtotal - Traditional Medicaid</b>	<b>896,645</b>	<b>905,228</b>	<b>8,583</b>	<b>1.0%</b>
ACA "Newly Eligible"				
Parents / Caretakers 69% to 138% FPL	77,128	78,809	1,681	2.2%
Adults w/out Dependent Children to 138% FPL	361,574	366,408	4,834	1.3%
<b>Subtotal - ACA "Newly Eligible"</b>	<b>438,702</b>	<b>445,217</b>	<b>6,515</b>	<b>1.5%</b>
<b>TOTAL</b>	<b>1,335,347</b>	<b>1,350,445</b>	<b>15,098</b>	<b>1.1%</b>

EXPENDITURES				
CATEGORY	FY 17-18	FY 18-19	DIFFERENCE	PERCENT
Adults 65+ to SSI	\$1,280,396,353	\$1,338,005,331	\$57,608,978	4.5%
Adults with Disabilities 60 to 64	243,009,335	243,148,146	138,811	0.1%
Individuals with Disabilities to 59	1,208,915,833	1,195,442,708	(13,473,125)	(1.1%)
Disabled Buy-In to 450% FPL	50,650,853	49,538,699	(1,112,154)	(2.2%)
Parents / Caretakers to 68% FPL	567,036,422	538,582,319	(28,454,103)	(5.0%)
Breast & Cervical Cancer to 250% FPL	3,051,237	2,295,873	(755,364)	(24.8%)
Children to 107% FPL	927,328,840	876,761,531	(50,567,309)	(5.5%)
SB 11-008 Children 107% to 147% FPL	105,418,445	101,555,302	(3,863,143)	(3.7%)
Foster Care to 26 years	98,787,493	99,766,065	978,572	1.0%
Pregnant Adults to 142% FPL	128,693,894	115,230,136	(13,463,758)	(10.5%)
SB 11-250 Pregnant 142% to 200% FPL	22,180,108	21,628,073	(552,035)	(2.5%)
Non-Citizens - Emergency Services	53,498,687	53,825,031	326,344	0.6%
Adults 65+ SSI to 135% FPL-Medicare premiums	48,867,130	49,256,748	389,618	0.8%
<b>Subtotal - Traditional Medicaid</b>	<b>\$4,737,834,630</b>	<b>\$4,685,035,962</b>	<b>(\$52,798,668)</b>	<b>(1.1%)</b>
ACA "Newly Eligible"				
Parents / Caretakers 69% to 138% FPL	\$236,335,920	\$221,022,818	(\$15,313,102)	(6.5%)
Adults w/out Dependent Children to 138% FPL	1,447,302,581	1,364,023,159	(83,279,422)	(5.8%)
<b>Subtotal - ACA "Newly Eligible"</b>	<b>\$1,683,638,501</b>	<b>\$1,585,045,977</b>	<b>(\$98,592,524)</b>	<b>(5.9%)</b>
Services Subtotal	\$6,421,473,131	\$6,270,081,939	(\$151,391,192)	(7.0%)
Booster Payments / Financing	1,160,540,929	1,276,698,868	116,157,939	10.0%
<b>TOTAL</b>	<b>\$7,582,014,060</b>	<b>\$7,546,780,807</b>	<b>(\$35,233,253)</b>	<b>3.0%</b>

PER CAPITA				
CATEGORY	FY 17-18	FY 18-19	DIFFERENCE	PERCENT
Adults 65+ to SSI	\$27,868	\$28,233	\$365	1.3%
Adults with Disabilities 60 to 64	20,696	19,658	(1,038)	(5.0%)
Individuals with Disabilities to 59	18,006	17,453	(553)	(3.1%)
Disabled Buy-In to 450% FPL	6,186	4,938	(1,248)	(20.2%)
Parents / Caretakers to 68% FPL	3,122	2,890	(232)	(7.4%)
Breast & Cervical Cancer to 250% FPL	21,488	19,792	(1,696)	(7.9%)
Children to 107% FPL	2,089	1,996	(93)	(4.4%)
SB 11-008 Children 107% to 147% FPL	1,581	1,503	(78)	(4.9%)
Foster Care to 26 years	4,610	4,431	(179)	(3.9%)
Pregnant Adults to 142% FPL	13,259	12,610	(649)	(4.9%)
SB 11-250 Pregnant 142% to 200% FPL	10,278	10,041	(237)	(2.3%)
Non-Citizens - Emergency Services	18,732	18,683	(49)	(0.3%)
Adults 65+ SSI to 135% FPL-Medicare premiums	1,394	1,333	(61)	(4.3%)
<b>Subtotal - Traditional Medicaid</b>	<b>\$5,284</b>	<b>\$5,176</b>	<b>(\$108)</b>	<b>(2.1%)</b>
ACA "Newly Eligible"				
Parents / Caretakers 69% to 138% FPL	\$3,064	\$2,805	(\$260)	(8.5%)
Adults w/out Dependent Children to 138% FPL	4,003	3,723	(280)	(7.0%)
<b>Subtotal - ACA "Newly Eligible"</b>	<b>\$3,838</b>	<b>\$3,560</b>	<b>(\$278)</b>	<b>(7.2%)</b>
<b>TOTAL</b>	<b>\$4,809</b>	<b>\$4,643</b>	<b>(\$166)</b>	<b>(3.4%)</b>

**EMERGENCY TRANSPORT CPE (CERTIFIED PUBLIC EXPENDITURES):** The appropriation includes a net increase of \$18.1 million total funds, including a decrease of \$954,707 General Fund, to take funds spent by local governments on emergency medical transportation (EMT) and certify those funds as public expenditures in order to claim an estimated \$9.8 million in matching federal funds through Medicaid. The Department will use a portion of the increased revenue to offset General Fund costs for administration, similar to the process used for other certified public expenditures, and the bulk to increase reimbursements for public EMT providers by an estimated \$8.6 million.

**CU SCHOOL OF MEDICINE PAYMENT:** The appropriation includes an increase of \$13.5 million total funds, including \$6.8 million reappropriated funds transferred from the University of Colorado, for Medicaid payments to physicians employed by the University of Colorado School of Medicine

**YEARLY CONTRACEPTIVE SUPPLY:** The appropriation includes \$1.8 million total funds, including \$43,504 General Fund, to allow Medicaid clients to receive a one-year supply of contraceptives.

**OPTIONS COUNSELING:** The appropriation includes \$241,942 total funds, including \$120,971 General Fund, to expand counseling on the options available for people wanting to transition from an institutional setting to a community setting.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for out-year impacts of prior year legislation and budget actions, summarized in the table below. The titles of the annualizations begin with either a bill number or the relevant fiscal year. For budget decisions made in the Long Bill, the title includes a reference to the priority number the Department used in that year for the initiative, if relevant.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 17-18 Provider rates	\$5,571,213	\$2,009,111	\$165,540	\$0	\$3,396,562	0.0
FY 17-18 R7 Oversight of state resources	637,008	192,663	(27,617)	0	471,962	0.0
SB 17-091 Medicaid home health	277,910	133,501	3,112	0	141,297	0.0
SB 16-192 IDD Needs assessment	267,050	133,525	0	0	133,525	0.0
HB 16-1321 Waiver buy-in	13,122	(36,325)	44,031	0	5,416	0.0
FY 17-18 MSP	341	170	0	0	171	0.0
FY 17-18 R6 Delivery system & payment reform	(54,113,307)	(17,039,223)	(942,443)	0	(36,131,641)	0.0
HB 17-1353 Delivery and payment initiatives	(6,283,184)	174,533	(889,068)	0	(5,568,649)	0.0
SB 17-267 Sustainability of rural CO	(2,546,461)	(448,047)	(90,770)	0	(2,007,644)	0.0
FY 17-18 Vendor transition	(2,100,000)	(680,400)	(369,600)	0	(1,050,000)	0.0
FY 17-18 CU School of Medicine payment	(367,727)	0	0	(183,864)	(183,863)	0.0
SB 16-027 Mail pharmacy	(299,126)	(91,014)	(14,892)	0	(193,220)	0.0
<b>TOTAL</b>	<b>(\$58,943,161)</b>	<b>(\$15,651,506)</b>	<b>(\$2,121,707)</b>	<b>(\$183,864)</b>	<b>(\$40,986,084)</b>	<b>0.0</b>

**MEDICAID SAVINGS INITIATIVES:** The appropriation includes a net decrease of \$3.7 million total funds, including a decrease of \$2.6 million General Fund, for the following measures designed to decrease Medicaid expenditures: (1) New requirements for prior authorization review before Medicaid will cover certain services, in order to ensure medical necessity and that other less costly alternatives have been exhausted; (2) Automatic notifications that require clients with Medicaid coverage in another state to attest their residency in Colorado or have their Colorado eligibility terminated; (3) Staff to pursue resources in trusts that Medicaid is required to recover; (4) Discounted bus fares to reduce non-emergency medical transportation costs and a new option for Medicaid clients to use public transportation as an alternative to taxi or mobility van services for covered non-medical transportation; and (5) A federal waiver to collect a monthly premium, on a sliding scale based on family income, for the Children's Home and Community Based Services (CHCBS) waiver.

**DRUG COST CONTAINMENT:** The appropriation includes a decrease of \$1.1 million total funds, including a decrease of \$308,281 General Fund, to implement new prior authorization review (PAR) requirements for physician-administered drugs and to explore alternative payment models for pharmaceuticals. The initiative includes increases for contract services to administer the PARs and to research the alternative payment models, and offsetting decreases due to projected changes in utilization as a result of the new PARs. An alternative payment model would adjust net payments for drugs based on patient outcomes, and might involve a request for a federal waiver to allow the Department additional time in reviews before covering new drugs lacking proven clinical efficacy.

**SINGLE ASSESSMENT TOOL:** The appropriation includes a decrease of \$267,050 total funds, including a decrease of \$133,525 General Fund, as part of a reallocation of funds between fiscal years to complete the development and implementation of the single assessment tool required by S.B. 16-192 (Assessment Tool Intellectual and Developmental Disabilities).

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

## BEHAVIORAL HEALTH COMMUNITY PROGRAMS

This division provides funding for Medicaid clients' mental health and substance use disorder care through the purchase of services from regional entities. For several years through FY 2017-18, these regional entities were known as "behavioral health organizations" (BHOs). Starting July 1, 2018, these entities will be "regional accountable entities" (RAEs), which have additional responsibilities related to Medicaid clients' physical healthcare. With respect to behavioral healthcare, each RAE receives a pre-determined monthly amount for each Medicaid client within its geographic region who is eligible for behavioral health services. This division also provides funding for Medicaid fee-for-service payments for behavioral health services provided to clients who are not enrolled in a RAE and for the provision of behavioral health services that are not covered by the RAE contract. Appropriations for FY 2018-19 reflect funding for a projected 1,310,621 Medicaid clients eligible for behavioral health services. The funding for this division is primarily General Fund and federal funds. Cash fund sources include the Healthcare Affordability and Sustainability Fee Cash Fund and the Breast and Cervical Cancer Prevention and Treatment Fund.

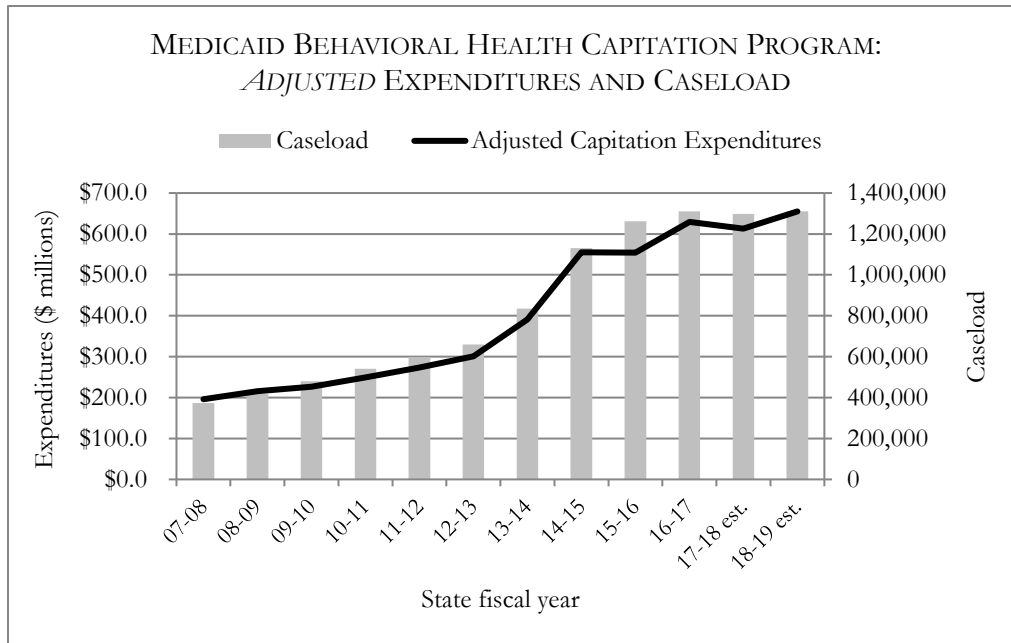
BEHAVIORAL HEALTH COMMUNITY PROGRAMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2017-18 APPROPRIATION:</b>						
SB 17-254	\$625,797,571	\$174,446,202	\$26,190,535	\$0	\$425,160,834	0.0
SB 17-267	0	0	0	0	0	0.0
HB 18-1161	(66,932,236)	789,428	(693,784)	0	(67,027,880)	0.0
HB 18-1322	(23,690,709)	(1,733,621)	(1,996,916)	0	(19,960,172)	0.0
<b>TOTAL</b>	<b>\$535,174,626</b>	<b>\$173,502,009</b>	<b>\$23,499,835</b>	<b>\$0</b>	<b>\$338,172,782</b>	<b>0.0</b>
<b>FY 2018-19 APPROPRIATION:</b>						
FY 2017-18 Appropriation	\$535,174,626	\$173,502,009	\$23,499,835	\$0	\$338,172,782	0.0
Enrollment/utilization trends	96,261,039	3,964,955	5,669,602	0	86,626,482	0.0
Annualize prior year budget actions	25,317,295	6,925,587	881,871	0	17,509,837	0.0
Community provider rate adjustment	85,869	20,731	3,643	0	61,495	0.0
<b>HB 18-1322</b>	<b>\$656,838,829</b>	<b>\$184,413,282</b>	<b>\$30,054,951</b>	<b>\$0</b>	<b>\$442,370,596</b>	<b>0.0</b>
HB 18-1407	48,601	24,301	0	0	24,300	0.0
<b>TOTAL</b>	<b>\$656,887,430</b>	<b>\$184,437,583</b>	<b>\$30,054,951</b>	<b>\$0</b>	<b>\$442,394,896</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$121,712,804</b>	<b>\$10,935,574</b>	<b>\$6,555,116</b>	<b>\$0</b>	<b>\$104,222,114</b>	<b>0.0</b>
Percentage Change	22.7%	6.3%	27.9%	n/a	30.8%	n/a

## FY 2017-18 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 18-1161 and H.B. 18-1322 reduce FY 2017-18 appropriations by \$90.6 million total funds, including a net reduction of \$944,193 General Fund, to reflect changes in the Department's caseload and expenditure forecast from February 2017 to February 2018. Primarily, the Department's revised estimates reflect lower projected growth for income-driven eligibility categories (Children and Adults Without Dependent Children). The Department's expenditure estimates also declined due to larger than anticipated reconciliations and recoupments from BHOs related to services that were provided in prior fiscal years.

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**ENROLLMENT/UTILIZATION TRENDS:** The appropriation includes an increase of \$96.3 million total funds, including an increase of \$4.0 million General Fund, based on projected caseload and expenditures for behavioral health services. The following chart illustrates recent caseload and expenditure trends and the estimates that were used as the basis for FY 2017-18 and FY 2018-19 appropriations. The chart reflects “adjusted” Capitation Program expenditures, which means that reconciliations, recoupments, health insurance provider fee payments, and incentive payments are reflected in the fiscal year in which the associated behavioral health services were provided, rather than in the fiscal year in which the financial adjustment was made. More detailed data concerning caseload and expenditure changes by eligibility category are included in Part II of this document.



**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes an increase of \$25.3 million total funds, including \$6.9 million General Fund, to reflect the second- and third-year impact of previous year legislation and FY 2017-18 budget actions. The most significant change is an increase of \$26.7 million total funds for performance-based incentive payments to BHOs related to FY 2017-18 measurements of innovation and quality.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 17-1353 Delivery and payment initiatives	\$26,717,069	\$7,215,319	\$1,090,836	\$0	\$18,410,914	0.0
FY 17-18 Provider rates	11,566	2,499	483	0	8,584	0.0
HB 16-1321 Waiver buy-in	2,711	(4,546)	5,903	0	1,354	0.0
FY 17-18 R6 Delivery system & payment reform	(1,414,051)	(287,685)	(215,351)	0	(911,015)	0.0
<b>TOTAL</b>	<b>\$25,317,295</b>	<b>\$6,925,587</b>	<b>\$881,871</b>	<b>\$0</b>	<b>\$17,509,837</b>	<b>0.0</b>

**COMMUNITY PROVIDER RATE ADJUSTMENT:** The appropriation includes an increase of \$85,869 total funds, including \$20,731 General Fund, for a common policy across-the-board increase for most community providers of 1.0 percent. This rate increase only applies to fee-for-service payments made for behavioral health services, and it does not apply to payments made through the statewide capitation program.

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

## OFFICE OF COMMUNITY LIVING

The Office houses the Division for Intellectual and Developmental Disabilities (IDD) and is responsible for the following functions related to the provision of services by community based providers to individuals with intellectual and developmental disabilities:

- Administration of four Medicaid waivers for individuals with developmental disabilities;
- Establishment of service reimbursement rates;
- Ensuring compliance with federal Centers for Medicare and Medicaid rules and regulations;
- Communication and coordination with community-centered boards regarding waiver policies, rate changes, and waiting list information reporting; and
- Administration of the Family Support Services Program.

OFFICE OF COMMUNITY LIVING						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$535,211,882	\$276,644,336	\$2,238,806	\$0	\$256,328,740	39.1
SB 17-267	0	0	0	0	0	0.0
HB 17-1343	72,794	0	36,398	0	36,396	1.0
HB 18-1161	20,627,930	5,137,659	5,176,010	0	10,314,261	0.0
HB 18-1322	(20,343,086)	(10,236,116)	64,882	0	(10,171,852)	0.0
<b>TOTAL</b>	<b>\$535,569,520</b>	<b>\$271,545,879</b>	<b>\$7,516,096</b>	<b>\$0</b>	<b>\$256,507,545</b>	<b>40.1</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$535,569,520	\$271,545,879	\$7,516,096	\$0	\$256,507,545	40.1
Office of Community Living	28,524,900	19,358,199	(5,095,768)	0	14,262,469	0.0
Community provider rate adjustment	4,738,826	2,456,657	2,971	0	2,279,198	0.0
Targeted rate adjustments	1,484,208	740,051	2,054	0	742,103	0.0
Single assessment tool	(142,950)	(71,475)	0	0	(71,475)	0.0
Annualize prior year budget actions	(139,525)	338,717	(861,279)	0	383,037	0.4
<b>HB 18-1322</b>	<b>\$570,034,979</b>	<b>\$294,368,028</b>	<b>\$1,564,074</b>	<b>\$0</b>	<b>\$274,102,877</b>	<b>40.5</b>
HB 18-1326	362,880	181,440	0	0	181,440	0.0
HB 18-1328	2,515,319	1,257,660	0	0	1,257,659	0.0
HB 18-1407	23,769,911	11,884,959	0	0	11,884,952	0.0
<b>TOTAL</b>	<b>\$596,683,089</b>	<b>\$307,692,087</b>	<b>\$1,564,074</b>	<b>\$0</b>	<b>\$287,426,928</b>	<b>40.5</b>
<b>INCREASE/(DECREASE)</b>	<b>\$61,113,569</b>	<b>\$36,146,208</b>	<b>(\$5,952,022)</b>	<b>\$0</b>	<b>\$30,919,383</b>	<b>0.4</b>
Percentage Change	11.4%	13.3%	(79.2%)	n/a	12.1%	1.0%

## FY 2017-18 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 18-1161 modifies the FY 2017-18 appropriation to add \$20.6 million total funds, including \$5.1 million General Fund and \$5.2 million cash funds from the Intellectual and Developmental Disability Services Cash Fund, to reflect changes in the Department's caseload and expenditure forecast from February 2017 to November 2017.

House Bill 18-1322 reduces the FY 2017-18 appropriation by \$20.3 million total funds, including \$10.2 million General Fund, to reflect changes in the Department's caseload and expenditure forecast from November 2017 to February 2018.

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS



**OFFICE OF COMMUNITY LIVING:** The appropriation includes a net increase of \$28.5 million total funds, including an increase of \$19.4 million General Fund and a decrease of \$5.1 million cash funds from the Intellectual and Developmental Disability Services Cash Fund, based on the February 2018 caseload and expenditure forecast. For additional information, please see the Department's General Factors Driving the Budget in Part II of this report.

**COMMUNITY PROVIDER RATE ADJUSTMENT:** The appropriation includes an increase of \$4.7 million total funds, including \$2.5 million General Fund, for an across the board provider rate increase for most community providers of 1.0 percent.

**TARGETED RATE ADJUSTMENTS:** The appropriation includes an increase of \$1.5 million total funds, including \$0.7 million General Fund, for targeted rate increases for transportation services.

**SINGLE ASSESSMENT TOOL:** The appropriation includes a decrease of \$142,950 total funds, including a decrease of \$71,475 General Fund, as part of a reallocation of funds between fiscal years to complete the development and implementation of the single assessment tool required by S.B. 16-192 (Assessment Tool Intellectual and Developmental Disabilities).

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the out-year impacts of prior year legislation and budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 17-18 Provider rates	\$416,364	\$207,906	\$275	\$0	\$208,183	0.0
SB 16-192 IDD Needs assessment	142,950	71,475	0	0	71,475	0.0
FY 17-18 Regional Centers	120,253	60,141	0	0	60,112	0.2
FY 17-18 Salary survey	43,403	19,392	5,279	0	18,732	0.0
FY 17-18 Merit pay	27,725	9,046	9,869	0	8,810	0.0
HB 16-1321 Waiver buy-in	23,687	(31,879)	43,729	0	11,837	0.0
FY 17-18 Pueblo Regional Center Corrective Action Plan	12,477	6,238	0	0	6,239	0.2
Salary and merit pay-fund source correction	0	(3,602)	3,602	0	0	0.0
HB 15-1368 spending authority	(921,681)	0	(921,681)	0	0	0.0
HB 17-1343 Conflict Free Case Management	(4,703)	0	(2,352)	0	(2,351)	0.0
<b>TOTAL</b>	<b>(\$139,525)</b>	<b>\$338,717</b>	<b>(\$861,279)</b>	<b>\$0</b>	<b>\$383,037</b>	<b>0.4</b>

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

## INDIGENT CARE PROGRAM

This division contains funding for the following programs:

- **Indigent Care Program** - This program provides partial reimbursement to participating hospitals and clinics that serve uninsured or under-insured clients. To be eligible for this program, clients must have income or assets equal to or lower than 250 percent of the federal poverty level (FPL) and may not qualify for assistance through the Medicaid program.
- **Children's Basic Health Plan** - This program provides health insurance to otherwise uninsured children from families at or below 250 percent of the federal poverty guidelines. The program also provides health insurance to eligible adult women between 185 percent and 250 percent of the federal poverty guidelines.

Funding sources include the General Fund, provider fees paid by hospitals, tobacco tax and tobacco master settlement revenues, and federal funds.

INDIGENT CARE PROGRAM						
	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$543,885,464	\$10,409,002	\$207,795,688	\$0	\$325,680,774	0.0
SB 17-267	0	0	0	0	0	0.0
HB 18-1322	7,716,667	0	462,019	0	7,254,648	0.0
<b>TOTAL</b>	<b>\$551,602,131</b>	<b>\$10,409,002</b>	<b>\$208,257,707</b>	<b>\$0</b>	<b>\$332,935,422</b>	<b>0.0</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$551,602,131	\$10,409,002	\$208,257,707	\$0	\$332,935,422	0.0
Children's Basic Health Plan	7,480,402	(191,707)	593,840	0	7,078,269	0.0
Safety net programs	586,380	(28,864)	615,244	0	0	0.0
<b>HB 18-1322</b>	<b>\$559,668,913</b>	<b>\$10,188,431</b>	<b>\$209,466,791</b>	<b>\$0</b>	<b>\$340,013,691</b>	<b>0.0</b>
<b>TOTAL</b>	<b>\$559,668,913</b>	<b>\$10,188,431</b>	<b>\$209,466,791</b>	<b>\$0</b>	<b>\$340,013,691</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$8,066,782</b>	<b>(\$220,571)</b>	<b>\$1,209,084</b>	<b>\$0</b>	<b>\$7,078,269</b>	<b>0.0</b>
Percentage Change	1.5%	(2.1%)	0.6%	n/a	2.1%	n/a

<sup>1</sup> Includes \$440,340 in FY 2017-18 and \$429,909 in FY 2018-19 that is not subject to the statutory restriction on state General Fund appropriations imposed by Section 24-75-201.1, C.R.S.

## FY 2017-18 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 18-1322 includes an increase of \$7.7 million total funds for children and pregnant women enrolled in the Children's Basic Health Plan.

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**CHILDREN'S BASIC HEALTH PLAN:** The appropriation provides an increase of \$7.5 million total funds, including a decrease of \$191,707 General Fund, to reflect a new forecast of enrollment, utilization, and per capita costs for the Children's Basic Health Plan. The tables below provide data on enrollment, medical and dental expenditures, and per capita costs over time. The tables do not include repayments to the federal government for prior year disallowances, and so the totals may not match the line item expenditures for years when a disallowance payment was due.

ENROLLMENT				
	CHILDREN	PRENATAL	TOTAL	% CHANGE
FY 07-08	57,796	1,571	59,367	
FY 08-09	61,582	1,665	63,247	6.5%
FY 09-10	68,725	1,561	70,286	11.1%
FY 10-11	67,267	1,742	69,009	(1.8%)
FY 11-12	74,266	2,064	76,330	10.6%
FY 12-13	77,835	1,611	79,446	4.1%
FY 13-14	61,554	953	62,507	(21.3%)
FY 14-15	53,704	687	54,391	(13.0%)
FY 15-16	51,041	668	51,709	(4.9%)
FY 16-17	64,261	626	64,887	25.5%
FY 17-18 projected	72,602	770	73,372	13.1%
FY 18-19 projected	76,230	889	77,119	5.1%

EXPENDITURES				
	CHILDREN	PRENATAL	TOTAL	% CHANGE
FY 07-08	\$96,038,557	\$17,361,986	\$113,400,543	
FY 08-09	112,599,454	18,086,904	130,686,358	15.2%
FY 09-10	162,471,143	16,023,878	178,495,021	36.6%
FY 10-11	155,207,326	22,076,574	177,283,899	(0.7%)
FY 11-12	161,043,047	21,411,076	182,454,123	2.9%
FY 12-13	170,136,500	21,433,958	191,570,458	5.0%
FY 13-14	170,744,026	12,009,028	182,753,054	(4.6%)
FY 14-15	126,621,571	9,580,452	136,202,023	(25.5%)
FY 15-16	114,115,567	8,544,303	122,659,870	(9.9%)
FY 16-17	144,360,918	5,898,928	150,259,846	22.5%
FY 17-18 projected	174,033,056	12,835,695	186,868,751	24.4%
FY 18-19 projected	183,503,231	11,477,969	194,981,200	4.3%

PER CAPITA EXPENDITURES				
	CHILDREN	PRENATAL	TOTAL	% CHANGE
FY 07-08	\$1,662	\$11,052	\$1,910	
FY 08-09	1,828	10,863	2,066	8.2%
FY 09-10	2,364	10,265	2,540	22.9%
FY 10-11	2,307	12,673	2,569	1.2%
FY 11-12	2,168	10,374	2,390	(7.0%)
FY 12-13	2,186	13,305	2,411	0.9%
FY 13-14	2,774	12,601	2,924	21.2%
FY 14-15	2,358	13,945	2,504	(14.4%)
FY 15-16	2,236	12,791	2,372	(5.3%)
FY 16-17 projected	2,246	9,423	2,316	(2.4%)
FY 17-18 projected	2,397	16,670	2,547	10.0%
FY 18-19 projected	2,407	12,911	2,528	(0.7%)

**SAFETY NET PROGRAMS:** The appropriation includes \$586,380 total funds to: (1) Allow \$27,848 in recoveries from the Senior Dental Program to be reallocated to serve more seniors; (2) Allow \$668,404 in additional tobacco tax revenues allocated to the Primary Care Fund for grants to be spent; and (3) Finance audits of the Primary Care Fund and Colorado Indigent Care Program with funds transferred from within the Department and a projected additional \$53,476 in HAS Fee revenue.

## OTHER MEDICAL SERVICES

This division contains the funding for:

- The state's obligation under the Medicare Modernization Act for prescription drug benefits
- The Old Age Pension State-Only Medical Program
- Health training programs, including the Commission on Family Medicine and the University Teaching Hospitals
- Public School Health Services

Funding sources for these programs include the General Fund, cash funds for certified public expenditures at school districts, the Old Age Pension Medical and Supplemental Medical Fund, reappropriated funds from Amendment 35 tobacco taxes, and matching federal funds.

OTHER MEDICAL SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$269,910,744	\$157,704,437	\$57,255,586	\$2,566,722	\$52,383,999	0.0
HB 18-1161	10,469,838	(2,314,420)	6,330,313	0	6,453,945	0.0
HB 18-1322	(1,716,420)	(1,716,420)	0	0	0	0.0
HB 18-1329	7,591,815	7,591,815	0	0	0	0.0
HB 18-1330	754,000	754,000	0	0	0	0.0
<b>TOTAL</b>	<b>\$287,009,977</b>	<b>\$162,019,412</b>	<b>\$63,585,899</b>	<b>\$2,566,722</b>	<b>\$58,837,944</b>	<b>0.0</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$287,009,977	\$162,019,412	\$63,585,899	\$2,566,722	\$58,837,944	0.0
Medicare Modernization Act	6,915,992	6,915,992	0	0	0	0.0
Public school health services	5,045,159	0	2,590,298	0	2,454,861	0.0
Family medicine residencies	600,000	300,000	0	0	300,000	0.0
Safety net programs	27,848	0	27,848	0	0	0.0
Annualize prior year budget actions	(8,195,815)	(8,345,815)	0	75,000	75,000	0.0
<b>HB 18-1322</b>	<b>\$291,403,161</b>	<b>\$160,889,589</b>	<b>\$66,204,045</b>	<b>\$2,641,722</b>	<b>\$61,667,805</b>	<b>0.0</b>
HB 18-1003	925,000	0	925,000	0	0	0.0
<b>TOTAL</b>	<b>\$292,328,161</b>	<b>\$160,889,589</b>	<b>\$67,129,045</b>	<b>\$2,641,722</b>	<b>\$61,667,805</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$5,318,184</b>	<b>(\$1,129,823)</b>	<b>\$3,543,146</b>	<b>\$75,000</b>	<b>\$2,829,861</b>	<b>0.0</b>
Percentage Change	1.9%	(0.7%)	5.6%	2.9%	4.8%	n/a

## FY 2017-18 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 18-1161 includes an increase of \$12.8 million total funds for expenditures by school districts and Boards of Cooperative Education Services (BOCES) in support of Medicaid eligible children with an Individual Education Plan (IEP) or Individualized Family Services Plan (IFSP) and a decrease of \$2.3 million General Fund in reimbursements to the federal government for prescription drugs for people eligible for both Medicaid and Medicare.

House Bill 18-1322 includes a decrease of \$1.7 million General Fund in reimbursements to the federal government for prescription drugs for people eligible for both Medicaid and Medicare.

House Bill 18-1329 and H.B. 18-1330 include General Fund for one-time supplemental payments of \$7.6 million for durable medical equipment providers and \$754,000 for office administered drugs respectively.

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**MEDICARE MODERNIZATION ACT:** The appropriation includes an increase of \$6.9 million General Fund for reimbursements to the federal government for prescription drugs for people eligible for both Medicaid and Medicare based on the most recent forecast of the state's obligation under the federal formula.

**PUBLIC SCHOOL HEALTH SERVICES:** The appropriation includes an increase of \$5.0 million total funds based on expected certified public expenditures by school districts and boards of cooperative education services (BOCES) for public school health services.

**FAMILY MEDICINE RESIDENCIES:** The appropriation includes \$600,000 total funds, including \$300,000 General Fund, for two new family medicine residency programs at Peak Vista in Colorado Springs and Skyridge in Lone Tree.

**SAFETY NET PROGRAMS:** The appropriation includes \$27,848 cash funds to allow recoveries from the Senior Dental Program to be reallocated to serve more seniors.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for second-year impacts of prior year legislation and budget actions, summarized in the table below. The titles of the annualizations begin with either a bill number or the relevant fiscal year. For budget decisions made in the Long Bill, the title includes a reference to the priority number the Department used in that year for the initiative, if relevant.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 17-18 CU School of Medicine payment	\$150,000	\$0	\$0	\$75,000	\$75,000	0.0
HB 18-1329 Durable medical equipment supplemental payment	(7,591,815)	(7,591,815)	0	0	0	0.0
HB 18-1330 Office administered drugs supplemental payment	(754,000)	(754,000)	0	0	0	0.0
<b>TOTAL</b>	<b>(\$8,195,815)</b>	<b>(\$8,345,815)</b>	<b>\$0</b>	<b>\$75,000</b>	<b>\$75,000</b>	<b>0.0</b>

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

## 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 2017-18 APPROPRIATION:						
SB 17-254	\$103,435,222	\$49,565,812	\$1,888,903	\$0	\$51,980,507	0.0
HB 18-1161	8,541,356	4,270,679	0	0	4,270,677	0.0
HB 18-1322	1,965,676	982,837	0	0	982,839	0.0
<b>TOTAL</b>	<b>\$113,942,254</b>	<b>\$54,819,328</b>	<b>\$1,888,903</b>	<b>\$0</b>	<b>\$57,234,023</b>	<b>0.0</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$113,942,254	\$54,819,328	\$1,888,903	\$0	\$57,234,023	0.0

DEPARTMENT OF HUMAN SERVICES MEDICAID-FUNDED PROGRAMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Human Services programs	8,344,960	4,185,377	0	0	4,159,583	0.0
Community provider rate adjustment	246,241	123,120	0	0	123,121	0.0
Annualize prior year budget actions	(2,065,676)	(1,032,837)	0	0	(1,032,839)	0.0
<b>HB 18-1322</b>	<b>\$120,467,779</b>	<b>\$58,094,988</b>	<b>\$1,888,903</b>	<b>\$0</b>	<b>\$60,483,888</b>	<b>0.0</b>
HB 18-1328	(2,683,275)	(1,341,640)	0	0	(1,341,635)	0.0
<b>TOTAL</b>	<b>\$117,784,504</b>	<b>\$56,753,348</b>	<b>\$1,888,903</b>	<b>\$0</b>	<b>\$59,142,253</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	\$3,842,250	\$1,934,020	\$0	\$0	\$1,908,230	0.0
Percentage Change	3.4%	3.5%	0.0%	n/a	3.3%	n/a

## FY 2017-18 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 18-1161 modifies FY 2017-18 appropriations for programs administered by the Department of Human Services. The table below summarizes the changes for each division within the Department of Human Services that is responsible for the administration of the program. See the description of the Department of Human Services, Part III, for more information.

HUMAN SERVICES PROGRAMS FY 2017-18 CHANGES BY DIVISION H.B. 18-1161					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
Executive Director's Office	\$0	\$0	\$0	\$0	\$0
Office of Information Technology Services	0	0	0	0	0
Office of Operations	0	0	0	0	0
Division of Child Welfare	0	0	0	0	0
Office of Early Childhood	518,044	259,022	0	0	259,022
Office of Self Sufficiency	0	0	0	0	0
Behavioral Health Services	877,820	438,910	0	0	438,910
Services for People with Disabilities	6,940,760	3,470,380	0	0	3,470,380
Adult Assistance Programs	0	0	0	0	0
Division of Youth Corrections	204,732	102,367	0	0	102,365
Other	0	0	0	0	0
<b>TOTAL</b>	<b>\$8,541,356</b>	<b>\$4,270,679</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,270,677</b>

House Bill 18-1322 modifies FY 2017-18 appropriations for programs administered by the Department of Human Services. The table below summarizes the changes for each division within the Department of Human Services that is responsible for the administration of the program. See the description of the Department of Human Services, Part III, for more information.

HUMAN SERVICES PROGRAMS FY 2017-18 CHANGES BY DIVISION H.B. 18-1322					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
Executive Director's Office	\$1,590,560	\$795,280	\$0	\$0	\$795,280
Office of Information Technology Services	0	0	0	0	0
Office of Operations	0	0	0	0	0
Division of Child Welfare	0	0	0	0	0
Office of Early Childhood	0	0	0	0	0
Office of Self Sufficiency	0	0	0	0	0
Behavioral Health Services	0	0	0	0	0
Services for People with Disabilities	(258,032)	(129,016)	0	0	(129,016)
Adult Assistance Programs	0	0	0	0	0
Division of Youth Corrections	0	0	0	0	0
Other	633,148	316,573	0	0	316,575
<b>TOTAL</b>	<b>\$1,965,676</b>	<b>\$982,837</b>	<b>\$0</b>	<b>\$0</b>	<b>\$982,839</b>

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**HUMAN SERVICES PROGRAMS:** The table below summarizes the changes for each division within the Department of Human Services that is responsible for the administration of the program. The table includes the preceding incremental changes. See the Part III detail of appropriation by administrative section for the Department of Human Services for more information.

HUMAN SERVICES PROGRAMS FY 2018-19 CHANGES BY DIVISION H.B. 18-1322					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
Executive Director's Office	\$6,032,372	\$3,016,187	\$0	\$0	\$3,016,185
Office of Information Technology Services	0	0	0	0	0
Office of Operations	0	0	0	0	0
Division of Child Welfare	2,296	1,148	0	0	1,148
Office of Early Childhood	728,065	364,032	0	0	364,033
Office of Self Sufficiency	1,083	13,441	0	0	(12,358)
Behavioral Health Services	200,000	100,000	0	0	100,000
Services for People with Disabilities	484,171	242,085	0	0	242,086
Adult Assistance Programs	0	0	0	0	0
Division of Youth Corrections	(27,582)	(13,793)	0	0	(13,789)
Other	924,555	462,277	0	0	462,278
<b>TOTAL</b>	<b>\$8,344,960</b>	<b>\$4,185,377</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,159,583</b>

**COMMUNITY PROVIDER RATE ADJUSTMENT:** The appropriation includes an increase of \$246,241 total funds, including \$123,120 General Fund, for an across-the-board increase for most community providers of 1.0 percent.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the impact of prior year budget actions.

## RECENT LEGISLATION

### 2017 SESSION BILLS

**S.B. 17-091 (ALLOW MEDICAID HOME HEALTH SERVICES IN COMMUNITY):** Removes the requirement in state statute that home health services under Medicaid be provided in a client's place of residence in order to comply with new federal regulations. Provides \$2,211,530 total funds to the Department of Health Care Policy and Financing in FY 2017-18, including \$1,025,567 General Fund, \$18,216 cash funds, and an anticipated \$1,167,747 federal funds for increased utilization.

**S.B. 17-121 (IMPROVE MEDICAID CLIENT CORRESPONDENCE):** Requires the Department of Health Care Policy and Financing to implement an ongoing process to improve communications with Medicaid clients. Provides \$283,781 total funds to the Department, including \$95,662 General Fund, \$46,228 cash funds, and an anticipated \$141,891 federal funds, and 0.7 FTE for the communication improvements. Appropriates \$8,100 General Fund to the Department of Personnel in FY 2017-18 for administrative courts.

**S.B. 17-256 (HOSPITAL REIMBURSEMENT RATES):** Reduces appropriations for the Department of Health Care Policy and Financing in FY 2017-18 from the Hospital Provider Fee by \$264,100,000 cash funds and requires that the reduction come from supplemental payments to the hospitals, resulting in an anticipated reduction in federal funds of \$264,100,000.

**S.B. 17-267 (SUSTAINABILITY OF RURAL COLORADO):** The bill:

- Repeals the Hospital Provider Fee and creates the Healthcare Affordability and Sustainability (HAS) Fee as part of an enterprise for purposes of the Taxpayer's Bill of Rights (TABOR) such that the revenue from the HAS Fee does not count against the state fiscal year spending limit (Referendum C cap)
- Permanently reduces the Referendum C cap by reducing the FY 2017-18 cap by \$200 million and specifying that the base amount for calculating the cap for all future state fiscal years is the reduced FY 2017-18 cap
- Specifies that reimbursements to local governments from the state for property tax exemptions for qualifying seniors and disabled veterans are a TABOR refund mechanism in years when a refund is required
- Requires the state to execute lease-purchase agreements for state buildings in increments of up to \$500 million per year in FYs 2018-19 through 2021-22 (up to \$2 billion in total) to generate funding for transportation and capital construction projects
  - The first \$120 million in proceeds must be used for controlled maintenance and capital construction projects and the remaining proceeds for tier 1 transportation projects
  - Of the transportation money, 25 percent must be expended for projects in rural counties and 10 percent must be expended for transit
  - The maximum term of the lease-purchase agreements is 20 years and the maximum total annual payment is \$150 million
  - Of the annual payment the first \$9 million is from the General Fund (or other legal sources designated by the General Assembly), the next \$50 million is from funds under the control of the Transportation Commission, and the remaining \$91 million is from the General Fund (or other legal sources designated by the General Assembly)
  - Eliminates current law transfers from the General Fund to the Highway Users Tax Fund of \$160 million that are scheduled to occur on June 30, 2019 and June 30, 2020
- Increases the rate of retail marijuana sales tax (currently 10 percent and scheduled to decrease under current law to 8 percent) to 15 percent effective July 1, 2017
  - Offsets a portion of the state retail marijuana sales tax rate increase by exempting retail sales of marijuana upon which the state retail marijuana sales tax is imposed from the 2.9 percent general state sales tax, but provides that local governments can continue to impose their local general sales taxes on retail sales of marijuana
  - Holds local governments that currently receive an allocation of 15 percent of state retail marijuana sales tax revenue based on the current tax rate of 10 percent harmless by specifying that on and after July 1, 2017, they receive an allocation of 10 percent of state retail marijuana sales tax revenue based on the new rate of 15 percent
  - Of the 90 percent of the state retail marijuana sales tax revenue that the state retains for FY 2017-18:
    - 28.15 percent less \$30 million stays in the general fund
    - 71.85 percent is credited to the marijuana tax cash fund
    - \$30 million is credited to the state public school fund and distributed to rural school districts
  - Of the 90 percent of the state retail marijuana sales tax revenue that the state retains for FY 2018-19:
    - 15.56 percent stays in the general fund
    - 71.85 percent is credited to the marijuana tax cash fund
    - 12.59 percent is credited to the state public school fund for the state share of total program
- Requires state departments, other than the departments of Education and Transportation, to submit budget requests to the Office of State Planning and Budgeting (OSPB) that are at least 2.0 percent lower than the FY 2017-18 budget, and requires OSPB to seek to ensure that the budget submitted to the legislature for FY 2018-19 is at least 2.0 percent lower than FY 2017-18
- Requires copayments for Medicaid for pharmacy and hospital outpatient services to double from January 1, 2017 rates, except that copayments may not exceed federal maximums



- Requires the Department of Health Care Policy and Financing to seek any federal approval necessary for an enhanced pediatric health home for children with complex medical conditions consistent with the federal Advancing Care for Exceptional Kids Act within 120 days of federal enactment
- Replaces an existing temporary income tax credit for business personal property taxes with a more generous permanent income tax credit for business personal property taxes paid on up to \$18,000 of the total actual value of a taxpayer's business personal property

For FY 2016-17 the bill appropriates \$3,750 General Fund to the Department of Revenue for implementation of the tax policy changes.

For FY 2017-18 the bill replaces \$597,380,996 in cash fund appropriations to the Department of Health Care Policy and Financing from the Hospital Provider Fee with cash fund appropriations from the Healthcare Affordability and Sustainability Fee Cash Fund (HAS Fee CF). In addition, the appropriation includes for the Department of Health Care Policy and Financing \$264,100,000 from the HAS Fee CF and an anticipated like amount of federal funds, which is the amount of provider fees from hospitals that was restricted in S.B. 17-256. The appropriation also reduces the Department of Health Care Policy and Financing by \$1,818,901 total funds, including \$320,035 General Fund, \$64,835 cash funds, and \$1,434,031 federal funds based on the projected fiscal impact of the increase in Medicaid copayments. Finally, the bill includes a statutory appropriation to the Department of Education from marijuana sales tax proceeds transferred to the State Public School Fund.

**S.B. 17-254 (LONG BILL):** General appropriations act for FY 2017-18. Includes provisions modifying FY 2015-16 and FY 2016-17 appropriations to the Department.

**H.B. 17-1343 (IMPLEMENT CONFLICT-FREE CASE MANAGEMENT):** Implements changes to the system of services for individuals with intellectual and developmental disabilities provided through one of the three intellectual and developmental disability waivers to ensure there is not a conflict of interest in the provision of case management services. Requires Community-Centered Boards to implement business changes to ensure the same entity is not providing case management services and direct services to the same individual by June 30, 2020. Requires all individuals receiving services through one of the three Medicaid waivers for intellectual and developmental disabilities is not receiving case management and direct services from the same entity by June 30, 2022. Adds a definition for case management agency and conflict-free case management. Prioritizes the funds in the Intellectual and Developmental Disability Services Cash Fund for the system changes required for conflict-free case management, and repeals the fund on July 1, 2022. Establishes a definition for "case management agency" and how a case management agency will be certified and decertified and the duties of a case management agency. Defines a rural Community-Centered Board. Establishes the following timeline for system changes and how the State can seek a rural exemption for interested rural Community-Centered Boards:

- Timeline of system changes:
  - July 1, 2017 – Department of Health Care Policy and Financing must determine business options for Community-Centered Boards;
  - January 1, 2018 – Department must publish guidance on the components of the business continuity plan;
  - July 1, 2018 – Community-Centered Boards must submit their business continuity plan to the Department;
  - June 30, 2019 – Department must complete an analysis of the continuity plans, unreimbursed transition costs, and community impacts;
  - June 30, 2020 – Community-Centered Boards must complete the business operation changes;
  - June 30, 2021 – At least 25.0 percent of individuals must be served through a conflict-free system; and
  - June 30, 2022 – All individuals must be served through a conflict-free system.

- Rural exemption requirements and timeline:
  - July 1, 2017 – A rural Community-Centered Board must notify the Department in writing they would like the Department to seek a federal rural exemption;
  - The Department must evaluate capacity, and where appropriate, seek a federal exemption;
  - The Community-Centered Board upon notification of a federal decision must submit a business continuity plan and make any necessary business operation changes by June 30, 2022;
  - If, by July 1, 2019, the Department has not received federal notification of requests, the State Board must promulgate rules for the provision of services and supports; and
  - The State Board is required to promulgate rules to ensure there is choice and access to services for individuals served by rural Community-Centered Boards.

Appropriates \$222,794 total funds, of which \$111,398 is cash funds from the Intellectual and Developmental Disabilities Services Cash Fund and states that this appropriation is based on the assumption that the Department will receive \$111,396 federal funds and 1.0 FTE to implement the act.

**H.B. 17-1351 (STUDY INPATIENT SUBSTANCE USE DISORDER TREATMENT):** Requires the Department of Health Care Policy and Financing (HCPF), with assistance from the Department of Human Services' Office of Behavioral Health, to prepare a written report concerning the feasibility of providing residential and inpatient substance use disorder treatment as part of the Medicaid program or as a state-funded benefit. Requires HCPF to submit the report to several legislative committees by November 1, 2017. Requires the State Treasurer to transfer \$37,500 cash funds from the Marijuana Tax Cash Fund to the General Fund on June 30, 2018. Appropriates \$37,500 General Fund to HCPF for FY 2017-18, and states that this appropriation is based on the assumption that HCPF will receive \$37,500 federal funds to implement the act.

**H.B. 17-1353 (IMPLEMENT MEDICAID DELIVERY & PAYMENT INITIATIVES):** Provides a statutory framework for the existing Accountable Care Collaborative (ACC), authorizes elements that will be featured in phase II of the ACC, authorizes performance-based payments to providers, and places guidelines and reporting requirements on these initiatives. With regard to the Accountable Care Collaborative, the bill:

- 1 Lists elements that must be included in the ACC, such as providing a primary care medical home for all Medicaid clients and integrating the delivery of behavioral health and physical health services
- 2 Requires the creation of stakeholder advisory committees
- 3 Requires an annual report on the ACC. The statutory annual report combines elements of an existing statutory report and an annual request for information submitted by the JBC.
- 4 Requires a report outlining changes required to align state statute with a new federal rule regarding managed care
- 5 Clarifies that the Medical Services Board has oversight and must promulgate rules to implement the ACC

Regarding performance-based payments, the bill:

- 6 Authorizes the Department to implement performance-based payments and specifically authorizes performance payments for:
  - a. Primary care providers
  - b. Federally qualified health centers
  - c. Providers of long-term services and supports
  - d. Behavioral health providers

- 7 Requires that prior to implementing performance payments the Department must submit to the JBC:
  - a. Either:
    - i. Evidence that the payments are designed to achieve budget savings, or
    - ii. A budget request for costs associated with the performance-based payments
  - b. The estimated performance-based payments compared to total reimbursements for the affected service
  - c. A description of the stakeholder engagement process and the Department's response to stakeholder feedback
- 8 Requires an annual report on performance payments including factors such as the evidence for the performance payments, the expected outcomes, the stakeholder engagement process, and evaluation results

The bill is not expected to have any fiscal impact on FY 2017-18 expenditures, but there are projected costs and savings associated with different elements beginning in FY 2018-19 as summarized in the table below.

ACCOUNTABLE CARE COLLABORATIVE/PERFORMANCE-BASED PAYMENTS LEGISLATION					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FEDERAL FUNDS	FTE
<b>FY 2018-19</b>					
Accountable Care Collaborative (ACC)					
Administrative staff	\$268,092	\$134,046	\$0	\$134,046	3.7
Mandatory enrollment	29,183,877	11,177,425	1,138,171	16,868,281	
Increase PMPM by \$1	15,086,585	5,778,162	588,377	8,720,046	
Savings - Mandatory enrollment	(50,830,650)	(21,621,473)	(1,882,759)	(27,326,418)	
Savings - Physical-behavioral health	(57,785,147)	(15,364,614)	(1,897,370)	(40,523,163)	
<i>Subtotal - ACC</i>	<i>(\$64,077,243)</i>	<i>(\$19,896,454)</i>	<i>(\$2,053,581)</i>	<i>(\$42,127,208)</i>	<i>3.7</i>
Performance payments					
Rate analyst	\$66,999	\$33,499	\$0	\$33,500	0.9
Primary care	58,062,151	20,231,923	1,159,202	36,671,026	
Federally Qualified Health Centers	0	0	0	0	
Behavioral Health	<u>26,717,069</u>	<u>7,215,319</u>	<u>1,090,836</u>	<u>18,410,914</u>	
<i>Subtotal - Performance payments</i>	<i>\$84,846,219</i>	<i>\$27,480,741</i>	<i>\$2,250,038</i>	<i>\$55,115,440</i>	<i>0.9</i>
<b>TOTAL FY 2018-19</b>	<b>\$20,768,976</b>	<b>\$7,584,287</b>	<b>\$196,457</b>	<b>\$12,988,232</b>	<b>4.6</b>
<b>FY 2019-20</b>					
Accountable Care Collaborative (ACC)					
Administrative staff	\$271,907	\$135,953	\$0	\$135,954	4.0
Mandatory enrollment	26,169,379	10,022,872	1,020,606	15,125,901	
Increase PMPM by \$1	15,379,665	5,890,412	599,807	8,889,446	
Savings - Mandatory enrollment	(95,391,901)	(41,260,953)	(3,155,463)	(50,975,485)	
Savings - Physical-behavioral health	(117,205,890)	(31,164,084)	(4,909,831)	(81,131,975)	
<i>Subtotal - ACC</i>	<i>(\$170,776,841)</i>	<i>(\$56,375,801)</i>	<i>(\$6,444,881)</i>	<i>(\$107,956,159)</i>	<b>4.0</b>
Performance payments					
Contract performance evaluator	\$150,000	\$75,000	\$0	\$75,000	
Rate analyst	67,977	33,988	0	33,989	1.0
Primary care	59,055,014	20,577,889	1,492,346	36,984,779	
Federally Qualified Health Centers	0	0	0	0	
Behavioral Health	<u>28,131,120</u>	<u>7,503,004</u>	<u>1,306,187</u>	<u>19,321,929</u>	
<i>Subtotal - Behavioral health</i>	<i>\$87,404,111</i>	<i>\$28,189,881</i>	<i>\$2,798,533</i>	<i>\$56,415,697</i>	<i>1.0</i>
<b>TOTAL FY 2018-19</b>	<b>(\$83,372,730)</b>	<b>(\$28,185,920)</b>	<b>(\$3,646,348)</b>	<b>(\$51,540,462)</b>	<b>5.0</b>

## 2018 SESSION BILLS

**SB 18-145 (IMPLEMENT EMPLOYMENT FIRST RECOMMENDATIONS):** Requires the Department of Labor and Employment (CDLE) and the Medical Services Board in the Department of Health Care Policy and Financing (HCPF) to promulgate rules by July 1, 2019 requiring training or certification for certain providers of supported employment services for persons with disabilities. These requirements are contingent upon appropriations to HCPF to reimburse vendors of supported employment services for the cost of training and certification. Also expands HCPF reporting requirements. Provides the following appropriations for FY 2018-19:

- \$27,675 General Fund and 0.4 FTE to HCPF;
- \$2,131 General Fund to CDLE for legal services; and
- \$2,131 reappropriated funds to the Department of law for legal services to CDLE.

Appropriations to HCPF are expected to increase to \$331,200 General Fund and 0.5 FTE in FY 2019-20.

**S.B. 18-195 (HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE CASH FUND APPROPRIATIONS):** Makes money in the Healthcare Affordability and Sustainability Fee (HAS Fee) Cash Fund subject to annual appropriation by the General Assembly, rather than continuously appropriated to the Colorado Healthcare Affordability and Sustainability Enterprise. The bill does not change the statutory allowable uses of the HAS Fee and any appropriations by the General Assembly would need to comply with those allowable uses.

**S.B. 18-231 (TRANSITION TO COMMUNITY-BASED SERVICES TASK FORCE):** Establishes a task force for transition planning to make recommendations on improvements for the transition of individuals with disabilities who are receiving services and supports in an educational setting to receiving services and supports through home- and community-based services. It specifies membership on the task force and duties including making a report to specified committees of the general assembly. Appropriates \$109,500 General Fund to the Department of Health Care Policy and Financing in FY 2018-19.

**SB 18-266 (CONTROLLING MEDICAID COSTS):** Authorizes four new initiatives intended to control Medicaid expenditures:

- Create a resource control unit of six people (5.4 FTE in the first year) dedicated to controlling costs
- Deploy cost and quality technology for the Regional Accountable Entities and providers that identifies the most effective providers and medications to help steer clients to the best health outcomes and reduce expenditures
- Implement a comprehensive hospital admission review program, including pre-admission certification, continued stay reviews, discharge planning, and retrospective claims reviews
- Purchase commercial technology that would periodically update billing system safeguards that identify and reject inappropriate claims

The bill includes requirements for stakeholder engagement, technology testing, and reporting to the General Assembly, and parameters around coverage determinations for hospital stays. For FY 2018-19 the bill includes appropriations and assumptions about federal funds and FTE with a net result for the Department of Health Care Policy and Financing of a decrease of \$2,061,973 total funds, including a decrease of \$730,316 General Fund, an increase of \$222,613 cash funds, a decrease of \$1,554,270 federal funds, and an increase of 6.8 FTE.

**HB 18-1003 (OPIOID MISUSE PREVENTION):** Implements several policies related to the prevention of opioid and substance misuse. Makes appropriations to several departments, including an appropriation of \$925,000 cash funds from the Marijuana Tax Cash Fund to the Department of Health Care Policy and Financing for the Screening, Brief Intervention, and Referral to Treatment (SBIRT) training program for the development of a training module on substance-exposed pregnancies and additional funding for SBIRT grants. For additional information, see the “Recent Legislation” section at the end of Part III for the Department of Public Health and Environment.

**H.B. 18-1136 (EXPAND MEDICAID BENEFIT FOR SUBSTANCE USE DISORDER):** Adds residential and inpatient substance use disorder treatment and medical detoxification services as a benefit under the Colorado Medicaid Program, conditional upon federal approval. If the new benefit is enacted, requires Managed Service Organizations (MSOs) to determine to what extent money allocated from the MTCF may be used to assist in providing substance use disorder services if those services are not otherwise covered by private or public insurance. Appropriates a total of \$236,827 in state funds to the Department of Health Care Policy and Financing (HCPF) for FY 2018-19

(including \$155,193 General Fund and \$81,634 cash funds from the Healthcare Affordability and Sustainability Fee Cash Fund), and states the assumption that HCPF will receive \$236,828 federal funds for FY 2018-19.

**HB 18-1161 (SUPPLEMENTAL BILL):** Modifies FY 2017-18 appropriations to the Department.

**HB 18-1321 (EFFICIENT ADMINISTRATION MEDICAID TRANSPORTATION):** Requires that the Department of Health Care Policy and Financing (HCPF) create and implement an efficient and cost-effective method to meet urgent transportation needs within the existing Medicaid non-medical transportation benefit. This method must include medical service provider and facility access to approved transportation providers and an efficient method for obtaining and paying for transportation services. For FY 2018-19 the bill includes appropriations and assumptions about federal funds and FTE with a net result for the Department of Health Care Policy and Financing of a decrease of \$104,303 total funds, including a decrease of \$34,052 cash funds, a decrease of \$70,251 federal funds, and an increase of 0.8 FTE.

**H.B. 18-1322 (LONG BILL):** General appropriations act for FY 2018-19. Includes provisions modifying FY 2016-17 and FY 2017-18 appropriations to the Department.

**HB 18-1326 (SUPPORT FOR TRANSITION FROM INSTITUTIONAL SETTINGS):** Allows Medicaid clients moving from an institutional setting to a community setting to access the following transition services:

- Intensive case management
- Household set-up
- Home delivered meals
- Peer mentorship
- Independent living skills training

For FY 2018-19 the bill includes appropriations and assumptions about federal funds with a net result for the Department of Health Care Policy and Financing of a decrease of \$684,116 total funds, including a decrease of \$477,058 General Fund and a decrease of \$207,058 federal funds. Appropriates \$306,000 General Fund to the Department of Local Affairs' Division of Housing for FY 2018-19 to provide housing vouchers for HCPF transition clients.

**HB 18-1327 (ALL-PAYER HEALTH CLAIMS DATABASE):** Allows the General Assembly to appropriate General Fund for the operations of the All-Payer Claims Database (APCD) and establishes a scholarship grant program to support research using the APCD. The Department of Health Care Policy and Financing distributes the scholarship grants to nonprofits and governmental entities to defray the cost of research using the APCD, except that the Department may not make grants back to itself. For FY 2018-19 the bill includes appropriations and assumptions about federal funds and FTE with a net result for the Department of Health Care Policy and Financing of \$2,640,790 total funds, including \$1,570,395 General Fund, \$1,070,395 federal funds, and 0.9 FTE.

**H.B. 18-1328 (REDESIGN RESIDENTIAL CHILD HEALTH CARE WAIVER):** Directs the Department of Health Care Policy and Financing (HCPF) to initiate a stakeholder process for purposes of preparing and submitting a redesigned Children's Habilitation Residential Program (CHRP) waiver for federal approval that allows for home- and community-based services for children with intellectual and developmental disabilities who have complex behavioral support needs. HCPF may also request federal authorization to change the agency designated to administer and operate the program from the Department of Human Services to HCPF. Includes language creating the redesigned program, relocates the program in statute, and makes conforming changes in statute to reflect the new location of the program. The new program will become effective once federal approval has been granted for the redesigned CHRP waiver. Appropriates \$97,263 total funds, including \$48,633 General Fund, to the

Department of Health Care Policy and Financing in FY 2018-19 and states the assumption that the Department will require an additional 1.8 FTE.

**HB 18-1329 (SUPPLEMENTAL PAYMENT DURABLE MEDICAL EQUIPMENT):** Authorizes the Department of Health Care Policy and Financing to make General Fund payments, with no matching federal funds, in FY 2017-18 to providers who were negatively affected by a federal law that requires Medicaid rates for durable medical equipment not exceed comparable Medicare rates. Appropriates \$7,591,815 General Fund to the Department of Health Care Policy and Financing in FY 2017-18.

**HB 18-1330 (SUPPLEMENTAL PAYMENT OFFICE-ADMINISTERED DRUGS MEDICAID):** Authorizes the Department of Health Care Policy and Financing to make General Fund payments, with no matching federal funds, in FY 2017-18 to providers who were negatively affected by implementation of a federal rule that required a planned change to physician-administered drug rates to be implemented six months sooner than authorized by the General Assembly. Appropriates \$754,000 General Fund to the Department of Health Care Policy and Financing in FY 2017-18.

**H.B. 18-1407 (ACCESS TO DISABILITY SERVICES AND STABLE WORKFORCE):** Requires the Department of Health Care Policy and Financing (HCPF) to seek federal approval for a 6.5 percent increase in the reimbursement rate for certain services specified in the bill that are delivered through the home- and community-based services intellectual and developmental disabilities, supported living services, and children's extensive supports waivers. Service agencies are required to use 100 percent of the increased funding for compensation for direct support professionals as defined in the bill. Requires service agencies to document the use of the increased funding for compensation using a reporting tool developed by the Department and the service agencies. Allows the Department to recoup from the service agency the amount of funding resulting from the reimbursement rate increase that is not used for compensation for direct support professionals. Requires the Department to assess the impact and outcomes of the reimbursement rate increase on persons with intellectual and developmental disabilities and to include the impact and outcome data, including staff stability survey data, in its annual report to the general assembly concerning the waiting list for intellectual and developmental disability services. Requires the Department to initiate 300 nonemergency enrollments from the waiting list for the home- and community-based services developmental disabilities waiver in the 2018-19 state fiscal year. Appropriates \$24,586,381 total funds, including \$12,185,446 General Fund, to the Department of Health Care Policy and Financing in FY 2018-19 and states the assumption that the Department will receive \$12,400,935 federal funds and will require an additional 2.7 FTE.

# Details

## DEPARTMENT OF HIGHER EDUCATION

### FY 2017-18 AND FY 2018-19 APPROPRIATIONS BY DIVISION AND BILL

DEPARTMENT OF HIGHER EDUCATION						
	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2017-18 TOTAL APPROPRIATION:</b>	<b>\$4,293,395,457</b>	<b>\$894,907,900</b>	<b>\$2,637,471,193</b>	<b>\$738,374,874</b>	<b>\$22,641,490</b>	<b>25,087.2</b>
<b>BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION</b>						
Department Administrative Office	4,907,722	0	2,764,372	1,350,722	792,628	0.0
Colorado Commission on Higher Education	126,024,537	22,853,996	78,026,095	19,844,012	5,300,434	95.7
Colorado Commission on Higher Education Financial Aid	177,969,216	177,783,660	0	185,556	0	0.0
College Opportunity Fund Program	665,321,510	665,321,510	0	0	0	0.0
Governing Boards	3,191,156,969	0	2,527,317,324	663,839,645	0	24,631.9
Local District College Grants Pursuant to Section 23-71-301, C.R.S.	17,057,603	15,974,294	1,083,309	0	0	0.0
Division of Occupational Education	57,356,498	10,218,039	0	31,564,481	15,573,978	32.0
Auraria Higher Education Center	21,493,175	0	0	21,493,175	0	190.2
History Colorado	32,108,227	2,756,401	28,280,093	97,283	974,450	137.4
<b>BREAKDOWN OF TOTAL APPROPRIATION BY BILL</b>						
SB 17-254	\$4,299,869,706	\$894,882,900	\$2,644,189,267	\$738,156,049	\$22,641,490	25,086.2
SB 17-060	218,825	0	0	218,825	0	1.0
SB 17-074	500,000	0	500,000	0	0	0.0
SB 17-193	1,000,000	0	1,000,000	0	0	0.0
SB 17-257	0	0	0	0	0	0.0
SB 17-258	25,000	25,000	0	0	0	0.0
HB 18-1322	(8,218,074)	0	(8,218,074)	0	0	0.0
<b>FY 2018-19 TOTAL APPROPRIATION:</b>						
<b>\$4,590,031,718</b>	<b>\$1,003,593,739</b>	<b>\$2,744,061,460</b>	<b>\$819,590,900</b>	<b>\$22,785,619</b>	<b>26,150.0</b>	
<b>BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION</b>						
Department Administrative Office	7,282,707	2,291,329	2,844,228	1,209,687	937,463	0.0
Colorado Commission on Higher Education	130,700,028	29,415,115	74,869,641	21,116,438	5,298,834	97.1
Colorado Commission on Higher Education Financial Aid	197,061,473	196,087,431	0	974,042	0	0.0
College Opportunity Fund Program	743,033,169	743,033,169	0	0	0	0.0
Governing Boards	3,378,545,939	0	2,636,995,602	741,550,337	0	25,712.3
Local District College Grants Pursuant to Section 23-71-301, C.R.S.	18,898,536	17,734,550	1,163,986	0	0	0.0
Division of Occupational Education	59,960,692	12,311,435	0	32,075,279	15,573,978	32.0
Auraria Higher Education Center	22,567,834	0	0	22,567,834	0	188.1
History Colorado	31,981,340	2,720,710	28,188,003	97,283	975,344	120.5
<b>BREAKDOWN OF TOTAL APPROPRIATION BY BILL</b>						
HB 18-1322	\$4,537,265,323	\$978,325,997	\$2,735,130,010	\$801,023,697	\$22,785,619	26,148.6
SB 18-085	240,000	0	0	240,000	0	0.0
SB 18-086	10,200,000	5,100,000	0	5,100,000	0	0.0

DEPARTMENT OF HIGHER EDUCATION						
	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 18-206	8,181,450	0	8,181,450	0	0	0.0
SB 18-262	29,974,228	16,747,025	0	13,227,203	0	0.0
HB 18-1002	530,448	530,448	0	0	0	0.5
HB 18-1003	750,000	0	750,000	0	0	0.0
HB 18-1226	74,153	74,153	0	0	0	0.0
HB 18-1309	156,116	156,116	0	0	0	0.0
HB 18-1331	660,000	660,000	0	0	0	0.9
HB 18-1332	2,000,000	2,000,000	0	0	0	0.0
<b>INCREASE/(DECREASE)</b>	<b>\$296,636,261</b>	<b>\$108,685,839</b>	<b>\$106,590,267</b>	<b>\$81,216,026</b>	<b>\$144,129</b>	<b>1,062.8</b>
Percentage Change	6.9%	12.1%	4.0%	11.0%	0.6%	4.2%

<sup>1</sup> Includes General Fund Exempt.

**GENERAL FUND EXEMPT:** Amounts in the General Fund column include appropriations from both the General Fund and General Fund Exempt Account. The General Fund Exempt Account was created by Referendum C, passed by Colorado voters in November 2005. Referendum C allowed the State to retain for FY 2005-06 through FY 2009-10 all revenue collected in excess of the TABOR limit and for FY 2010-11 and subsequent fiscal years all revenues in excess of the TABOR limit but less than the excess state revenues cap. The retained revenue must be placed in the General Fund Exempt Account. The table below shows the amount appropriated from the General Fund Exempt Account for FY 2017-18 and FY 2018-19 for higher education pursuant to Sections 24-77-103.6 (2)(b) and 24-77-104.5 (1)(b)(III), C.R.S. For additional information on General Fund Exempt appropriations, see Appendix D.

GENERAL FUND SUMMARY	TOTAL GENERAL FUND	GENERAL FUND	GENERAL FUND EXEMPT
FY 2017-18	\$894,907,900	\$134,341,234	\$760,566,666
FY 2018-19	\$1,003,593,739	\$270,593,739	\$733,000,000

**INFORMATIONAL FUNDS:** The FY 2018-19 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Higher Education are annotated with the "(I)". For additional information, see Appendix E.

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2018-19 Appropriations containing an (I) notation	\$467,748,321	\$0	\$444,912,110	\$50,592	\$22,785,619

## DETAIL OF APPROPRIATION BY ADMINISTRATIVE SECTION

### DEPARTMENT ADMINISTRATIVE OFFICE

This division includes funding for centrally appropriated items for the Colorado Commission on Higher Education, the Division of Private Occupational Schools, and History Colorado. These centrally appropriated items include salary survey, risk management, leased space, health benefits, and other miscellaneous expenses. These expenses are not appropriated centrally for the other divisions within the Department. The sources of cash funds include limited gaming revenues deposited in the State Historical Fund and various fees. The source of reappropriated funds is indirect cost recoveries.



DEPARTMENT ADMINISTRATIVE OFFICE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$4,907,722	\$0	\$2,764,372	\$1,350,722	\$792,628	0.0
<b>TOTAL</b>	<b>\$4,907,722</b>	<b>\$0</b>	<b>\$2,764,372</b>	<b>\$1,350,722</b>	<b>\$792,628</b>	<b>0.0</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$4,907,722	\$0	\$2,764,372	\$1,350,722	\$792,628	0.0
Property Fund adjustment	2,049,082	2,049,082	0	0	0	0.0
Centrally appropriated line items	586,103	142,247	303,978	(74,859)	214,737	0.0
Other	43,443	0	43,443	0	0	0.0
History Colorado OIT payments	0	100,000	(100,000)	0	0	0.0
Annualize prior year budget actions	(303,643)	0	(167,565)	(66,176)	(69,902)	0.0
<b>HB 18-1322</b>	<b>\$7,282,707</b>	<b>\$2,291,329</b>	<b>\$2,844,228</b>	<b>\$1,209,687</b>	<b>\$937,463</b>	<b>0.0</b>
<b>TOTAL</b>	<b>\$7,282,707</b>	<b>\$2,291,329</b>	<b>\$2,844,228</b>	<b>\$1,209,687</b>	<b>\$937,463</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$2,374,985</b>	<b>\$2,291,329</b>	<b>\$79,856</b>	<b>(\$141,035)</b>	<b>\$144,835</b>	<b>0.0</b>
Percentage Change	48.4%	n/a	2.9%	(10.4%)	18.3%	n/a

### FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**PROPERTY FUND ADJUSTMENT:** The appropriation adds \$2.0 million General Fund for a portion of Property Fund liabilities allocated to governing boards that participate in the State’s self-insurance program for state property. This funding is provided on a one-time basis to address unusual FY 2017-18 damage and associated liabilities.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items based primarily on common policy.

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey	\$398,081	\$10,239	\$209,874	\$78,666	\$99,302	0.0
Health, life, and dental	256,841	99,972	111,039	(18,408)	64,238	0.0
Payment to risk management / property funds adjustment	116,900	0	118,662	(1,762)	0	0.0
Amortization equalization disbursement (AED)	54,841	15,751	11,898	1,850	25,342	0.0
Supplemental AED	54,841	15,751	11,898	1,850	25,342	0.0
CORE (state financial system) operations	52,244	0	32,659	19,585	0	0.0
Legal services	12,182	0	(266)	12,448	0	0.0
Workers’ compensation	11,754	0	(2,880)	14,634	0	0.0
Short-term disability	735	534	(48)	(264)	513	0.0
Payments to the Office of Information Technology (OIT)	(225,735)	0	(182,157)	(43,578)	0	0.0
Leased space	(139,880)	0	0	(139,880)	0	0.0
Administrative Law Judge	(6,701)	0	(6,701)	0	0	0.0
<b>TOTAL</b>	<b>\$586,103</b>	<b>\$142,247</b>	<b>\$303,978</b>	<b>(\$74,859)</b>	<b>\$214,737</b>	<b>0.0</b>

**OTHER:** The appropriation moves funding for some legal services from the Colorado Commission on Higher Education, Division of Private Occupational Schools line item to the Legal Services line item in this division.

**HISTORY COLORADO OIT PAYMENTS:** The appropriation includes \$100,000 General Fund in FY 2018-19, increasing to \$150,000 in FY 2019-20, to assist History Colorado in addressing escalating Office of Information Technology (OIT) cost increases. The General Fund replaces cash funds otherwise required from the Museum and Preservation Operations Account of the State Historical Fund.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes a decrease of \$303,643 total funds to annualize FY 2017-18 year salary survey and merit pay appropriations. Salary survey and merit pay are appropriated in the Department Administrative Office in the first year they are awarded and appropriated in other divisions in the subsequent (annualization) year.

## COLORADO COMMISSION ON HIGHER EDUCATION

This division includes funding for the Commission's staff, the Division of Private Occupational Schools, and special purpose initiatives of the Department. The sources of cash funds include indirect cost recoveries, fees paid to the Division of Private Occupational Schools, and limited gaming revenues that are used for competitive research grants. The primary source of reappropriated funds is indirect cost recoveries.

COLORADO COMMISSION ON HIGHER EDUCATION						
	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$125,780,712	\$22,828,996	\$78,026,095	\$19,625,187	\$5,300,434	94.7
SB 17-060	218,825	0	0	218,825	0	1.0
SB 17-258	25,000	25,000	0	0	0	0.0
<b>TOTAL</b>	<b>\$126,024,537</b>	<b>\$22,853,996</b>	<b>\$78,026,095</b>	<b>\$19,844,012</b>	<b>\$5,300,434</b>	<b>95.7</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$126,024,537	\$22,853,996	\$78,026,095	\$19,844,012	\$5,300,434	95.7
Lease-purchase payment adjustments	766,889	2,934,651	(3,130,000)	962,238	0	0.0
Depreciation for higher education capital projects	175,060	175,060	0	0	0	0.0
CO Geo Survey total compensation adjustments	139,174	55,691	85,083	0	(1,600)	0.0
WICHE membership	4,000	0	0	4,000	0	0.0
Indirect cost adjustment	0	0	(58,688)	58,688	0	0.0
Other	(43,443)	0	(43,443)	0	0	0.0
Annualize prior year legislation	(25,000)	(25,000)	0	0	0	0.0
Annualize prior year budget actions	(1,906)	0	(9,406)	7,500	0	0.0
<b>HB 18-1322</b>	<b>\$127,039,311</b>	<b>\$25,994,398</b>	<b>\$74,869,641</b>	<b>\$20,876,438</b>	<b>\$5,298,834</b>	<b>95.7</b>
SB 18-085	240,000	0	0	240,000	0	0.0
HB 18-1002	530,448	530,448	0	0	0	0.5
HB 18-1226	74,153	74,153	0	0	0	0.0
HB 18-1309	156,116	156,116	0	0	0	0.0
HB 18-1331	660,000	660,000	0	0	0	0.9
HB 18-1332	2,000,000	2,000,000	0	0	0	0.0
<b>TOTAL</b>	<b>\$130,700,028</b>	<b>\$29,415,115</b>	<b>\$74,869,641</b>	<b>\$21,116,438</b>	<b>\$5,298,834</b>	<b>97.1</b>
<b>INCREASE/(DECREASE)</b>	<b>\$4,675,491</b>	<b>\$6,561,119</b>	<b>(\$3,156,454)</b>	<b>\$1,272,426</b>	<b>(\$1,600)</b>	<b>1.4</b>
Percentage Change	3.7%	28.7%	(4.0%)	6.4%	(0.0%)	1.5%

<sup>1</sup>Includes General Fund Exempt.

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**LEASE-PURCHASE PAYMENT ADJUSTMENTS:** The appropriation includes adjustments to two lease purchase payments in this section. Annual adjustments to these payments, including fund source changes, are shown in the table below. General Fund obligations have increased due to a decline in available cash fund sources for the Higher Education Federal Mineral Lease and Fitzsimons lease purchase payments.

LEASE PURCHASE PAYMENT ADJUSTMENTS					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FTE
HED Federal Mineral Lease Revenues adjustment	\$874,476	\$962,238	(\$1,050,000)	\$962,238	0.0
Lease Purchase Fitzsimons adjustment	(107,587)	1,972,413	(2,080,000)	0	0.0
<b>TOTAL</b>	<b>\$766,889</b>	<b>\$2,934,651</b>	<b>(\$3,130,000)</b>	<b>\$962,238</b>	<b>0.0</b>

**DEPRECIATION FOR HIGHER EDUCATION CAPITAL PROJECTS:** Pursuant to Section 24-30-1310 (2)(b), C.R.S., the appropriation adds an annual depreciation-lease equivalent payment line item for higher education projects funded with the General Fund, Capital Construction Fund, or Controlled Maintenance Trust Fund on or after FY 2015-16. The amount due is based on a building's depreciation schedule. One percent of the project cost is credited to the Controlled Maintenance Trust Fund, and the balance is deposited to the Capital Construction Fund.

**CO GEOLOGICAL SURVEY TOTAL COMPENSATION ADJUSTMENTS:** The appropriation provides an increase of \$139,174 total funds for total compensation adjustments at the Colorado Geological Survey at the Colorado School of Mines (CGS). This includes amounts for health/life/dental, salary survey, and supplemental payments to the Public Employees Retirement Association.

**WICHE MEMBERSHIP:** The appropriation includes an increase of \$4,000 reappropriated funds (indirect cost recoveries) to pay for the increase in Western Interstate Commission for Higher Education (WICHE) dues.

**INDIRECT COST ADJUSTMENT:** The appropriation includes a fund source adjustment for the indirect cost assessment in this division.

**OTHER:** The appropriation moves funding for some legal services from the Colorado Commission on Higher Education, Division of Private Occupational Schools line item to the Legal Services line item in this division.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments for the second-year impact of prior year legislation. This includes eliminating a one-time appropriation for S.B. 17-258 (Higher Education Open Educational Resources) in this division.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions. This includes an increase of \$7,500 reappropriated funds for WICHE optometry program costs and a reduction of \$9,406 cash funds to eliminate first-year costs for a FY 2017-18 Division of Private Occupational Schools increase.

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

## COLORADO COMMISSION ON HIGHER EDUCATION FINANCIAL AID

This division includes the state-funded financial aid programs, most of which are administered by the Colorado Commission on Higher Education. This division is supported by General Fund and, in some years, reappropriated funds from indirect cost recoveries.

COLORADO COMMISSION ON HIGHER EDUCATION FINANCIAL AID						
	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$177,969,216	\$177,783,660	\$0	\$185,556	\$0	0.0

COLORADO COMMISSION ON HIGHER EDUCATION FINANCIAL AID						
	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>TOTAL</b>	<b>\$177,969,216</b>	<b>\$177,783,660</b>	<b>\$0</b>	<b>\$185,556</b>	<b>\$0</b>	<b>0.0</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$177,969,216	\$177,783,660	\$0	\$185,556	\$0	0.0
Operating and financial aid adjustment for public colleges and universities	13,861,217	13,861,217	0	0	0	0.0
Colorado Opportunity Scholarship Initiative	2,000,000	2,000,000	0	0	0	0.0
Fort Lewis Native American tuition waiver	76,665	76,665	0	0	0	0.0
Indirect cost adjustment	0	(788,486)	0	788,486	0	0.0
<b>HB 18-1322</b>	<b>\$193,907,098</b>	<b>\$192,933,056</b>	<b>\$0</b>	<b>\$974,042</b>	<b>\$0</b>	<b>0.0</b>
SB 18-262	3,154,375	3,154,375	0	0	0	0.0
<b>TOTAL</b>	<b>\$197,061,473</b>	<b>\$196,087,431</b>	<b>\$0</b>	<b>\$974,042</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$19,092,257</b>	<b>\$18,303,771</b>	<b>\$0</b>	<b>\$788,486</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	10.7%	10.3%	n/a	424.9%	n/a	n/a

<sup>1</sup>Includes General Fund Exempt

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**OPERATING AND FINANCIAL AID ADJUSTMENT FOR PUBLIC COLLEGES AND UNIVERSITIES:** The appropriation includes an increase of \$13.9 million General Fund for financial aid. The increase for financial aid includes \$11,880,367 for Need Based Grants and \$1,980,850 for Work-study (9.3 percent increase for each).

**COLORADO OPPORTUNITY SCHOLARSHIP INITIATIVE:** The appropriation includes an increase of \$2.0 million General Fund for the Colorado Opportunity Scholarship Initiative (COSI) Program, bringing total program funding in the Long Bill to \$7.0 million General Fund for FY 2018-19 and future years. The program provides matching funds to leverage community support for scholarships. It also provides grants to non-profit organizations and other entities to deliver wraparound and other student support services.

**FORT LEWIS NATIVE AMERICAN TUITION WAIVER:** The appropriation includes an increase of \$76,665 General Fund for the Fort Lewis College Native American tuition waiver, bringing the total to \$17,024,859 General Fund for the program. Waiver payments are mandated by Section 23-52-105 (1)(b)(I), C.R.S., which requires the General Assembly to fund 100 percent of the tuition obligations for qualifying Native American students attending Fort Lewis College. Funding for the tuition waiver is made one year in arrears and is calculated based on the prior year enrollment estimates.

**INDIRECT COST ADJUSTMENT:** The appropriation includes a net increase of \$788,486 in the Department's indirect cost assessments. The additional assessments offset the General Fund appropriation in this division by the same amount.

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

## COLLEGE OPPORTUNITY FUND PROGRAM

This section provides funding for student stipend payments for resident students attending state-operated higher education institutions and resident students attending certain private institutions located in the state, as well as 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 <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$665,321,510	\$665,321,510	\$0	\$0	\$0	0.0
HB 18-1322	0	0	0	0	0	0.0
<b>TOTAL</b>	<b>\$665,321,510</b>	<b>\$665,321,510</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$665,321,510	\$665,321,510	\$0	\$0	\$0	0.0
Operating and financial aid adjustment for public colleges and universities	59,510,423	59,510,423	0	0	0	0.0
General Fund Exempt adjustment	0	0	0	0	0	0.0
COF private stipend enrollment	(160,857)	(160,857)	0	0	0	0.0
<b>HB 18-1322</b>	<b>\$724,671,076</b>	<b>\$724,671,076</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
SB 18-086	5,100,000	5,100,000	0	0	0	0.0
SB 18-262	13,262,093	13,262,093	0	0	0	0.0
<b>TOTAL</b>	<b>\$743,033,169</b>	<b>\$743,033,169</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$77,711,659</b>	<b>\$77,711,659</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	11.7%	11.7%	n/a	n/a	n/a	n/a

<sup>1</sup>Includes General Fund Exempt

## FY 2017-18 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 18-1322 modifies the FY 2017-18 appropriations to increase appropriations from the General Fund by \$102,366,667 and reduce appropriations from the General Fund Exempt account by the same amount.

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**OPERATING AND FINANCIAL AID ADJUSTMENT FOR PUBLIC COLLEGES AND UNIVERSITIES:** The appropriation across the Department includes an increase of \$75.7 million General Fund allocated among public institutions of higher education (state governing boards, local district colleges, and area technical colleges) and financial aid. The appropriation includes: (1) an overall increase of \$61.7 million (8.95 percent) for the governing boards, allocated based on the H.B. 14-1319 funding model; and (2) an increase of \$13.9 million for financial aid.

This section includes most of the General Fund increase for the governing boards, including an increase of \$36,397,107 for fee-for-service contracts with state institutions and an increase of \$22,986,383 for stipends for undergraduate resident students attending state institutions. The Long Bill includes an increase in the stipend for students attending public institutions from \$77.00 to \$83.00 per credit hour (\$2,490 per FTE student taking 30 credit hours), with an estimated 126,203.0 student FTE expected to qualify (an increase of 116.5 FTE from the prior year). Appropriations for student stipends and fee-for-service-contracts with the state-operated governing boards are reappropriated in the Governing Boards section.

The appropriation in this section also includes the increase of \$126,933 for stipends for qualifying students at eligible private institutions, based on an increase in the stipend for such students to \$1,245 per FTE. Pursuant to

statute, students who qualify for financial aid at selected private institutions may receive a stipend equal to half of the stipend amount provided for students at the public institutions.

*Note: Additional increases to student stipends and fee-for-service appropriations are included in S.B. 18-262. Among other adjustments, under S.B. 18-262, the stipend for students attending public institutions increases to \$85.00 per credit hour.*

**GENERAL FUND EXEMPT ADJUSTMENT:** The appropriation reduces appropriations of General Fund Exempt in the Department by a total of \$27,566,667 and increases appropriations of General Fund by the same amount. The adjustment is applied in this division.

**COF PRIVATE STIPEND ENROLLMENT:** The appropriation includes a reduction for declining enrollment among students receiving The College Opportunity Fund (COF) stipend at private institutions. Students must be eligible for a Pell grant to receive these stipends. The Long Bill appropriation is based on funding 1,163 student FTE at a rate of \$1,245 for 30 credit hours.

**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 for the state-operated higher education institutions from tuition, tobacco settlement money, mandatory student fees, gaming funds, and other state cash funds. It also includes reappropriated funds for student stipend payments and fee-for-service contracts with the state governing boards. Amounts shown as reappropriated funds in this section are appropriated first as General Fund in the College Opportunity Fund Program section.

GOVERNING BOARDS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS <sup>1</sup>	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$3,197,875,043	\$0	\$2,534,035,398	\$663,839,645	\$0	24,631.9
SB 17-074	500,000	0	500,000	0	0	0.0
SB 17-193	1,000,000	0	1,000,000	0	0	0.0
HB 18-1322	(8,218,074)	0	(8,218,074)	0	0	0.0
<b>TOTAL</b>	<b>\$3,191,156,969</b>	<b>\$0</b>	<b>\$2,527,317,324</b>	<b>\$663,839,645</b>	<b>\$0</b>	<b>24,631.9</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$3,191,156,969	\$0	\$2,527,317,324	\$663,839,645	\$0	24,631.9
Tuition spending authority	91,226,222	0	91,226,222	0	0	0.0
Operating and financial aid adjustment for public colleges and universities	59,383,489	0	0	59,383,489	0	0.0
Student fee adjustment	10,694,438	0	10,694,438	0	0	0.0
Higher Ed limited gaming revenue	591,980	0	591,980	0	0	0.0
Governing board FTE adjustment	0	0	0	0	0	1,080.4
Annualize prior year legislation	(1,000,000)	0	(1,000,000)	0	0	0.0
Tobacco Master Settlement revenue adjustment	(765,812)	0	(765,812)	0	0	0.0
<b>HB 18-1322</b>	<b>\$3,351,287,286</b>	<b>\$0</b>	<b>\$2,628,064,152</b>	<b>\$723,223,134</b>	<b>\$0</b>	<b>25,712.3</b>
SB 18-086	5,100,000	0	0	5,100,000	0	0.0
SB 18-206	8,181,450	0	8,181,450	0	0	0.0
SB 18-262	13,227,203	0	0	13,227,203	0	0.0
HB 18-1003	750,000	0	750,000	0	0	0.0
<b>TOTAL</b>	<b>\$3,378,545,939</b>	<b>\$0</b>	<b>\$2,636,995,602</b>	<b>\$741,550,337</b>	<b>\$0</b>	<b>25,712.3</b>

GOVERNING BOARDS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS <sup>1</sup>	FEDERAL FUNDS	FTE
<b>INCREASE/(DECREASE)</b>	\$187,388,970	\$0	\$109,678,278	\$77,710,692	\$0	1,080.4
Percentage Change	5.9%	n/a	4.3%	11.7%	n/a	4.4%

<sup>1</sup>Reappropriated amounts in this section reflect General Fund amounts that are initially appropriated in the College Opportunity Fund Program section.

## FY 2017-18 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 18-1322 includes adjustments to higher education tuition and fee revenue estimates for FY 2017-18 as reflected in the tables below. These changes sum to a reduction of \$8,218,704 cash funds.

FY 2017-18 REVISED TUITION REVENUE ESTIMATE			
	FY 2017-18 LONG BILL	FY 2017-18 REVISED FORECAST/APPROPRIATION	CHANGE
Adams State University	\$21,112,450	\$19,171,993	(\$1,940,457)
Colorado Mesa University	70,269,916	68,064,063	(2,205,853)
Metropolitan State University	114,062,321	111,744,494	(2,317,827)
Western State Colorado University	19,010,662	18,593,748	(416,914)
Colorado State University System	457,885,794	455,645,797	(2,239,997)
Fort Lewis College	40,074,459	37,325,537	(2,748,922)
University of Colorado System	993,385,672	1,024,985,555	31,599,883
Colorado School of Mines	135,993,878	140,795,698	4,801,820
University of Northern Colorado	99,491,476	93,424,634	(6,066,842)
Community College System	280,649,098	273,781,559	(6,867,539)
<b>TOTAL</b>	<b>\$2,231,935,726</b>	<b>\$2,243,533,078</b>	<b>\$11,597,352</b>

FY 2017-18 REVISED FEE REVENUE ESTIMATE			
	FY 2017-18 LONG BILL	FY 2017-18 REVISED FORECAST	CHANGE
Adams State University	\$6,247,500	\$5,921,735	(\$325,765)
Colorado Mesa University	5,525,694	5,502,239	(23,455)
Metropolitan State University	17,535,770	17,104,433	(431,337)
Western State Colorado University	5,655,581	5,502,602	(152,979)
Colorado State University System	76,344,737	75,522,363	(822,374)
Fort Lewis College	5,741,921	5,781,921	40,000
University of Colorado System	97,468,984	90,846,762	(6,622,222)
Colorado School of Mines	13,336,810	13,839,958	503,148
University of Northern Colorado	20,316,749	19,089,131	(1,227,618)
Community College System	29,748,583	18,995,759	(10,752,824)
<b>TOTAL</b>	<b>\$277,922,329</b>	<b>\$258,106,903</b>	<b>(\$19,815,426)</b>

These changes are based on enrollment estimates. The tables below compare FY 2016-17 actual and FY 2017-18 and FY 2018-19 enrollment projections.

TOTAL STUDENT FTE ENROLLMENT (INCLUDES RESIDENTS AND NONRESIDENTS)					
	FY 2016-17 TOTAL SFTE	FY 2017-18 TOTAL SFTE FORECAST	PERCENT CHANGE	FY 2018-19 TOTAL SFTE FORECAST	PERCENT CHANGE
Adams State University	2,518	2,412	(4.2%)	2,412	0.0%
Colorado Mesa University	7,829	7,741	(1.1%)	7,817	1.0%
Metropolitan State University	15,299	15,252	(0.3%)	15,160	(0.6%)
Western State Colorado University	2,196	2,115	(3.7%)	2,115	0.0%
Colorado State University System	29,736	29,775	0.1%	30,162	1.3%
Fort Lewis College	3,168	3,094	(2.3%)	2,911	(5.9%)
University of Colorado System	56,548	58,623	3.7%	59,983	2.3%
Colorado School of Mines	5,822	5,953	2.2%	6,235	4.7%
University of Northern Colorado	8,990	9,043	0.6%	9,172	1.4%

### TOTAL STUDENT FTE ENROLLMENT (INCLUDES RESIDENTS AND NONRESIDENTS)

	FY 2016-17 TOTAL SFTE	FY 2017-18 TOTAL SFTE FORECAST	PERCENT CHANGE	FY 2018-19 TOTAL SFTE FORECAST	PERCENT CHANGE
Community College System	49,862	49,642	(0.4%)	49,689	0.1%
<b>TOTAL</b>	<b>181,968</b>	<b>183,650</b>	<b>0.9%</b>	<b>185,656</b>	<b>1.1%</b>

### RESIDENT STUDENT FTE ENROLLMENT

	FY 2016-17 RESIDENT SFTE	FY 2017-18 RESIDENT SFTE FORECAST	PERCENT CHANGE	FY 2018-19 RESIDENT FTE FORECAST	PERCENT CHANGE
Adams State University	1,798	1,649	(8.3%)	1,649	0.0%
Colorado Mesa University	6,584	6,495	(1.3%)	6,560	1.0%
Metropolitan State University	14,771	14,722	(0.3%)	14,649	(0.5%)
Western State Colorado University	1,630	1,526	(6.4%)	1,526	0.0%
Colorado State University System	21,657	21,294	(1.7%)	21,508	1.0%
Fort Lewis College	1,652	1,564	(5.3%)	1,470	(6.0%)
University of Colorado System	40,442	41,666	3.0%	42,592	2.2%
Colorado School of Mines	3,399	3,461	1.8%	3,587	3.6%
University of Northern Colorado	7,525	7,524	0.0%	7,602	1.0%
Community College System	46,856	46,485	(0.8%)	46,563	0.2%
<b>TOTAL</b>	<b>146,314</b>	<b>146,386</b>	<b>0.0%</b>	<b>147,706</b>	<b>0.9%</b>

### FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**TUITION SPENDING AUTHORITY:** The appropriation includes an increase of \$91.2 million cash funds spending authority for state public institutions' tuition revenue for FY 2018-19. With certain exceptions, the appropriation assumes an increase of no more than 3.0 percent on undergraduate resident tuition rates (an effective “cap”) with no restrictions on non-resident or graduate tuition or mandatory fees. The exceptions include Fort Lewis College, for which the appropriation assumes a 5.0 percent cap on undergraduate resident tuition, and the University of Colorado at Boulder, for which the appropriation assumes a 4.7 percent tuition increase for incoming students who then have guaranteed flat tuition for four years. The FY 2018-19 amounts reflect the following estimates of resident and non-resident tuition, enrollment, and weighted tuition per full-time-equivalent student.

### FY 2018-19 ESTIMATED RESIDENT AND NON-RESIDENT TUITION, ENROLLMENT, AND TUITION PER FULL TIME EQUIVALENT (FTE) STUDENT

	RESIDENT TUITION	RESIDENT STUDENT FTE	WEIGHTED AVG. TUITION PER RESIDENT STUDENT FTE	NON- RESIDENT TUITION	NON- RESIDENT STUDENT FTE	WEIGHTED AVG. TUITION PER NON- RESIDENT STUDENT FTE
Adams State University	\$11,346,000	1,649.0	\$6,881	\$8,149,000	763.0	\$10,680
Colorado Mesa University	56,192,471	6,559.6	8,566	14,898,352	1,257.9	11,844
Metropolitan State University	104,877,000	14,648.5	7,160	9,072,031	511.5	17,736
Western State Colorado University	8,993,923	1,525.6	5,895	10,101,435	589.8	17,128
Colorado State University System	239,444,509	21,508.4	11,133	235,180,361	8,653.5	27,177
Fort Lewis College	9,864,437	1,470.0	6,711	26,606,404	1,441.0	18,464
University of Colorado System	506,131,254	42,592.4	11,883	573,174,250	17,390.9	32,958
Colorado School of Mines	57,993,204	3,586.6	16,169	93,124,923	2,648.4	35,162
University of Northern Colorado	69,333,169	7,602.0	9,120	29,880,663	1,570.0	19,032
Community College System	230,511,129	46,563.1	4,951	39,884,786	3,125.8	12,760
<b>Total</b>	<b>\$1,294,687,096</b>	<b>147,705.2</b>	<b>\$8,765</b>	<b>\$1,040,072,205</b>	<b>37,951.8</b>	<b>\$27,405</b>

### STUDENT VERSUS INSTITUTIONAL PERSPECTIVE ON COSTS AND REVENUE

*Student perspective – tuition and fees:* The table below shows the impact of these changes on the sum of weighted average resident and non-resident student tuition and estimated mandatory fees, if institutions increase tuition at the



current estimated levels (incorporates maximum allowed by caps on resident undergraduates) and increase mandatory fees consistent with projections.

RESIDENT STUDENT WEIGHTED AVERAGE TUITION AND FEES FY 2017-18 TO FY 2018-19				
	FY 2017-18	FY 2018-19	CHANGE	PERCENT CHANGE
Adams State University	\$9,336	\$9,336	\$0	0.0%
Colorado Mesa University	9,027	9,277	251	2.8%
Metropolitan State University	8,076	8,452	376	4.7%
Western State Colorado University	8,361	8,747	387	4.6%
Colorado State University System	13,411	13,698	287	2.1%
Fort Lewis College	8,346	8,627	281	3.4%
University of Colorado System	13,141	13,420	279	2.1%
Colorado School of Mines	18,087	18,584	496	2.7%
University of Northern Colorado	10,802	11,385	583	5.4%
Community College System <sup>1</sup>	5,402	5,368	(35)	(0.6%)

<sup>1</sup>Figures for the community colleges for the two years may not be comparable due to a change in the way student fees were calculated for inclusion in the Long Bill.

*Institutional perspective – revenue per student:* The table below shows the impact of all changes in 2018 session legislation on total institutional revenue per student including General Fund, other state support (e.g. gaming revenue), resident and non-resident tuition, and anticipated fee revenue increases.

TOTAL AMOUNT REFLECTED IN ALL BILLS PER TOTAL STUDENT FTE				
	FY 2017-18 TOTAL PER SFTE	FY 2018-19 TOTAL PER SFTE	CHANGE	PERCENTAGE CHANGE
Adams State University	\$16,328	\$17,113	\$785	4.8%
Colorado Mesa University	12,912	13,631	585	4.5%
Metropolitan State University	11,833	12,657	702	5.9%
Western State Colorado University	16,979	18,521	1,188	7.0%
Colorado State University System	22,518	23,435	808	3.6%
Ft. Lewis College	17,742	18,929	1,005	5.7%
University of Colorado System	22,638	23,487	692	3.1%
Colorado School of Mines	29,588	30,320	656	2.2%
University of Northern Colorado	16,821	17,714	820	4.9%
Community College System	9,160	9,500	261	2.8%

**OPERATING AND FINANCIAL AID ADJUSTMENT FOR PUBLIC COLLEGES AND UNIVERSITIES:** The appropriation across the Department includes an increase of \$75.7 million General Fund allocated among public institutions of higher education (state governing boards, local district colleges, and area technical colleges) and financial aid. The appropriation includes: (1) an overall increase of \$61.7 million (8.95 percent) for the governing boards, allocated based on the H.B. 14-1319 funding model; and (2) an increase of \$13.9 million for financial aid. The aggregate 9.0 percent increase for FY 2018-19 allows the State to buy down tuition increases to no more than 3.0 percent for resident undergraduate students at most state institutions.

Of the total, \$59,383,490 for the state-operated governing boards (**Subtotal - State Boards** in the table) is reappropriated in this section of the Long Bill.

**GENERAL FUND APPROPRIATIONS AND CHANGES BY CATEGORY AND GOVERNING BOARD**  
**FY 2017-18 APPROPRIATIONS AND FUNDING FORMULA CHANGES ENACTED IN FY 2018-19 LONG BILL<sup>1</sup>**

GOVERNING BOARDS/INSTITUTIONS	FY 2017-18 APPROPRIATION	FY 2018-19 LONG APPROPRIATION	AMOUNT CHANGE	PERCENTAGE CHANGE
Adams State University	\$14,259,963	\$15,294,223	\$1,034,260	7.25%
Colorado Mesa University	25,951,161	28,432,752	2,481,591	9.56%
Metropolitan State University of Denver	51,626,603	56,485,329	4,858,726	9.41%
Western State Colorado University	11,821,897	13,301,710	1,479,813	12.52%
Colorado State University System	139,285,526	151,551,802	12,266,276	8.81%
Fort Lewis College	11,784,939	12,521,493	736,554	6.25%
University of Colorado System	194,318,227	213,239,212	18,920,985	9.74%
Colorado School of Mines	21,484,706	22,396,891	912,185	4.25%
University of Northern Colorado	39,597,408	41,822,358	2,224,950	5.62%
Community College System	153,709,215	168,177,365	14,468,150	9.41%
<b>Subtotal - State Boards (this Section)</b>	<b>\$663,839,645</b>	<b>\$723,223,135</b>	<b>\$59,383,490</b>	<b>8.95%</b>
Colorado Mountain College	7,319,484	7,974,578	655,094	8.95%
Aims Community College	8,654,810	9,429,415	774,605	8.95%
Area Technical Colleges <sup>2</sup>	10,218,039	11,132,553	914,514	8.95%
<b>Subtotal - Governing Boards/Institutions</b>	<b>\$690,031,978</b>	<b>\$751,759,681</b>	<b>\$61,727,703</b>	<b>8.95%</b>
Need Based Grants (total funds)	128,466,694	140,347,061	11,880,367	9.25%
Work-study	21,432,328	23,413,178	1,980,850	9.24%
COF Stipend - Students at Private Institutions	1,481,865	1,608,798	126,933	8.57%
<b>TOTAL</b>	<b>\$841,412,865</b>	<b>\$917,128,718</b>	<b>\$75,715,853</b>	<b>9.00%</b>

<sup>1</sup> Includes College Opportunity Fund stipends, fee-for-service contracts, and grants to local district colleges and area technical colleges.

<sup>2</sup> Excludes an area technical college increase above the base model amount.

These amounts include changes in the funding allocation model for FY 2018-19 including additional incentives for serving and completing Pell-eligible (low-income) students and \$2.6 million for a base adjustment for small four-year comprehensive institutions and rural community colleges. The figures above do not include additional General Fund appropriations included in new legislation, including increases that are based on the funding model that are incorporated in S.B. 18-262. For additional information on the total appropriations by governing board and the higher education funding model, see Factors Driving the Budget for the Department of Higher Education in Part II of this report.

**STUDENT FEE ADJUSTMENT:** The appropriation incorporates projected mandatory student fee adjustments for each institution, based on institutional projections.

**FY 2018-19 FEE REVENUE ESTIMATE - MANDATORY FEES**

	FY 2017-18 ADJUSTED ESTIMATE	FY 2018-19 ESTIMATE	AMOUNT CHANGE	PERCENTAGE CHANGE
Adams State University	\$5,921,735	\$5,921,735	\$0	0.0%
Colorado Mesa University	5,502,239	5,557,261	55,022	1.0%
Metropolitan State University	17,104,433	19,592,820	2,488,387	14.5%
Western State Colorado University	5,502,602	6,033,106	530,504	9.6%
Colorado State University System	75,522,363	77,376,685	1,854,322	2.5%
Ft. Lewis College	5,781,921	5,578,254	(203,667)	(3.5%)
University of Colorado System	90,846,762	92,192,437	1,345,675	1.5%
Colorado School of Mines	13,839,958	15,053,276	1,213,318	8.8%
University of Northern Colorado	19,089,131	20,768,704	1,679,573	8.8%
Community College System	18,995,759	20,727,064	1,731,305	9.1%
<b>TOTAL</b>	<b>\$258,106,903</b>	<b>\$268,801,342</b>	<b>\$10,694,439</b>	<b>4.1%</b>

Estimated mandatory fee revenue per student FTE is reflected in the table below. Fees are typically the same for resident and non-resident students.

FY 2018-19 ESTIMATED MANDATORY FEES PER STUDENT FTE			
	FEE REVENUE	TOTAL STUDENT FTE	WEIGHTED AVG. MANDATORY FEE REVENUE PER STUDENT FTE
Adams State University	\$5,921,735	2,412.0	\$2,455
Colorado Mesa University	5,557,261	7,817.5	711
Metropolitan State University	19,592,820	15,160.0	1,292
Western State Colorado University	6,033,106	2,115.4	2,852
Colorado State University System	77,376,685	30,161.9	2,565
Ft. Lewis College	5,578,254	2,911.0	1,916
University of Colorado System	92,192,437	59,983.4	1,537
Colorado School of Mines	15,053,276	6,235.1	2,414
University of Northern Colorado	20,768,704	9,172.0	2,264
Community College System	20,727,064	49,688.9	417
<b>TOTAL</b>	<b>\$268,801,342</b>	<b>185,657.2</b>	<b>\$1,448</b>

**HIGHER ED LIMITED GAMING REVENUE:** The appropriation includes an increase to reflect the most recent actual receipts of Amendment 50 limited gaming revenue for higher education institutions with a two-year mission.

HIGHER EDUCATION LIMITED GAMING REVENUE			
AMENDMENT 50 LIMITED GAMING	FY 2015-16 ACTUAL	FY 2016-17 ACTUAL	INCREASE INCLUDED IN FY 2018-19 LONG BILL
<u>State Institutions</u>			
State Community College System	\$8,255,091	\$8,843,987	\$588,896
Adams State University	24,487	26,169	1,682
Colorado Mesa University	431,952	433,354	1,402
<b>Subtotal - State Boards (this Section)</b>	<b>\$8,711,530</b>	<b>\$9,303,510</b>	<b>\$591,980</b>
<u>Local District Colleges</u>			
Aims Community College	569,080	633,284	64,204
Colorado Mountain College	514,229	530,702	16,473
<b>TOTAL</b>	<b>\$9,794,839</b>	<b>\$10,467,496</b>	<b>\$672,657</b>

**GOVERNING BOARD FTE ADJUSTMENTS:** The appropriation includes an increase of 1,078.3 FTE for the governing boards. This amount is shown for informational purposes only and reflects an estimate of faculty, staff, and administrators who support the institutions' educational activities. With the exception of a 2.1 FTE reduction for the Auraria Higher Education Center, all adjustments are included in this section.

EMPLOYEE FTE				
	FY 2017-18 (FY 2016-17 DATA BOOKS ESTIMATES)	FY 2018-19 (FY 2017-18 DATA BOOKS ESTIMATES)	RECOMMENDED	
			CHANGE	PERCENT
Adams State University	339.5	328.6	(10.9)	(3.2%)
Colorado Mesa University	728.3	770.2	41.9	5.8%
Metropolitan State University	1,392.8	1,433.5	40.7	2.9%
Western State Colorado University	250.2	265.0	14.8	5.9%
Colorado State University System <sup>1</sup>	5,115.2	4,861.3	(253.9)	(5.0%)
Fort Lewis College	441.4	462.3	20.9	4.7%
University of Colorado System <sup>1</sup>	8,255.5	9,171.4	915.9	11.1%
Colorado School of Mines	952.4	1,008.4	56.0	5.9%
University of Northern Colorado	1,308.0	1,360.7	52.7	4.0%
Community College System	5,848.6	6,050.9	202.3	3.5%
Auraria Higher Education Center	190.2	188.1	(2.1)	(1.1%)
<b>TOTAL</b>	<b>24,822.1</b>	<b>25,900.4</b>	<b>1,078.3</b>	<b>4.3%</b>

<sup>1</sup>Due to changes in the governing board's calculations, figures are not comparable between FY 2017-18 and FY 2018-19.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments for the second-year impact of prior year legislation. In this section, this includes eliminating a one-time appropriation to the University of Colorado of \$1.0 million from the Marijuana Tax Cash Fund provided in S.B. 17-193 (Research Center Prevention Substance Abuse Addiction).

**TOBACCO MASTER SETTLEMENT REVENUE ADJUSTMENT:** The appropriation is reduced by \$765,812 cash funds for money received by the University of Colorado pursuant to the tobacco master settlement agreement. The total cash funds appropriation of \$14,700,000 is based on the FY 2018-19 revenue projection, statutory allocation formulas, and projected fund reserves. The funds are used for programs at the Health Sciences Center, including cancer research.

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

## LOCAL DISTRICT COLLEGE GRANTS PURSUANT TO SECTION 23-71-301, C.R.S.

This section subsidizes the operations of the state's two local district 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 state-operated governing board systems. Students from the special property tax districts pay discounted tuition rates. The source of cash funds is limited gaming money.

LOCAL DISTRICT COLLEGE GRANTS PURSUANT TO SECTION 23-71-301, C.R.S.						
	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$17,057,603	\$15,974,294	\$1,083,309	\$0	\$0	0.0
<b>TOTAL</b>	<b>\$17,057,603</b>	<b>\$15,974,294</b>	<b>\$1,083,309</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$17,057,603	\$15,974,294	\$1,083,309	\$0	\$0	0.0
Operating and financial aid adjustment for public colleges and universities	1,429,699	1,429,699	0	0	0	0.0
Higher Ed limited gaming revenue	80,677	0	80,677	0	0	0.0
<b>HB 18-1322</b>	<b>\$18,567,979</b>	<b>\$17,403,993</b>	<b>\$1,163,986</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
SB 18-262	330,557	330,557	0	0	0	0.0
<b>TOTAL</b>	<b>\$18,898,536</b>	<b>\$17,734,550</b>	<b>\$1,163,986</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$1,840,933</b>	<b>\$1,760,256</b>	<b>\$80,677</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	10.8%	11.0%	7.4%	n/a	n/a	n/a

<sup>1</sup>Includes General Fund Exempt

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**OPERATING AND FINANCIAL AID ADJUSTMENT FOR PUBLIC COLLEGES AND UNIVERSITIES:** The appropriation across the Department includes an increase of \$75.7 million General Fund allocated among public institutions of higher education (state governing boards, local district colleges, and area technical colleges) and financial aid. This section includes \$1.4 million General Fund for Aims Community College and Colorado Mountain College, which each receive an 8.95 percent increase to align with the overall increase provided for the other governing boards. Additional support is included in S.B. 18-262. For additional information on the total appropriations by governing board and the higher education funding model, see Factors Driving the Budget for the Department of Higher Education in Part II of this report.

**HIGHER ED LIMITED GAMING REVENUE:** The appropriation includes an increase to reflect the most recent actual receipts of Amendment 50 limited gaming revenue for higher education institutions with a two-year mission. This section includes the increases for Aims Community College and Colorado Mountain College.

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

## 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 colleges, area technical colleges, secondary school districts, and any other appropriate state and local educational agencies or institutions. This division also coordinates resources available for the promotion of job development, job training, and job retraining in the state. The primary source of reappropriated funds is a transfer from the Department of Education for career and technical education, but there is also a smaller transfer from the Governor's Office for training related to economic development, as well as indirect cost recoveries. The federal funds are from grants from the Carl D. Perkins Vocational and Technical Education Act, and miscellaneous smaller grants.

DIVISION OF OCCUPATIONAL EDUCATION						
	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$57,356,498	\$10,218,039	\$0	\$31,564,481	\$15,573,978	32.0
<b>TOTAL</b>	<b>\$57,356,498</b>	<b>\$10,218,039</b>	<b>\$0</b>	<b>\$31,564,481</b>	<b>\$15,573,978</b>	<b>32.0</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$57,356,498	\$10,218,039	\$0	\$31,564,481	\$15,573,978	32.0
Area technical college increase	1,178,882	1,178,882	0	0	0	0.0
Operating and financial aid adjustment for public colleges and universities	914,514	914,514	0	0	0	0.0
State assistance for career and technical education	510,798	0	0	510,798	0	0.0
<b>HB 18-1322</b>	<b>\$59,960,692</b>	<b>\$12,311,435</b>	<b>\$0</b>	<b>\$32,075,279</b>	<b>\$15,573,978</b>	<b>32.0</b>
<b>TOTAL</b>	<b>\$59,960,692</b>	<b>\$12,311,435</b>	<b>\$0</b>	<b>\$32,075,279</b>	<b>\$15,573,978</b>	<b>32.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$2,604,194</b>	<b>\$2,093,396</b>	<b>\$0</b>	<b>\$510,798</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	4.5%	20.5%	n/a	1.6%	0.0%	0.0%

<sup>1</sup>Includes General Fund Exempt

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**AREA TECHNICAL COLLEGES INCREASE:** The appropriation increases the funding for the three area technical colleges by \$1,178,882 General Fund to address enrollment growth. This is in addition to the amount provided under the higher education funding formula (described under *Operating and financial aid adjustment for public colleges and universities*).

**OPERATING AND FINANCIAL AID ADJUSTMENT FOR PUBLIC COLLEGES AND UNIVERSITIES:** The appropriation across the Department includes an increase of \$75.7 million General Fund allocated among public institutions of higher education (state governing boards, local district colleges, and area technical colleges) and financial aid. This section includes \$0.9 million General Fund for the area technical colleges, which receive an 8.95 percent increase to align with the overall increase provided for the other governing boards.

**STATE ASSISTANCE FOR CAREER AND TECHNICAL EDUCATION:** The appropriation increases funding for career and technical education by \$510,798 reappropriated funds, for a total appropriation of \$26,675,279 reappropriated funds, based on money transferred from 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 University of Denver, and the University of Colorado at Denver and Health Sciences Center. Reappropriated funds in this section are from the governing boards located on the campus.

AURARIA HIGHER EDUCATION CENTER						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$21,493,175	\$0	\$0	\$21,493,175	\$0	190.2
<b>TOTAL</b>	<b>\$21,493,175</b>	<b>\$0</b>	<b>\$0</b>	<b>\$21,493,175</b>	<b>\$0</b>	<b>190.2</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$21,493,175	\$0	\$0	\$21,493,175	\$0	190.2
Auraria Higher Education Center adjustment	1,074,659	0	0	1,074,659	0	0.0
Governing board FTE adjustment	0	0	0	0	0	(2.1)
<b>HB 18-1322</b>	<b>\$22,567,834</b>	<b>\$0</b>	<b>\$0</b>	<b>\$22,567,834</b>	<b>\$0</b>	<b>188.1</b>
<b>TOTAL</b>	<b>\$22,567,834</b>	<b>\$0</b>	<b>\$0</b>	<b>\$22,567,834</b>	<b>\$0</b>	<b>188.1</b>
<b>INCREASE/(DECREASE)</b>	<b>\$1,074,659</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,074,659</b>	<b>\$0</b>	<b>(2.1)</b>
Percentage Change	5.0%	n/a	n/a	5.0%	n/a	(1.1%)

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**AURARIA HIGHER ED CENTER ADJUSTMENT:** The appropriation increases spending authority for the Auraria Higher Education Center by \$1,074,659 (5.0 percent) reappropriated funds received from the institutions operating on the Auraria campus (University of Colorado – Denver, Metropolitan State University of Denver, and the Community College of Denver).

**GOVERNING BOARD FTE ADJUSTMENTS:** The appropriation adjusts FTE shown in the Long Bill for each governing board to reflect the most recent estimates available (estimates for FY 2017-18). This includes a reduction of 2.1 FTE for the Auraria Higher Education Center. These FTE figures are shown for informational purposes only.

## HISTORY COLORADO

History Colorado, founded in 1879, is an educational institution of the State and acts as trustee for the State in collecting, preserving, exhibiting, and interpreting collections and properties of state historical significance. History Colorado maintains museums and historical sites throughout Colorado and provides assistance to local and regional historical societies and museums. It also distributes gaming revenue to gaming cities and operates a state-wide grant program for historic preservation. Cash funds in this section are primarily from limited gaming funds deposited in

the State Historical Fund. Additional sources include cash funds from museum fees, memberships, and other revenue-generating activities and, for informational purposes, support from the State of New Mexico for the Cumbres and Toltec Railroad.

HISTORY COLORADO						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$32,108,227	\$2,756,401	\$28,280,093	\$97,283	\$974,450	137.4
SB 17-257	0	0	0	0	0	0.0
HB 18-1322	0	0	0	0	0	0.0
<b>TOTAL</b>	<b>\$32,108,227</b>	<b>\$2,756,401</b>	<b>\$28,280,093</b>	<b>\$97,283</b>	<b>\$974,450</b>	<b>137.4</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$32,108,227	\$2,756,401	\$28,280,093	\$97,283	\$974,450	137.4
History Colorado FTE adjustment	0	0	0	0	0	(16.9)
Lease-purchase payment adjustments	(99,953)	0	(99,953)	0	0	0.0
Annualize prior year budget actions	(26,934)	(35,691)	7,863	0	894	0.0
<b>HB 18-1322</b>	<b>\$31,981,340</b>	<b>\$2,720,710</b>	<b>\$28,188,003</b>	<b>\$97,283</b>	<b>\$975,344</b>	<b>120.5</b>
<b>TOTAL</b>	<b>\$31,981,340</b>	<b>\$2,720,710</b>	<b>\$28,188,003</b>	<b>\$97,283</b>	<b>\$975,344</b>	<b>120.5</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$126,887)</b>	<b>(\$35,691)</b>	<b>(\$92,090)</b>	<b>\$0</b>	<b>\$894</b>	<b>(16.9)</b>
Percentage Change	(0.4%)	(1.3%)	(0.3%)	0.0%	0.1%	(12.3%)

#### FY 2017-18 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 18-1322 adds a footnote in History Colorado allowing up to \$155,682 General Fund appropriated for community museums in FY 2017-18, if not expended by June 30, 2018, to be rolled forward for expenditure in FY 2018-19.

#### FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**HISTORY COLORADO FTE ADJUSTMENTS:** The appropriation includes a decrease of 16.9 FTE for History Colorado to more closely approximate its current staffing levels. All FTE figures are shown for informational purposes only.

**LEASE-PURCHASE PAYMENT ADJUSTMENTS:** The appropriation includes adjustments to lease purchase payments in the Department. This includes a reduction of \$99,953 cash funds for the Colorado History Museum based on anticipated payments due in FY 2018-19.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions. This includes a reduction of \$35,691 to eliminate one-time costs associated with an FY 2017-18 increase for the History Colorado community museums.

## RECENT LEGISLATION

### 2017 SESSION BILLS

**S.B. 17-060 (CO STUDENT LEADERS INSTITUTE RELOCATION TO CDHE):** Relocates the Colorado Student Leaders Institute from the Office of the Lieutenant Governor to the Department of Higher Education. Transfers an appropriation of \$218,825 General Fund and 1.0 FTE from the Office of the Lieutenant Governor to the Department of Higher Education for FY 2017-18.

**S.B. 17-074 (CREATE MEDICATION-ASSISTED TREATMENT PROGRAM):** Creates a pilot program in the College of Nursing in the University of Colorado to make grants for organizations providing medication-assisted treatment to persons with opioid use disorders in Pueblo and Routt counties. Requires an annual appropriation from the Marijuana Tax Cash Fund (MTCF) of \$500,000 in FY 2017-18 and FY 2018-19, and provides the FY 2017-18 appropriation to the Department of Higher Education for the University of Colorado. Any unexpended money is returned to the MTCF at the end of FY 2018-19. The program is repealed as of June 30, 2020.

**S.B. 17-174 (ALLOCATION OF MONEY FOR NATIONAL GUARD TUITION):** Removes a statutory provision requiring the Colorado Commission on Higher Education to allocate funds for tuition assistance to members of the Colorado National Guard. The change allows the General Assembly to make all of the program's FY 2017-18 and future appropriations to the Department of Military and Veterans Affairs instead of funding a portion through the Department of Higher Education.

**S.B. 17-193 (RESEARCH CTR PREVENTION SUBSTANCE ABUSE ADDICTION):** Creates a research center for substance abuse and addiction prevention strategies and treatment at the University of Colorado Health Sciences Center. Provides a one-time appropriation of \$1,000,000 from the Marijuana Tax Cash Fund (MTCF) for FY 2017-18 to the Department of Higher Education for allocation to the University of Colorado.

**S.B. 17-254 (LONG BILL):** General appropriations act for FY 2017-18. Includes provisions modifying FY 2016-17 appropriations to the Department.

**S.B. 17-257 (HISTORICAL SOCIETY COMMUNITY MUSEUMS CASH):** Creates the Community Museums Cash Fund to receive fees, membership dues, and other revenue earned at History Colorado's community museums. This separates these revenues from the balance of History Colorado earned revenue, which is deposited in the Enterprise Services Cash Fund. Amounts in the new fund are subject to annual appropriation for the use of the community museums. Modifies Higher Education appropriations in the FY 2017-18 Long Bill to: (1) eliminate the \$847,000 cash funds currently appropriated from the Enterprise Services Cash Fund to the community museums; (2) replace this appropriation with \$847,000 cash funds from the Community Museums Cash Fund; and (3) specifies that if available revenue in the Community Museums Cash Fund is less than the appropriated amount, an amount equal to the unused balance is appropriated from the Enterprise Services Cash Fund.

**S.B. 17-258 (USING OPEN EDUCATIONAL RESOURCES IN HIGHER EDUCATION):** Creates the Open Educational Resources Council in the Department of Higher Education, which is charged with overseeing a contracted study and making recommendations on increasing the use of Open Educational Resources (OER) at public institutions of higher education. Provides an appropriation of \$25,000 General Fund to the Department of Higher Education for FY 2017-18 to contract for the study of OER and for other Council expenses. The Council is repealed July 1, 2018.

**S.B. 17-297 (REVISING HIGHER EDUCATION PERFORMANCE REQUIREMENTS):** Revises various higher education performance requirements, including: (1) striking statutory provisions that require performance funding for higher education institutions; and (2) striking most statutory provisions requiring the state to negotiate



performance contracts with public higher education institutions. Instead, requires public institutions to annually affirm the institutions' contribution toward meeting the goals of the state higher education master plan, requires goals for each institution to be outlined, and requires that each institution's contributions to the master plan be measured using data collected for state and federal reporting purposes and for populating the higher education funding model.

Reduces the authority of the Colorado Commission on Higher Education to waive a broad range of statutory provisions for institutions with performance contracts, but modifies or eliminates specific statutory requirements that were previously waived by the Commission.

Requires reporting by December 1 of each year to the Joint Budget Committee and the education committees concerning the master plan goals and each institution's progress toward master plan goals and requires this information be posted to the Department's website.

**H.B. 17-1140 (ENHANCE STUDENT SUPPORT CSM FEE-FOR-SERVICE FUNDS):** Modifies restrictions on the Colorado School of Mines' (CSM) use of state fee-for-service contract funds. Statute previously required the Colorado School of Mines to use a portion of its fee-for-service funding to provide financial aid for in-state students, with all fee-for-service funds to be used for this purpose by FY 2020-21. Under the bill, CSM may also use fee-for-service funding for advising, counseling, academic support, and precollegiate program expenses.

**H.B. 17-1282 (RURAL VETERINARY EDUCATION LOAN REPAYMENT PROGRAM):** Creates the Veterinary Education Loan Repayment Program in Colorado State University (CSU). The program provides financial incentives through education loan repayment to licensed veterinarians to practice in rural areas with a shortage of veterinarians. Creates the Veterinary Education Loan Repayment Fund, consisting of gifts, grants, and donations and transfers from the General Assembly. Money in this fund is continuously appropriated to the State Veterinary Education Council, which operates under the supervision of the dean of CSU's College of Veterinary Medicine and Biomedical Sciences. Transfers \$140,000 from the General Fund to the Veterinary Education Loan Repayment Fund on September 1, 2017.

## 2018 SESSION BILLS

**S.B. 18-085 (FINANCIAL INCENTIVES FOR EDUCATION IN RURAL AREAS):** Expands stipends for teachers in rural school districts who are seeking certification as a national board certified teacher or concurrent enrollment teacher. Increases the number of stipends from 20 to 60 and makes other modifications to the program. Stipends may not exceed \$6,000 per teacher, and teachers who accept the stipend must commit to teaching in a rural area for a total of three years. Provides an appropriation of \$240,000 cash funds from the State Education Fund to the Department of Education in FY 2018-19, and provides an appropriation of \$240,000 reappropriated funds to the Department of Higher Education from the amount appropriated to the Department of Education. The same level of funding is anticipated to be required in future years.

**S.B. 18-086 (CYBER CODING CRYPTOLOGY FOR STATE RECORDS):** Requires the state's Chief Information Security Officer to annually identify, assess, and mitigate cyber threats to the State. Includes various provisions to promote security of state data and Colorado's role as a center for cybersecurity research, development, and training. Among other provisions, appropriates \$5,100,000 General Fund to the Department of Higher Education in FY 2018-19 for allocation to higher education governing boards participating in activities related to cybersecurity and distributed ledger technologies as follows: Colorado Mesa University - \$300,000; Metropolitan State University of Denver - \$300,000; Western State Colorado University - \$200,000; Colorado State University System - \$1,200,000; University of Colorado System - \$2,800,000; Community College System - \$300,000. General Fund appropriations are first appropriated to the College Opportunity Fund Program and are then reappropriated to the individual governing boards for fee-for-service contracts, resulting in a matching increase of \$5,100,000 reappropriated funds.

Requires that specified percentages of these appropriations for higher education institutions be used for scholarships for students who are doing work in connection with cybersecurity and distributed ledger technologies. Requires a report from the Department of Higher Education, in collaboration with the governing boards, on the use of this additional funding to expand faculty, student internships, degrees awarded, seminars, and matching funding related to cybersecurity research and training above the April 2018 baseline. The report must be provided to the Joint Budget Committee and other specified legislative committees on or before October 1, 2019 and must be presented in annual SMART Act legislative hearings. Requires the Department and funding recipients to provide recommendations at SMART Act hearings in 2021 and every three years thereafter on whether the funding should be continued. For additional information, see the “Recent Legislation” section at the end of Part III for the Governor-Lieutenant Governor-State Planning and Budgeting.

**S.B. 18-206 (RESEARCH INSTITUTIONS AFFORDABILITY FOR RESIDENTS/INCREASE NON-RESIDENT ENROLLMENT):** Reduces the percentage of students enrolled at the state’s research institutions (University of Colorado System, Colorado State University System, Colorado School of Mines, and University of Northern Colorado) who must be Colorado resident (“in-state”) students. Requires that not less than fifty-five percent (rather than two-thirds) of enrollment at the research institutions be in-state resident students, after excluding foreign student and students enrolled in online courses. Makes other changes to formula calculations concerning resident/nonresident student ratios. Requires the Department of Higher Education submit an annual report to the Joint Budget Committee and the legislative Education Committees, beginning October 15, 2018, that provides nominal data for each institution in each affected student category and provides calculations demonstrating the institution’s compliance with the statute. Requires this data be consistently included in the State’s student records database. Provides an appropriation of \$8,181,450 cash funds from tuition to the University of Colorado for FY 2018-19 based on the additional nonresident tuition revenue anticipated to be received as a result of the statutory change.

**S.B. 18-262 (HIGHER ED TARGETED MASTER PLAN FUNDING):** Appropriates \$16.7 million additional General Fund for higher education institutions and financial aid for FY 2018-19. This funding is allocated based on existing statute and the funding model included in the FY 2018-19 Long Bill, with specified exceptions that allow a portion of amounts that would otherwise be allocated to the University of Colorado and Colorado State University systems to be allocated to the other governing boards.

S.B. 18-262 FY 2018-19 HIGHER EDUCATION GENERAL FUND APPROPRIATIONS	
<b>GOVERNING BOARDS</b>	
Adams State University	\$540,138
Colorado Mesa University	741,441
Metropolitan State University of Denver	1,558,654
Western State Colorado University	541,638
Colorado State University System	2,106,270
Fort Lewis College	531,603
University of Colorado System	2,465,807
Colorado School of Mines	476,602
University of Northern Colorado	670,368
Community College System	3,594,682
Colorado Mountain College	144,670
Aims Community College	185,887
Area technical colleges	0
<b>SUBTOTAL - GOVERNING BOARDS<sup>1</sup></b>	<b>\$13,557,760</b>
<b>FINANCIAL AID/OTHER</b>	
Need-based grants	\$1,654,375
Colorado Opportunity Scholarship Initiative	1,500,000
Student stipends - private institutions	34,890
<b>SUBTOTAL - FINANCIAL AID/OTHER</b>	<b>\$3,189,265</b>

S.B. 18-262 FY 2018-19 HIGHER EDUCATION  
GENERAL FUND APPROPRIATIONS

<b>TOTAL</b>	<b>\$16,747,025</b>
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<sup>1</sup>Amounts allocated to governing boards other than Colorado Mountain College, Aims Community College, and the Area Technical Colleges are appropriated first to the College Opportunity Fund Program in the Department and are then reappropriated as student stipends and fee-for-service contracts to the governing boards.

Includes appropriations of \$13,227,203 reappropriated funds, since General Fund appropriations for most of the governing boards are first appropriated to the College Opportunity Fund program and are then reappropriated to the individual governing boards for student stipends and fee-for-service contracts.

**H.B. 18-1002 (RURAL SCHOOL DISTRICT TEACHING FELLOWSHIP PROGRAMS):** Creates a teaching fellowship program for rural local education providers and institutions of higher education that offer a teacher preparation program. Authorizes up to 100 one-year fellowships that are designed by participating rural education providers and institutions of higher education to meet the needs of the rural education provider and the higher education student who receives the teaching fellowship. Teaching fellows receive a \$10,000 stipend, in addition to any other financial assistance available to the fellow. Stipends are funded 50 percent by the participating institution of higher education and 50 percent from state support. The education provider commits to extending an offer of employment to students who successfully complete a fellowship, and students receiving a job offer commit to two full years of employment or repaying their fellowship stipend. Requires reporting from participating institutions and an annual report from the Department of Higher Education to the Joint Budget Committee, Education Committees, the State Board of Education, and the Colorado Commission on Higher Education. Includes an appropriation of \$530,448 General Fund and 0.5 FTE to the Department of Higher Education for FY 2018-19. A similar funding level anticipated in subsequent years.

**H.B. 18-1003 (OPIOID MISUSE PREVENTION):** Implements several policies related to the prevention of opioid and substance misuse and allocates \$2,489,249 total funds in FY 2018-19, including \$750,000 Marijuana Tax Cash Fund, to the University of Colorado for the Center for Research Into Substance Use Disorder Prevention, Treatment, and Recovery to develop and implement continuing medical education activities for prescribers of pain medication. For additional information, see the “Recent Legislation” section at the end of Part III for the Department of Public Health and Environment.

**H.B. 18-1226 (HIGHER ED REVIEW DEGREE PROGRAM COSTS AND OUTCOMES):** Requires the Department of Higher Education prepare a return on investment report on undergraduate degree and certificate programs offered by state institutions of higher education. The report is due on or before July 31, 2019 and each July 31 thereafter. Provides an appropriation of \$74,153 General Fund to the Department of Higher Education. This is expected to annualize to \$34,250 General Fund and 0.5 FTE in FY 2019-20.

**H.B. 18-1309 (PROGRAMS ADDRESSING EDUCATOR SHORTAGES):** Includes various provisions to address educator shortages, including establishing new “grow your own educator” and “teacher of record” programs in the Department of Education. Among other provisions, creates a Partnership for Rural Education Preparation at the University of Colorado-Denver (UCD) to collaborate with other institutions on solutions to the rural teacher shortage. Includes an appropriation of \$156,116 General Fund to the Department of Higher Education for allocation to the University of Colorado for the Partnership for Rural Education Preparation program. This amount is expected to support one staff member at UCD for the two-year period from FY 2018-19 through FY 2019-20. For additional information, see the “Recent Legislation” section at the end of Part III for the Department of Education.

**H.B. 18-1322 (LONG BILL):** General appropriations act for FY 2018-19. Includes provisions modifying FY 2017-18 appropriations to the Department.

**H.B. 18-1331 (HIGHER ED OPEN EDUCATIONAL RESOURCES):** Creates the Colorado Open Educational Resources (OER) Council and grant program in the Department of Higher Education (DHE). Open educational resources are high-quality teaching, learning, and research resources that reside in the public domain or have been released under an intellectual property license that permits their free use and repurposing by others. Establishes requirements for appointments to the Council by the Executive Director of DHE and the Commissioner of Education. Council responsibilities include:

- Recommending statewide policies for promoting adaptation, creation, and use of OER at Colorado public institutions of higher education;
- Facilitating professional development and sharing of knowledge about OER;
- Implementing the OER grant program that is created in the bill; and
- Submitting an annual report to the Colorado Commission on Higher Education and the General Assembly on the use of OER and the impact of the grant program.

The OER grant program provides grants to public institutions of higher education to promote the use of OER at the institutions and to faculty and staff, individually or in groups, to create and adapt open educational resources. The bill also directs the Colorado Commission on Higher Education to adopt guidelines to require public institutions of higher education to ensure that, beginning in the fall of 2021, students are informed prior to course registration concerning which courses and sections use OER or other low-cost materials. Provides a General Fund appropriation of \$660,000 and 0.9 FTE for FY 2018-19 that is expected to increase to \$1,160,877 for FY 2019-20 and a similar amount in FY 2020-21. The Council and grant program are repealed effective November 1, 2021.

**H.B. 18-1332 (COLLABORATIVE EDUCATOR PREPARATION PROGRAM GRANTS):** Creates the Collaborative Educator Preparation Grant Program (grant program) in the Department to support educator preparation initiatives implemented through partnerships between educator preparation programs and local education providers (LEPs). Educator preparation programs include those offered by institutions of higher education or through alternative teacher programs. Requires the Department, in collaboration with the rural education coordinator, to convene meetings between LEPs and educator preparation programs to assist them in developing joint proposals for teacher preparation initiatives, e.g., teacher residency programs or technology to support long-distance supervision of new teachers. Provides a one-time appropriation of \$2,000,000 General Fund. Unexpended amounts may be rolled forward and spent through FY 2019-20.

# Details

## DEPARTMENT OF HUMAN SERVICES

### FY 2017-18 AND FY 2018-19 APPROPRIATIONS BY DIVISION AND BILL

DEPARTMENT OF HUMAN SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2017-18 TOTAL APPROPRIATION:</b>	<b>\$2,077,373,159</b>	<b>\$888,859,937</b>	<b>\$421,971,649</b>	<b>\$183,915,841</b>	<b>\$582,625,732</b>	<b>4,935.5</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Executive Director's Office	100,575,021	64,239,524	1,873,974	27,853,844	6,607,679	141.5
Office of Information Technology Services	81,850,580	47,530,270	1,063,778	16,329,733	16,926,799	11.0
Office of Operations	50,691,486	21,834,030	1,295,659	27,561,797	0	433.4
County Administration	86,118,349	28,892,409	22,126,918	0	35,099,022	0.0
Division of Child Welfare	488,537,130	265,924,572	98,002,840	16,579,985	108,029,733	92.8
Office of Early Childhood	231,365,408	76,399,851	50,138,991	7,173,403	97,653,163	89.8
Office of Self Sufficiency	278,566,964	12,356,448	30,439,324	2,226,671	233,544,521	248.7
Office of Behavioral Health	308,794,868	199,570,433	47,928,294	19,985,074	41,311,067	1,313.6
Services for People with Disabilities	124,932,943	1,045,430	40,340,899	62,102,450	21,444,164	1,433.6
Adult Assistance Programs	197,690,250	49,720,326	126,438,268	1,001,800	20,529,856	30.5
Division of Youth Services	128,250,160	121,346,644	2,322,704	3,101,084	1,479,728	1,140.6
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
SB 17-254	\$2,023,402,359	\$865,857,539	\$408,627,920	\$174,562,607	\$574,354,293	4,936.0
SB 17-012	18,000	0	18,000	0	0	0.0
SB 17-019	26,000	26,000	0	0	0	0.0
SB 17-028	12,960	12,960	0	0	0	0.0
SB 17-207	7,086,280	0	7,086,280	0	0	0.9
SB 17-292	4,000,000	0	0	0	4,000,000	0.0
HB 17-1045	0	0	0	0	0	0.0
HB 17-1204	108,710	108,710	0	0	0	0.0
HB 17-1207	(160,270)	(160,270)	0	0	0	0.0
HB 17-1264	75,000	75,000	0	0	0	0.0
HB 17-1284	428,779	428,779	0	0	0	0.4
HB 17-1292	300,000	300,000	0	0	0	0.0
HB 17-1329	306,302	306,302	0	0	0	0.3
HB 18-1162	41,769,039	21,904,917	6,239,449	9,353,234	4,271,439	(2.1)
<b>FY 2018-19 TOTAL APPROPRIATION:</b>	<b>\$2,198,754,010</b>	<b>\$982,587,627</b>	<b>\$418,697,165</b>	<b>\$184,976,303</b>	<b>\$612,492,915</b>	<b>5,052.9</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Executive Director's Office	123,918,778	80,295,765	1,866,025	33,806,700	7,950,288	154.8
Office of Information Technology Services	82,106,015	47,890,193	1,136,936	16,266,087	16,812,799	11.0
Office of Operations	50,041,748	26,142,184	1,318,899	22,580,665	0	421.0
County Administration	86,869,745	29,142,536	22,277,197	0	35,450,012	0.0
Division of Child Welfare	511,776,816	284,822,910	92,408,321	14,070,269	120,475,316	95.4
Office of Early Childhood	253,285,248	88,495,817	47,134,162	7,968,022	109,687,247	89.9
Office of Self Sufficiency	283,424,216	13,314,989	30,542,138	2,355,620	237,211,469	256.8
Office of Behavioral Health	345,186,673	230,506,014	52,643,884	20,606,933	41,429,842	1,353.0
Services for People with Disabilities	125,289,721	1,495,430	39,168,228	63,181,181	21,444,882	1,414.6
Adult Assistance Programs	203,523,747	54,010,118	127,942,066	1,001,800	20,569,763	30.5

DEPARTMENT OF HUMAN SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Division of Youth Services	133,331,303	126,471,671	2,259,309	3,139,026	1,461,297	1,225.9
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
HB 18-1322	\$2,172,833,651	\$960,747,033	\$419,282,280	\$187,608,968	\$605,195,370	5,046.4
SB 18-191	(50,000)	0	(50,000)	0	0	0.0
SB 18-250	2,564,603	2,564,603	0	0	0	1.8
SB 18-254	18,368,787	14,546,680	(1,208,177)	0	5,030,284	0.9
SB 18-270	1,588,250	1,588,250	0	0	0	0.0
HB 18-1064	158,374	158,374	0	0	0	0.0
HB 18-1094	1,286,611	1,286,611	0	0	0	0.5
HB 18-1306	2,817,327	0	550,066	0	2,267,261	0.9
HB 18-1319	30,000	30,000	0	0	0	0.0
HB 18-1323	52,511	0	0	52,511	0	0.5
HB 18-1328	(2,685,176)	0	0	(2,685,176)	0	(1.0)
HB 18-1333	15,000	15,000	0	0	0	0.0
HB 18-1334	1,278,751	1,278,751	0	0	0	1.0
HB 18-1339	36,630	36,630	0	0	0	0.0
HB 18-1357	85,695	85,695	0	0	0	0.9
HB 18-1363	122,996	0	122,996	0	0	0.0
HB 18-1364	250,000	250,000	0	0	0	1.0
<b>INCREASE/(DECREASE)</b>	<b>\$121,380,851</b>	<b>\$93,727,690</b>	<b>(\$3,274,484)</b>	<b>\$1,060,462</b>	<b>\$29,867,183</b>	<b>117.4</b>
Percentage Change	5.8%	10.5%	(0.8%)	0.6%	5.1%	2.4%

**INFORMATIONAL FUNDS:** The FY 2018-19 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Human Services are annotated with the "(I)". For additional information, see Appendix E.

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2018-19 Appropriations containing an (I) notation	\$560,008,215	\$0	\$284,968,446	\$1,340,200	\$273,699,569

## 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 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 contains funding for specific functions including:

- The Juvenile Parole Board;
- The Developmental Disabilities Council;
- The Colorado Commission for the Deaf and Hard of Hearing;
- Compliance with the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA); and
- The Administrative Review Unit, which performs case reviews of children and youth who are placed in out-of-home residential care, and conducts formal reviews of county adult protective services cases.

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 2017-18 APPROPRIATION:						
SB 17-254	\$98,980,419	\$63,163,016	\$1,832,234	\$26,213,420	\$7,771,749	141.1
HB 17-1284	75,879	75,879	0	0	0	0.4
HB 18-1162	1,518,723	1,000,629	41,740	1,640,424	(1,164,070)	0.0
<b>TOTAL</b>	<b>\$100,575,021</b>	<b>\$64,239,524</b>	<b>\$1,873,974</b>	<b>\$27,853,844</b>	<b>\$6,607,679</b>	<b>141.5</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$100,575,021	\$64,239,524	\$1,873,974	\$27,853,844	\$6,607,679	141.5
Centrally appropriated line items	24,507,362	15,851,417	340,954	6,330,086	1,984,905	0.0
Direct care staff compensation	2,428,813	2,428,813	0	0	0	0.0
Translation services for the deaf and hard of hearing	700,000	0	0	700,000	0	8.0
Division of Youth Services' facility staffing	620,981	620,981	0	0	0	0.0
Annualize prior year legislation	446,488	176,950	180,593	88,945	0	3.1
Court-ordered competency reports	113,536	113,536	0	0	0	0.0
Competency restoration services	61,144	61,144	0	0	0	0.0
Division of Youth Services funding transfer	45,188	45,188	0	0	0	0.0
Mental health institute staffing	32,119	32,119	0	0	0	0.0
Expansion of Incredible Years Program	23,067	0	23,067	0	0	0.0
Medication consistency and health information exchange	15,101	0	15,101	0	0	0.0
Community provider rate	6,840	0	0	6,840	0	0.0
Technical changes	2,252	0	0	2,252	0	0.0
Annualize prior year budget actions	(5,513,303)	(3,672,492)	(160,686)	(1,032,271)	(647,854)	0.3
Indirect cost assessment adjustment	(401,082)	82,960	(406,941)	(77,101)	0	0.0
HIPAA security remediation	(105,099)	(56,700)	(37)	(48,362)	0	0.0
<b>HB 18-1322</b>	<b>\$123,558,428</b>	<b>\$79,923,440</b>	<b>\$1,866,025</b>	<b>\$33,824,233</b>	<b>\$7,944,730</b>	<b>152.9</b>
HB 18-1306	5,558	0	0	0	5,558	0.0
HB 18-1328	(17,533)	0	0	(17,533)	0	0.0
HB 18-1339	36,630	36,630	0	0	0	0.0
HB 18-1357	85,695	85,695	0	0	0	0.9
HB 18-1364	250,000	250,000	0	0	0	1.0
<b>TOTAL</b>	<b>\$123,918,778</b>	<b>\$80,295,765</b>	<b>\$1,866,025</b>	<b>\$33,806,700</b>	<b>\$7,950,288</b>	<b>154.8</b>
<b>INCREASE/(DECREASE)</b>	<b>\$23,343,757</b>	<b>\$16,056,241</b>	<b>(\$7,949)</b>	<b>\$5,952,856</b>	<b>\$1,342,609</b>	<b>13.3</b>
Percentage Change	23.2%	25.0%	(0.4%)	21.4%	20.3%	9.4%

## FY 2017-18 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 18-1162 modifies FY 2017-18 appropriations to:

- Add \$1,002,774 total funds, including \$1,000,629 General Fund, for adjustments to centrally appropriated line items; and
- Add \$515,949 total funds for indirect cost assessment adjustments.

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments for centrally appropriated line items, as detailed in the following table.

CENTRALLY APPROPRIATED LINE ITEMS					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
Salary survey	\$9,836,685	\$5,782,678	\$287,616	\$2,818,160	\$948,231
Health, life, and dental	5,298,437	6,029,419	(16,613)	(1,308,443)	594,074
Amortization and supplemental amortization equalization disbursements	2,078,410	2,774,089	69,123	(1,203,734)	438,932
Short-term disability	(20,181)	13,821	288	(37,958)	3,668
Shift differential	5,927,965	755,301	0	5,172,664	0
Workers' compensation	1,225,715	484,876	0	740,839	0
Legal services	(102,252)	(129,785)	0	27,533	0
Administrative law judges	(40,193)	(21,705)	0	(18,488)	0
Payment to risk management / property funds	264,796	142,632	249	121,915	0
Fleet vehicles	168	0	63	105	0
Information technology	37,812	20,091	228	17,493	0
<b>TOTAL</b>	<b>\$24,507,362</b>	<b>\$15,851,417</b>	<b>\$340,954</b>	<b>\$6,330,086</b>	<b>\$1,984,905</b>

**DIRECT CARE STAFF COMPENSATION:** The appropriation includes \$2,428,813 General Fund to increase salaries for all direct care job classifications at both mental health institutes, including:

- \$915,452 to provide a full 12 months of funding for salary increases that were implemented effective November 1, 2017, for registered nurses at the Colorado Mental Health Institute at Pueblo (CMHIP); and
- \$1,513,361 to increase salaries for all other direct care staff at CMHIP and at the Colorado Mental Health Institute at Fort Logan, effective July 1, 2018.

**TRANSLATION SERVICES FOR THE DEAF AND HARD OF HEARING:** The appropriation includes \$700,000 reappropriated funds and 8.0 FTE for expanded translation services for individuals who are deaf and hard of hearing.

**DIVISION OF YOUTH SERVICES' FACILITY STAFFING:** The appropriation includes \$620,981 General Fund to add staff to state-owned and operated youth corrections facilities in an effort to improve safety and security of staff and youth.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments related to prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 17-1284 Data System Check For Employees Serving At-risk Adults	\$448,633	\$176,950	\$180,593	\$91,090	\$0	3.1
HB 18-1162 Supplemental bill	(2,145)	0	0	(2,145)	0	0.0
<b>TOTAL</b>	<b>\$446,488</b>	<b>\$176,950</b>	<b>\$180,593</b>	<b>\$88,945</b>	<b>\$0</b>	<b>3.1</b>

**COURT-ORDERED COMPETENCY REPORTS:** The appropriation includes \$113,536 General Fund for additional psychologists and administrative support staff to respond to a growing number of court orders for competency evaluations.

**COMPETENCY RESTORATION SERVICES:** The appropriation includes \$61,144 General Fund to address continued increases in the number of court orders for competency restoration services.



**DIVISION OF YOUTH SERVICES FUNDING TRANSFER:** The appropriation transfers \$45,188 General Fund from the Parole Services line item to the Juvenile Parole Board line item to cover costs associated with staffing and holding hearings for the Board.

**MENTAL HEALTH INSTITUTE STAFFING:** The appropriation includes \$32,119 General Fund related to several Department actions taken in response to regulatory agency concerns about staffing at CMHIP.

**EXPANSION OF INCREDIBLE YEARS PROGRAM:** The appropriation includes \$23,067 cash funds from the Marijuana Tax Cash Fund for the expansion of the Incredible Years Program.

**MEDICATION CONSISTENCY AND HEALTH INFORMATION EXCHANGE:** The appropriation includes \$15,101 cash funds from the Marijuana Tax Cash Fund for the Office of Behavioral Health to promote continuity of care between jails, state agencies, and community treatment providers as required by S.B. 17-019.

**COMMUNITY PROVIDER RATE:** The appropriation includes \$6,840 reappropriated funds for an across-the-board increase of 1.0 percent for community providers.

**TECHNICAL CHANGES:** The appropriation includes \$2,252 total funds to align spending authority with actual expenditures.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 17-18 Mental health institute program relocation	\$115,362	\$115,362	\$0	\$0	\$0	0.0
FY 17-18 DYC facility staffing phase 3 of 3	62,523	62,523	0	0	0	0.0
FY 17-18 Diversion from criminal justice system	36,663	0	36,663	0	0	0.0
FY 17-18 Administrative Review Unit staff	1,295	1,295	0	0	0	0.3
FY 17-18 HCPF Oversight of state resources	509	509	0	0	0	0.0
FY 17-18 Legal services allocation adjustment	57	0	21	36	0	0.0
FY 17-18 Salary survey	(4,024,427)	(2,733,678)	(133,685)	(708,209)	(448,855)	0.0
FY 17-18 Merit pay	(1,704,962)	(1,118,503)	(63,563)	(323,897)	(198,999)	0.0
FY 17-18 Statewide common policy adjustment	(323)	0	(122)	(201)	0	0.0
<b>TOTAL</b>	<b>(\$5,513,303)</b>	<b>(\$3,672,492)</b>	<b>(\$160,686)</b>	<b>(\$1,032,271)</b>	<b>(\$647,854)</b>	<b>0.3</b>

**INDIRECT COST ASSESSMENT ADJUSTMENT:** The appropriation reflects a net decrease of \$401,082 total funds, including an increase of \$82,960 General Fund, to align the Department's Long Bill indirect cost plan with its federally approved public assistance cost allocation plan.

**HIPAA SECURITY REMEDIATION:** The appropriation includes a decrease of \$105,099 total funds, including \$56,700 General Fund, for risk assessments to identify potential violations of privacy laws and to design and implement mitigation plans in accordance with the standards set forth by the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA).

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

## OFFICE OF INFORMATION TECHNOLOGY SERVICES

The Office of Information Technology Services (OITS) is responsible for developing and maintaining the major centralized computer systems of the Department, including systems that link to all counties in the state. The OITS supports centralized databases and provides support and training to users, including county staff and private social service providers. It also helps to set policies and strategic directions for decentralized information technology systems that are operated by individual divisions within the Department. Major systems funded in this section of the budget include the Colorado Benefits Management System, the County Financial Management System, and the Colorado Trails information system. The primary source of cash funds is the Old Age Pension Fund. The primary source of reappropriated funds is Medicaid funds transferred from the Department of Health Care Policy and Financing. Major sources of federal funds include Title IV-E of the Social Security Act and the Temporary Assistance for Needy Families block grant.

OFFICE OF INFORMATION TECHNOLOGY SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$82,082,441	\$47,622,359	\$1,067,550	\$16,329,733	\$17,062,799	11.0
SB 17-028	12,960	12,960	0	0	0	0.0
HB 17-1204	108,710	108,710	0	0	0	0.0
HB 17-1284	205,300	205,300	0	0	0	0.0
HB 18-1162	(558,831)	(419,059)	(3,772)	0	(136,000)	0.0
<b>TOTAL</b>	<b>\$81,850,580</b>	<b>\$47,530,270</b>	<b>\$1,063,778</b>	<b>\$16,329,733</b>	<b>\$16,926,799</b>	<b>11.0</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$81,850,580	\$47,530,270	\$1,063,778	\$16,329,733	\$16,926,799	11.0
Annualize prior year legislation	349,261	160,572	52,689	0	136,000	0.0
Centrally appropriated line items	137,327	181,018	19,955	(63,646)	0	0.0
Annualize prior year budget actions	18,847	18,333	514	0	0	0.0
Child Care Development Funds transfer	(250,000)	0	0	0	(250,000)	0.0
<b>HB 18-1322</b>	<b>\$82,106,015</b>	<b>\$47,890,193</b>	<b>\$1,136,936</b>	<b>\$16,266,087</b>	<b>\$16,812,799</b>	<b>11.0</b>
<b>TOTAL</b>	<b>\$82,106,015</b>	<b>\$47,890,193</b>	<b>\$1,136,936</b>	<b>\$16,266,087</b>	<b>\$16,812,799</b>	<b>11.0</b>
INCREASE/(DECREASE)						
	\$255,435	\$359,923	\$73,158	(\$63,646)	(\$114,000)	0.0
Percentage Change	0.3%	0.8%	6.9%	(0.4%)	(0.7%)	0.0%

## FY 2017-18 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 18-1162 modifies FY 2017-18 appropriations to:

- Decrease \$422,831 total funds, including a decrease of \$419,059 General Fund, to implement a series of technical fixes (revised cost allocations) and substantive fixes (technology enhancements) associated with the Colorado Benefits Management System, known as CBMS; and
- Decrease \$136,000 federal funds to transfer money from the operating section of the budget to the capital construction section of the budget for additional costs associated with the completion of the Child Care Automated Tracking System (CHATS) replacement project.

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments for the second-year impact of prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 18-1162 Supplemental bill	\$558,831	\$419,059	\$3,772	\$0	\$136,000	0.0
HB 17-1204 Juvenile Delinquency Record Expungement	(108,710)	(108,710)	0	0	0	0.0
HB 17-1284 Data System Check For Employees Serving At-risk Adults	(87,900)	(136,817)	48,917	0	0	0.0
SB 17-028 Healthy Families And Military Preparedness Act	(12,960)	(12,960)	0	0	0	0.0
<b>TOTAL</b>	<b>\$349,261</b>	<b>\$160,572</b>	<b>\$52,689</b>	<b>\$0</b>	<b>\$136,000</b>	<b>0.0</b>

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for the following: payments to the Governor's Office of Information Technology (OIT) and CORE operations.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions, including salary survey and merit pay.

**CHILD CARE DEVELOPMENT FUNDS TRANSFER:** The appropriation includes a decrease of \$250,000 federal funds from the Child Care Development Fund to cover the costs to complete the Child Care Automated Tracking System (CHATS) replacement project. The CHATS project is funded in the capital construction section of the budget for FY 2017-18 using a combination of operating transfers in FY 2017-18 and FY 2018-19.

## 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 performance oversight of all Department contracts. Funding for the Office is from General Fund and reappropriated funds from indirect cost assessments initially appropriated in each division.

OFFICE OF OPERATIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$48,813,681	\$20,377,494	\$1,103,132	\$27,333,055	\$0	433.4
HB 18-1162	1,877,805	1,456,536	192,527	228,742	0	0.0
<b>TOTAL</b>	<b>\$50,691,486</b>	<b>\$21,834,030</b>	<b>\$1,295,659</b>	<b>\$27,561,797</b>	<b>\$0</b>	<b>433.4</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$50,691,486	\$21,834,030	\$1,295,659	\$27,561,797	\$0	433.4
Grand Junction Regional Center campus relocation	303,286	38,000	3,286	262,000	0	0.0

OFFICE OF OPERATIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Centrally appropriated line items	146,410	63,265	906	82,239	0	0.0
Indirect cost assessment adjustment	11,372	4,763,104	11,537	(4,763,269)	0	0.0
Long Bill reorganization	(760,342)	0	0	(760,342)	0	(14.0)
Annualize prior year budget actions	(350,366)	(556,215)	7,574	198,275	0	1.6
HIPAA security remediation	(98)	0	(63)	(35)	0	0.0
<b>HB 18-1322</b>	<b>\$50,041,748</b>	<b>\$26,142,184</b>	<b>\$1,318,899</b>	<b>\$22,580,665</b>	<b>\$0</b>	<b>421.0</b>
<b>TOTAL</b>	<b>\$50,041,748</b>	<b>\$26,142,184</b>	<b>\$1,318,899</b>	<b>\$22,580,665</b>	<b>\$0</b>	<b>421.0</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$649,738)</b>	<b>\$4,308,154</b>	<b>\$23,240</b>	<b>(\$4,981,132)</b>	<b>\$0</b>	<b>(12.4)</b>
Percentage Change	(1.3%)	19.7%	1.8%	(18.1%)	n/a	(2.9%)

## FY 2017-18 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 18-1162 modifies FY 2017-18 appropriations to:

- Add \$1,577,805 total funds, including \$1,418,536 General Fund, for indirect cost assessment adjustments; and
- Add \$300,000 total funds, including \$38,000 General Fund, for the annual midyear adjustment to the vehicle lease payment appropriation.

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**GRAND JUNCTION REGIONAL CENTER CAMPUS RELOCATION:** The appropriation includes \$303,286 total funds, including \$38,000 General Fund, for leased space for the Department to implement S.B. 16-178 (Grand Junction Regional Center Campus) by relocating administrative functions off of the Grand Junction Regional Center campus and performing pre-construction activities for moving the residents.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated amounts for vehicle lease payments and to the indirect cost assessment due to changes in centrally appropriated line items.

**INDIRECT COST ASSESSMENT ADJUSTMENT:** The appropriation includes a net increase of \$11,372 total funds, including an increase of \$4,763,104 General Fund, to align the Department's Long Bill indirect cost plan with its federally approved public assistance cost allocation plan.

**LONG BILL REORGANIZATION:** The appropriation includes a decrease of \$760,342 reappropriated funds from indirect cost recoveries resulting from a Long Bill format change that moves funding for 14.0 FTE responsible for mental health institute patient billing activities to the Office of Behavioral Health section. The appropriation directly funds these positions from patient revenues, and eliminates the practice of funding these positions through the indirect cost pool.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 17-18 Salary survey	\$429,379	\$241,711	\$5,324	\$182,344	\$0	0.0
FY 17-18 Merit pay	85,439	0	2,418	83,021	0	0.0
FY 17-18 Legal services	56	0	36	20	0	0.0
FY 17-18 Mount View Youth Services Center ditch repair	(473,000)	(473,000)	0	0	0	0.0
FY 17-18 Mental health institute program relocation	(246,278)	(246,278)	0	0	0	1.6

## ANNUALIZE PRIOR YEAR BUDGET ACTIONS

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 17-18 Capitol Complex leased space	(145,643)	(78,648)	0	(66,995)	0	0.0
FY 17-18 Statewide common policy adjustment	(319)	0	(204)	(115)	0	0.0
<b>TOTAL</b>	<b>(\$350,366)</b>	<b>(\$556,215)</b>	<b>\$7,574</b>	<b>\$198,275</b>	<b>\$0</b>	<b>1.6</b>

**HIPAA SECURITY REMEDIATION:** The appropriation includes a decrease of \$98 total funds for risk assessments to identify potential violations of privacy laws and to design and implement mitigation plans in accordance with the standards set forth by the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA).

## COUNTY ADMINISTRATION

This section contains appropriations for 64 county departments of social or human services to administer the Supplemental Nutrition Assistance Program (food assistance) and Aid to the Needy Disabled. It also includes appropriations to assist counties with high human services program costs relative to their county property tax bases. Cash funds sources in this section include retained child support collections, fraud refunds, and state revenue intercepts. Federal funds are from the U.S. Department of Agriculture's Supplemental Nutrition Assistance Program and various other sources.

COUNTY ADMINISTRATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$86,118,349	\$28,892,409	\$22,126,918	\$0	\$35,099,022	0.0
<b>TOTAL</b>	<b>\$86,118,349</b>	<b>\$28,892,409</b>	<b>\$22,126,918</b>	<b>\$0</b>	<b>\$35,099,022</b>	<b>0.0</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$86,118,349	\$28,892,409	\$22,126,918	\$0	\$35,099,022	0.0
Community provider rate	751,396	250,127	150,279	0	350,990	0.0
<b>HB 18-1322</b>	<b>\$86,869,745</b>	<b>\$29,142,536</b>	<b>\$22,277,197</b>	<b>\$0</b>	<b>\$35,450,012</b>	<b>0.0</b>
<b>TOTAL</b>	<b>\$86,869,745</b>	<b>\$29,142,536</b>	<b>\$22,277,197</b>	<b>\$0</b>	<b>\$35,450,012</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$751,396</b>	<b>\$250,127</b>	<b>\$150,279</b>	<b>\$0</b>	<b>\$350,990</b>	<b>0.0</b>
Percentage Change	0.9%	0.9%	0.7%	n/a	1.0%	n/a

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**COMMUNITY PROVIDER RATE:** The appropriation includes \$751,396 total funds, including \$250,127 General Fund, for an across-the-board increase of 1.0 percent for community providers.

## DIVISION OF CHILD WELFARE

This section provides funding for programs that protect children from harm and assist families in caring for and protecting their children. Nearly 81.0 percent of funding in this division is allocated to counties, which are responsible for administering child welfare services under the supervision of the Department. Reappropriated funds reflect Medicaid funds and are transferred from the Department of Health Care Policy and Financing. Cash funds include county tax revenues, federal Title IV-E Waiver Demonstration Project funds that are deposited to a cash fund, docket fee revenues, Tobacco Master Settlement funds, and Marijuana Tax Cash Funds. Federal fund sources include those

available pursuant to Titles IV-B and IV-E of the Social Security Act, the Title XX Social Services Block Grant, and the Child Abuse Prevention and Treatment Act.

DIVISION OF CHILD WELFARE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$485,420,078	\$264,108,558	\$97,267,394	\$17,023,314	\$107,020,812	92.8
HB 17-1292	300,000	300,000	0	0	0	0.0
HB 18-1162	2,817,052	1,516,014	735,446	(443,329)	1,008,921	0.0
<b>TOTAL</b>	<b>\$488,537,130</b>	<b>\$265,924,572</b>	<b>\$98,002,840</b>	<b>\$16,579,985</b>	<b>\$108,029,733</b>	<b>92.8</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$488,537,130	\$265,924,572	\$98,002,840	\$16,579,985	\$108,029,733	92.8
County child welfare staffing phase 4	6,185,029	1,967,715	618,503	0	3,598,811	0.0
Community provider rate	4,290,675	2,490,244	739,875	154,107	906,449	0.0
Promoting permanency for children	369,569	344,619	0	0	24,950	1.8
Tobacco master settlement adjustment	215,176	0	215,176	0	0	0.0
Centrally appropriated line items	152,069	0	6,457	6,499	139,113	0.0
Annualize prior year budget actions	(6,194,032)	(180,920)	(6,028,157)	1,088	13,957	0.0
Annualize prior year legislation	(300,000)	(300,000)	0	0	0	0.0
Indirect cost assessment adjustment	(11,206)	0	(487,816)	(3,318)	479,928	0.0
HIPAA security remediation	(10,507)	0	(446)	(449)	(9,612)	0.0
<b>HB 18-1322</b>	<b>\$493,233,903</b>	<b>\$270,246,230</b>	<b>\$93,066,432</b>	<b>\$16,737,912</b>	<b>\$113,183,329</b>	<b>94.6</b>
SB 18-254	18,368,787	14,546,680	(1,208,177)	0	5,030,284	0.9
HB 18-1306	2,811,769	0	550,066	0	2,261,703	0.9
HB 18-1319	30,000	30,000	0	0	0	0.0
HB 18-1328	(2,667,643)	0	0	(2,667,643)	0	(1.0)
<b>TOTAL</b>	<b>\$511,776,816</b>	<b>\$284,822,910</b>	<b>\$92,408,321</b>	<b>\$14,070,269</b>	<b>\$120,475,316</b>	<b>95.4</b>
<b>INCREASE/(DECREASE)</b>	<b>\$23,239,686</b>	<b>\$18,898,338</b>	<b>(\$5,594,519)</b>	<b>(\$2,509,716)</b>	<b>\$12,445,583</b>	<b>2.6</b>
Percentage Change	4.8%	7.1%	(5.7%)	(15.1%)	11.5%	2.8%

## FY 2017-18 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 18-1162 modifies FY 2017-18 appropriations to:

- Add \$3,158,363 total funds, including \$1,516,014 General Fund, for child welfare services; and
- Reduce \$341,311 total funds for indirect cost assessment adjustments.

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**COUNTY CHILD WELFARE STAFFING PHASE 4:** The appropriation includes \$6,185,029 total funds, including \$1,967,715 General Fund, to increase county level child welfare staffing in response to the Child Welfare Workload Study performed by the Office of the State Auditor in 2014.

**COMMUNITY PROVIDER RATE:** The appropriation includes \$4,290,675 total funds, including \$2,490,244 General Fund, for an across-the-board increase of 1.0 percent for community providers.

**PROMOTING PERMANENCY FOR CHILDREN:** The appropriation includes \$369,569 total funds, including \$344,619 General Fund, and 1.8 FTE to add staff to increase the timeliness of services and the achievement rate for permanency for children and youth who are legally freed for adoption or guardianship. It includes roll-forward authority for \$92,500 General Fund for evaluation of the programs.

**TOBACCO MASTER SETTLEMENT ADJUSTMENT:** The appropriation includes an increase based on the Legislative Council staff FY 2018-19 Tobacco Master Settlement revenue projection.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation reflects adjustments to the indirect cost assessment due to changes in centrally appropriated line items.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 17-18 Salary survey	\$114,174	\$80,492	\$4,648	\$1,546	\$27,488	0.0
FY 17-18 Merit pay	55,032	40,088	1,894	750	12,300	0.0
FY 17-18 Legal services allocation	5,989	0	254	256	5,479	0.0
FY 17-18 Title IV-E Waiver conclusion	(6,000,000)	0	(6,000,000)	0	0	0.0
FY 17-18 County child welfare staffing phase 3	(335,000)	(301,500)	(33,500)	0	0	0.0
FY 17-18 Statewide common policy adjustment	(34,227)	0	(1,453)	(1,464)	(31,310)	0.0
<b>TOTAL</b>	<b>(\$6,194,032)</b>	<b>(\$180,920)</b>	<b>(\$6,028,157)</b>	<b>\$1,088</b>	<b>\$13,957</b>	<b>0.0</b>

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments related to prior year legislation (H.B. 17-1292 Child Welfare Provider Rates).

**INDIRECT COST ASSESSMENT ADJUSTMENT:** The appropriation includes a net decrease of \$11,206 total funds to align the Department's Long Bill indirect cost plan with its federally approved public assistance cost allocation plan.

**HIPAA SECURITY REMEDIATION:** The appropriation includes a decrease of \$10,507 total funds for risk assessments to identify potential violations of privacy laws and to design and implement mitigation plans in accordance with the standards set forth by the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA).

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

## OFFICE OF EARLY CHILDHOOD

The Office of Early Childhood includes the Division of Early Care and Learning and the Division of Community and Family Support. The Division of Early Care and Learning includes funding associated with the state supervision and the county administration of the Colorado Child Care Assistance Program (CCCAP). Through CCCAP, counties provide childcare subsidies to low income families and families transitioning from the Colorado Works Program. In addition, this division is responsible for licensing and monitoring child care facilities and for administering programs that are designed to improve the quality and availability of child care in the State. The Division of Community and Family Support includes funding for various early childhood family support programs such as Early Intervention Services, Early Childhood Mental Health Specialists, and the Nurse Home Visitor Program.

OFFICE OF EARLY CHILDHOOD						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$220,436,325	\$71,298,895	\$50,369,615	\$6,696,282	\$92,071,533	88.8
HB 18-1162	10,929,083	5,100,956	(230,624)	477,121	5,581,630	1.0

OFFICE OF EARLY CHILDHOOD						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>TOTAL</b>	<b>\$231,365,408</b>	<b>\$76,399,851</b>	<b>\$50,138,991</b>	<b>\$7,173,403</b>	<b>\$97,653,163</b>	<b>89.8</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$231,365,408	\$76,399,851	\$50,138,991	\$7,173,403	\$97,653,163	89.8
Colorado Child Care Assistance Program	12,999,009	3,929,009	(1,200,000)	0	10,270,000	(1.0)
Early Intervention	6,428,065	5,500,000	0	728,065	200,000	0.0
Community provider rate	1,555,395	556,089	231,041	66,554	701,711	0.0
Early Childhood Councils funding	1,000,000	1,000,000	0	0	0	0.0
Tobacco master settlement adjustment	756,062	0	756,062	0	0	0.0
Expansion of Incredible Years Program	601,545	120,309	481,236	0	0	1.1
Assistance for early childhood education advancement	500,000	500,000	0	0	0	0.0
Annualize prior year budget actions	327,327	197,185	27,770	0	102,372	0.0
Annualize prior year legislation	250,000	0	0	0	250,000	0.0
Community response expansion	120,000	120,000	0	0	0	0.0
Centrally appropriated line items	57,496	0	25,398	459	31,639	0.0
Technical changes	(2,162,478)	0	(2,905,213)	0	742,735	0.0
Indirect cost assessment adjustment	(280,576)	0	(418,968)	2,226	136,166	0.0
Reduce micro grants	(250,000)	0	0	0	(250,000)	0.0
Child Care Development Funds transfer	(150,500)	0	0	0	(150,500)	0.0
HIPAA security remediation	(4,879)	0	(2,155)	(2,685)	(39)	0.0
<b>HB 18-1322</b>	<b>\$253,111,874</b>	<b>\$88,322,443</b>	<b>\$47,134,162</b>	<b>\$7,968,022</b>	<b>\$109,687,247</b>	<b>89.9</b>
HB 18-1064	158,374	158,374	0	0	0	0.0
HB 18-1333	15,000	15,000	0	0	0	0.0
<b>TOTAL</b>	<b>\$253,285,248</b>	<b>\$88,495,817</b>	<b>\$47,134,162</b>	<b>\$7,968,022</b>	<b>\$109,687,247</b>	<b>89.9</b>
<b>INCREASE/(DECREASE)</b>	<b>\$21,919,840</b>	<b>\$12,095,966</b>	<b>(\$3,004,829)</b>	<b>\$794,619</b>	<b>\$12,034,084</b>	<b>0.1</b>
Percentage Change	9.5%	15.8%	(6.0%)	11.1%	12.3%	0.1%

## FY 2017-18 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 18-1162 modifies FY 2017-18 appropriations to:

- Add \$7,250,000 total funds, including \$5,750,000 federal Child Care Development Funds to mitigate the waitlists in the Colorado Child Care Assistance Program (CCCAP);
- Add \$5,619,000 total funds, including \$5,100,956 General Fund, for early intervention direct services and service coordination due to caseload increase;
- Reduce \$1,689,917 total funds for indirect cost assessment adjustments; and
- Reduce \$250,000 federal Child Care Development Funds to eliminate the Micro Grants to Increase Access to Child Care program.

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**COLORADO CHILD CARE ASSISTANCE PROGRAM:** The appropriation includes \$12,999,009 total funds, including \$3,929,009 General Fund, and a reduction of 1.0 FTE for the Colorado Child Care Assistance Program.

**EARLY INTERVENTION:** The appropriation includes an increase of \$6,428,065 total funds, including \$5,500,000 General Fund for programs related to the delivery of early intervention services to children from birth through two years of age.

**COMMUNITY PROVIDER RATE:** The appropriation includes \$1,555,395 total funds, including \$556,089 funds for an across-the-board increase of 1.0 percent for community providers.



**EARLY CHILDHOOD COUNCILS FUNDING:** The appropriation includes \$1,000,000 General Fund for Early Childhood Councils.

**TOBACCO MASTER SETTLEMENT ADJUSTMENT:** The appropriation includes an increase based on the Legislative Council staff FY 2018-19 Tobacco Master Settlement revenue projection.

**EXPANSION OF INCREDIBLE YEARS PROGRAM:** The appropriation includes \$601,545 total funds, including \$120,309 General Fund, \$481,236 cash funds from the Marijuana Tax Cash Fund, and 1.1 FTE for the expansion of the Incredible Years Program.

**ASSISTANCE FOR EARLY CHILDHOOD EDUCATION ADVANCEMENT:** The appropriation includes \$500,000 General Fund for assistance with education advancement in the early childhood education field.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second year impact of prior year budget actions.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments related to prior year legislation.

**COMMUNITY RESPONSE EXPANSION:** The appropriation includes \$120,000 General Fund for expansion of the community response program.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation reflects adjustments to the indirect cost assessment due to changes in centrally appropriated line items.

**TECHNICAL CHANGES:** The appropriation includes a decrease of \$2,162,478 total funds to align spending authority with actual expenditures.

**INDIRECT COST ASSESSMENT ADJUSTMENT:** The appropriation reflects a net decrease of \$280,576 total funds to align the Department's Long Bill indirect cost plan with its federally approved public assistance cost allocation plan.

**REDUCE MICRO GRANTS:** The appropriation includes a decrease of \$250,000 federal Child Care Development Funds to align spending authority with actual expenditures.

**CHILD CARE DEVELOPMENT FUNDS TRANSFER:** The appropriation includes a decrease of \$150,500 federal funds from the Child Care Development Fund to cover the costs to complete the Child Care Automated Tracking System (CHATS) replacement project. The CHATS project is funded in the capital construction section of the budget for FY 2017-18 using a combination of operating transfers in FY 2017-18 and FY 2018-19.

**HIPAA SECURITY REMEDIATION:** The appropriation includes a decrease of \$4,879 total funds for risk assessments to identify potential violations of privacy laws and to design and implement mitigation plans in accordance with the standards set forth by the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA).

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

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## OFFICE OF SELF SUFFICIENCY

This section includes appropriations for various public assistance programs, including Colorado Works, the Low-income Energy Assistance Program (LEAP), child support enforcement, and disability determination programs, among others. The majority of funding for this Office comes from the federal Temporary Assistance for Needy Families Block Grant.

OFFICE OF SELF SUFFICIENCY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$272,142,208	\$10,921,934	\$30,409,050	\$90,572	\$230,720,652	248.7
SB 17-292	4,000,000	0	0	0	4,000,000	0.0
HB 18-1162	2,424,756	1,434,514	30,274	2,136,099	(1,176,131)	0.0
<b>TOTAL</b>	<b>\$278,566,964</b>	<b>\$12,356,448</b>	<b>\$30,439,324</b>	<b>\$2,226,671</b>	<b>\$233,544,521</b>	<b>248.7</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$278,566,964	\$12,356,448	\$30,439,324	\$2,226,671	\$233,544,521	248.7
Enhancing Colorado Works case management performance	2,313,581	0	0	0	2,313,581	1.8
Indirect cost assessment adjustment	1,698,108	0	(10,164)	2,263,276	(555,004)	0.0
TANF pass through payment reimbursements	1,506,750	1,506,750	0	0	0	0.0
Funding for food pantries and food banks	500,000	500,000	0	0	0	0.0
Annualize prior year budget actions	432,209	49,467	19,476	1,103	362,163	0.0
Technical support for the Supplemental Nutrition Assistance Program	405,479	202,740	0	0	202,739	6.3
Centrally appropriated line items	164,289	0	852	731	162,706	0.0
Community provider rate	18,439	0	0	0	18,439	0.0
Annualize prior year legislation	(3,569,409)	(2,579,167)	(30,274)	(2,136,099)	1,176,131	(1.0)
HIPAA security remediation	(13,941)	0	(72)	(62)	(13,807)	0.0
<b>HB 18-1322</b>	<b>\$282,022,469</b>	<b>\$12,036,238</b>	<b>\$30,419,142</b>	<b>\$2,355,620</b>	<b>\$237,211,469</b>	<b>255.8</b>
HB 18-1334	1,278,751	1,278,751	0	0	0	1.0
HB 18-1363	122,996	0	122,996	0	0	0.0
<b>TOTAL</b>	<b>\$283,424,216</b>	<b>\$13,314,989</b>	<b>\$30,542,138</b>	<b>\$2,355,620</b>	<b>\$237,211,469</b>	<b>256.8</b>
<b>INCREASE/(DECREASE)</b>	<b>\$4,857,252</b>	<b>\$958,541</b>	<b>\$102,814</b>	<b>\$128,949</b>	<b>\$3,666,948</b>	<b>8.1</b>
Percentage Change	1.7%	7.8%	0.3%	5.8%	1.6%	3.3%

## FY 2017-18 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 18-1162 modifies FY 2017-18 appropriations to:

- Add \$1.4 million General Fund to ensure that counties allow child support payments made on behalf of children receiving basic cash assistance through the Temporary Assistance for Needy Families (TANF) program to go directly to those children and families rather than being retained by the State to reimburse the federal government and counties for costs associated with providing public assistance; and
- Add \$990,242 total funds to align indirect cost assessments with current law and adjust amounts to account for centrally appropriated expenditures.

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**ENHANCING COLORADO WORKS CASE MANAGEMENT PERFORMANCE:** The appropriation includes \$2,313,581 federal funds from the state Temporary Assistance For Needy Families (TANF) reserve and 1.8 FTE to conduct manual reviews of sampled TANF cases to ensure complete and accurate data entry necessary to meet federal Work Participation Rate standards, and to implement a web-based automated data entry tool for Colorado Works' enrollees to submit work participation information to county case managers.

**INDIRECT COST ASSESSMENT ADJUSTMENT:** The appropriation reflects an increase of \$1,698,108 total funds to align the Department's Long Bill indirect cost plan with its federally approved public assistance cost allocation plan.

**TANF PASS THROUGH PAYMENT REIMBURSEMENTS:** The appropriation includes \$1,506,750 General Fund to ensure that counties continue to allow child support payments made on behalf of children receiving basic cash assistance through the Temporary Assistance for Needy Families (TANF) program to go directly to those children and families rather than being retained to reimburse counties and the federal government for the costs associated with providing public assistance.

**FUNDING FOR FOOD PANTRIES AND FOOD BANKS:** The appropriation includes \$500,000 General Fund for food pantries and food banks to purchase Colorado-grown foods that meet the Colorado Proud definition.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second- and third-year impact of prior year budget actions, including salary survey and merit pay.

**TECHNICAL SUPPORT FOR THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM:** The appropriation includes \$405,479 total funds, including \$202,740 General Fund, and 6.3 FTE to provide technical assistance to counties in administering the federal Supplemental Nutrition Assistance Program (SNAP), ensure compliance with federal SNAP regulations, and provide quality assurance functions as part of the State's role in supervising the administration of SNAP.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation reflects adjustments to the indirect cost assessment due to changes in centrally appropriated line items.

**COMMUNITY PROVIDER RATE:** The appropriation includes \$18,439 total funds for the community provider increase.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments for the second- and third-year impact of prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 18-1162 Supplemental bill	(\$2,424,756)	(\$1,434,514)	(\$30,274)	(\$2,136,099)	\$1,176,131	0.0
HB 16-1290 Extend Transitional Jobs Program	(1,144,653)	(1,144,653)	0	0	0	(1.0)
<b>TOTAL</b>	<b>(\$3,569,409)</b>	<b>(2,579,167)</b>	<b>(\$30,274)</b>	<b>(\$2,136,099)</b>	<b>\$1,176,131</b>	<b>(1.0)</b>

**HIPAA SECURITY REMEDIATION:** The appropriation includes a decrease of \$13,941 total funds for risk assessments to identify potential violations of privacy laws and to design and implement mitigation plans in accordance with the standards set forth by the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA).

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

## OFFICE OF BEHAVIORAL HEALTH

The Office of Behavioral Health (OBH) is responsible for administrative oversight of the State's public behavioral health system. Funding in this section supports community-based prevention, treatment, and recovery support services for mental health and substance use disorders. Funding also supports administration of the statewide Behavioral Health Crisis Response System and operation of the State's two mental health institutes. Significant sources of cash funds include: marijuana tax revenues, patient revenues earned by the mental health institutes, and penalty surcharges for traffic offenses involving alcohol and drugs. Significant sources of reappropriated funds include: Medicaid funds transferred from the Department of Health Care Policy and Financing (HCPF), Correctional Treatment Cash Fund money transferred from the Judicial Department, and General Fund transferred from the Department of Corrections. Federal funds primarily include the Substance Abuse Prevention and Treatment Block Grant and the Mental Health Services Block Grant.

OFFICE OF BEHAVIORAL HEALTH						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$290,604,846	\$190,586,813	\$37,563,647	\$21,483,631	\$40,970,755	1,315.8
SB 17-012	18,000	0	18,000	0	0	0.0
SB 17-019	26,000	26,000	0	0	0	0.0
SB 17-207	7,086,280	0	7,086,280	0	0	0.9
HB 18-1162	11,059,742	8,957,620	3,260,367	(1,498,557)	340,312	(3.1)
<b>TOTAL</b>	<b>\$308,794,868</b>	<b>\$199,570,433</b>	<b>\$47,928,294</b>	<b>\$19,985,074</b>	<b>\$41,311,067</b>	<b>1,313.6</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$308,794,868	\$199,570,433	\$47,928,294	\$19,985,074	\$41,311,067	1,313.6
Direct care staff compensation	12,989,028	12,989,028	0	0	0	0.0
Competency restoration services	9,241,138	9,241,138	0	0	0	5.2
Access to substance use disorder services	3,000,000	0	3,000,000	0	0	0.0
Expand residential treatment for co-occurring disorders	3,000,000	3,000,000	0	0	0	0.0
Annualize prior year budget actions	1,794,672	1,725,694	(9,043)	17,214	60,807	6.0
Community provider rate	1,415,681	1,098,570	246,319	70,792	0	0.0
Circle program	1,162,882	0	1,162,882	0	0	0.0
Court-ordered competency reports	591,231	591,231	0	0	0	7.7
Medication consistency and health information exchange	575,835	0	575,835	0	0	0.9
Annualize prior year legislation	279,592	0	279,592	0	0	0.1
High Risk Pregnant Women Program	200,000	(100,000)	100,000	200,000	0	0.0
Child Mental Health Treatment Act	125,787	125,787	0	0	0	0.0
Centrally appropriated line items	85,643	0	42,626	34,299	8,718	0.0
Long Bill reorganization	0	0	0	0	0	14.0
Mental health institute staffing	(2,965,331)	(2,965,331)	0	0	0	3.2
Indirect cost assessment adjustment	(252,900)	0	(604,676)	301,924	49,852	0.0
Transfer funding for mental health training to CDPHE	(210,000)	(210,000)	0	0	0	0.0
Technical changes	(25,000)	0	(25,000)	0	0	0.0
HIPAA security remediation	(5,917)	0	(2,945)	(2,370)	(602)	0.0
<b>HB 18-1322</b>	<b>\$339,797,209</b>	<b>\$225,066,550</b>	<b>\$52,693,884</b>	<b>\$20,606,933</b>	<b>\$41,429,842</b>	<b>1,350.7</b>
SB 18-191	(50,000)	0	(50,000)	0	0	0.0
SB 18-250	2,564,603	2,564,603	0	0	0	1.8
SB 18-270	1,588,250	1,588,250	0	0	0	0.0
HB 18-1094	1,286,611	1,286,611	0	0	0	0.5
<b>TOTAL</b>	<b>\$345,186,673</b>	<b>\$230,506,014</b>	<b>\$52,643,884</b>	<b>\$20,606,933</b>	<b>\$41,429,842</b>	<b>1,353.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$36,391,805</b>	<b>\$30,935,581</b>	<b>\$4,715,590</b>	<b>\$621,859</b>	<b>\$118,775</b>	<b>39.4</b>
Percentage Change	11.8%	15.5%	9.8%	3.1%	0.3%	3.0%

## FY 2017-18 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 18-1162 modifies FY 2017-18 appropriations to:

- Add \$4,529,952 General Fund and 10.8 FTE to respond to regulatory agency concerns about Colorado Mental Health Institute at Pueblo (CMHIP) staffing, adding funding for: temporary staff; overtime pay; contract medical staff; the purchase of a staff scheduling system; a contract with a staffing consultant to determine the appropriate staffing required for each CMHIP unit; and a new psychiatric technician training program;
- Add \$2,543,144 General Fund to increase salaries for three classifications of registered nurses at CMHIP;
- Add \$2,622,670 General Fund and 4.1 FTE to address continued increases in the number of court orders for competency restoration services, including:
  - \$1,910,167 and 2.0 FTE to expand the jail-based competency restoration program (called the RISE Program) by 28 beds (from 52 to 80);
  - \$435,632 and 1.8 FTE for community-based competency restoration services; and
  - \$276,871 and 0.3 FTE for the Office to expand inpatient psychiatric bed capacity by 10 beds in FY 2018-19 by contracting with one or more private hospitals;
- Add \$1,730,033 total funds (including increases of \$3,858,862 cash funds and \$340,312 federal funds and a decrease of \$2,469,141 reappropriated funds) to align indirect cost assessments with current law and adjust amounts to account for centrally appropriated expenditures;
- Add \$524,864 General Fund to address an increasing number of children referred for behavioral health care under the Child Mental Health Treatment Act;
- Add \$324,624 General Fund and 3.3 FTE to hire additional psychologists and administrative support staff to respond to a growing number of court orders for competency evaluations;
- Add \$172,514 reappropriated funds transferred from the Department of Corrections (DOC) to true-up the appropriation for food services provided by CMHIP for nearby DOC facilities;
- Adjust appropriations for the mental health institutes to reflect updated revenue and expenditure estimates, including a \$1,587,634 decrease in direct General Fund appropriations to the Department of Human Services, fully offset by projected increases in cash funds (patient revenues) and reappropriated funds (Medicaid revenues transferred from HCPF); and
- Decrease appropriations related to the Circle Program by \$1,388,059 total funds and 21.3 FTE by replacing the existing Circle Program appropriation within the CMHIP section of the Long Bill with a new line item providing a partial year of funding for a community-based Circle Program.

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**DIRECT CARE STAFF COMPENSATION:** The appropriation includes \$12,989,028 General Fund to increase salaries for all direct care job classifications at both mental health institutes, including:

- \$5,070,242 to provide a full 12 months of funding for salary increases that were implemented effective November 1, 2017, for registered nurses at CMHIP; and
- \$7,918,786 to increase salaries for all other direct care staff at CMHIP and at the Colorado Mental Health Institute at Fort Logan, effective July 1, 2018.

**COMPETENCY RESTORATION SERVICES:** The appropriation includes \$9,241,138 General Fund and 5.2 FTE to address continued increases in the number of court orders for competency restoration services, including:

- \$5,443,960 and 1.3 FTE for expansion of the RISE Program, including a full 12 months of funding for the 28-bed expansion authorized for FY 2017-18 and funding to add another 34 beds (for a total of 114 beds) in FY 2018-19;
- \$3,096,868 and 2.7 FTE for OBH to expand inpatient psychiatric bed capacity by 10 beds in FY 2018-19 by contracting with one or more private hospitals; and

- \$700,310 and 1.2 FTE for community-based competency restoration services for implementation of S.B. 17-012 (Competency restoration services and education).

**ACCESS TO SUBSTANCE USE DISORDER SERVICES:** The appropriation includes \$3,000,000 cash funds from the Marijuana Tax Cash Fund (MTCF) to expand funding available to managed service organizations to implement local community action plans to increase access to effective substance use disorder services.

**EXPAND RESIDENTIAL TREATMENT FOR CO-OCCURRING DISORDERS:** The appropriation includes \$3,000,000 General Fund to expand rural residential treatment service capacity for individuals with co-occurring mental health and substance use disorders.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 17-18 Salary survey	\$1,363,253	\$1,273,912	\$32,476	\$15,592	\$41,273	0.0
FY 17-18 Merit pay	610,674	564,601	16,929	7,991	21,153	0.0
FY 17-18 Mental health institute program relocation	432,013	432,013	0	0	0	5.9
FY 17-18 Diversion from criminal justice system	43,886	0	43,886	0	0	0.0
FY 17-18 Legal services allocation adjustment	3,373	0	1,679	1,351	343	0.0
FY 17-18 Oversight of state resources	887	887	0	0	0	0.1
FY 17-18 Mental health institutes security enhancements	(545,719)	(545,719)	0	0	0	0.0
FY 17-18 Substance use disorder treatment at the mental health institutes	(94,419)	0	(94,419)	0	0	0.0
FY 17-18 Statewide common policy adjustment	(19,276)	0	(9,594)	(7,720)	(1,962)	0.0
<b>TOTAL</b>	<b>\$1,794,672</b>	<b>\$1,725,694</b>	<b>(\$9,043)</b>	<b>\$17,214</b>	<b>\$60,807</b>	<b>6.0</b>

**COMMUNITY PROVIDER RATE:** The appropriation includes \$1,415,681 total funds, including \$1,098,570 General Fund, for the community provider rate increase.

**CIRCLE PROGRAM:** The appropriation includes \$1,162,882 cash funds from the MTCF to provide a full year of funding for the new community-based Circle Program.

**COURT-ORDERED COMPETENCY REPORTS:** The appropriation includes \$591,231 General Fund and 7.7 FTE for additional psychologists and administrative support staff to respond to a growing number of court orders for competency evaluations.

**MEDICATION CONSISTENCY AND HEALTH INFORMATION EXCHANGE:** The appropriation includes \$575,835 cash funds from the MTCF and 0.9 FTE to promote continuity of care between jails, state agencies, and community treatment providers as required by S.B. 17-019 (Behavioral health medication for persons in the criminal justice system).

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes \$279,592 cash funds from the MTCF and 0.1 FTE related to SB 17-207 (Strengthen behavioral health crisis response system).

**HIGH RISK PREGNANT WOMEN PROGRAM:** The appropriation includes \$200,000 Medicaid reappropriated funds transferred from HCPF for the High Risk Pregnant Women program. The appropriation includes an associated fund source adjustment for Mental Health Treatment Services for Youth, decreasing the General Fund appropriation by \$100,000 and increasing the cash funds appropriation from the MTCF by \$100,000.

**CHILD MENTAL HEALTH TREATMENT ACT:** The appropriation includes \$125,787 General Fund to address an increasing number of children referred for behavioral health care under the Child Mental Health Treatment Act.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation reflects adjustments to the indirect cost assessment due to changes in centrally appropriated line items.

**LONG BILL REORGANIZATION:** The appropriation includes a net \$0 change and an increase of 14.0 FTE due to two Long Bill format changes:

- The appropriation reflects funding for 14.0 FTE responsible for patient billing activities at the mental health institutes in the Office of Behavioral Health, rather than in the Office of Operations. The appropriation directly funds these positions from patient revenues, and eliminates the practice of funding these positions through the indirect cost pool.
- The appropriation includes a new “Forensic Services” subsection within the mental health institute subsection of the Long Bill and transfers a total of \$24,929,998 General Fund and 74.2 FTE to this new subsection from the existing subsections for each of the two mental health institutes.

**MENTAL HEALTH INSTITUTE STAFFING:** The appropriation includes a decrease of \$2,965,331 General Fund and an increase of 3.2 FTE related to several Department actions taken in response to regulatory agency concerns about CMHIP staffing. Adjustments include:

- An increase of \$92,907 and 3.2 FTE to provide a full year of funding for the new Health Care Services Trainee program; and
- The elimination of \$3,058,238 in one-time appropriations for FY 2017-18 that were primarily related to overtime pay, temporary staff, and contract staff.

**INDIRECT COST ASSESSMENT ADJUSTMENT:** The appropriation includes a decrease of \$252,900 total funds to align the Department’s Long Bill indirect cost plan with its federally approved public assistance cost allocation plan.

**TRANSFER FUNDING FOR MENTAL HEALTH TRAINING TO CDPHE:** The appropriation includes a decrease of \$210,000 General Fund to transfer funding for Mental Health First Aid training to the Department of Public Health and Environment (CDPHE).

**TECHNICAL CHANGES:** The appropriation includes a decrease of \$25,000 cash funds from the MTCF to align spending authority for an evaluation authorized by S.B. 16-202 with contractual obligations.

**HIPAA SECURITY REMEDIATION:** The appropriation includes a decrease of \$5,917 total funds for risk assessments to identify potential violations of privacy laws and to design and implement mitigation plans in accordance with the standards set forth by the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA).

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

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## SERVICES FOR PEOPLE WITH DISABILITIES

This division includes funding for the following:

- Regional Centers – state operated facilities for individuals with intellectual and developmental disabilities that provide residential services, medical care, and active treatment programs based on individual assessments and habilitation plans.

- Work Therapy Program – sheltered training and employment workshops for individuals receiving services at the Colorado Mental Health Institute at Fort Logan and the Regional Centers at Grand Junction and Wheat Ridge.
- Colorado Brain Injury Program – direct services for individuals with a traumatic brain injury, research related to traumatic brain injuries, and education related to traumatic brain injuries.
- Veterans Community Living Centers – facilities to serve honorably discharged veterans and their spouses, widows, and parents of deceased veterans, including: long-term care such as skilled nursing care; speech, physical and occupational therapy; social activities; short-term rehabilitation services for individuals seeking to return home following a qualifying hospital stay; memory care services for individuals with dementia; short-term respite care; and end-of-life/hospice services.

SERVICES FOR PEOPLE WITH DISABILITIES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$117,719,043	\$1,045,430	\$39,335,141	\$55,496,688	\$21,841,784	1,433.6
HB 18-1162	7,213,900	0	1,005,758	6,605,762	(397,620)	0.0
<b>TOTAL</b>	<b>\$124,932,943</b>	<b>\$1,045,430</b>	<b>\$40,340,899</b>	<b>\$62,102,450</b>	<b>\$21,444,164</b>	<b>1,433.6</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$124,932,943	\$1,045,430	\$40,340,899	\$62,102,450	\$21,444,164	1,433.6
Regional center funding	6,682,728	0	0	6,682,728	0	0.0
Annualize prior year budget actions	717,095	0	3,119	715,029	(1,053)	0.0
Probation pilot program for individuals with traumatic brain injuries	450,000	450,000	0	0	0	0.0
Grand Junction Regional Center campus relocation	258,714	0	682	258,032	0	0.0
Colorado Brain Injury Program spending authority	200,000	0	200,000	0	0	0.0
Centrally appropriated line items	182,296	0	30,280	146,341	5,675	0.0
Technical changes	365	0	365	0	0	0.0
Annualize prior year legislation	(6,682,728)	0	0	(6,682,728)	0	0.0
Indirect cost assessment adjustment	(819,887)	0	(785,816)	(30,559)	(3,512)	0.0
Veterans Community Living Center staffing technical adjustment	(619,209)	0	(619,209)	0	0	(19.0)
HIPAA security remediation	(12,596)	0	(2,092)	(10,112)	(392)	0.0
<b>HB 18-1322</b>	<b>\$125,289,721</b>	<b>\$1,495,430</b>	<b>\$39,168,228</b>	<b>\$63,181,181</b>	<b>\$21,444,882</b>	<b>1,414.6</b>
<b>TOTAL</b>	<b>\$125,289,721</b>	<b>\$1,495,430</b>	<b>\$39,168,228</b>	<b>\$63,181,181</b>	<b>\$21,444,882</b>	<b>1,414.6</b>
<b>INCREASE/(DECREASE)</b>						
	\$356,778	\$450,000	(\$1,172,671)	\$1,078,731	\$718	(19.0)
Percentage Change	0.3%	43.0%	(2.9%)	1.7%	0.0%	(1.3%)

## FY 2017-18 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 18-1162 modifies FY 2017-18 appropriations to:

- Add \$6,682,728 Medicaid reappropriated funds transferred from the Department of Health Care Policy and Financing to restore regional center funding to a level necessary to provide appropriate services to residents at the Grand Junction and Pueblo Regional Centers;
- Add \$325,250 cash funds to relocate administrative and day program functions off of the Grand Junction Regional Center campus and perform pre-construction activities;
- Add \$198,622 total funds to align indirect cost assessments with current law and adjust amounts to account for centrally appropriated expenditures; and
- Add \$7,300 cash funds to align appropriations with actual expenditures.



## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**REGIONAL CENTER FUNDING:** The appropriation includes \$6,682,728 Medicaid reappropriated funds from the Department of Health Care Policy and Financing to fund home- and community-based waiver services for individuals with intellectual and developmental disabilities at the Grand Junction and Pueblo Regional Centers.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 17-18 Salary survey	\$586,386	\$0	\$6,111	\$580,275	\$0	0.0
FY 17-18 Merit pay	264,558	0	2,630	261,928	0	0.0
FY 17-18 Legal services allocation	7,181	0	1,193	5,764	224	0.0
FY 17-18 Pueblo Regional Center corrective action plan	(100,000)	0	0	(100,000)	0	0.0
FY 17-18 Statewide common policy adjustment	(41,030)	0	(6,815)	(32,938)	(1,277)	0.0
<b>TOTAL</b>	<b>\$717,095</b>	<b>\$0</b>	<b>\$3,119</b>	<b>\$715,029</b>	<b>(\$1,053)</b>	<b>0.0</b>

**PROBATION PILOT PROGRAM FOR INDIVIDUALS WITH TRAUMATIC BRAIN INJURIES:** The appropriation includes \$450,000 General Fund for a pilot program to provide case management services to individuals with comorbid brain injury, complex behavioral health conditions, and criminal involvement.

**GRAND JUNCTION REGIONAL CENTER CAMPUS RELOCATION:** The appropriation includes \$258,714 total funds for leased space for the Department to implement S.B. 16-178 (Grand Junction Regional Center Campus) by relocating administrative functions off the Grand Junction Regional Center campus and performing pre-construction activities for moving the residents.

**COLORADO BRAIN INJURY PROGRAM SPENDING AUTHORITY:** The appropriation includes \$200,000 cash fund spending authority to sustain a grant funded (federal) brain injury screening program in criminal justice settings and connect those who screen positively to case management service through the Brain Injury Alliance of Colorado.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation reflects adjustments to the indirect cost assessment due to changes in centrally appropriated line items.

**TECHNICAL CHANGES:** The appropriation includes adjustments to align spending authority with actual expenditures.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments related to prior year legislation (H.B. 18-1162 Supplemental Bill).

**INDIRECT COST ASSESSMENT ADJUSTMENT:** The appropriation includes a decrease of \$819,887 total funds to align the Department's Long Bill indirect cost plan with its federally approved public assistance cost allocation plan.

**VETERANS COMMUNITY LIVING CENTER STAFFING TECHNICAL ADJUSTMENT:** The appropriation includes a decrease of \$619,209 cash funds and 19.0 FTE to align spending authority with actual costs.

**HIPAA SECURITY REMEDIATION:** The appropriation includes a decrease of \$12,596 total funds for risk assessments to identify potential violations of privacy laws and to design and implement mitigation plans in accordance with the standards set forth by the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA).

## ADULT ASSISTANCE PROGRAMS

This section includes funding for the Old Age Pension Program, for various adult cash assistance programs, and for community services for the elderly, including Older Americans Act programs. Cash Funds are primarily from the Old Age Pension Fund and from local funds.

ADULT ASSISTANCE PROGRAMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$196,197,555	\$49,497,726	\$125,211,218	\$1,001,800	\$20,486,811	30.5
HB 17-1045	0	0	0	0	0	0.0
HB 17-1264	75,000	75,000	0	0	0	0.0
HB 17-1284	147,600	147,600	0	0	0	0.0
HB 18-1162	1,270,095	0	1,227,050	0	43,045	0.0
<b>TOTAL</b>	<b>\$197,690,250</b>	<b>\$49,720,326</b>	<b>\$126,438,268</b>	<b>\$1,001,800</b>	<b>\$20,529,856</b>	<b>30.5</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$197,690,250	\$49,720,326	\$126,438,268	\$1,001,800	\$20,529,856	30.5
Funding for Area Agencies on Aging	4,000,000	4,000,000	0	0	0	0.0
Old Age Pension cost of living adjustment	2,544,854	0	2,544,854	0	0	0.0
Community provider rate	188,462	131,131	36,635	0	20,696	0.0
Funding for state long-term care ombudsman services	165,000	165,000	0	0	0	0.0
Indirect cost assessment adjustment	141,324	0	91,442	0	49,882	0.0
Continuation of respite care task force recommendations	62,677	62,677	0	0	0	0.0
Annualize prior year budget actions	56,539	37,284	7,819	0	11,436	0.0
Technical changes	20,000	0	20,000	0	0	0.0
Centrally appropriated line items	1,678	0	653	0	1,025	0.0
Annualize prior year legislation	(1,346,895)	(106,300)	(1,197,550)	0	(43,045)	0.0
HIPAA security remediation	(142)	0	(55)	0	(87)	0.0
<b>HB 18-1322</b>	<b>\$203,523,747</b>	<b>\$54,010,118</b>	<b>\$127,942,066</b>	<b>\$1,001,800</b>	<b>\$20,569,763</b>	<b>30.5</b>
<b>TOTAL</b>	<b>\$203,523,747</b>	<b>\$54,010,118</b>	<b>\$127,942,066</b>	<b>\$1,001,800</b>	<b>\$20,569,763</b>	<b>30.5</b>
<b>INCREASE/(DECREASE)</b>	<b>\$5,833,497</b>	<b>\$4,289,792</b>	<b>\$1,503,798</b>	<b>\$0</b>	<b>\$39,907</b>	<b>0.0</b>
Percentage Change	3.0%	8.6%	1.2%	0.0%	0.2%	0.0%

## FY 2017-18 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 18-1162 modifies FY 2017-18 appropriations to:

- Add \$1,272,427 cash funds from the Old Age Pension (OAP) Fund to implement a 2.0 percent cost-of-living (COLA) increase for OAP recipients; and
- Decrease \$2,332 total funds to align indirect cost assessments with current law and adjust amounts to account for centrally appropriated expenditures.

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**FUNDING FOR AREA AGENCIES ON AGING:** The appropriation includes \$4,000,000 General Fund to assist seniors in living independently in their communities. These services, provided by (or through) the state's 16 Area Agencies on Aging (AAAs), include home-delivered meals, transportation to medical appointments, and a variety of other forms of assistance to help seniors with the activities of daily living.

**OLD AGE PENSION COST OF LIVING ADJUSTMENT:** The appropriation includes \$2,544,854 cash funds from the Old Age Pension (OAP) Fund to implement a 2.0 percent cost-of-living (COLA) increase for OAP clients.

**COMMUNITY PROVIDER RATE:** The appropriation includes \$188,462 total funds, including \$131,131 General Fund, for the community provider rate increase.

**FUNDING FOR STATE LONG-TERM CARE OMBUDSMAN SERVICES:** The appropriation includes \$165,000 General Fund to support the State's long-term care ombudsman and legal assistance developer for elders programs.

**INDIRECT COST ASSESSMENT ADJUSTMENT:** The appropriation reflects an increase of \$141,324 total funds to align the Department's Long Bill indirect cost plan with its federally approved public assistance cost allocation plan.

**CONTINUATION OF RESPITE CARE TASK FORCE RECOMMENDATIONS:** The appropriation includes \$62,677 General Fund to support the work associated with H.B. 16-1398 (Implement Respite Care Task Force Recommendations). The bill also includes roll-forward authority through FY 2018-19 for \$372,812 General Fund of the \$900,000 General Fund appropriation provided for FY 2016-17 to the Department in H.B. 16-1398.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second- and third-year impact of prior year budget actions, including salary survey and merit pay.

**TECHNICAL CHANGES:** The appropriation includes a decrease of \$20,000 cash funds to align spending authority with expenditures.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation reflects adjustments to the indirect cost assessment due to changes in centrally appropriated line items.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments for the second-year impact of prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 18-1162 Supplemental bill	(\$1,270,095)	\$0	(\$1,227,050)	\$0	(\$43,045)	0.0
HB 17-1284 Data System Check For Employees Serving At-risk Adults	(76,800)	(106,300)	29,500	0	0	0.0
<b>TOTAL</b>	<b>(\$1,346,895)</b>	<b>(\$106,300)</b>	<b>(\$1,197,550)</b>	<b>\$0</b>	<b>(\$43,045)</b>	<b>0.0</b>

**HIPAA SECURITY REMEDIATION:** The appropriation includes a decrease of \$142 total funds for risk assessments to identify potential violations of privacy laws and to design and implement mitigation plans in accordance with the standards set forth by the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA).

## DIVISION OF YOUTH SERVICES

The Division of Youth Services (DYS), formerly known as the Division of Youth Corrections, is responsible for the supervision, care, and treatment of juveniles who are: held in secure detention facilities prior to or following adjudication (detention facilities are similar to county jails); committed or sentenced to the Department by courts; or receiving six month mandatory parole services following a commitment to the Division. The agency maintains ten secure institutional centers and augments this capacity with contracts for community, staff secure, and detention placements.

DIVISION OF YOUTH SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$124,887,414	\$118,342,905	\$2,342,021	\$2,894,112	\$1,308,376	1,140.3
HB 17-1207	(160,270)	(160,270)	0	0	0	0.0
HB 17-1329	306,302	306,302	0	0	0	0.3
HB 18-1162	3,216,714	2,857,707	(19,317)	206,972	171,352	0.0
<b>TOTAL</b>	<b>\$128,250,160</b>	<b>\$121,346,644</b>	<b>\$2,322,704</b>	<b>\$3,101,084</b>	<b>\$1,479,728</b>	<b>1,140.6</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$128,250,160	\$121,346,644	\$2,322,704	\$3,101,084	\$1,479,728	1,140.6
Division of Youth Services caseload	2,803,983	2,480,386	0	177,150	146,447	0.0
Annualize prior year budget actions	2,349,283	2,346,897	0	2,386	0	27.3
Division of Youth Services' facility staffing increase	2,001,710	2,001,710	0	0	0	49.5
Division of Youth Services special education services increase	590,410	590,410	0	0	0	5.3
Community provider rate	478,964	441,694	20,281	10,515	6,474	0.0
Division of Youth Services female undergarment improvements	53,648	53,648	0	0	0	0.0
Technical changes	6,076	0	3,724	2,352	0	0.0
Centrally appropriated line items	1,420	0	1,420	0	0	0.0
Annualize prior year legislation	(3,126,400)	(2,744,530)	(3,546)	(206,972)	(171,352)	2.7
Indirect cost assessment adjustment	(85,153)	0	(85,153)	0	0	0.0
Division of Youth Services funding transfer	(45,188)	(45,188)	0	0	0	0.0
HIPAA security remediation	(121)	0	(121)	0	0	0.0
<b>HB 18-1322</b>	<b>\$133,278,792</b>	<b>\$126,471,671</b>	<b>\$2,259,309</b>	<b>\$3,086,515</b>	<b>\$1,461,297</b>	<b>1,225.4</b>
HB 18-1323	52,511	0	0	52,511	0	0.5
<b>TOTAL</b>	<b>\$133,331,303</b>	<b>\$126,471,671</b>	<b>\$2,259,309</b>	<b>\$3,139,026</b>	<b>\$1,461,297</b>	<b>1,225.9</b>
<b>INCREASE/(DECREASE)</b>	<b>\$5,081,143</b>	<b>\$5,125,027</b>	<b>(\$63,395)</b>	<b>\$37,942</b>	<b>(\$18,431)</b>	<b>85.3</b>
Percentage Change	4.0%	4.2%	(2.7%)	1.2%	(1.2%)	7.5%

## FY 2017-18 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 18-1162 modifies FY 2017-18 appropriations to:

- Add \$3,233,791 total funds, including an increase of \$2,857,707 General Fund, based on an increase in the forecasted average daily commitment population for committed youth receiving services in community correctional placements;
- Add \$5,786 total funds for a variety of technical changes associated with aligning spending authority with anticipated revenues; and
- Decrease \$22,863 cash funds to align indirect cost assessments with current law and adjust amounts to account for centrally appropriated expenditures.

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**DIVISION OF YOUTH SERVICES CASELOAD:** The appropriation includes \$2,803,983 total funds, including \$2,480,386 General Fund, based on an updated caseload forecast that anticipates a slower decline in the number of committed youth.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 17-18 Division of Youth Services 24 hour medical coverage	\$1,810,901	\$1,810,901	\$0	\$0	\$0	21.9
FY 17-18 Salary survey	1,018,063	1,016,481	0	1,582	0	0.0
FY 17-18 Merit pay	451,040	450,236	0	804	0	0.0
FY 17-18 Division of Youth Services facility staffing phase 3 of 3	(930,721)	(930,721)	0	0	0	5.4
<b>TOTAL</b>	<b>\$2,349,283</b>	<b>\$2,346,897</b>	<b>\$0</b>	<b>\$2,386</b>	<b>\$0</b>	<b>27.3</b>

**DIVISION OF YOUTH SERVICES FACILITY STAFFING INCREASE:** The appropriation includes \$2,001,710 General Fund and 49.5 FTE to add staff to state-owned and operated youth corrections facilities in an effort to improve safety and security of staff and youth.

**DIVISION OF YOUTH SERVICES SPECIAL EDUCATION SERVICES INCREASE:** The appropriation includes \$590,410 General Fund and 5.3 FTE to meet the special education needs of youth committed to the Division of Youth Services.

**COMMUNITY PROVIDER RATE:** The appropriation includes \$478,964 total funds, including \$441,694 General Fund, for the community provider rate increase.

**DIVISION OF YOUTH SERVICES FEMALE UNDERGARMENT IMPROVEMENTS:** The appropriation includes \$53,648 General Fund to improve the quality and size options of undergarments provided to females receiving services in the Division's facilities.

**TECHNICAL CHANGES:** The appropriation includes a decrease of \$6,076 total funds to align spending authority with expenditures.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation reflects adjustments to the indirect cost assessment due to changes in centrally appropriated line items.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments related to prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 17-1329 Reform Division of Youth Corrections	\$113,177	\$113,177	\$0	\$0	\$0	2.7
HB 18-1162 Supplemental bill	(3,239,577)	(2,857,707)	(3,546)	(206,972)	(171,352)	0.0
<b>TOTAL</b>	<b>(\$3,126,400)</b>	<b>(\$2,744,530)</b>	<b>(\$3,546)</b>	<b>(\$206,972)</b>	<b>(\$171,352)</b>	<b>2.7</b>

**INDIRECT COST ASSESSMENT ADJUSTMENT:** The appropriation includes a decrease of \$85,153 cash funds to align the Department's Long Bill indirect cost plan with its federally approved public assistance cost allocation plan.

**DIVISION OF YOUTH SERVICES FUNDING TRANSFER:** The appropriation transfers \$45,188 General Fund from the Parole Services line item to the Juvenile Parole Board line item to cover costs associated with staffing and holding hearings for the Board.

**HIPAA SECURITY REMEDIATION:** The appropriation includes a decrease of \$121 cash funds for risk assessments to identify potential violations of privacy laws and to design and implement mitigation plans in accordance with the standards set forth by the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA).

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

## RECENT LEGISLATION

### 2017 SESSION BILLS

**S.B. 17-012 (COMPETENCY RESTORATION SERVICES AND EDUCATION):** Establishes the Department's Office of Behavioral Health (OBH) as the agency responsible for the oversight of competency restoration education and coordination of services for both juveniles and adults. For defendants on bond or summons, directs the court to consider whether restoration to competency should occur on an outpatient and out-of-custody basis. For juveniles in custody, requires the court to review the case at least every 30 (rather than 90) days. Appropriates \$18,000 cash funds from the Marijuana Tax Cash Fund (MTCF) to OBH for FY 2017-18.

**S.B. 17-019 (BEHAVIORAL HEALTH MEDICATION FOR PERSONS IN THE CRIMINAL JUSTICE SYSTEM):** Beginning December 1, 2017, requires the Department of Human Services (DHS), in consultation with the Department of Corrections (DOC), to promulgate rules that require providers under each department's authority and allow public hospitals and licensed private hospitals to use an agreed upon medication formulary. To ensure medication consistency for persons with mental health disorders in the criminal and juvenile justice systems, requires DHS' Division of Youth Corrections, DOC, counties, community mental health centers, and other providers to share patient-specific mental health care and treatment information. Establishes, beginning July 1, 2018, several other duties and responsibilities for DHS' Office of Behavioral Health (OBH) related to the medication formulary, cooperative purchasing of medication, and the sharing of patient information. Appropriates \$26,000 General Fund to OBH for FY 2017-18 for development of a medication formulary.

**S.B. 17-021 (ASSISTANCE TO PERSONS WITH MENTAL ILLNESS IN THE CRIMINAL JUSTICE SYSTEM):** Establishes a housing program for persons with a behavioral or mental health disorder transitioning from the Department of Corrections, the Department of Human Service's Division of Youth Corrections, or county jail. Authorizes the appropriation of money in the MTCF for housing, rental assistance, and supportive services. For additional information, see the "Recent Legislation" section at the end of Part III for the Department of Local Affairs.

**S.B. 17-028 (HEALTHY FAMILIES AND MILITARY PREPAREDNESS ACT):** Requires the Department of Human Services and county departments of human or social services to provide notice and to collect and share information with the command authority of national military installations regarding any report received of known or suspected instances of child abuse or neglect in which the person having custody or control of the child is a member of the armed forces, a spouse, or a significant other or family member residing in the home of the member of the armed forces assigned to that military installation. Appropriates \$12,960 General Fund to the Department and transfers this money to the Governor's Office of Information Technology for FY 2017-18 for computer programming services.

**S.B. 17-207 (STRENGTHEN BEHAVIORAL HEALTH CRISIS RESPONSE SYSTEM):** Effective May 1, 2018, eliminates the use of the criminal justice system to hold individuals who are experiencing a mental health crisis, and allows a person experiencing a mental health crisis to be taken to an emergency medical services facility if a facility that has been approved by the Department is not available. Makes a number of changes regarding the State's coordinated behavioral health crisis response system to ensure that it has the capacity to respond to behavioral health crises and adequately care for individuals brought to the facility through the emergency mental health hold procedure or a voluntary application for mental health services. Expands the authorized use of money in the MTCF, and appropriates \$7,086,280 cash funds from the MTCF to the Department's Office of Behavioral Health for FY 2017-18. In addition, states the assumption that OBH will require an additional 0.9 FTE.

**S.B. 17-254 (LONG BILL):** General appropriations act for FY 2017-18.

**S.B. 17-264 (FUNDING FOR BEHAVIORAL HEALTH DISORDERS):** Makes statutory changes related to the implementation of H.B. 16-1408, including: authorizing the MTCF to be used for both substance use and behavioral health services; and repealing the Offender Mental Health Services Fund.

**S.B. 17-292 (CO WORKS EMPLOYMENT OPPORTUNITIES WITH WAGES):** Creates the Employment Opportunities with Wages Program to assist individuals receiving public assistance through the state's implementation of the federal Temporary Assistance for Needy Families (TANF) program, known as Colorado Works, in attaining living-wage, permanent jobs. Appropriates \$4.0 million federal funds from the state's TANF reserve for the costs associated with implementing the Employment Opportunities with Wages Program.

**H.B. 17-1045 (EXTEND HOME CARE ALLOWANCE GRANT PROGRAM):** Continues the Home Care Assistance (HCA) Grant Program for an indefinite period of time until the State has established a consumer-directed support service delivery option for providing homemaker, personal care, and medical support services for individuals who are receiving home- and community-based services (HCBS) on the Supported Living Services (SLS) waiver program under Medicaid. Transfers \$695,107 General Fund from the HCA line item in the Department to the HCA Grant Program line item in the Department in FY 2017-18.

**H.B. 17-1204 (JUVENILE DELINQUENCY RECORD EXPUNGEMENT):** Makes a number of changes relating to access to juvenile delinquency records and the eligibility and process for expunging these records. Appropriates \$108,710 General Fund to the Department and transfers this money to the Governor's Office of Information Technology for computer programming services.

**H.B. 17-1207 (NO DETENTION FACILITY REQUIREMENT YOUTH AGES 10-12):** States that no juvenile aged 10, 11, or 12 may be ordered to detention in the Division of Youth Corrections within the Department unless he or she was arrested for a felony or a weapons charge. Reduces appropriations to the Department by \$160,270 General Fund for FY 2017-18 as a result of anticipated decreases in the detention population.

**H.B. 17-1264 (PACE OMBUDSMAN PROGRAM ADD LOCAL OMBUDSMEN):** Adds a local Program of All-Inclusive Care for the Elderly (PACE) ombudsmen to the State Ombudsman's office, and outlines provisions related to the training and authority of the local PACE ombudsmen. Appropriates \$75,000 General Fund to the Department for FY 2017-18 to add one local ombudsman position.

**H.B. 17-1284 (DATA SYSTEM CHECK FOR EMPLOYEES SERVING AT-RISK ADULTS):** Requires certain employers to conduct a records check of the Colorado adult protective services (CAPS) data system for prospective employees to determine if a prospective employee who will work directly with at-risk adults is the subject of a substantiated report of adult abuse or neglect. Appropriates \$428,779 General Fund to the Department for FY 2017-18 to make several changes to the CAPS system, hire a compliance investigator to initially develop appeals process procedures and then receive appeals from persons facing a substantiated allegation of adult abuse or neglect, provide training to staff on the new policy, and promulgate rules. Of this amount, \$42,773 is transferred to the Department of Law to assist with rules promulgation. States the assumption that the Department will require an additional 0.4 FTE.

**H.B. 17-1292 (CHILD WELFARE PROVIDER RATES):** Sets forth guidelines for the establishment of provider rates for licensed out-of-home placement providers. Directs the Department to continue completing an annual review of the methodology by which counties evaluate and negotiate provider rates and outcomes and submit a report to the Joint Budget Committee by April 2, 2018. The new rate-setting methodology must be implemented on or before June 1, 2018, except for those rates that must be approved by the federal Centers for Medicare and Medicaid Services. Requires the Department to contract with an independent vendor to:

- Perform a salary survey and study related to the delivery of child welfare services. The study must include salary surveys for providers; child protection employees; residential child care facility employees; and state and county employees involved with the provision of child welfare services.
- Perform an actuarial analysis of actual vendor costs to do business in the context of current service demands; and
- Develop a rate-setting methodology for provider compensation using the salary survey and actuarial analysis. In developing the rate-setting methodology, the independent vendor shall solicit input from representatives of the Department, counties, the provider community, and the Department of Health Care Policy and Financing. The rate-setting methodology must clearly include a process by which the full amount of any provider rate adjustments to the base rate or previously contracted rate approved by the General Assembly are included as part of any final contract with a provider.

Appropriates \$300,000 General Fund to the Department for contract services.

**H.B. 17-1329 (REFORM DIVISION OF YOUTH CORRECTIONS):** Changes the name of the Department's Division of Youth Corrections to the "Division of Youth Services" and redefines the unit's purpose. Requires the Division, on or before July 1, 2018, to serve youth in a pilot program to aid in the creation of a Division-wide therapeutic and rehabilitative culture. Requires the Division to contract with an independent third party to conduct a performance assessment that evaluates safety in all facilities of the Division by December 1, 2017. The assessment must review the Division's safety protocols and procedures and use of restraints and seclusion and make comparisons with best practices and outcomes. Creates, in each region served by the Division, a community board to promote transparency and community involvement, opportunities for youths to build positive adult relationships, and youth involvement in the community. Adds that in its biannual report to the General Assembly, the Youth Restraint and Seclusion Working Group must include details on the use and type of restraints used in incidents involving youth. Appropriates \$306,302 General Fund to the Department for FY 2017-18 for facility renovations and for pilot program implementation, training, and evaluation, and states the assumption that the Department will require an additional 0.3 FTE.

## 2018 SESSION BILLS

**S.B. 18-191 (LOCAL GOVERNMENT LIMITED GAMING IMPACT FUND):** Requires in FY 2018-19 and 2019-20 that \$50,000 of the amount allocated to the Gambling Addiction Account within the Local Government Limited Gaming Impact Fund be appropriated to the Department to develop a plan for a successful gambling addiction program. Eliminates the \$100,000 cash funds appropriation to the Department from the Gambling Addiction Account for FY 2018-19 for gambling addiction services, and appropriates \$50,000 for the development of the plan. For additional information, see the "Recent Legislation" section at the end of Part III for the Department of Local Affairs.

**S.B. 18-207 (DHS INDIRECT COST ASSESSMENT FROM CASH FUNDS):** Authorizes the Department to retain money for its indirect costs, based on a federally approved cost allocation plan, from the Older Coloradans Cash Fund and the Nurse Home Visitor Program Fund.

**S.B. 18-249 (MENTAL HEALTH CRIMINAL JUSTICE DIVERSION GRANT PROGRAM):** Establishes within the Judicial Department's Office of the State Court Administrator the Mental Health Criminal Justice Diversion Grant Program to support up to four pre-plea local-level mental health pilot programs that will divert individuals with mental health conditions who have been charged with low-level criminal offenses into community treatment programs.



Appropriates \$750,000 General Fund to the Judicial Department for FY 2018-19, and states the assumption that the Department will require an additional 0.9 FTE.

**S.B. 18-250 (JAIL-BASED BEHAVIORAL HEALTH SERVICES):** Formally establishes in statute the Jail-based Behavioral Health Services Program, an existing program administered by the Department's Office of Behavioral Health (OBH) that provides funding for substance use disorder services for offenders while they are in jail and as they transition back to the community. Expands the program to include mental health services, and provides additional funding for these services and for state and local program administration. Appropriates \$2,564,603 General Fund to OBH for FY 2018-19, and states the assumption that OBH will require an additional 1.8 FTE.

**S.B. 18-251 (STATEWIDE BEHAVIORAL HEALTH COURT LIAISON PROGRAM):** Establishes within the Judicial Department's Office of the State Court Administrator the Statewide Behavioral Health Court Liaison Program. The program will allocate funding to each judicial district to contract with local behavioral health professionals to facilitate communication and collaboration between judicial and behavioral health systems and promote positive outcomes for individuals living with mental health or co-occurring behavioral health conditions. Appropriates \$1,997,112 General Fund to the Judicial Department for FY 2018-19, and states the assumption that the Department will require an additional 0.9 FTE.

**S.B. 18-254 (CHILD WELFARE REFORMS):** Makes numerous reforms to the funding structure for the State's child welfare system, including:

- Eliminating the option for county departments to maintain unspent General Fund money from the child welfare services block allocation if they participate in the Collaborative Management Program or the Integrated Care Management Program;
- Adding a statutory definition of and citation to the federal "Family First Prevention Services Act of 2018;"
- Creating a program in the child welfare system for residential out-of-home placements for children and youth with intellectual and developmental disabilities;
- Changing the number of and process for appointments to the child welfare allocations committee;
- Requiring the development of a child welfare system funding model;
- Increasing the percentage that counties are reimbursed by the State for adoption and relative guardianship subsidies from 80.0 percent to 90.0 percent;
- Formalizing the input process of the child welfare allocations committee;
- Allowing the Department to submit supplemental budget requests for increases in out-of-home placement provider rates and adoption and relative guardianship expenditures;
- Modifying language concerning negotiations between county departments and providers for out-of-home placement rates;
- Requiring capacity evaluations in counties or regions;
- Requiring the Department to perform an analysis and project costs to determine the fiscal impact on the State for changes in federal reimbursement rates for child welfare expenditures that result from the federal "Family First Prevention Services Act of 2018;"
- Modifying the close-out process for child welfare expenditures;
- Creating a child welfare prevention and intervention services cash fund into which unspent General Fund money allocated to county departments through block allocations are transferred for sustainability of state-approved prevention and intervention programs and services; and
- Creating and defining the responsibilities of the Delivery of Child Welfare Services Task Force.

Appropriates \$18,368,787 total funds, including an increase of \$14,546,680 General Fund and a decrease of \$1,208,177 cash funds from local sources, to the Division of Child Welfare for FY 2018-19, and states the assumption that the Department will receive \$5,030,284 federal funds and will require an additional 0.9 FTE.

**S.B. 18-270 (BEHAVIORAL HEALTH CRISIS TRANSITION REFERRAL):** Establishes the statewide Community Transition Specialist Program in the Department's Office of Behavioral Health (OBH) to coordinate referrals of high-risk individuals from hospitals and withdrawal management facilities to appropriate transition specialists. Requires OBH to collect information concerning current practices, criteria, procedures, and system capacity for providing follow-up care for high-risk individuals after release or discharge. Appropriates \$1,588,250 General Fund to OBH for FY 2018-19.

**H.B. 18-1064 (TRAINING PROGRAM FOR PREVENTION OF CHILD SEXUAL ABUSE):** Allows funds from the Colorado Children's Trust Fund to be used to develop, promote, maintain, and monitor a research-based child sexual abuse prevention training model. Expands current training to include all persons who interact with young children, including parents, childcare providers, teachers, and any other mandatory reporter. Appropriates \$158,374 to the Department for FY 2018-19.

**H.B. 18-1094 (CHILDREN AND YOUTH MENTAL HEALTH TREATMENT ACT):** Indefinitely extends the Child Mental Health Treatment Act, which provides mental health treatment services for children and youth at risk of out-of-home placement. Renames and modifies the program, including expanding eligibility and the availability of services statewide. Appropriates \$1,286,611 General Fund to the Department's Office of Behavioral Health (OBH) for FY 2018-19, and states the assumption that OBH will require an additional 0.5 FTE.

**H.B. 18-1136 (EXPAND MEDICAID BENEFIT FOR SUBSTANCE USE DISORDER):** Adds residential and inpatient substance use disorder treatment and medical detoxification services as a benefit under the Colorado Medicaid Program, conditional upon federal approval. If the new benefit is enacted, requires Managed Service Organizations (MSOs) to determine to what extent money allocated from the Marijuana Tax Cash Fund may be used to assist in providing substance use disorder services if those services are not otherwise covered by private or public insurance. Appropriates a total of \$236,827 to the Department of Health Care Policy and Financing (HCPF) for FY 2018-19 (including \$155,193 General Fund and \$81,634 cash funds from the Healthcare Affordability and Sustainability Fee Cash Fund), and states the assumption that HCPF will receive \$236,828 federal funds for FY 2018-19.

**H.B. 18-1162 (SUPPLEMENTAL BILL):** Modifies FY 2017-18 appropriations to the Department.

**H.B. 18-1172 (MONEY ALLOCATED TO MANAGED SERVICE ORGANIZATIONS):** Clarifies that an MSO may use money allocated to it from the MTCF for substance use disorder services and for any start-up costs or other expenses necessary to increase capacity to provide such services. Permits an MSO to spend an allocation over two state fiscal years. Modifies related reporting requirements.

**H.B. 18-1306 (IMPROVING EDUCATIONAL STABILITY FOR FOSTER YOUTH):** Aligns state law with federal "Every Student Succeeds Act" (ESSA) provisions relating to students in foster care, referred to in state statutes as "students in out-of-home placement". ESSA permits students in out-of-home placement at any time during the school year to remain in their school of origin, as defined in the act, rather than move to a different school upon placement outside of the home or change in placement, unless the county department of human or social services or juvenile court determines that it is not in the child's best interest to remain in his or her school of origin. Appropriates \$2,817,327 total funds, including \$2,267,261 federal Temporary Assistance to Needy Families funds, to the Department of Human Services for FY 2018-19 and states the assumption that the Department will require an additional 0.9 FTE.

**H.B. 18-1319 (SERVICES TO ENSURE A SUCCESSFUL ADULTHOOD FOR FORMER FOSTER CARE YOUTH):** Allows county departments of human or social services to extend the provision of certain services for a successful adulthood to foster care youth between the ages of 18 and 21 who have exited the foster care system (former foster care youth), including assistance with employment, housing, education, financial management, mental health care, and substance abuse treatment (services for a successful adulthood). Tasks the state Department of Human Services with establishing a former foster care youth steering committee to develop recommendations for an implementation plan that supports

the long-term provision of services for a successful adulthood for former foster care youth. Appropriates \$30,000 General Fund to the Department for FY 2018-19 for administration of the program.

**H.B. 18-1322 (LONG BILL):** General appropriations act for FY 2018-19. Includes provisions modifying FY 2017-18 appropriations to the Department.

**H.B. 18-1323 (PAY FOR SUCCESS CONTRACTS PILOT PROGRAM FUNDING):** Transfers specified amounts from the General Fund and the Marijuana Tax Cash Fund (MTCF) to the Office of State Planning and Budgeting (OSPB) Youth Pay for Success Initiatives Account within the Pay for Success Contracts Fund for FY 2018-19 through FY 2021-22. Authorizes OSPB to spend this money for three specified Pay for Success contracts for pilot programs designed to reduce juvenile involvement in the justice system, reduce out-of-home placements of juveniles, and improve on-time high school graduation rates. Authorizes the Department of Human Services to spend any money appropriated to it from the Account for expenses related to the administration of any pay for success contract, and appropriates \$52,511 reappropriated funds to the Department for FY 2018-19 and states the assumption that the Department will require an additional 0.5 FTE. Has a General Fund impact of \$401,314 for FY 2018-19 and a total General Fund impact of \$1.9 million between FY 2018-19 and FY 2021-22. Additionally, has a MTCF impact of \$989,470 for FY 2018-19 and a total MTCF impact of \$4.4 million between FY 2018-19 and FY 2021-22. For additional information, see the "Recent Legislation" section at the end of Part III for the Office of the Governor.

**H.B. 18-1328 (REDESIGN RESIDENTIAL CHILD HEALTH CARE WAIVER):** Directs the Department of Health Care Policy and Financing (HCPF) to initiate a stakeholder process for purposes of preparing and submitting a redesigned Children's Habilitation Residential Program (CHRP) waiver for federal approval that allows for home- and community-based services for children with intellectual and developmental disabilities who have complex behavioral support needs. HCPF may also request federal authorization to change the agency designated to administer and operate the program from the Department of Human Services to HCPF. Includes language creating the redesigned program, relocates the program in statute, and makes conforming changes in statute to reflect the new location of the program. The new program will become effective once federal approval has been granted for the redesigned CHRP waiver. Reduces the appropriation to the Department of Human Services by \$2,685,176 Medicaid reappropriated funds and 1.0 FTE in FY 2018-19.

**H.B. 18-1333 (PART C CHILD FIND RESPONSIBILITIES OF CDE & DHS):** Requires the Department of Education and the Department of Human Services to enter into an intergovernmental agreement concerning evaluations for services under the Child Find program. Appropriates \$15,000 General Fund to the Department for FY 2018-19.

**H.B. 18-1334 (EXTEND TRANSITIONAL JOBS PROGRAM):** Extends the Department's transitional jobs program, known as ReHire Colorado, for an additional five years through June 30, 2024. ReHire Colorado, created via H.B. 13-1004 (Colorado Careers Act of 2013) and reauthorized via H.B. 14-1015 (Extend Transitional Jobs Program) and H.B. 16-1290 (Extend Transitional Jobs Program), subsidizes the wages of unemployed and under-employed adults to provide opportunities to learn and practice successful workplace behaviors that help in securing long-term unsubsidized employment. The priority for program participation is given to individuals who are non-custodial parents, veterans, and/or displaced workers that are 50 years of age or older. Appropriates \$1,278,751 General Fund and 1.0 FTE to the Department for FY 2018-19.

**H.B. 18-1339 (BACKGROUND CHECKS EMPLOYEES WITH ACCESS TO FEDERAL TAX INFORMATION):** Requires each applicant, state employee, state contractor, or other individual who has or may have access through a state agency to federal tax information received from the federal government to submit to a fingerprint-based criminal history records check. Specifies that a state agency that shares such federal tax information with a county may authorize and require the county department applicants, employees, contractors, or other individuals to submit to a fingerprint-based criminal history records check. Requires a state agency to deny access to federal tax information received from the federal government to any individual who does not pass the fingerprint-based criminal history record check.

Provides FY 2018-19 appropriations to multiple departments for associated costs, including \$36,630 General Fund to the Department of Human Services. For additional information, see the “Recent Legislation” section at the end of Part III for the Department of Revenue.

**H.B. 18-1357 (OMBUDSMAN FOR BEHAVIORAL HEALTH ACCESS TO CARE):** Creates in the Department the independent Office of the Ombudsman for Behavioral Health Access to Care (Ombudsman) to serve as a neutral party to help consumers and health care providers navigate and resolve issues related to consumer access to behavioral health care. Requires the State Commissioner of Insurance to submit an annual report to the General Assembly concerning insurance carrier compliance with behavioral health coverage parity requirements. Appropriates \$85,695 General Fund to the Department of Human Services and \$8,355 cash funds from the Division of Insurance Cash Fund to the Department of Regulatory Agencies for FY 2018-19, and states the assumption that the departments will require an additional 0.9 FTE and 0.1 FTE, respectively.

**H.B. 18-1363 (RECOMMENDATIONS OF CHILD SUPPORT COMMISSION):** Implements several recommendations from the Child Support Commission, including requiring insurance companies to participate in the Child Support Lien Network, and gives the Department the authority to recover fees attached to liens on insurance claims, payments, awards, and settlements and spend this revenue on costs related to participating in the Child Support Lien Network. Recovered costs are credited to the Child Support Insurance Lien Fund. Appropriates \$122,996 from the Fund to the Department for FY 2018-19 to pay for the State's participation in the Network.

**H.B. 18-1364 (SUNSET COLORADO COUNCIL PERSONS WITH DISABILITIES):** Continues the Colorado Advisory Council for Persons with Disabilities and transfers it from the Office of the Governor to the Department of Human Services, changes its membership, and redefines its duties. Appropriates \$250,000 General Fund to the Department for FY 2018-19 and states the assumption that the Department will require an additional 1.0 FTE.

# Details

## JUDICIAL DEPARTMENT

### FY 2017-18 AND FY 2018-19 APPROPRIATIONS BY DIVISION AND BILL

JUDICIAL DEPARTMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2017-18 TOTAL APPROPRIATION:</b>	<b>\$719,444,858</b>	<b>\$517,650,016</b>	<b>\$161,594,597</b>	<b>\$35,775,245</b>	<b>\$4,425,000</b>	<b>4,650.3</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Supreme Court and Court of Appeals	25,972,183	14,418,399	11,480,887	72,897	0	216.5
Courts Administration	208,049,872	107,260,361	89,265,149	11,524,362	0	442.1
Trial Courts	169,500,037	135,112,228	30,512,809	2,250,000	1,625,000	1,872.4
Probation and Related Services	146,117,036	91,722,242	29,724,812	21,869,982	2,800,000	1,247.7
Office of the State Public Defender	89,723,459	89,573,459	150,000	0	0	811.1
Office of the Alternate Defense Counsel	35,393,329	35,313,329	80,000	0	0	12.0
Office of the Child's Representative	26,976,491	26,949,582	0	26,909	0	29.5
Office of the Respondent Parents Counsel	16,230,423	16,169,328	30,000	31,095	0	10.0
Office of the Child Protection Ombudsman	782,421	782,421	0	0	0	6.0
Independent Ethics Commission	348,667	348,667	0	0	0	1.0
Office of Public Guardianship	350,940	0	350,940	0	0	2.0
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
SB 17-254	\$710,314,244	\$512,932,613	\$157,894,176	\$35,062,455	\$4,425,000	4,647.5
HB 17-1204	45,237	45,237	0	0	0	0.8
HB 17-1303	24,500	24,500	0	0	0	0.0
HB 18-1163	9,060,877	4,647,666	3,700,421	712,790	0	2.0
<b>FY 2018-19 TOTAL APPROPRIATION:</b>	<b>\$760,194,547</b>	<b>\$553,074,423</b>	<b>\$165,722,088</b>	<b>\$36,973,036</b>	<b>\$4,425,000</b>	<b>4,745.3</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Supreme Court and Court of Appeals	26,536,360	14,906,929	11,556,534	72,897	0	216.5
Courts Administration	218,871,933	118,681,589	87,638,039	12,552,305	0	457.9
Trial Courts	174,263,177	139,822,340	30,565,837	2,250,000	1,625,000	1,872.6
Probation and Related Services	152,278,921	93,511,199	33,927,892	22,039,830	2,800,000	1,248.7
Office of the State Public Defender	97,453,793	97,248,793	205,000	0	0	871.8
Office of the Alternate Defense Counsel	42,020,721	41,940,721	80,000	0	0	13.8
Office of the Child's Representative	28,253,633	28,226,724	0	26,909	0	31.0
Office of the Respondent Parents Counsel	17,431,929	17,370,834	30,000	31,095	0	10.0
Office of the Child Protection Ombudsman	1,024,898	1,024,898	0	0	0	8.0
Independent Ethics Commission	340,396	340,396	0	0	0	1.0
Office of Public Guardianship	1,718,786	0	1,718,786	0	0	14.0
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
HB 18-1322	\$754,037,172	\$550,203,048	\$162,436,088	\$36,973,036	\$4,425,000	4,742.7
SB 18-203	124,263	124,263	0	0	0	0.8
SB 18-249	750,000	750,000	0	0	0	0.9

JUDICIAL DEPARTMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 18-251	1,997,112	1,997,112	0	0	0	0.9
HB 18-1176	3,286,000	0	3,286,000	0	0	0.0
<b>Increase/(Decrease)</b>	\$40,749,689	\$35,424,407	\$4,127,491	\$1,197,791	\$0	95.0
Percentage Change	5.7%	6.8%	2.6%	3.3%	0.0%	2.0%

**INFORMATIONAL FUNDS:** The FY 2018-19 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Judicial Department are annotated with the "(I)". For additional information, see Appendix E.

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2018-19 Appropriations containing an (I) notation	\$45,742,538	\$0	\$41,259,534	\$58,004	\$4,425,000

## DETAIL OF APPROPRIATION BY ADMINISTRATIVE SECTION

### SUPREME COURT AND COURT OF APPEALS

This Long Bill section provides funding for the Colorado Supreme Court and the Colorado Court of Appeals. The *Supreme Court* is the State's court of last resort, and its decisions are binding on all other State courts. While requests to review decisions of the Colorado Court of Appeals constitute the majority of the Supreme Court's filings, the Court also has direct appellate jurisdiction over other types of cases, such as those cases in which a statute has been held to be unconstitutional. The Supreme Court also oversees the regulation of attorneys and the practice of law. The Supreme Court is composed of seven Justices who serve renewable ten-year terms. The Chief Justice, selected by the Justices of the Court, is the executive head of the Judicial Department. In FY 2016-17, 1,285 cases were filed with the Supreme Court.

Created by statute, the *Court of Appeals* is generally the first court to hear appeals of judgments and orders in criminal, juvenile, civil, domestic relations, and probate matters. The Court of Appeals also has initial jurisdiction to review actions and decisions of several state agencies, boards, and commissions. Its determination of an appeal is final unless the Colorado Supreme Court agrees to review the matter. The Court of Appeals is currently composed of 22 judges who serve renewable eight-year terms. In FY 2016-17, 2,355 cases were filed with the Court of Appeals.

Cash fund sources primarily include annual attorney registration fees and law examination application fees, appellate court filing fees, and court docket fees that are credited to the Judicial Stabilization Cash Fund. Reappropriated funds are transferred from the Department of Law.

SUPREME COURT AND COURT OF APPEALS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$25,972,183	\$14,418,399	\$11,480,887	\$72,897	\$0	216.5
<b>TOTAL</b>	<b>\$25,972,183</b>	<b>\$14,418,399</b>	<b>\$11,480,887</b>	<b>\$72,897</b>	<b>\$0</b>	<b>216.5</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$25,972,183	\$14,418,399	\$11,480,887	\$72,897	\$0	216.5

SUPREME COURT AND COURT OF APPEALS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Annualize prior year budget actions	488,530	488,530	0	0	0	0.0
Indirect cost assessment	75,647	0	75,647	0	0	0.0
<b>HB 18-1322</b>	<b>\$26,536,360</b>	<b>\$14,906,929</b>	<b>\$11,556,534</b>	<b>\$72,897</b>	<b>\$0</b>	<b>216.5</b>
<b>TOTAL</b>	<b>\$26,536,360</b>	<b>\$14,906,929</b>	<b>\$11,556,534</b>	<b>\$72,897</b>	<b>\$0</b>	<b>216.5</b>
<b>INCREASE/(DECREASE)</b>	\$564,177	\$488,530	\$75,647	\$0	\$0	0.0
Percentage Change	2.2%	3.4%	0.7%	0.0%	n/a	0.0%

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for annualization of FY 2017-18 salary survey and merit base pay.

**INDIRECT COST ADJUSTMENT:** The appropriation includes an increase of \$75,647 cash funds in the Department's indirect cost assessments for this Long Bill section.

## COURTS ADMINISTRATION

The Justices of the Supreme Court appoint a State Court Administrator to oversee the daily administration of the Department and provide technical and administrative support to the courts and probation. This Long Bill section is comprised of four subsections: Administration and Technology; Central Appropriations; Centrally Administered Programs; and Ralph L. Carr Colorado Judicial Center.

COURTS ADMINISTRATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$203,992,964	\$106,565,724	\$85,915,668	\$11,511,572	\$0	442.1
HB 17-1204	4,703	4,703	0	0	0	0.0
HB 17-1303	24,500	24,500	0	0	0	0.0
HB 18-1163	4,027,705	665,434	3,349,481	12,790	0	0.0
<b>TOTAL</b>	<b>\$208,049,872</b>	<b>\$107,260,361</b>	<b>\$89,265,149</b>	<b>\$11,524,362</b>	<b>\$0</b>	<b>442.1</b>
FY 2018-19 APPROPRIATION:						
HB 18-1322	\$216,124,821	\$115,934,477	\$87,638,039	\$12,552,305	\$0	456.1
SB 18-249	750,000	750,000	0	0	0	0.9
SB 18-251	1,997,112	1,997,112	0	0	0	0.9
<b>TOTAL</b>	<b>\$218,871,933</b>	<b>\$118,681,589</b>	<b>\$87,638,039</b>	<b>\$12,552,305</b>	<b>\$0</b>	<b>457.9</b>
<b>INCREASE/(DECREASE)</b>	\$10,822,061	\$11,421,228	(\$1,627,110)	\$1,027,943	\$0	15.8
Percentage Change	5.2%	10.6%	(1.8%)	8.9%	n/a	3.6%

## ADMINISTRATION AND TECHNOLOGY

This Long Bill subsection of the Courts Administration section provides funding and staff associated with central administration of the State's judicial system, including information technology systems and support. Cash funds are primarily from fees and cost recoveries that are credited to the Judicial Department Information Technology Cash Fund, and drug offender surcharges that are credited to the Correctional Treatment Cash Fund. Reappropriated funds are primarily from departmental indirect cost recoveries.

ADMINISTRATION AND TECHNOLOGY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$36,453,531	\$18,310,257	\$15,433,660	\$2,709,614	\$0	243.8
HB 18-1163	2,881,481	0	2,881,481	0	0	0.0
<b>TOTAL</b>	<b>\$39,335,012</b>	<b>\$18,310,257</b>	<b>\$18,315,141</b>	<b>\$2,709,614</b>	<b>\$0</b>	<b>243.8</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$39,335,012	\$18,310,257	\$18,315,141	\$2,709,614	\$0	243.8
Courthouse furnishing and infrastructure maintenance	1,269,530	769,530	500,000	0	0	0.0
IT project management and information security staff	807,094	807,094	0	0	0	7.0
E-filing/postage/mailing/processing	340,000	0	340,000	0	0	0.0
Access to justice coordinator	129,173	129,173	0	0	0	1.0
Interstate compact FTE transfer	110,003	110,003	0	0	0	2.0
IT staff and pay adjustments	80,775	80,775	0	0	0	(2.0)
Indirect cost assessment	3,750	0	3,750	0	0	0.0
Fund source adjustment for indirect costs	0	77,739	0	(77,739)	0	0.0
Create IT cost recoveries line item	0	0	0	0	0	0.0
Annualize prior year budget actions	(2,045,916)	524,494	(2,570,410)	0	0	0.0
Relocate appropriation for Correctional Treatment Board staff	(96,757)	0	(96,757)	0	0	(1.0)
<b>HB 18-1322</b>	<b>\$39,932,664</b>	<b>\$20,809,065</b>	<b>\$16,491,724</b>	<b>\$2,631,875</b>	<b>\$0</b>	<b>250.8</b>
<b>TOTAL</b>	<b>\$39,932,664</b>	<b>\$20,809,065</b>	<b>\$16,491,724</b>	<b>\$2,631,875</b>	<b>\$0</b>	<b>250.8</b>
<b>INCREASE/(DECREASE)</b>	<b>\$597,652</b>	<b>\$2,498,808</b>	<b>(\$1,823,417)</b>	<b>(\$77,739)</b>	<b>\$0</b>	<b>7.0</b>
Percentage Change	1.5%	13.6%	(10.0%)	(2.9%)	n/a	2.9%

## FY 2017-18 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 18-1163 modifies the FY 2017-18 appropriation to:

- Add \$2,572,647 cash funds from the Judicial Department Information Technology Cash Fund to complete development of a previously approved disaster recovery system; and
- Add an additional \$308,834 cash funds from the Judicial Department Information Technology Cash Fund to pay for increased printing and postage costs associated with the expansion of the Department's e-filing system.

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**COURTHOUSE FURNISHING AND INFRASTRUCTURE MAINTENANCE:** The appropriation includes \$1,269,530 total funds, including \$769,530 General Fund and \$500,000 cash funds, to fulfill the State's statutory responsibility to provide furnishing and equipment for court facilities.

**IT PROJECT MANAGEMENT AND INFORMATION SECURITY STAFF:** The appropriation includes \$807,094 General Fund and 7.0 FTE to establish an IT Project Management Office in the Judicial Department and hire additional information security staff.

**E-FILING/POSTAGE/MAILING/PROCESSING:** The appropriation includes \$340,000 cash funds from the Judicial Information Technology Cash Fund to pay for printing and postage costs associated with public access and e-filing.

**ACCESS TO JUSTICE COORDINATOR:** The appropriation includes \$129,173 General Fund and 1.0 FTE for an Access to Justice Coordinator to guide and coordinate resources to broaden access to civil justice for all litigants,



including self-represented litigants, individuals of modest means, those of limited or no English proficiency, and individuals with mental or physical disabilities.

**INTERSTATE COMPACT FTE TRANSFER:** The appropriation transfers 2.0 FTE from the Department of Corrections to the Judicial Department, increasing General Fund expenditures by \$110,003 in this subsection. These FTE administer an interstate compact that governs the placement of Colorado probationers and parolees in other states and the placement in Colorado of probationers and parolees from other states.

**IT STAFF AND PAY ADJUSTMENTS:** The appropriation provides the Judicial Department with \$80,775 General Fund to fill the personal-services funding shortfall that was created over the course of the last year as it matched pay offers that 10 of its IT professionals received from other potential employers. The appropriation also reduces FTE by 2.0, reflecting IT positions that the Department cannot fill.

**INDIRECT COST ASSESSMENT.** The appropriation includes a net increase of \$3,750 in the Department's indirect cost assessments, all from cash fund sources.

**FUND SOURCE ADJUSTMENT FOR INDIRECT COSTS.** The appropriation includes a \$77,739 decrease of the amount of indirect cost recoveries that are used to offset General Fund within this subdivision, which is accomplished by decreasing the subdivision's appropriation of reappropriated funds (obtained from indirect cost recoveries in this subsection and throughout the Department) by \$77,739 and increasing the subdivision's appropriation of General Fund by an equal amount.

**CREATE IT COST RECOVERIES LINE ITEM:** The appropriation creates a new line item called "IT cost recoveries" and transfers \$3,000,000 of cash fund appropriations related to e-filing to it in order to isolate e-filing program expenditures in the Long Bill.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 17-18 salary survey	\$361,786	\$360,231	\$1,555	\$0	\$0	0.0
FY 17-18 merit base pay	164,945	164,263	682	0	0	0.0
FY 17-18 Remove one-time funding for disaster recovery	(2,572,647)	0	(2,572,647)	0	0	0.0
<b>TOTAL</b>	<b>(\$2,045,916)</b>	<b>\$524,494</b>	<b>(\$2,570,410)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**RELOCATE APPROPRIATION FOR CORRECTIONAL TREATMENT BOARD STAFF:** The appropriation moves the Long Bill appropriation for a Correctional Treatment Board staff member to the line item that contains most of the appropriations from the Correctional Treatment Cash Fund.

## CENTRAL APPROPRIATIONS

This Long Bill subsection of the Courts Administration section includes funding related to employee benefits, leased space, and services purchased from other agencies such as legal and technology services. Significant sources of cash funds include the following: payments and fees that are credited to the Offender Services Fund and the Alcohol and Drug Driving Safety Program Fund; fees and cost recoveries that are credited to the Judicial Department Information Technology Cash Fund; and time payment and late penalty fees credited to the Judicial Collection Enhancement Fund.

CENTRAL APPROPRIATIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$73,267,559	\$68,556,710	\$4,710,849	\$0	\$0	0.0
HB 18-1163	0	0	0	0	0	0.0
<b>TOTAL</b>	<b>\$73,267,559</b>	<b>\$68,556,710</b>	<b>\$4,710,849</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$73,267,559	\$68,556,710	\$4,710,849	\$0	\$0	0.0
Centrally appropriated line items	10,490,620	9,470,746	1,019,874	0	0	0.0
System maintenance study	2,858,690	2,782,914	75,776	0	0	0.0
Annualize prior year budget actions	(6,480,022)	(6,047,444)	(432,578)	0	0	0.0
<b>HB 18-1322</b>	<b>\$80,136,847</b>	<b>\$74,762,926</b>	<b>\$5,373,921</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>TOTAL</b>	<b>\$80,136,847</b>	<b>\$74,762,926</b>	<b>\$5,373,921</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	\$6,869,288	\$6,206,216	\$663,072	\$0	\$0	0.0
Percentage Change	9.4%	9.1%	14.1%	n/a	n/a	n/a

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**CENTRALLY APPROPRIATED LINE ITEMS:** The following table details the adjustments to the centrally appropriated line items in this division:

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey adjustment	\$8,244,804	\$7,735,233	\$509,571	\$0	\$0	0.0
Health, life, and dental adjustment	2,111,187	1,977,114	134,073	0	0	0.0
SAED adjustment	770,777	583,928	186,849	0	0	0.0
AED adjustment	572,865	387,165	185,700	0	0	0.0
Workers' compensation adjustment	358,275	358,275	0	0	0	0.0
CORE adjustment	134,043	134,043	0	0	0	0.0
Legal services adjustment	56,967	56,967	0	0	0	0.0
Vehicle lease payments adjustment	573	573	0	0	0	0.0
Payments to OIT adjustment	(1,524,868)	(1,524,868)	0	0	0	0.0
Payment to risk management / property funds adjustment	(210,531)	(210,531)	0	0	0	0.0
Short-term disability adjustment	(23,472)	(27,153)	3,681	0	0	0.0
<b>TOTAL</b>	<b>\$10,490,620</b>	<b>\$9,470,746</b>	<b>\$1,019,874</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**SYSTEM MAINTENANCE STUDY:** The appropriation includes \$2.9 million total funds to increase salaries for two job classes for which the Judicial Department is experiencing high turnover.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 17-18 ORPC Lease payment	\$46,687	\$46,687	\$0	\$0	\$0	0.0
FY 17-18 Salary survey	(4,974,368)	(4,670,658)	(303,710)	0	0	0.0
FY 17-18 Merit base pay	(1,552,341)	(1,423,473)	(128,868)	0	0	0.0
<b>TOTAL</b>	<b>(\$6,480,022)</b>	<b>(\$6,047,444)</b>	<b>(\$432,578)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

## CENTRALLY ADMINISTERED PROGRAMS

This Long Bill subsection of the Courts Administration section includes various programs and distributions that are administered by the Office of the State Court Administrator for the benefit of the courts, probation, and administrative functions.

Significant sources of cash funds include the following: the Victims and Witnesses Assistance and Law Enforcement Fund; the Crime Victim Compensation Fund; time payment and late penalty fees credited to the Judicial Collection Enhancement Fund; fines credited to the Fines Collection Cash Fund; docket fees credited to the Judicial Stabilization Cash Fund and the State Commission on Judicial Performance Cash Fund; fees and cost recoveries that are credited to the Judicial Department Information Technology Cash Fund; various fees and cost recovery charges paid by court system users; surcharges credited to the Court Security Cash Fund and the Family-Friendly Court Program Cash Fund; and fees for divorce proceedings credited to the Family Violence Justice Fund. Reappropriated funds include: General Fund that is appropriated to the Underfunded Courthouse Facility Cash Fund; local victim assistance funds transferred from the Trial Courts section; and federal child support enforcement funds that are transferred from the Department of Human Services.

CENTRALLY ADMINISTERED PROGRAMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$65,014,366	\$14,994,392	\$47,059,509	\$2,960,465	\$0	196.3
HB 17-1204	4,703	4,703	0	0	0	0.0
HB 17-1303	24,500	24,500	0	0	0	0.0
HB 18-1163	1,146,224	665,434	468,000	12,790	0	0.0
<b>TOTAL</b>	<b>\$66,189,793</b>	<b>\$15,689,029</b>	<b>\$47,527,509</b>	<b>\$2,973,255</b>	<b>\$0</b>	<b>196.3</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$66,189,793	\$15,689,029	\$47,527,509	\$2,973,255	\$0	196.3
Grants for underfunded courthouse facilities	2,000,000	1,000,000	0	1,000,000	0	0.0
Courthouse furnishing and infrastructure maintenance	1,883,830	1,883,830	0	0	0	0.0
Problem solving court coordinators	500,682	500,682	0	0	0	7.0
Courthouse security grants	250,000	(125,000)	375,000	0	0	0.0
Restorative justice	120,000	0	120,000	0	0	0.0
IT Project management and information security staff	32,921	32,921	0	0	0	0.0
Interstate compact FTE transfer	9,406	9,406	0	0	0	0.0
Access to justice coordinator	4,703	4,703	0	0	0	0.0
Annualize prior year budget actions	(4,027,503)	(3,116,941)	(910,562)	0	0	0.0
Compensation for exonerated persons	(110,124)	(110,124)	0	0	0	0.0
Annualize prior year legislation	(34,703)	(4,703)	(30,000)	0	0	0.0
<b>HB 18-1322</b>	<b>\$66,819,005</b>	<b>\$15,763,803</b>	<b>\$47,081,947</b>	<b>\$3,973,255</b>	<b>\$0</b>	<b>203.3</b>
SB 18-249	750,000	750,000	0	0	0	0.9
SB 18-251	1,997,112	1,997,112	0	0	0	0.9
<b>TOTAL</b>	<b>\$69,566,117</b>	<b>\$18,510,915</b>	<b>\$47,081,947</b>	<b>\$3,973,255</b>	<b>\$0</b>	<b>205.1</b>
<b>INCREASE/(DECREASE)</b>	<b>\$3,376,324</b>	<b>\$2,821,886</b>	<b>(\$445,562)</b>	<b>\$1,000,000</b>	<b>\$0</b>	<b>8.8</b>
Percentage Change	5.1%	18.0%	(0.9%)	33.6%	n/a	4.5%

## FY 2017-18 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 18-1163 modifies the FY 2017-18 appropriation to:

- Add \$6,590 General Fund and \$12,790 reappropriated funds that are originally from Title IV-D federal funds transferred from the Department of Human Services;
- Add \$658,844 General Fund for a one-time payment to the only person receiving compensation for exonerated persons;
- Add \$308,834 cash funds from the Judicial Department Information Technology Cash Fund to pay for increased printing and postage costs associated with the expansion of the Department's e-filing system;
- Add \$250,000 cash funds from the Court Security Cash Fund for additional courthouse security grants to counties; and
- Add \$218,000 cash funds from the Judicial Department Information Technology Cash Fund for audio visual equipment for Montezuma County's new courthouse.

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**GRANTS FOR UNDERFUNDED COURTHOUSE FACILITIES:** The appropriation increases grants for underfunded courthouse facilities by \$1,000,000. This is accomplished by depositing \$1,000,000 into the Underfunded Courthouse Facility Cash Fund, which requires a \$1.0 million General Fund appropriation, and providing an additional \$1,000,000 of spending authority for grants from the cash fund, which requires a \$1,000,000 reappropriation.

**COURTHOUSE FURNISHING AND INFRASTRUCTURE MAINTENANCE:** The appropriation includes \$1,883,830 General Fund to fulfill the State's statutory responsibility to provide furnishing and equipment for court facilities.

**PROBLEM SOLVING COURT COORDINATORS:** The appropriation includes \$500,682 General Fund to add 7.0 FTE Problem Solving Court Coordinators.

**COURTHOUSE SECURITY GRANTS:** The appropriation increases spending from the Court Security Cash Fund by \$375,000, using \$250,000 to increase grants for courthouse security and using \$125,000 to offset \$125,000 of General Fund that is currently used to make courthouse security grants.

**RESTORATIVE JUSTICE:** The appropriation includes \$120,000 cash funds from the Restorative Justice Surcharge Cash Fund to support growth in existing Restorative Justice programs and to expand funding for new Restorative Justice programs.

**IT PROJECT MANAGEMENT AND INFORMATION SECURITY STAFF:** The appropriation includes \$32,921 General Fund to support an IT Project Management Office in the Judicial Department and hire additional information security staff.

**INTERSTATE COMPACT FTE TRANSFER:** The appropriation includes \$9,406 General Fund to support the transfer of 2.0 FTE from the Department of Corrections to the Judicial Department.

**ACCESS TO JUSTICE COORDINATOR:** The appropriation includes \$4,703 General Fund to support an Access to Justice Coordinator.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 17-18 salary survey	\$201,779	\$99,092	\$102,687	\$0	\$0	0.0
FY 17-18 merit base pay	86,599	41,592	45,007	0	0	0.0
FY 17-18 Adjust payment to PERA Judicial Div Trust due to 2.5% prior year increase in Judge salaries	41,019	41,019	0	0	0	0.0
FY 17-18 Courthouse capital and infrastructure maintenance	(3,448,056)	(2,639,800)	(808,256)	0	0	0.0
FY 17-18 Payments to exonerated persons	(658,844)	(658,844)	0	0	0	0.0
FY 17-18 courthouse security	(250,000)	0	(250,000)	0	0	0.0
<b>TOTAL</b>	<b>(\$4,027,503)</b>	<b>(\$3,116,941)</b>	<b>(\$910,562)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**COMPENSATION FOR EXONERATED PERSONS:** The appropriation eliminates a \$110,124 General Fund appropriation for compensation of exonerated persons. There are currently no individuals who qualify for these payments.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments related to prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 08-054 Judicial Performance Evaluations--No public awareness poll this year per that bill	(\$30,000)	\$0	(\$30,000)	\$0	\$0	0.0
HB 17-1204 Juvenile Delinquency Record Expungement	(4,703)	(4,703)	0	0	0	0.0
<b>TOTAL</b>	<b>(\$34,703)</b>	<b>(\$4,703)</b>	<b>(\$30,000)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

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

## RALPH L. CARR COLORADO JUDICIAL CENTER

This Long Bill subsection of the Courts Administration section includes appropriations related to the operations of the Ralph L. Carr Colorado Judicial Center. The source of funding is the Justice Center Cash Fund, which consists of docket fees, lease payments from Carr Center tenants, and parking fees paid by employees and members of the public who utilize the Carr Center parking garage. Reappropriated funds reflect transfers from the Department of Law and the State Court Administrator's Office (from an appropriation in the Central Appropriations subsection above) for leased space in the Carr Center. The remaining sources of revenue are reflected as cash fund appropriations, and they include: fee revenue that is used to pay for the Supreme Court and Court of Appeals areas of the Carr Center.

RALPH L. CARR COLORADO JUDICIAL CENTER						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$29,257,508	\$4,704,365	\$18,711,650	\$5,841,493	\$0	2.0
<b>TOTAL</b>	<b>\$29,257,508</b>	<b>\$4,704,365</b>	<b>\$18,711,650</b>	<b>\$5,841,493</b>	<b>\$0</b>	<b>2.0</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$29,257,508	\$4,704,365	\$18,711,650	\$5,841,493	\$0	2.0
Annualize prior year budget actions	6,338	0	6,338	0	0	0.0

RALPH L. CARR COLORADO JUDICIAL CENTER						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Fund source adjustment for Carr Center tenants	(27,541)	(105,682)	(27,541)	105,682	0	0.0
<b>HB 18-1322</b>	<b>\$29,236,305</b>	<b>\$4,598,683</b>	<b>\$18,690,447</b>	<b>\$5,947,175</b>	<b>\$0</b>	<b>2.0</b>
<b>TOTAL</b>	<b>\$29,236,305</b>	<b>\$4,598,683</b>	<b>\$18,690,447</b>	<b>\$5,947,175</b>	<b>\$0</b>	<b>2.0</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$21,203)</b>	<b>(\$105,682)</b>	<b>(\$21,203)</b>	<b>\$105,682</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	(0.1%)	(2.2%)	(0.1%)	1.8%	n/a	0.0%

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes annualization of prior year salary survey and merit base pay.

**FUND SOURCE ADJUSTMENT FOR CARR CENTER TENANTS:** The appropriation reflects the effect of a \$105,682 increase in the leased space payments paid by tenants within the Ralph L. Carr Colorado Judicial Center, which are reflected as reappropriated funds.

## TRIAL COURTS

This Long Bill section provides funding for operation of the State trial courts, which include district courts in 22 judicial districts, water courts, and county courts (excluding the Denver county court). This section also provides funding to reimburse district attorneys for “mandated costs” incurred for prosecution of state matters as well as the ACTION case management and the statewide discovery sharing systems, which are operated by the Colorado District Attorneys’ Council.

*District courts* hear civil cases involving any dollar amount, as well as domestic relations, felony criminal, juvenile, probate, and mental health cases. In addition, district courts handle appeals from municipal and county courts, and review decisions of administrative boards and agencies. Within the district court system, the General Assembly established seven water divisions in the State based on the drainage patterns of major rivers in Colorado. Each water division is staffed by a division engineer, a district court judge who is designated as the water judge by the Colorado Supreme Court, a water referee appointed by the water judge, and a water clerk assigned by the district court. Water judges have exclusive jurisdiction over cases involving the determination of water rights and the use and administration of water. The General Assembly establishes judicial districts and the number of judges for each district in statute; these judges serve renewable six-year terms. There are currently a total of 181 district court judges, and a total of 215,369 cases were filed in district courts in FY 2016-17.

*County courts* have limited jurisdiction, handling civil actions involving no more than \$15,000, misdemeanor cases, civil and criminal traffic infractions, and felony complaints. County courts also issue search warrants and protection orders in cases involving domestic violence. In addition, county courts handle appeals from municipal courts. The General Assembly establishes the number of judges for each county in statute; these judges serve renewable four-year terms. There are currently a total of 111 county court judges (although some of these judges are part-time), and a total of 410,355 cases were filed in county courts in FY 2016-17.

Significant cash fund sources include court docket fees that are credited to the Judicial Stabilization Cash Fund, various fees and cost recovery charges paid by court system users, and grants. Reappropriated funds include funds transferred from other state agencies.

TRIAL COURTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$168,456,243	\$134,768,434	\$30,512,809	\$1,550,000	\$1,625,000	1,871.6
HB 17-1204	40,534	40,534	0	0	0	0.8
HB 18-1163	1,003,260	303,260	0	700,000	0	0.0
<b>TOTAL</b>	<b>\$169,500,037</b>	<b>\$135,112,228</b>	<b>\$30,512,809</b>	<b>\$2,250,000</b>	<b>\$1,625,000</b>	<b>1,872.4</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$169,500,037	\$135,112,228	\$30,512,809	\$2,250,000	\$1,625,000	1,872.4
Annualize prior year budget actions	3,286,137	3,254,897	31,240	0	0	0.0
Annualize prior year legislation	833,449	811,661	21,788	0	0	0.2
Contract attorney rate increase	321,646	321,646	0	0	0	0.0
Interpreters	213,892	213,892	0	0	0	0.0
District Attorney mandated costs	74,543	74,543	0	0	0	0.0
Merchant and courier fees	33,473	33,473	0	0	0	0.0
<b>HB 18-1322</b>	<b>\$174,263,177</b>	<b>\$139,822,340</b>	<b>\$30,565,837</b>	<b>\$2,250,000</b>	<b>\$1,625,000</b>	<b>1,872.6</b>
<b>TOTAL</b>	<b>\$174,263,177</b>	<b>\$139,822,340</b>	<b>\$30,565,837</b>	<b>\$2,250,000</b>	<b>\$1,625,000</b>	<b>1,872.6</b>
<b>INCREASE/(DECREASE)</b>	<b>\$4,763,140</b>	<b>\$4,710,112</b>	<b>\$53,028</b>	<b>\$0</b>	<b>\$0</b>	<b>0.2</b>
Percentage Change	2.8%	3.5%	0.2%	0.0%	0.0%	0.0%

## FY 2017-18 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 18-1163 modifies the FY 2017-18 appropriation to:

- Add \$700,000 child support enforcement funds that are originally from Title IV-D federal funds transferred from the Department of Human Services;
- Add \$252,560 General Fund to pay for (1) increased merchant credit card fees resulting from the growing use of credit cards to pay fines and fees and (2) increased costs for the armored cars that transport fine and fee revenue to banks; and
- Add \$50,700 General Fund to move some Archuleta district and county court functions to a new location in Pagosa Springs from their current temporary location in Durango, where they were moved in the fall of 2017 in response to unsafe conditions in the Pagosa Springs court house.

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of FY 2017-18 salary survey and merit pay and elimination of a one-time \$50,700 appropriation for the Archuleta district and county courts.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments that reflect the second year impact of H.B. 17-1087 (Office of Public Guardianship) and H.B. 17-1265 (PERA Judicial Division Total Employer Contribution).

**CONTRACT ATTORNEY RATE INCREASE:** The appropriation includes \$321,646 General Fund to pay for a 6.7 percent increase for the contract attorneys who do legal work for the main Judicial Department. The increase also raises the rate paid to contractors who support the work of these attorneys, such as paralegals.

**INTERPRETERS:** The appropriation includes \$213,892 General Fund to increase by \$5 the hourly rate paid to certified contract court interpreters.

**DISTRICT ATTORNEY MANDATED COSTS:** The appropriation includes \$74,543 General Fund to cover projected increases in mandated costs incurred by district attorneys.

**MERCHANT AND COURIER FEES:** The appropriation includes \$33,473 General Fund to pay for increased merchant fees on credit card transactions and increased fees for armored transportation of court fines and fees collected at each court location.

## PROBATION AND RELATED SERVICES

This Long Bill section provides funding for probation officers and staff, as well as services that are provided to offenders on probation or related to the probation function. Persons convicted of certain offenses are eligible to apply to the court for probation. An offender on probation serves a sentence in the community under the supervision of a probation officer, subject to conditions imposed by the court. A breach of any imposed condition may result in revocation or modification of probation, or incarceration. As of June 30, 2017, a total of 77,199 individuals who were sentenced to probation were under supervision, including 73,479 adults and 3,720 juveniles. Managed by the Chief Probation Officer in each judicial district, approximately 1,250 employees prepare assessments and provide pre-sentence investigation services to the courts, supervise adult and juvenile offenders sentenced to community programs, and provide notification and support services to victims. The Chief Probation Officer is supervised by the Chief Judge in each district. Investigation and supervision services are provided based on priorities established by the Chief Justice and each offender's risk of re-offending.

Cash fund sources include: payments and fees that are credited to the Offender Services Fund, the Correctional Treatment Cash Fund, the Alcohol and Drug Driving Safety Program Fund, the Sex Offender Surcharge Fund, the Interstate Compact Probation Transfer Cash Fund, and the Offender Identification Fund; the Marijuana Tax Cash Fund; and various fees, cost recoveries, and grants. Sources of reappropriated funds include: General Fund that is appropriated to the Correctional Treatment Cash Fund; Victims and Witnesses Assistance and Law Enforcement Board grants that are transferred from the Courts Administration section; and transfers from other state agencies.

PROBATION AND RELATED SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$146,117,036	\$91,722,242	\$29,724,812	\$21,869,982	\$2,800,000	1,247.7
<b>TOTAL</b>	<b>\$146,117,036</b>	<b>\$91,722,242</b>	<b>\$29,724,812</b>	<b>\$21,869,982</b>	<b>\$2,800,000</b>	<b>1,247.7</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$146,117,036	\$91,722,242	\$29,724,812	\$21,869,982	\$2,800,000	1,247.7
Annualize prior year budget actions	1,879,895	1,634,826	245,069	0	0	0.0
Correctional Treatment Cash Fund adjustment	429,881	0	429,881	0	0	0.0
Community provider rate	339,696	154,131	15,717	169,848	0	0.0
Indirect cost assessment	129,656	0	129,656	0	0	0.0
Relocate appropriation for Correctional Treatment Board staff	96,757	0	96,757	0	0	1.0
<b>HB 18-1322</b>	<b>\$148,992,921</b>	<b>\$93,511,199</b>	<b>\$30,641,892</b>	<b>\$22,039,830</b>	<b>\$2,800,000</b>	<b>1,248.7</b>
HB 18-1176	3,286,000	0	3,286,000	0	0	0.0
<b>TOTAL</b>	<b>\$152,278,921</b>	<b>\$93,511,199</b>	<b>\$33,927,892</b>	<b>\$22,039,830</b>	<b>\$2,800,000</b>	<b>1,248.7</b>
<b>INCREASE/(DECREASE)</b>	<b>\$6,161,885</b>	<b>\$1,788,957</b>	<b>\$4,203,080</b>	<b>\$169,848</b>	<b>\$0</b>	<b>1.0</b>
Percentage Change	4.2%	2.0%	14.1%	0.8%	0.0%	0.1%



## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments to annualize FY 2016-17 salary survey and merit base pay appropriations.

**CORRECTIONAL TREATMENT CASH FUND ADJUSTMENT:** The appropriation increases spending authority from the Correctional Treatment Cash Fund (CTCF) by \$429,881 cash funds.

**COMMUNITY PROVIDER RATE:** The appropriation includes \$339,696 total funds, including \$154,131 General Fund, for the community provider rate increase.

**INDIRECT COST ASSESSMENT:** The appropriation includes a \$129,656 cash funds increase of the Department's indirect cost assessments for this Long Bill section.

**RELOCATE APPROPRIATION FOR CORRECTIONAL TREATMENT BOARD STAFF:** The appropriation moves the Long Bill appropriation for a Correctional Treatment Board staff member to the line item that contains most of the appropriations from the Correctional Treatment Cash Fund.

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

## OFFICE OF THE STATE PUBLIC DEFENDER

The Office of the State Public Defender (OSPD) is an independent agency that provides legal representation for indigent defendants who are facing the possibility of incarceration. The OSPD provides representation through employees who are located around the state. The OSPD is comprised of a central administrative office, an appellate office, and 21 regional trial offices. The OSPD provided legal representation in 175,873 active cases in FY 2016-17. 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 2017-18 APPROPRIATION:						
SB 17-254	\$89,699,687	\$89,549,687	\$150,000	\$0	\$0	811.1
HB 18-1163	23,772	23,772	0	0	0	0.0
<b>TOTAL</b>	<b>\$89,723,459</b>	<b>\$89,573,459</b>	<b>\$150,000</b>	<b>\$0</b>	<b>\$0</b>	<b>811.1</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$89,723,459	\$89,573,459	\$150,000	\$0	\$0	811.1
OSPD Workload and caseload increase	4,213,138	4,213,138	0	0	0	56.4
Centrally appropriated line items	2,704,491	2,704,491	0	0	0	0.0
OSPD IT support, security, and development	870,620	870,620	0	0	0	4.0
OSPD Additional grants	55,000	0	55,000	0	0	0.3
Interpreters	55,472	55,472	0	0	0	0.0
Annualize prior year budget actions	(168,387)	(168,387)	0	0	0	0.0
<b>HB 18-1322</b>	<b>\$97,453,793</b>	<b>\$97,248,793</b>	<b>\$205,000</b>	<b>\$0</b>	<b>\$0</b>	<b>871.8</b>
<b>TOTAL</b>	<b>\$97,453,793</b>	<b>\$97,248,793</b>	<b>\$205,000</b>	<b>\$0</b>	<b>\$0</b>	<b>871.8</b>
INCREASE/(DECREASE)						
Percentage Change	8.6%	8.6%	36.7%	n/a	n/a	7.5%

## FY 2017-18 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 18-1163 modifies the FY 2017-18 appropriation to add \$23,772 General Fund for vehicle lease expenses of the Office of the Public Defender to true-up the Office's share of the cost of the statewide fleet program.

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**OSPD WORKLOAD AND CASELOAD INCREASE:** The appropriation includes \$4.2 million General Fund and 56.4 FTE to respond to the caseload and workload increases that the Office of the State Public Defender has experienced.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; salary survey; and vehicle lease payments.

**OSPD IT SUPPORT, SECURITY, AND DEVELOPMENT:** The appropriation includes \$870,620 General Fund and 4.0 FTE for development of a case management system, provision of increased IT support for the Public Defender's 21 regional offices, software licensure, hardware replacement, and security upgrades.

**OSPD Additional grants:** The appropriation includes an additional informational cash funds appropriation of \$55,000 and 0.3 FTE that reflects a grant that the OSPD is receiving from the City and County of Denver.

**INTERPRETERS:** The appropriation includes \$55,472 General Fund to increase the hourly rate paid to certified contract interpreters.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 17-18 OSPD Support staff	(\$10,534)	(\$10,534)	\$0	\$0	\$0	0.0
FY 17-18 OSPD Mandated and electronic data management expenses	(116,246)	(116,246)	0	0	0	0.0
FY 17-18 OSPD New criminal judge in the 12th	(2,168)	(2,168)	0	0	0	0.0
FY 17-18 OSPD Vehicles	(15,667)	(15,667)	0	0	0	0.0
FY 17-18 OSPD vehicle lease supplemental funding	(23,772)	(23,772)	0	0	0	0.0
<b>TOTAL</b>	<b>(\$168,387)</b>	<b>(\$168,387)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

## OFFICE OF THE ALTERNATE DEFENSE COUNSEL

The Office of Alternate Defense Counsel (OADC) is an independent agency that provides legal representation for indigent defendants in criminal and juvenile delinquency cases in which the Office of the State Public Defender is precluded from doing so because of an ethical conflict of interest. The OADC provides legal representation by contracting with licensed attorneys and investigators. The OADC paid for legal representation in 20,103 cases in FY 2016-17. Cash funds are from training fees.

OFFICE OF THE ALTERNATE DEFENSE COUNSEL						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$31,738,129	\$31,658,129	\$80,000	\$0	\$0	12.0
HB 18-1163	3,655,200	3,655,200	0	0	0	0.0
<b>TOTAL</b>	<b>\$35,393,329</b>	<b>\$35,313,329</b>	<b>\$80,000</b>	<b>\$0</b>	<b>\$0</b>	<b>12.0</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$35,393,329	\$35,313,329	\$80,000	\$0	\$0	12.0
OADC Caseload increase	4,092,301	4,092,301	0	0	0	0.0
Contract attorney rate increase	2,306,291	2,306,291	0	0	0	0.0
Centrally appropriated line items	51,667	51,667	0	0	0	0.0
OADC Administrative support	49,981	49,981	0	0	0	1.0
Interpreters	2,889	2,889	0	0	0	0.0
<b>HB 18-1322</b>	<b>\$41,896,458</b>	<b>\$41,816,458</b>	<b>\$80,000</b>	<b>\$0</b>	<b>\$0</b>	<b>13.0</b>
SB 18-203	124,263	124,263	0	0	0	0.8
<b>TOTAL</b>	<b>\$42,020,721</b>	<b>\$41,940,721</b>	<b>\$80,000</b>	<b>\$0</b>	<b>\$0</b>	<b>13.8</b>
<b>INCREASE/(DECREASE)</b>	<b>\$6,627,392</b>	<b>\$6,627,392</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>1.8</b>
Percentage Change	18.7%	18.8%	0.0%	n/a	n/a	15.0%

#### FY 2017-18 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 18-1163 modifies the FY 2017-18 appropriation to add \$3,655,200 General Fund to cover the cost of the increasing number of cases requiring an Office of the Alternate Defense Council contract attorney to provide legal representation for indigent criminal and juvenile defendants.

#### FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**OADC CASELOAD INCREASE:** The appropriation includes \$4.1 million General Fund for the Office's increased caseload.

**CONTRACT ATTORNEY RATE INCREASE:** The appropriation includes \$2.3 million General Fund to pay for a 6.7 percent increase for the contract attorneys who provide legal representation for clients. The increase also raises the rate paid to contractors who support the work of these attorneys, such as paralegals, social workers, and investigators.

**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; and salary survey.

**OADC ADMINISTRATIVE SUPPORT:** The appropriation includes \$49,981 General Fund and 1.0 FTE support staff to deal with the Office's caseload increase.

**INTERPRETERS:** The appropriation includes \$2,889 General Fund to increase by \$5 the hourly rate paid to certified contract court interpreters.

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

## OFFICE OF THE CHILD'S REPRESENTATIVE

The Office of the Child's Representative (OCR) is an independent agency that is responsible for ensuring the provision of uniform, high-quality legal representation and non-legal advocacy to children involved in judicial proceedings. Generally, this includes representing children involved in the court system due to abuse or neglect, delinquency, truancy, high conflict divorce, alcohol or drug abuse, mental health issues, and probate matters. In most judicial districts, OCR provides legal representation by contracting with private attorneys or multi-disciplinary law offices. However, in El Paso County, the OCR employs attorneys and other staff to provide legal representation through a centralized office rather than through contracted services. The OCR paid for legal representation associated with 15,293 court appointments in FY 2016-17. Reappropriated funds are from federal funds transferred from the Department of Human Services.

OFFICE OF THE CHILD'S REPRESENTATIVE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$26,976,491	\$26,949,582	\$0	\$26,909	\$0	29.5
<b>TOTAL</b>	<b>\$26,976,491</b>	<b>\$26,949,582</b>	<b>\$0</b>	<b>\$26,909</b>	<b>\$0</b>	<b>29.5</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$26,976,491	\$26,949,582	\$0	\$26,909	\$0	29.5
Contract attorney rate increase	1,893,531	1,893,531	0	0	0	0.0
Court Appointed Special Advocates (CASA)	500,000	500,000	0	0	0	0.0
Centrally appropriated line items	126,060	126,060	0	0	0	0.0
OCR Social services professional coordinator	107,963	107,963	0	0	0	1.0
OCR Reclassify staff positions	49,538	49,538	0	0	0	0.0
OCR Administrative assistant	20,896	20,896	0	0	0	0.5
OCR Information systems manager	18,889	18,889	0	0	0	0.0
OCR Salary alignment	5,350	5,350	0	0	0	0.0
Interpreters	200	200	0	0	0	0.0
Annualize prior year budget actions	(832,864)	(832,864)	0	0	0	0.0
OCR Caseload/workload	(612,421)	(612,421)	0	0	0	0.0
<b>HB 18-1322</b>	<b>\$28,253,633</b>	<b>\$28,226,724</b>	<b>\$0</b>	<b>\$26,909</b>	<b>\$0</b>	<b>31.0</b>
<b>TOTAL</b>	<b>\$28,253,633</b>	<b>\$28,226,724</b>	<b>\$0</b>	<b>\$26,909</b>	<b>\$0</b>	<b>31.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$1,277,142</b>	<b>\$1,277,142</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>1.5</b>
Percentage Change	4.7%	4.7%	n/a	0.0%	n/a	5.1%

### FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**CONTRACT ATTORNEY RATE INCREASE:** The appropriation includes \$1.9 million General Fund to pay for a 6.7 percent increase for the contract attorneys who provide legal representation for clients. The increase also raises the rate paid to contractors who support the work of these attorneys, such as paralegals, social workers, and investigators.

**COURT APPOINTED SPECIAL ADVOCATES (CASA):** The appropriation includes \$500,000 General Fund for the CASA program, which provides non-attorney advocates for children involved in court proceedings.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; salary survey, and a leased space adjustment.

**OCR SOCIAL SERVICES PROFESSIONAL COORDINATOR:** The appropriation includes \$107,963 General Fund for 1.0 FTE Social Service Professional Coordinator who will expand the use of professional social workers in court proceedings involving children, such as dependency and neglect cases.

**OCR RECLASSIFY STAFF POSITIONS:** The appropriation includes \$49,538 General Fund for the reclassification of several positions in the OCR's El Paso County Guardian Ad Litem office.

**OCR ADMINISTRATIVE ASSISTANT:** The appropriation includes \$20,896 General Fund and 0.5 FTE to increase a part time Administrative Assistant position in the Denver Office of the Child's Representative from half to full time.

**OCR INFORMATION SYSTEMS MANAGER:** The appropriation includes \$18,889 General Fund for the reclassification of the Office's IT specialist.

**OCR SALARY ALIGNMENT:** The appropriation includes \$5,350 to align salaries for two of the Office's positions with similar positions within the State Court Administrator's Office (i.e. the main Judicial office).

**INTERPRETERS:** The appropriation includes \$200 General Fund to increase by \$5 the hourly rate paid to certified contract court interpreters.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions and is comprised of a \$795,000 General Fund reduction to annualize one-time costs of a case management and billing system and a \$37,864 General Fund reduction to annualize the cost of moving the El Paso OCR office.

**OCR CASELOAD/WORKLOAD:** The appropriation includes a \$612,421 General Fund reduction to align the Office's Court-Appointed Counsel appropriation with its lower workload and caseload.

## OFFICE OF THE RESPONDENT PARENTS' COUNSEL

The Office of the Respondent Parents' Counsel (ORPC) is an independent agency charged with ensuring the provision and availability of high-quality legal representation for indigent respondent parents involved in dependency and neglect proceedings. The ORPC provides legal representation by contracting with licensed attorneys. Cash funds are from training fees, and reappropriated funds are from federal funds transferred from the Department of Human Services.

OFFICE OF THE RESPONDENT PARENTS' COUNSEL						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$16,230,423	\$16,169,328	\$30,000	\$31,095	\$0	10.0
HB 18-1163	0	0	0	0	0	0.0
<b>TOTAL</b>	<b>\$16,230,423</b>	<b>\$16,169,328</b>	<b>\$30,000</b>	<b>\$31,095</b>	<b>\$0</b>	<b>10.0</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$16,230,423	\$16,169,328	\$30,000	\$31,095	\$0	10.0
Contract attorney rate increase	935,883	935,883	0	0	0	0.0
ORPC Continuation of social worker pilot program	302,640	302,640	0	0	0	0.0
ORPC Mandated costs	191,999	191,999	0	0	0	0.0
Centrally appropriated line items	29,867	29,867	0	0	0	0.0

OFFICE OF THE RESPONDENT PARENTS COUNSEL						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
ORPC Operating expenses	16,931	16,931	0	0	0	0.0
Interpreters	706	706	0	0	0	0.0
Annualize prior year budget actions	(276,520)	(276,520)	0	0	0	0.0
<b>HB 18-1322</b>	<b>\$17,431,929</b>	<b>\$17,370,834</b>	<b>\$30,000</b>	<b>\$31,095</b>	<b>\$0</b>	<b>10.0</b>
<b>TOTAL</b>	<b>\$17,431,929</b>	<b>\$17,370,834</b>	<b>\$30,000</b>	<b>\$31,095</b>	<b>\$0</b>	<b>10.0</b>
<b>INCREASE/(DECREASE)</b>	\$1,201,506	\$1,201,506	\$0	\$0	\$0	0.0
Percentage Change	7.4%	7.4%	0.0%	0.0%	n/a	0.0%

## FY 2017-18 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 18-1163 modifies the FY 2017-18 appropriation to add an (I) notation that was inadvertently omitted from the Long Bill to the Grants line item.

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**CONTRACT ATTORNEY RATE INCREASE:** The appropriation includes \$935,883 General Fund to pay for a 6.7 percent increase for the contract attorneys who provide legal representation for clients. The increase also raises the rate paid to contractors who support the work of these attorneys, such as paralegals, social workers, and investigators.

**ORPC CONTINUATION OF SOCIAL WORKER PILOT PROGRAM:** The appropriation includes \$302,640 General Fund to continue and evaluate an ORPC pilot program that provides respondent parents' counsel in two judicial districts with access to contract social workers.

**ORPC MANDATED COSTS:** The appropriation includes \$191,999 General Fund for increased mandated costs to pay for expert witnesses, transcripts, and other court costs for the Office of the Respondent Parents' Counsel.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; salary survey; and legal services.

**ORPC OPERATING EXPENSES.** The appropriation includes \$16,931 General Fund to align the appropriation with the needs of the Office of the Respondent Parent's Counsel and to complete scheduled replacements of computers and acquisition of software.

**INTERPRETERS:** The appropriation includes \$706 General Fund to increase by \$5 the hourly rate paid to certified contract court interpreters.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes a General Fund reduction of \$301,033 to reflect the end of the first year of the Worker Pilot Program, which has been continued for a second year at a cost that is \$1,607 higher. The appropriation also includes \$24,513 for annualization of prior year salary survey and merit base pay.

## OFFICE OF THE CHILD PROTECTION OMBUDSMAN

The Office of the Child Protection Ombudsman (OCPO) is an independent agency that serves as a resource for persons involved in the child welfare system, reviews and investigates complaints concerning child protection services, makes recommendations about system improvements, and educates the public concerning child maltreatment.

OFFICE OF THE CHILD PROTECTION OMBUDSMAN						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$782,421	\$782,421	\$0	\$0	\$0	6.0
<b>TOTAL</b>	<b>\$782,421</b>	<b>\$782,421</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>6.0</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$782,421	\$782,421	\$0	\$0	\$0	6.0
OCPO Additional FTE for investigations	209,706	209,706	0	0	0	2.0
Centrally appropriated line items	32,771	32,771	0	0	0	0.0
<b>HB 18-1322</b>	<b>\$1,024,898</b>	<b>\$1,024,898</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>8.0</b>
<b>TOTAL</b>	<b>\$1,024,898</b>	<b>\$1,024,898</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>8.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$242,477</b>	<b>\$242,477</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>2.0</b>
Percentage Change	31.0%	31.0%	n/a	n/a	n/a	33.3%

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**OCPO ADDITIONAL FTE FOR INVESTIGATIONS:** The appropriation includes \$209,706 General Fund and 2.0 FTE to the Office of the Child Protection Ombudsman for additional investigations.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; salary survey; and legal services.

## INDEPENDENT ETHICS COMMISSION

The Independent Ethics Commission is an independent agency that is responsible for hearing complaints, issuing findings, assessing penalties, and issuing advisory opinions on ethics issues arising under Article XXIX of the State Constitution and other standards of conduct and reporting requirements as provided by law. The Commission has jurisdiction over all state legislative and executive branch elected officials and employees, as well as elected officials and employees of all Colorado counties and municipalities, unless the county or municipality is a home rule jurisdiction that has adopted charters, ordinances, or resolutions that address the matters covered by Article XXIX.

INDEPENDENT ETHICS COMMISSION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$348,667	\$348,667	\$0	\$0	\$0	1.0
<b>TOTAL</b>	<b>\$348,667</b>	<b>\$348,667</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>1.0</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$348,667	\$348,667	\$0	\$0	\$0	1.0

INDEPENDENT ETHICS COMMISSION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Centrally appropriated line items	(8,271)	(8,271)	0	0	0	0.0
<b>HB 18-1322</b>	<b>\$340,396</b>	<b>\$340,396</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>1.0</b>
<b>TOTAL</b>	<b>\$340,396</b>	<b>\$340,396</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>1.0</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$8,271)</b>	<b>(\$8,271)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	(2.4%)	(2.4%)	n/a	n/a	n/a	0.0%

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; salary survey; and legal services.

## OFFICE OF PUBLIC GUARDIANSHIP

The Office of Public Guardianship is an independent agency, established by H.B. 17-1087, that will provide legal guardianship services for incapacitated and indigent adults who have no other guardianship prospects. Funding will come from gifts, grants, and donations.

OFFICE OF PUBLIC GUARDIANSHIP						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
HB 18-1163	\$350,940	\$0	\$350,940	\$0	\$0	2.0
<b>TOTAL</b>	<b>\$350,940</b>	<b>\$0</b>	<b>\$350,940</b>	<b>\$0</b>	<b>\$0</b>	<b>2.0</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$350,940	\$0	\$350,940	\$0	\$0	2.0
OPG Office of Public Guardianship	1,367,846	0	1,367,846	0	0	12.0
<b>HB 18-1322</b>	<b>\$1,718,786</b>	<b>\$0</b>	<b>\$1,718,786</b>	<b>\$0</b>	<b>\$0</b>	<b>14.0</b>
<b>TOTAL</b>	<b>\$1,718,786</b>	<b>\$0</b>	<b>\$1,718,786</b>	<b>\$0</b>	<b>\$0</b>	<b>14.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$1,367,846</b>	<b>\$0</b>	<b>\$1,367,846</b>	<b>\$0</b>	<b>\$0</b>	<b>12.0</b>
Percentage Change	389.8%	n/a	389.8%	n/a	n/a	600.0%

## FY 2017-18 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 18-1163 modifies the FY 2017-18 appropriation to add \$350,940 cash funds and 2.0 FTE for the Office of Public Guardianship (OPG) to allow the Public Guardianship Commission to spend gifts, grants, and donations.

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**OPG OFFICE OF PUBLIC GUARDIANSHIP:** The appropriation adds \$1.4 million cash funds spending authority and 12.0 FTE for the Office of Public Guardianship to allow it to spend grants and donations that it receives.



## RECENT LEGISLATION

### 2017 SESSION BILLS

**S.B. 17-125 (LUMP-SUM COMPENSATION FOR EXONERATED PERSONS):** Allows exonerated persons eligible to receive compensation from the State to receive a lump sum payment in lieu of annual payments. Requires the State Court Administrator to pay the exonerated person the balance of the State's duty of monetary compensation within one year of receiving required written documentation from an exonerated person.

**S.B. 17-254 (LONG BILL):** General appropriations act for FY 2017-18.

**H.B. 17-1071 (REFUND MONETARY AMOUNTS AFTER VACATED CONVICTION):** Creates a process to issue refunds to a defendant who paid court-ordered fines, fees, or other monetary amounts for a criminal conviction in a Colorado district or county court under certain conditions.

**H.B. 17-1077 (USEFUL PUBLIC SERVICE CASH FUND):** Requires that fee revenue collected from individuals who are ordered to perform useful public service remain in the newly created Useful Public Service Cash Fund rather than being credited to the General Fund. Continuously appropriates money in the new fund for the cost of administering useful public service programs.

**H.B. 17-1087 (OFFICE OF PUBLIC GUARDIANSHIP):** Creates the Public Guardianship Commission and the Office of Public Guardianship to serve indigent and incapacitated adults in need of guardianship in the 2<sup>nd</sup>, 7<sup>th</sup>, and 16<sup>th</sup> judicial districts. Creates the Office of Public Guardianship Cash Fund, consisting of any money received from gifts, grants, and donations, and any other money appropriated by the General Assembly. Requires the Commission to appoint a Director to establish the new office not more than one month after receiving at least \$1,700,000 in gifts, grants, and donations to the new cash fund. Requires the Director to submit a report to the Judiciary Committees on or before January 1, 2021, concerning the unmet need for public guardianship services, the costs and benefits of providing such services, and an assessment of funding models and viable funding sources for the Office.

**H.B. 17-1204 (JUVENILE DELINQUENCY RECORD EXPUNGEMENT):** Makes a number of changes relating to access to juvenile delinquency records and the eligibility and process for expunging these records. Appropriates \$45,237 General Fund and 0.8 FTE to the Judicial Department for FY 2017-18. For additional information, see the "Recent Legislation" section at the end of the Department of Human Services.

**H.B. 17-1265 (PERA JUDICIAL DIVISION TOTAL EMPLOYER CONTRIBUTION):** Starting January 1, 2019, increases the employer contribution rates to the Judicial Division of the Colorado Public Employees' Retirement Association (PERA) for amortization equalization disbursement and supplemental amortization equalization disbursement.

**H.B. 17-1266 (SEAL MISDEMEANOR MARIJUANA CONVICTION RECORDS):** Allows defendants convicted of a misdemeanor offense for the use or possession of marijuana to petition to seal their criminal records under certain circumstances. Requires the defendant to pay record sealing fees to the the Colorado Bureau of Investigation, as well as associated civil filing fees associated with sealing criminal records to the Judicial Department.

**H.B. 17-1303 (JUDICIAL PERFORMANCE EVALUATION SYSTEM):** Repeals and reenacts statutes related to state and district commissions on judicial performance. Modifies procedures related to appointing commission members, commission duties and procedures, and judicial performance evaluation and reporting processes. Appropriates \$24,500 General Fund to the Judicial Department for FY 2017-18.

## 2018 SESSION BILLS

**S.B. 18-056 (CIVIL JURISDICTION OF COUNTY COURTS AND FILING FEES):** Increases the claim amount for when a case may be filed in county court from \$15,000 to \$25,000 and changes county and district court filing fees. Establishes six fees ranging from \$80 to \$135 for county court filings in place of the current uniform \$97 fee. Raises the district court filing fee from \$224 to \$235.

**S.B. 18-203 (CONFLICT FREE REPRESENTATION IN MUNICIPAL COURTS):** Requires municipal courts to provide legal defense that is independent of the court by January 1, 2020 for each indigent defendant charged with a crime that has a possible sentence of incarceration. This defense is to be overseen by the municipality, but must be provided by a nonpartisan entity. The Office of the Alternate Defense Counsel (OADC) or any Colorado law school legal aid clinic that is accredited by the American Bar Association (ABA) is authorized to provide or evaluate independent defense. Includes a FY 2018-19 appropriation of \$124,263 General Fund and 0.8 FTE to the Office of the Alternate Defense Counsel.

**S.B. 18-249 (MENTAL HEALTH CRIMINAL JUSTICE DIVERSION GRANT PROGRAM):** Establishes within the Office of the State Court Administrator the Mental Health Criminal Justice Diversion Grant Program to support up to four pre-plea local-level mental health pilot programs. These programs will divert individuals with mental health conditions who have been charged with low-level criminal offenses out of the criminal justice system into community treatment programs. Appropriates \$750,000 General Fund to the Judicial Department for FY 2018-19, and states the assumption that the Department will require an additional 0.9 FTE.

**S.B. 18-251 (STATEWIDE BEHAVIORAL HEALTH COURT LIAISON PROGRAM):** Establishes within the Office of the State Court Administrator the Statewide Behavioral Health Court Liaison Program. The program will allocate funding to each judicial district to contract with local behavioral health professionals to facilitate communication and collaboration between judicial and behavioral health systems and promote positive outcomes for individuals living with mental health or co-occurring behavioral health conditions. Appropriates \$1,997,112 General Fund to the Department for FY 2018-19, and states the assumption that the Department will require an additional 0.9 FTE.

**S.B. 18-267 (CREATE JUSTICE CENTER MAINTENANCE FUND):** Creates a maintenance fund for controlled maintenance of the Carr Justice Center and specifies how moneys will be appropriated to and from the account.

**H.B. 18-1156 (LIMIT PENALTIES FOR JUVENILE TRUANCY):** Restricts courts from placing habitually truant children in a juvenile detention facility for truancy and generally changes the ways in which courts can respond to truancy. Explicitly allows S.B. 91-094 funding to be used to provide services to habitually truant youth.

**H.B. 18-1163 (SUPPLEMENTAL BILL):** Modifies FY 2017-18 appropriations to the Department.

**H.B. 18-1176 (REAUTHORIZE OFFENDER REENTRY GRANT PROGRAM):** Continues for 5 years the offender reentry grant program operated by the Department of Corrections. For FY 2018-19 makes a one-time appropriation of \$3,286,000 from the Correctional Treatment Cash Fund to the Department and a one-time reappropriation of this amount to the Department of Corrections. For more information, see the corresponding bill description in the "Recent Legislation" section of the Department of Corrections.

**H.B. 18-1322 (Long Bill):** General appropriations act for FY 2018-19.

**H.B. 18-1353 (DEFENSE COUNSEL ON FIRST APPEARANCE GRANT PROGRAM):** Creates the Defense Counsel on First Appearance Grant Program in the Department of Local Affairs to reimburse local governments for costs associated with the provision of defense counsel to defendants at their first appearances in municipal courts. For more information, see the "Recent Legislation" section of Part III for the Department of Local Affairs.

# Details

## DEPARTMENT OF LABOR AND EMPLOYMENT

### FY 2017-18 AND FY 2018-19 APPROPRIATIONS BY DIVISION AND BILL

DEPARTMENT OF LABOR AND EMPLOYMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2017-18 TOTAL APPROPRIATION:</b>	<b>\$248,861,234</b>	<b>\$21,380,958</b>	<b>\$72,525,276</b>	<b>\$9,515,450</b>	<b>\$145,439,550</b>	<b>1,279.8</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Executive Director's Office	52,536,731	4,460,255	20,766,536	670,789	26,639,151	110.2
Division of Unemployment Insurance	41,582,024	38,361	12,031,533	0	29,512,130	484.1
Division of Employment and Training	67,275,584	4,969,631	10,670,627	3,886,030	47,749,296	216.7
Division of Labor Standards and Statistics	4,056,499	588,160	1,289,751	0	2,178,588	56.1
Division of Oil and Public Safety	6,331,633	0	5,602,894	19,318	709,421	68.0
Division of Workers' Compensation	21,344,752	0	21,344,752	0	0	111.0
Division of Vocational Rehabilitation and Independent Living Services	55,734,011	11,324,551	819,183	4,939,313	38,650,964	233.7
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
SB 17-254	\$248,855,234	\$21,380,958	\$72,519,276	\$9,515,450	\$145,439,550	1,279.8
HB 17-1119	6,000	0	6,000	0	0	0.0
<b>FY 2018-19 TOTAL APPROPRIATION:</b>	<b>\$259,549,084</b>	<b>\$19,475,174</b>	<b>\$80,841,770</b>	<b>\$7,521,018</b>	<b>\$151,711,122</b>	<b>1,280.6</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Executive Director's Office	56,004,714	4,706,324	23,002,498	612,065	27,683,827	110.2
Division of Unemployment Insurance	45,673,931	38,361	12,447,772	0	33,187,798	484.1
Division of Employment and Training	67,355,284	2,576,819	16,616,898	1,496,199	46,665,368	216.7
Division of Labor Standards and Statistics	4,094,954	607,823	1,303,544	0	2,183,587	56.1
Division of Oil and Public Safety	6,074,921	69,054	5,277,128	19,318	709,421	68.8
Division of Workers' Compensation	21,370,855	0	21,370,855	0	0	111.0
Division of Vocational Rehabilitation and Independent Living Services	58,974,425	11,476,793	823,075	5,393,436	41,281,121	233.7
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
HB 18-1322	\$256,457,687	\$18,391,202	\$79,834,345	\$6,521,018	\$151,711,122	1,279.3
SB 18-145	2,131	2,131	0	0	0	0.0
SB 18-167	81,841	81,841	0	0	0	0.8
HB 18-1316	2,000,000	1,000,000	0	1,000,000	0	0.0
HB 18-1339	7,425	0	7,425	0	0	0.0
HB 18-1343	1,000,000	0	1,000,000	0	0	0.5
<b>INCREASE/(DECREASE)</b>	<b>\$10,687,850</b>	<b>(\$1,905,784)</b>	<b>\$8,316,494</b>	<b>(\$1,994,432)</b>	<b>\$6,271,572</b>	<b>0.8</b>
Percentage Change	4.3%	(8.9%)	11.5%	(21.0%)	4.3%	0.1%

**INFORMATIONAL FUNDS:** The FY 2018-19 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Labor and Employment are annotated with the "(I)". For additional information, see Appendix E.

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2018-19 Appropriations containing an (I) notation	\$140,779,581	\$0	\$8,241,559	\$5,393,436	\$127,144,586

## DETAIL OF APPROPRIATION BY ADMINISTRATIVE SECTION

### EXECUTIVE DIRECTOR'S OFFICE

The Office provides funding for common services to all divisions including legal services from the Department of Law and information technology services from the Governor's Office of Information Technology. Additionally, this office provides support services to all divisions including budgeting, accounting, and human resources services.

Funding for the Office is 8.4 percent General Fund, 41.1 percent cash funds, 1.1 percent reappropriated funds, and 49.4 percent federal funds. The Employment Support Fund and Workers' Compensation Cash Fund are the largest sources of cash funds.

EXECUTIVE DIRECTOR'S OFFICE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$52,536,731	\$4,460,255	\$20,766,536	\$670,789	\$26,639,151	110.2
<b>TOTAL</b>	<b>\$52,536,731</b>	<b>\$4,460,255</b>	<b>\$20,766,536</b>	<b>\$670,789</b>	<b>\$26,639,151</b>	<b>110.2</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$52,536,731	\$4,460,255	\$20,766,536	\$670,789	\$26,639,151	110.2
Centrally appropriated line items	5,318,730	351,115	2,917,674	19,976	2,029,965	0.0
Indirect cost assessment	45,034	0	(57,802)	7,376	95,460	0.0
Fund source adjustment	0	0	73,030	(73,030)	0	0.0
Annualize prior year budget actions	(1,918,124)	(119,964)	(704,365)	(13,046)	(1,080,749)	0.0
<b>HB 18-1322</b>	<b>\$55,982,371</b>	<b>\$4,691,406</b>	<b>\$22,995,073</b>	<b>\$612,065</b>	<b>\$27,683,827</b>	<b>110.2</b>
SB 18-145	2,131	2,131	0	0	0	0.0
SB 18-167	12,787	12,787	0	0	0	0.0
HB 18-1339	7,425	0	7,425	0	0	0.0
<b>TOTAL</b>	<b>\$56,004,714</b>	<b>\$4,706,324</b>	<b>\$23,002,498</b>	<b>\$612,065</b>	<b>\$27,683,827</b>	<b>110.2</b>
<b>INCREASE/(DECREASE)</b>	<b>\$3,467,983</b>	<b>\$246,069</b>	<b>\$2,235,962</b>	<b>(\$58,724)</b>	<b>\$1,044,676</b>	<b>(0.0)</b>
Percentage Change	6.6%	5.5%	10.8%	(8.8%)	3.9%	(0.0%)

### FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; salary survey; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; leased space; Capitol complex leased space; payments to OIT; and CORE operations.

**INDIRECT COST ASSESSMENT:** The appropriation includes an increase of \$45,034 total funds for the Department's statewide indirect cost assessment.

**FUND SOURCE ADJUSTMENT:** The appropriation includes a net \$0 fund source adjustment based on available revenue sources and the Department's indirect cost collection plan.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes a net decrease of \$1.9 million total funds to annualize FY 2017-18 year salary survey and merit pay appropriations. Salary survey and merit pay are appropriated in the Executive Director's Office in the first year they are awarded. Continuing amounts are transferred and appropriated in other Department divisions for the subsequent (annualization) year.

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

## DIVISION OF UNEMPLOYMENT INSURANCE

Unemployment Insurance (UI) Programs provide weekly benefits to individuals who have lost their job through no fault of their own. Responsibilities include tax collection from employers, benefit payments, employer tax audits, call center operation, and claimant appeal application processing. Additionally, the UI Fraud Program identifies, investigates, and prosecutes unqualified individuals who receive UI benefits and employers who fail to pay UI premiums and taxes. The Division's funding consists of less than 0.1 percent General Fund, 72.7 percent federal funds, and 27.3 percent cash funds. The Employment Support Fund is the primary source of cash funds, with funds from the Employment and Training Technology Fund supporting the technology initiatives underway in the Division to modernize and consolidate UI front-end (UI claimants and employers) and back-end (UI staff) systems. These funds originate from a portion of UI premiums paid by employers.

DIVISION OF UNEMPLOYMENT INSURANCE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$41,582,024	\$38,361	\$12,031,533	\$0	\$29,512,130	484.1
<b>TOTAL</b>	<b>\$41,582,024</b>	<b>\$38,361</b>	<b>\$12,031,533</b>	<b>\$0</b>	<b>\$29,512,130</b>	<b>484.1</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$41,582,024	\$38,361	\$12,031,533	\$0	\$29,512,130	484.1
Informational funds adjustments	3,072,671	0	0	0	3,072,671	0.0
Annualize prior year budget actions	838,336	0	235,339	0	602,997	0.0
Unemployment insurance reemployment program	180,900	0	180,900	0	0	0.0
<b>HB 18-1322</b>	<b>\$45,673,931</b>	<b>\$38,361</b>	<b>\$12,447,772</b>	<b>0</b>	<b>\$33,187,798</b>	<b>484.1</b>
<b>TOTAL</b>	<b>\$45,673,931</b>	<b>\$38,361</b>	<b>\$12,447,772</b>	<b>\$0</b>	<b>\$33,187,798</b>	<b>484.1</b>
<b>INCREASE/(DECREASE)</b>	<b>\$4,091,907</b>	<b>\$0</b>	<b>\$416,239</b>	<b>\$0</b>	<b>\$3,675,668</b>	<b>0.0</b>
Percentage Change	9.8%	0.0%	3.5%	n/a	12.5%	0.0%

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**INFORMATIONAL FUNDS ADJUSTMENTS:** The appropriation includes adjustments to funds reflected in the Long Bill for informational purposes only. This includes an increase of \$3.1 million federal funds in this division to reflect anticipated federal support for unemployment insurance program administration.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes an increase of \$838,336 total funds to annualize salary survey and merit pay awarded in FY 2017-18. Salary survey and merit pay are appropriated in the

Executive Director's Office in the first year they are awarded and are transferred to other divisions for the subsequent (annualization) year.

**UNEMPLOYMENT INSURANCE REEMPLOYMENT PROGRAM:** The appropriation adds \$180,900 cash funds from the Unemployment Revenue Fund in FY 2018-19, decreasing to \$150,000 in future years, to implement a new online job search readiness system for claimants of unemployment insurance. The Department will purchase, from a vendor, licenses for claimant access to a suite of online job preparedness modules.

## DIVISION OF EMPLOYMENT AND TRAINING

The Division of Employment and Training offers free assistance to job seekers, including: job search assistance, additional job training, and classes to improve interview and résumé 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 Innovation and Opportunity Act and Trade Adjustment Act.

DIVISION OF EMPLOYMENT AND TRAINING						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$67,275,584	\$4,969,631	\$10,670,627	\$3,886,030	\$47,749,296	216.7
<b>TOTAL</b>	<b>\$67,275,584</b>	<b>\$4,969,631</b>	<b>\$10,670,627</b>	<b>\$3,886,030</b>	<b>\$47,749,296</b>	<b>216.7</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$67,275,584	\$4,969,631	\$10,670,627	\$3,886,030	\$47,749,296	216.7
WORK Fund adjustments	1,600,000	0	5,000,000	(3,400,000)	0	0.0
Annualize prior year budget actions	344,116	7,188	111,567	10,169	215,192	0.0
Annualize prior year legislation	(3,565,296)	(3,400,000)	(165,296)	0	0	(0.5)
Informational funds adjustments	(1,299,120)	0	0	0	(1,299,120)	0.0
<b>HB 18-1322</b>	<b>\$64,355,284</b>	<b>\$1,576,819</b>	<b>\$15,616,898</b>	<b>\$496,199</b>	<b>\$46,665,368</b>	<b>216.2</b>
HB 18-1316	2,000,000	1,000,000	0	1,000,000	0	0.0
HB 18-1343	1,000,000	0	1,000,000	0	0	0.5
<b>TOTAL</b>	<b>\$67,355,284</b>	<b>\$2,576,819</b>	<b>\$16,616,898</b>	<b>\$1,496,199</b>	<b>\$46,665,368</b>	<b>216.7</b>
<b>INCREASE/(DECREASE)</b>	<b>\$79,700</b>	<b>(\$2,392,812)</b>	<b>\$5,946,271</b>	<b>(\$2,389,831)</b>	<b>(\$1,083,928)</b>	<b>(0.0)</b>
Percentage Change	0.1%	(48.1%)	55.7%	(61.5%)	(2.3%)	(0.0%)

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**WORK FUND ADJUSTMENTS:** The appropriation includes an adjustment to funding for the Skilled Worker Outreach, Recruitment, and Key Training (WORK) Program that eliminates \$3.4 million reappropriated funds and replaces this amount with \$5.0 million cash funds. Both the reappropriated and cash fund amounts are from the WORK Fund and originate as General Fund appropriated in prior years. The FY 2018-19 amount provides sufficient spending authority to close out spending for the program.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes an increase of \$344,116 total funds to annualize salary survey and merit pay awarded in FY 2017-18. Salary survey and merit pay are appropriated in the Executive Director's Office in the first year they are awarded and are transferred to other divisions for the subsequent (annualization) year.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments related to prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 15-1276 Skilled Worker Outreach, Recruitment and Key Training Program	(\$3,400,000)	(\$3,400,000)	\$0	\$0	\$0	0.0
HB 16-1267 Veterans Service-to-Career Pilot Program	(165,296)	0	(165,296)	0	0	(0.5)
<b>TOTAL</b>	<b>(\$3,565,296)</b>	<b>(\$3,400,000)</b>	<b>(\$165,296)</b>	<b>\$0</b>	<b>\$0</b>	<b>(0.5)</b>

**INFORMATIONAL FUNDS ADJUSTMENTS:** The appropriation includes adjustments to federal funds reflected in the Long Bill for informational purposes only. This includes a reduction for federal funds anticipated to be received under the Workforce Innovation and Opportunity Act.

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

## DIVISION OF LABOR STANDARDS AND STATISTICS

The Division of Labor Standards and Statistics administers two subdivisions: Labor Standards and Labor Statistics. Labor Standards ensures compliance with Colorado's wage, youth, and labor laws, and facilitates labor dispute resolution and mediation. Labor Statistics provides data on labor force trends across the state, including monthly unemployment numbers and job growth information. It also collaborates with one-stop centers to provide relevant training classes in fields that have potential long-term growth in Colorado.

The Labor Standards subdivision receives General Fund and cash funds appropriations. The cash funds are primarily from the Employment Support Fund, with some support provided by the Employment Verification Cash Fund. The Labor Statistics subdivision is supported entirely by federal funds.

DIVISION OF LABOR STANDARDS AND STATISTICS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$4,056,499	\$588,160	\$1,289,751	\$0	\$2,178,588	56.1
<b>TOTAL</b>	<b>\$4,056,499</b>	<b>\$588,160</b>	<b>\$1,289,751</b>	<b>\$0</b>	<b>\$2,178,588</b>	<b>56.1</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$4,056,499	\$588,160	\$1,289,751	\$0	\$2,178,588	56.1
Annualize prior year budget actions	38,455	19,663	13,793	0	4,999	0.0
<b>HB 18-1322</b>	<b>\$4,094,954</b>	<b>\$607,823</b>	<b>\$1,303,544</b>	<b>\$0</b>	<b>\$2,183,587</b>	<b>56.1</b>
<b>TOTAL</b>	<b>\$4,094,954</b>	<b>\$607,823</b>	<b>\$1,303,544</b>	<b>\$0</b>	<b>\$2,183,587</b>	<b>56.1</b>
<b>INCREASE/(DECREASE)</b>	<b>\$38,455</b>	<b>\$19,663</b>	<b>\$13,793</b>	<b>\$0</b>	<b>\$4,999</b>	<b>0.0</b>
Percentage Change	0.9%	3.3%	1.1%	n/a	0.2%	0.0%

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes an increase of \$38,455 total funds to annualize salary survey and merit pay awarded in FY 2017-18. Salary survey and merit pay are appropriated in the Executive Director's Office in the first year they are awarded and are transferred to other divisions for the subsequent (annualization) year.

## DIVISION OF OIL AND PUBLIC SAFETY

This division is comprised of the Public Safety Unit (PSU) and the Office of the State Oil Inspector (Inspector). The PSU conducts inspections of boilers and pressure vessels in commercial and multi-unit residential buildings; regulates the distribution and storage of petroleum products; regulates the remediation of contamination caused by leaking underground storage tanks; enforces statutory requirements pertaining to carnival and amusement park rides; licenses conveyances, conveyance inspectors and mechanics; and regulates and monitors proper storage of explosives. Cash funds used to support the operations of this Division include the Petroleum Storage Tank Fund and the Boiler Inspection Fund. Reappropriated funds are from the Department of Public Health and Environment.

DIVISION OF OIL AND PUBLIC SAFETY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$6,331,633	\$0	\$5,602,894	\$19,318	\$709,421	68.0
<b>TOTAL</b>	<b>\$6,331,633</b>	<b>\$0</b>	<b>\$5,602,894</b>	<b>\$19,318</b>	<b>\$709,421</b>	<b>68.0</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$6,331,633	\$0	\$5,602,894	\$19,318	\$709,421	68.0
Annualize prior year budget actions	(325,766)	0	(325,766)	0	0	0.0
<b>HB 18-1322</b>	<b>\$6,005,867</b>	<b>\$0</b>	<b>\$5,277,128</b>	<b>\$19,318</b>	<b>\$709,421</b>	<b>68.0</b>
SB 18-167	69,054	69,054	0	0	0	0.8
<b>TOTAL</b>	<b>\$6,074,921</b>	<b>\$69,054</b>	<b>\$5,277,128</b>	<b>\$19,318</b>	<b>\$709,421</b>	<b>68.8</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$256,712)</b>	<b>\$69,054</b>	<b>(\$325,766)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.8</b>
Percentage Change	(4.1%)	n/a	(5.8%)	0.0%	0.0%	1.2%

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions. The appropriation eliminates \$445,000 cash funds appropriated on a one-time basis in FY 2017-18 to implement a new software system in this division. This reduction is partially offset by an increase of \$119,234 to annualize salary survey and merit pay awarded in FY 2017-18.

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

## 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 and resulted in permanent disability or up to \$10,000 of a worker's medical expenses from a second or subsequent exposure to certain occupational materials.

The Division of Workers' Compensation is cash-funded primarily from the Workers' Compensation Cash Fund, the Subsequent Injury Fund, and the Major Medical Insurance Fund. These funds are derived from surcharges on workers' compensation insurance policies.

DIVISION OF WORKERS' COMPENSATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$21,338,752	\$0	\$21,338,752	\$0	\$0	111.0
HB 17-1119	6,000	0	6,000	0	0	0.0
<b>TOTAL</b>	<b>\$21,344,752</b>	<b>\$0</b>	<b>\$21,344,752</b>	<b>\$0</b>	<b>\$0</b>	<b>111.0</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$21,344,752	\$0	\$21,344,752	\$0	\$0	111.0
Annualize prior year budget actions	171,391	0	171,391	0	0	0.0
Centrally appropriated line items	(145,288)	0	(145,288)	0	0	0.0
<b>HB 18-1322</b>	<b>\$21,370,855</b>	<b>\$0</b>	<b>\$21,370,855</b>	<b>\$0</b>	<b>\$0</b>	<b>111.0</b>
<b>TOTAL</b>	<b>\$21,370,855</b>	<b>\$0</b>	<b>\$21,370,855</b>	<b>\$0</b>	<b>\$0</b>	<b>111.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$26,103</b>	<b>\$0</b>	<b>\$26,103</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	0.1%	n/a	0.1%	n/a	n/a	0.0%

#### FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes an increase of \$171,391 cash funds to annualize salary survey and merit pay awarded in FY 2017-18. Salary survey and merit pay are appropriated in the Executive Director's Office in the first year they are awarded and are transferred to other divisions for the subsequent (annualization) year.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to an appropriation for administrative law judges in this division.

#### DIVISION OF VOCATIONAL REHABILITATION AND INDEPENDENT LIVING SERVICES

This division consists of two subdivisions: Vocational Rehabilitation Programs and Office of Independent Living Services.

- Vocational Rehabilitation Programs assists individuals, whose disabilities result in barriers to employment or independent living, with attaining and maintaining employment and/or independent living. At any of the 43 field and satellite offices located throughout the state, rehabilitation counselors work with clients to assess their

needs and identify appropriate vocational rehabilitation services. Federal rules establish a match rate for Vocational Rehabilitation Programs of 78.7 percent federal funds and 21.3 percent non-federal funds. State funds include General Fund and reappropriated funds primarily from school districts for the School to Work Alliance Program.

- The Office Independent Living Services allocates funding to the nine Independent Living Centers in Colorado that provide services to individuals with significant disabilities. The goal of independent living services is to provide individuals with the resources and skills to live independently in the community. Funding for independent living services is primarily General Fund, although some federal funds and matching local cash funds are also reflected in the budget.

DIVISION OF VOCATIONAL REHABILITATION AND INDEPENDENT LIVING SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$55,734,011	\$11,324,551	\$819,183	\$4,939,313	\$38,650,964	233.7
<b>TOTAL</b>	<b>\$55,734,011</b>	<b>\$11,324,551</b>	<b>\$819,183</b>	<b>\$4,939,313</b>	<b>\$38,650,964</b>	<b>233.7</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$55,734,011	\$11,324,551	\$819,183	\$4,939,313	\$38,650,964	233.7
Informational funds adjustments	2,791,135	0	3,892	454,123	2,333,120	0.0
Annualize prior year budget actions	382,611	85,574	0	0	297,037	0.0
Community provider rate adjustment	66,668	66,668	0	0	0	0.0
<b>HB 18-1322</b>	<b>\$58,974,425</b>	<b>\$11,476,793</b>	<b>\$823,075</b>	<b>\$5,393,436</b>	<b>\$41,281,121</b>	<b>233.7</b>
<b>TOTAL</b>	<b>\$58,974,425</b>	<b>\$11,476,793</b>	<b>\$823,075</b>	<b>\$5,393,436</b>	<b>\$41,281,121</b>	<b>233.7</b>
<b>INCREASE/(DECREASE)</b>	<b>\$3,240,414</b>	<b>\$152,242</b>	<b>\$3,892</b>	<b>\$454,123</b>	<b>\$2,630,157</b>	<b>0.0</b>
Percentage Change	5.8%	1.3%	0.5%	9.2%	6.8%	0.0%

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**INFORMATIONAL FUNDS ADJUSTMENTS:** The appropriation includes adjustments to cash funds, reappropriated funds, and federal funds reflected in the Long Bill for informational purposes only. In this division, this primarily reflects an increase in school district and federal support for the School to Work Alliance Program (SWAP). Amounts provided by school districts and other entities to draw down matching federal vocational rehabilitation funds are continuously appropriated to the Department under state statute.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes an increase of \$382,611 total funds to annualize salary survey and merit pay awarded in FY 2017-18. Salary survey and merit pay are appropriated in the Executive Director's Office in the first year they are awarded and are transferred to other divisions for the subsequent (annualization) year.

**COMMUNITY PROVIDER RATE ADJUSTMENT:** The appropriation includes an increase of \$66,668 General Fund for a 1.0 percent community provider rate increase for independent living centers.

## RECENT LEGISLATION

### 2017 SESSION BILLS

**S.B. 17-254 (LONG BILL):** General appropriations act for FY 2017-18.

**H.B. 17-1119 (PAYMENT OF WORKERS' COMPENSATION BENEFITS):** Increases cash funds by \$6,000 to the Division of Workers' Compensation to establish the Uninsured Employer Board and the Colorado Uninsured Employer Fund.

## 2018 SESSION BILLS

**S.B. 18-145 (IMPLEMENT EMPLOYMENT FIRST RECOMMENDATIONS):** Requires the Department of Labor and Employment (CDLE) and the Medical Services Board in the Department of Health Care Policy and Financing (HCPF) to promulgate rules by July 1, 2019 requiring training or certification for certain providers of supported employment services for persons with disabilities. These requirements are contingent upon appropriations to HCPF to reimburse vendors of supported employment services for the cost of training and certification. Also expands HCPF reporting requirements. Provides the following appropriations for FY 2018-19:

- \$27,675 General Fund and 0.4 FTE to HCPF;
- \$2,131 General Fund to CDLE for legal services; and
- \$2,131 reappropriated funds to the Department of Law for legal services to CDLE.

Appropriations to HCPF are expected to increase to \$331,200 General Fund and 0.5 FTE in FY 2019-20. For additional information, see the "Recent Legislation" section at the end of Part III for the Department of Health Care Policy and Financing.

**S.B. 18-167 (ENFORCE REQUIREMENTS 811 LOCATE UNDERGROUND FACILITIES):** Makes changes to the state's utility notification system in order to support increased enforcement related to the excavation of underground facilities. Creates the Underground Damage Prevention Safety Commission in the Colorado Department of Labor and Employment (CDLE); creates two cash funds to support the work of the commission and increased safety education; and makes a variety of changes to the state's excavation laws for the purpose of improving enforcement. Includes an appropriation of \$81,841 General Fund and 0.8 FTE to CDLE in FY 2018-19, of which \$12,787 and 0.1 FTE is reappropriated to the Department of Law. Appropriations to CDLE are anticipated to increase to \$172,728 General Fund and 2.1 FTE in FY 2019-20. Also anticipated to increase costs in the Department of Transportation from the State Highway Fund (off budget) and may increase costs for other departments, as well as local governments, that perform excavations or are involved in adjudication processes outlined in the legislation.

**H.B. 18-1316 (EXTEND CDLE WORK GRANT PROGRAM):** Extends the Skilled Worker Outreach, Recruitment, and Key Training (WORK) grant program in the Department through FY 2020-2021. The program provides grants to organizations that offer workplace training skills. Requires the General Assembly to appropriate \$7.6 million General Fund to the WORK program for the three years between January 1, 2018 and January 1, 2021. Includes an appropriation of \$1,000,000 General Fund to CDLE for the program for FY 2018-19.

**H.B. 18-1322 (LONG BILL):** General appropriations act for FY 2018-19.

**H.B. 18-1339 (BACKGROUND CHECKS FOR EMPLOYEES WITH ACCESS TO FEDERAL TAX INFORMATION):** Requires each applicant, state employee, state contractor, or other individual who has or may have access through a state agency to federal tax information received from the federal government to submit to a fingerprint-based criminal history records check. Specifies that a state agency that shares such federal tax information with a county may authorize and require the county department applicants, employees, contractors, or other individuals to submit to a fingerprint-based criminal history records check. Requires a state agency to deny access to federal tax information received from the federal government to any individual who does not pass the fingerprint-based criminal history record check. Provides FY 2018-19 appropriations as follows:

- \$36,640 General Fund to the Department of Human Services;
- \$7,425 cash funds to the Department of Labor and Employment;

- \$6,683 General Fund to the Department of Local Affairs;
- \$11,633 General Fund to the Department of Personnel;
- \$41,580 General Fund to the Department of Revenue; and
- \$121,748 reappropriated funds to the Department of Public Safety from the appropriations made to other departments above.

For additional information, see the “Recent Legislation” section at the end of Part III for the Department of Revenue.

**H.B. 18-1343 (VETERANS’ SERVICE-TO-CAREER PROGRAM):** Continues the Veterans’ Service-to-Career Grant Program in the Colorado Department of Labor and Employment (CDLE).

- Extends the program’s repeal date from January 1, 2019 to January 1, 2024
- Expands eligibility to include veterans, veterans’ spouses, persons actively serving in the U.S. Armed Forces and within six months of discharge, or a member of the National Guard or military reserves who has completed initial entry training
- Increases the administrative overhead a workforce center may charge for the program from seven to eight percent
- Requires CDLE to develop an evaluation method to measure program outcomes and effectiveness.

Appropriates \$1,000,000 cash funds from the Marijuana Tax Cash Fund and 0.5 FTE to CDLE for FY 2018-19.

# Details

## DEPARTMENT OF LAW

### FY 2017-18 AND FY 2018-19 APPROPRIATIONS BY DIVISION AND BILL

DEPARTMENT OF LAW						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2017-18 TOTAL APPROPRIATION:</b>	<b>\$81,077,081</b>	<b>\$16,214,183</b>	<b>\$17,314,175</b>	<b>\$45,720,252</b>	<b>\$1,828,471</b>	<b>473.4</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Administration	19,744,961	4,876,832	1,822,570	12,685,093	360,466	53.2
Legal Services to State Agencies	32,071,190	0	1,245,355	30,825,835	0	243.7
Criminal Justice and Appellate	17,036,761	6,061,597	8,091,807	1,415,352	1,468,005	109.8
Water and Natural Resources	2,176,030	596,349	938,639	641,042	0	12.5
Consumer Protection	5,353,704	1,434,970	3,765,804	152,930	0	53.2
Special Purpose	4,694,435	3,244,435	1,450,000	0	0	1.0
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
SB 17-254	\$80,889,104	\$16,196,933	\$17,305,035	\$45,558,665	\$1,828,471	472.5
SB 17-126	19,750	17,250	2,500	0	0	0.0
SB 17-198	9,505	0	0	9,505	0	0.1
SB 17-216	6,640	0	6,640	0	0	0.0
HB 17-1221	4,753	0	0	4,753	0	0.0
HB 17-1284	42,773	0	0	42,773	0	0.3
HB 17-1313	4,753	0	0	4,753	0	0.0
HB 17-1326	4,753	0	0	4,753	0	0.0
HB 17-1367	95,050	0	0	95,050	0	0.5
<b>FY 2018-19 TOTAL APPROPRIATION:</b>	<b>\$83,464,414</b>	<b>\$16,611,039</b>	<b>\$18,047,080</b>	<b>\$46,803,973</b>	<b>\$2,002,322</b>	<b>477.2</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Administration	20,904,090	5,233,257	2,273,635	12,960,264	436,934	54.8
Legal Services to State Agencies	33,134,156	0	1,580,050	31,554,106	0	245.9
Criminal Justice and Appellate	17,486,911	6,105,751	8,243,233	1,572,539	1,565,388	109.8
Water and Natural Resources	1,982,949	612,122	813,639	557,188	0	12.5
Consumer Protection	5,514,111	1,467,712	3,886,523	159,876	0	53.2
Special Purpose	4,442,197	3,192,197	1,250,000	0	0	1.0
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
HB 18-1322	\$83,067,088	\$16,611,039	\$17,882,160	\$46,571,567	\$2,002,322	474.4
SB 18-027	93,773	0	0	93,773	0	0.5
SB 18-145	2,131	0	0	2,131	0	0.0
SB 18-167	12,787	0	0	12,787	0	0.1
SB 18-234	5,328	0	0	5,328	0	0.0
SB 18-243	10,656	0	0	10,656	0	0.1
SB 18-271	10,656	0	0	10,656	0	0.0
HB 18-1017	15,984	0	0	15,984	0	0.1
HB 18-1224	64,575	0	0	64,575	0	0.3
HB 18-1280	14,918	0	0	14,918	0	0.1
HB 18-1353	1,598	0	0	1,598	0	0.0
HB 18-1434	164,920	0	164,920	0	0	1.6

DEPARTMENT OF LAW						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>INCREASE/(DECREASE)</b>	\$2,387,333	\$396,856	\$732,905	\$1,083,721	\$173,851	3.8
Percentage Change	2.9%	2.4%	4.2%	2.4%	9.5%	0.8%

**INFORMATIONAL FUNDS:** The FY 2018-19 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Law are annotated with the "(I)". For additional information, see Appendix E.

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2018-19 Appropriations containing an (I) notation	\$4,177,241	\$0	\$1,799,180	\$375,739	\$2,002,322

## 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 Office of Community Engagement and the Department's human resources, accounting/budgeting, information technology, and legal support services units. These units are primarily 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 money received by the Attorney General as an award of attorney fees or costs, and other sources. Reappropriated funds derive from indirect cost recoveries and money transferred from a variety of other appropriations. Federal funds are from the Medicaid Fraud Control Program.

ADMINISTRATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2017-18 APPROPRIATION:</b>						
SB 17-254	\$19,725,211	\$4,859,582	\$1,820,070	\$12,685,093	\$360,466	53.2
SB 17-126	19,750	17,250	2,500	0	0	0.0
<b>TOTAL</b>	<b>\$19,744,961</b>	<b>\$4,876,832</b>	<b>\$1,822,570</b>	<b>\$12,685,093</b>	<b>\$360,466</b>	<b>53.2</b>
<b>FY 2018-19 APPROPRIATION:</b>						
FY 2017-18 Appropriation	\$19,744,961	\$4,876,832	\$1,822,570	\$12,685,093	\$360,466	53.2
Centrally appropriated line items	2,020,387	644,807	419,493	854,891	101,196	0.0
Annualize prior year legislation	10,621	0	0	10,621	0	0.0
Annualize prior year budget actions	(1,036,799)	(288,382)	(133,348)	(590,341)	(24,728)	0.0
<b>HB 18-1322</b>	<b>\$20,739,170</b>	<b>\$5,233,257</b>	<b>\$2,108,715</b>	<b>\$12,960,264</b>	<b>\$436,934</b>	<b>53.2</b>
HB 18-1434	164,920	0	164,920	0	0	1.6
<b>TOTAL</b>	<b>\$20,904,090</b>	<b>\$5,233,257</b>	<b>\$2,273,635</b>	<b>\$12,960,264</b>	<b>\$436,934</b>	<b>54.8</b>
<b>INCREASE/(DECREASE)</b>	<b>\$1,159,129</b>	<b>\$356,425</b>	<b>\$451,065</b>	<b>\$275,171</b>	<b>\$76,468</b>	<b>1.6</b>
Percentage Change	5.9%	7.3%	24.7%	2.2%	21.2%	3.0%

### FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; salary survey; merit pay; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund;

vehicle lease payments; workers' compensation; attorney registration and continuing legal education; legal services; administrative law judges; payment to risk management and property funds; Ralph L. Carr Colorado Judicial Center leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments related to prior year legislation. For this division, the increase reflects the FY 2018-19 impact of S.B. 15-288 (Compensation Paid to Certain Public Officials).

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions, driven by the annualization of FY 2017-18 salary survey and merit pay appropriations (which are reflected as reductions in this division and increases in the Department's other divisions).

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

## LEGAL SERVICES TO STATE AGENCIES

The Department provides legal services on a fee-for-service basis to state agencies and enterprises. This section includes appropriations for the attorneys, legal assistants, and support personnel who provide these services. In most cases, the appropriations in this section are reflected as reappropriated funds because a corresponding 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. The FY 2018-19 appropriation also includes \$500,000 cash funds from the Attorney Fees and Costs Account. In FY 2018-19, the Department expects to provide 382,305 hours of legal service at an average billing rate of \$103.63 per hour, a decrease of \$2.93 per hour compared to the FY 2017-18 average billing rate.

LEGAL SERVICES TO STATE AGENCIES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$31,909,603	\$0	\$1,245,355	\$30,664,248	\$0	242.8
SB 17-198	9,505	0	0	9,505	0	0.1
HB 17-1221	4,753	0	0	4,753	0	0.0
HB 17-1284	42,773	0	0	42,773	0	0.3
HB 17-1313	4,753	0	0	4,753	0	0.0
HB 17-1326	4,753	0	0	4,753	0	0.0
HB 17-1367	95,050	0	0	95,050	0	0.5
<b>TOTAL</b>	<b>\$32,071,190</b>	<b>\$0</b>	<b>\$1,245,355</b>	<b>\$30,825,835</b>	<b>\$0</b>	<b>243.7</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$32,071,190	\$0	\$1,245,355	\$30,825,835	\$0	243.7
Annualize prior year budget actions	633,714	0	0	633,714	0	0.0
Annualize prior year legislation	161,110	0	0	161,110	0	1.0
Indirect cost assessment	125,844	0	(14,473)	140,317	0	0.0
Fund source adjustments	0	0	349,168	(349,168)	0	0.0
Centrally appropriated line items	(90,108)	0	0	(90,108)	0	0.0
<b>HB 18-1322</b>	<b>\$32,901,750</b>	<b>\$0</b>	<b>\$1,580,050</b>	<b>\$31,321,700</b>	<b>\$0</b>	<b>244.7</b>
SB 18-027	93,773	0	0	93,773	0	0.5
SB 18-145	2,131	0	0	2,131	0	0.0
SB 18-167	12,787	0	0	12,787	0	0.1
SB 18-234	5,328	0	0	5,328	0	0.0
SB 18-243	10,656	0	0	10,656	0	0.1
SB 18-271	10,656	0	0	10,656	0	0.0

LEGAL SERVICES TO STATE AGENCIES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 18-1017	15,984	0	0	15,984	0	0.1
HB 18-1224	64,575	0	0	64,575	0	0.3
HB 18-1280	14,918	0	0	14,918	0	0.1
HB 18-1353	1,598	0	0	1,598	0	0.0
<b>TOTAL</b>	<b>\$33,134,156</b>	<b>\$0</b>	<b>\$1,580,050</b>	<b>\$31,554,106</b>	<b>\$0</b>	<b>245.9</b>
<b>INCREASE/(DECREASE)</b>	\$1,062,966	\$0	\$334,695	\$728,271	\$0	2.2
Percentage Change	3.3%	0.0%	26.9%	2.4%	0.0%	0.9%

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions, including the annualization of FY 2017-18 salary survey and merit pay.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments related to prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 17-1284 Protecting At-risk Adult)	\$175,842	\$0	\$0	\$175,842	\$0	1.0
HB 17-1057 Physical Therapy Interstate Compact	14,259	0	0	14,259	0	0.1
HB 17-1367 Marijuana Research Authorization	(19,010)	0	0	(19,010)	0	(0.1)
HB 17-1221 Gray and Black Market Marijuana Enforcement Grants	(3,327)	0	0	(3,327)	0	0.0
HB 17-1313 Civil Forfeiture Reform	(3,327)	0	0	(3,327)	0	0.0
HB 17-1326 Justice Reinvestment Crime Prevention	(3,327)	0	0	(3,327)	0	0.0
<b>TOTAL</b>	<b>\$161,110</b>	<b>\$0</b>	<b>\$0</b>	<b>\$161,110</b>	<b>\$0</b>	<b>1.0</b>

**INDIRECT COST ASSESSMENT:** The appropriation includes a net increase in the division's indirect cost assessments.

**FUND SOURCE ADJUSTMENTS:** The appropriation includes an increase in cash funds that is offset by a decrease in reappropriated funds.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes a reduction of \$90,108 reappropriated funds in this Division associated with adjustments to payments to 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.

## 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;
- Ensure that the constitutional and statutory rights of victims are preserved in criminal cases being prosecuted or defended by the Department; and
- Support and provide funding for the Peace Officers Standards and Training (P.O.S.T.) Board.

Cash fund sources include money 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, money 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 money transferred from the Department of Regulatory Agencies from fees paid by regulated entities for the investigation and prosecution of securities fraud. Federal funds help support the Medicaid Fraud Control Unit.

CRIMINAL JUSTICE AND APPELLATE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$17,036,761	\$6,061,597	\$8,091,807	\$1,415,352	\$1,468,005	109.8
<b>TOTAL</b>	<b>\$17,036,761</b>	<b>\$6,061,597</b>	<b>\$8,091,807</b>	<b>\$1,415,352</b>	<b>\$1,468,005</b>	<b>109.8</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$17,036,761	\$6,061,597	\$8,091,807	\$1,415,352	\$1,468,005	109.8
Annualize prior year budget actions	229,818	149,841	39,142	16,107	24,728	0.0
Medicaid fraud investigator	90,772	22,693	0	0	68,079	0.0
POST compliance inspector	76,070	0	76,070	0	0	1.0
Indirect cost assessment	40,534	4,744	36,214	(5,000)	4,576	0.0
Adjust anticipated grant funds	12,956	0	0	12,956	0	0.0
Combine marijuana appropriations in POST	0	0	0	0	0	(1.0)
Fund source adjustments	0	(133,124)	0	133,124	0	0.0
<b>HB 18-1322</b>	<b>\$17,486,911</b>	<b>\$6,105,751</b>	<b>\$8,243,233</b>	<b>\$1,572,539</b>	<b>\$1,565,388</b>	<b>109.8</b>
<b>TOTAL</b>	<b>\$17,486,911</b>	<b>\$6,105,751</b>	<b>\$8,243,233</b>	<b>\$1,572,539</b>	<b>\$1,565,388</b>	<b>109.8</b>
<b>INCREASE/(DECREASE)</b>	<b>\$450,150</b>	<b>\$44,154</b>	<b>\$151,426</b>	<b>\$157,187</b>	<b>\$97,383</b>	<b>0.0</b>
Percentage Change	2.6%	0.7%	1.9%	11.1%	6.6%	0.0%

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 17-18 Salary survey	\$168,241	\$104,661	\$33,014	\$13,347	\$17,219	0.0
FY 17-18 Merit pay	73,509	45,180	16,270	4,550	7,509	0.0
FY 17-18 Financial Fraud Investigators	(11,932)	0	(10,142)	(1,790)	0	0.0
<b>TOTAL</b>	<b>\$229,818</b>	<b>\$149,841</b>	<b>\$39,142</b>	<b>\$16,107</b>	<b>\$24,728</b>	<b>0.0</b>

**MEDICAID FRAUD INVESTIGATOR:** The appropriation includes an increase of \$90,772 total funds (including \$22,693 General Fund and \$68,079 federal funds) to support an additional criminal investigator in the Medicaid Fraud Control Unit (MFCU). As the MFCU has a vacant position, an additional FTE is not necessary.

**POST COMPLIANCE INSPECTOR:** The appropriation includes an increase of \$76,070 cash funds from the Peace Officers Standards and Training (P.O.S.T.) Board Cash Fund and 1.0 FTE to support an additional compliance inspector on the P.O.S.T. Board staff to address increasing workload and increase the frequency of compliance inspections of law enforcement training academies.

**INDIRECT COST ASSESSMENTS:** The appropriation includes a net increase in the division's indirect cost assessments.

**ADJUST ANTICIPATED GRANT FUNDS:** The appropriation includes an increase of \$12,956 reappropriated funds to reflect the total amount of grant funding anticipated to be available from the Department of Public Safety. The total includes the following increases: (1) \$11,084 for efforts to investigate and prosecute multi-jurisdictional auto theft; and (2) \$1,872 associated with victims' assistance programs. Section 24-31-108 (1)(b)(I), C.R.S., continuously appropriates grant funds to the Department of Law, and these funds are reflected in the Long Bill for informational purposes only.

**COMBINE MARIJUANA APPROPRIATIONS IN POST:** The appropriation includes a shift of \$286,766 cash funds from the Marijuana Tax Cash Fund and 1.0 FTE from the Special Prosecutions Unit to the P.O.S.T. Board in order to consolidate all of the Department's marijuana-related training activities within the P.O.S.T. Board line item. The appropriation consolidates 2.0 FTE currently appropriated to the Special Prosecutions Unit into a single position in the P.O.S.T. Board, resulting in a reduction of 1.0 FTE below the FY 2017-18 appropriation.

**FUND SOURCE ADJUSTMENTS:** The appropriation includes an increase of reappropriated funds that is offset by a reduction in General Fund.

## 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 money 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 2017-18 APPROPRIATION:						
SB 17-254	\$2,176,030	\$596,349	\$938,639	\$641,042	\$0	12.5
<b>TOTAL</b>	<b>\$2,176,030</b>	<b>\$596,349</b>	<b>\$938,639</b>	<b>\$641,042</b>	<b>\$0</b>	<b>12.5</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$2,176,030	\$596,349	\$938,639	\$641,042	\$0	12.5
Annualize prior year budget actions	30,658	15,773	0	14,885	0	0.0
Indirect cost assessment	1,261	0	0	1,261	0	0.0
Budget reductions	(225,000)	0	(125,000)	(100,000)	0	0.0
<b>HB 18-1322</b>	<b>\$1,982,949</b>	<b>\$612,122</b>	<b>\$813,639</b>	<b>\$557,188</b>	<b>\$0</b>	<b>12.5</b>
<b>TOTAL</b>	<b>\$1,982,949</b>	<b>\$612,122</b>	<b>\$813,639</b>	<b>\$557,188</b>	<b>\$0</b>	<b>12.5</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$193,081)</b>	<b>\$15,773</b>	<b>(\$125,000)</b>	<b>(\$83,854)</b>	<b>\$0</b>	<b>0.0</b>

WATER AND NATURAL RESOURCES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Percentage Change	(8.9%)	2.6%	(13.3%)	(13.1%)	n/a	0.0%

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions, including the annualization of FY 2017-18 salary survey and merit pay.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net increase in the division's indirect cost assessments.

**BUDGET REDUCTIONS:** The appropriation includes reductions of cash and reappropriated funds spending authority totaling \$225,000 in this division to better align appropriations with anticipated expenditures for three line items, including the following reductions: (1) \$125,000 cash funds from the Colorado Water Conservation Board Litigation Fund previously appropriated to the Consultant Expenses line item; and (2) \$100,000 reappropriated funds (originally from the Hazardous Substance Response Fund in the Department of Public Health and Environment) to eliminate the Comprehensive Environmental Response, Compensation and Liability (CERCLA) Acts Contracts line item.

## 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 money awarded to the Attorney General in consumer protection lawsuits, and tobacco settlement money. 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 2017-18 APPROPRIATION:						
SB 17-254	\$5,347,064	\$1,434,970	\$3,759,164	\$152,930	\$0	53.2
SB 17-216	6,640	0	6,640	0	0	0.0
<b>TOTAL</b>	<b>\$5,353,704</b>	<b>\$1,434,970</b>	<b>\$3,765,804</b>	<b>\$152,930</b>	<b>\$0</b>	<b>53.2</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$5,353,704	\$1,434,970	\$3,765,804	\$152,930	\$0	53.2
Annualize prior year budget actions	106,484	32,742	67,336	6,406	0	0.0
Indirect cost assessment	53,923	0	53,383	540	0	0.0
<b>HB 18-1322</b>	<b>\$5,514,111</b>	<b>\$1,467,712</b>	<b>\$3,886,523</b>	<b>\$159,876</b>	<b>\$0</b>	<b>53.2</b>
<b>TOTAL</b>	<b>\$5,514,111</b>	<b>\$1,467,712</b>	<b>\$3,886,523</b>	<b>\$159,876</b>	<b>\$0</b>	<b>53.2</b>
INCREASE/(DECREASE)						
INCREASE/(DECREASE)	\$160,407	\$32,742	\$120,719	\$6,946	\$0	0.0
Percentage Change	3.0%	2.3%	3.2%	4.5%	n/a	0.0%

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 17-18 Salary survey	\$87,824	\$23,301	\$59,945	\$4,578	\$0	0.0
FY 17-18 Merit pay	35,388	9,441	24,119	1,828	0	0.0
FY 17-18 Consumer protection personnel	(16,728)	0	(16,728)	0	0	0.0
<b>TOTAL</b>	<b>\$106,484</b>	<b>\$32,742</b>	<b>\$67,336</b>	<b>\$6,406</b>	<b>\$0</b>	<b>0.0</b>

**INDIRECT COST ASSESSMENT:** The appropriation includes a net increase in the division's indirect cost assessments.

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

## SPECIAL PURPOSE

The section includes funding to cover 80.0 percent of the statutory minimum salary for Colorado's twenty-two district attorneys, for unanticipated legal and technology expenses, and for litigation expenses associated with significant lawsuits. Cash fund sources include tobacco settlement money, money received from the State Board of Land Commissioners from its Investment and Development Fund, and money received by the Attorney General as an award of attorney fees or costs.

SPECIAL PURPOSE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$4,694,435	\$3,244,435	\$1,450,000	\$0	\$0	1.0
<b>TOTAL</b>	<b>\$4,694,435</b>	<b>\$3,244,435</b>	<b>\$1,450,000</b>	<b>\$0</b>	<b>\$0</b>	<b>1.0</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$4,694,435	\$3,244,435	\$1,450,000	\$0	\$0	1.0
Budget reductions	(200,000)	0	(200,000)	0	0	0.0
Annualize prior year budget actions	(52,238)	(52,238)	0	0	0	0.0
<b>HB 18-1322</b>	<b>\$4,442,197</b>	<b>\$3,192,197</b>	<b>\$1,250,000</b>	<b>\$0</b>	<b>\$0</b>	<b>1.0</b>
<b>TOTAL</b>	<b>\$4,442,197</b>	<b>\$3,192,197</b>	<b>\$1,250,000</b>	<b>\$0</b>	<b>\$0</b>	<b>1.0</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$252,238)</b>	<b>(\$52,238)</b>	<b>(\$200,000)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	(5.4%)	(1.6%)	(13.8%)	n/a	n/a	0.0%

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**BUDGET REDUCTIONS:** The appropriation includes a reduction of \$200,000 cash funds from the Tobacco Settlement Defense Account previously appropriated to the Tobacco Litigation line item to better align appropriations with anticipated expenditures.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second- and third-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 17-18 Salary survey	\$1,562	\$1,562	\$0	\$0	\$0	0.0
FY 17-18 Merit pay	1,200	1,200	0	0	0	0.0
FY 16-17 Developmental disability training for prosecutors	(55,000)	(55,000)	0	0	0	0.0
<b>TOTAL</b>	<b>(\$52,238)</b>	<b>(\$52,238)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

## RECENT LEGISLATION

### 2017 SESSION BILLS

**S.B. 17-126 (DOMESTIC VIOLENCE FATALITY REVIEW BOARD):** Creates the Colorado Domestic Violence Fatality Review Board in the Department of Law, to be chaired by a designee of the Attorney General and to include between 17 and 20 members. Members include representatives from the forensic, domestic violence, law enforcement, prosecutor, and judicial communities and serve without compensation but may receive per diem and reimbursement for costs. Charges the board with: examining data collected by review teams during the previous year; identifying measures to help prevent domestic violence fatalities and near-death incidents; establishing uniform methods for collecting, analyzing, and storing data related to domestic violence fatalities and near-death incidents; and making annual reports and recommendations concerning domestic violence to the General Assembly. For FY 2017-18, appropriates \$19,750 total funds, including \$17,250 General Fund and \$2,500 cash funds from the Colorado Domestic Violence Fatality Review Board Cash Fund, to the Department of Law.

**S.B. 17-196 (DEPARTMENT OF LAW INFORMATION TECHNOLOGY SECURITY):** Modifies FY 2016-17 appropriations to the Department to add \$144,776 total funds, including \$51,572 General Fund, to improve the Department's information technology (IT) security based on the recommendations of an external audit of the Department's IT security systems and procedures.

**S.B. 17-197 (LEGAL SERVICES FOR DEPARTMENT OF EDUCATION):** Modifies FY 2016-17 appropriations to the Department to add \$171,090 reappropriated funds and 1.0 FTE to support additional legal services provided to the Department of Education.

**S.B. 17-198 (PUBLIC PARTICIPATE REVIEW ACQUIRE CONTROL INSURER):** Expands the public notice for the acquisition of either a domestic or foreign insurer that offers health plans in the state by requiring the Commissioner of Insurance within the Department of Regulatory Agencies (DORA) to make the entire pre-acquisition notification available for public inspection promptly after filing. For FY 2017-18, provides \$9,505 reappropriated funds to the Department of Law for the provision of legal services to DORA. For additional information see the "Recent Legislation" section at the end of Part III for DORA.

**S.B. 17-216 (SUNSET CONTINUE FAIR DEBT COLLECTIONS ACT):** Continues the Colorado Fair Debt Collection Practices Act for 11 years, through September 1, 2028. Also implements the recommendation from the Department of Regulatory Agencies sunset report that the Collection Agency Board be repealed. For FY 2017-18, appropriates \$6,640 cash funds from the Collection Agency Cash Fund to the Department of Law.

**S.B. 17-254 (LONG BILL):** General appropriations act for FY 2017-18.

**H.B. 17-1221 (GREY AND BLACK MARKET MARIJUANA ENFORCEMENT EFFORTS):** Creates the Gray and Black Market Marijuana Enforcement Grant Program in the Department of Local Affairs (DOLA). Also creates an offense for a person who is not a primary caregiver for possessing a marijuana plant that the person is growing on

behalf of another person. For FY 2017-18, appropriates \$4,753 reappropriated funds to the Department of Law for the provision of legal services to DOLA. For additional information see the “Recent Legislation” section at the end of Part III for DOLA.

**H.B. 17-1284 (DATA SYSTEM CHECK FOR EMPLOYEES SERVING AT-RISK):** Requires certain employers to conduct a records check of the Colorado adult protective services (CAPS) data system for prospective employees to determine if a prospective employee who will work directly with at-risk adults is the subject of a substantiated report of adult abuse or neglect. For FY 2017-18, appropriates \$428,779 General Fund to the Department of Human Services (DHS). Also appropriates \$42,773 reappropriated funds and 0.3 FTE to the Department of Law to assist with rules promulgation in FY 2017-18. For additional information see the “Recent Legislation” section at the end of Part III for DHS.

**H.B. 17-1313 (CIVIL FORFEITURE REFORM):** Requires criminal justice agencies involved in the seizure of property to submit biannual seizure reports to the Department of Local Affairs (DOLA), and requires DOLA to establish and maintain a searchable public access database for seizure-related information. Imposes restrictions and requirements on an agency’s ability to receive forfeiture proceeds from the federal government, a joint task force, or multi-jurisdictional collaboration. Requires DOLA to submit annual reports summarizing seizure and forfeiture activity in the state to the Governor, Attorney General, and General Assembly beginning December 31, 2019. For FY 2017-18, appropriates \$4,753 reappropriated funds to the Department of Law for the provision of legal services to DOLA. For additional information see the “Recent Legislation” section at the end of Part III for DOLA.

**H.B. 17-1326 (JUSTICE REINVESTMENT CRIME PREVENTION INITIATIVE):** Changes maximum parole revocation periods for technical parole violations. Establishes a new crime-prevention program in the Department of Local Affairs (DOLA) to provide small business loans and grants that are designed to reduce crime and promote community development in the target communities of north Aurora and southeast Colorado Springs. For FY 2017-18, appropriates \$4,753 reappropriated funds to the Department of Law for the provision of legal services to DOLA. For additional information see the “Recent Legislation” section at the end of Part III for DOLA.

**H.B. 17-1367 (AUTHORIZE MARIJUANA CLINICAL RESEARCH):** Creates two research licenses in the Medical Marijuana Code to be issued by the Marijuana Enforcement Division in the Department of Revenue (DOR) and local licensing authorities. For FY 2017-18, appropriates \$226,671 cash funds from the Marijuana Cash Fund to the DOR, of which \$95,050 is reappropriated to the Department of Law for the provision of legal services to DOR. For additional information see the “Recent Legislation” section at the end of Part III for DOR.

## 2018 SESSION BILLS

**S.B. 18-027 (ENHANCED NURSE LICENSURE COMPACT):** Adopts the Enhanced Nurse Licensure Compact (enhanced compact) and repeals the existing Nurse Licensure Compact. Requires all registered and licensed practical nurses licensed after July 20, 2017, to complete a fingerprint-based criminal history check in order to participate in the compact. Grandfathers nurses holding a multi-state license prior to July 20, 2017, into the enhanced compact. For FY 2018-19, appropriates \$93,773 reappropriated funds and 0.5 FTE to the Department of Law for the provision of legal services to the Department of Regulatory Agencies (DORA). For additional information see the “Recent Legislation” section at the end of Part III for DORA.

**S.B. 18-145 (IMPLEMENT EMPLOYMENT FIRST RECOMMENDATIONS):** Implements recommendations from the 2017 Employment First Advisory Partnership. Contingent upon appropriations to the Department of Health Care Policy and Financing (HCPF), requires the Colorado Department of Labor and Employment (CDLE), in conjunction with the Medical Services Board in HCPF, to promulgate rules by July 1, 2019, requiring training or certification for certain supported employment services providers. For FY 2018-19, appropriates \$2,131

reappropriated funds to the Department of Law for the provision of legal services to the CDLE. For additional information see the “Recent Legislation” section at the end of Part III for CDLE.

**S.B. 18-167 (ENFORCE REQUIREMENTS 811 LOCATE UNDERGROUND):** Creates the Underground Damage Prevention Safety Commission (commission) in the Colorado Department of Labor and Employment (CDLE) to support increased enforcement related to the excavation of underground facilities. Requires Colorado 811 to enter into a memorandum of understanding with the newly created commission and to provide administrative support to the commission. For FY 2018-19, appropriates \$12,787 reappropriated funds and 0.1 FTE to the Department of Law for the provision of legal services to the CDLE. For additional information see the “Recent Legislation” section at the end of Part III for CDLE.

**S.B. 18-234 (HUMAN REMAINS DISPOSITION SALE BUSINESSES):** Makes it unlawful for a person owning an indirect or direct interest in a funeral establishment or a crematory to own an indirect or direct interest in a nontransplant tissue bank. Requires each nontransplant tissue bank to register with the Department of Regulatory Agencies (DORA) by July 1, 2019, and requires nontransplant tissue banks to pay registration and renewal fees set by DORA, comply with standards of practice as specified in the bill, have body part delivery records, and disclose donor information. Authorizes DORA to initiate disciplinary actions against nontransplant tissue banks. For FY 2018-19, appropriates \$5,328 reappropriated funds to the Department of Law for the provision of legal services to the DORA. For additional information see the “Recent Legislation” section at the end of Part III for DORA.

**S.B. 18-243 (RETAIL SALES OF ALCOHOL BEVERAGES):** Changes state law related to retail sales of alcohol. For FY 2018-19, appropriates \$10,656 reappropriated funds and 0.1 FTE to the Department of Law for the provision of legal services to the Department of Revenue. For additional information see the “Recent Legislation” section at the end of Part III for the Department of Revenue.

**S.B. 18-271 (IMPROVE FUNDING FOR MARIJUANA RESEARCH):** Allows a marijuana research and development licensee or a marijuana research and development cultivation licensee to share premises with a commonly owned medical marijuana infused products manufacturer or a retail marijuana product manufacturers under a co-location permit. House Bill 18-1322 (Long Bill) transferred \$3.0 million from the Marijuana Tax Cash Fund to the health research subaccount of the Medical Marijuana Program Cash Fund. This bill continues the subaccount from its current repeal date of July 1, 2019, to July 1, 2023, and authorizes the Department of Public Health and Environment (CDPHE) to use up to \$100,000 from the subaccount for administration of the medical marijuana research grant program. For FY 2018-19, appropriates \$10,656 reappropriated funds to the Department of Law for the provision of legal services to the Department of Revenue. For additional information see the “Recent Legislation” section at the end of Part III for the Department of Revenue.

**H.B. 18-1017 (PSYCHOLOGY INTERJURISDICTIONAL COMPACT):** Enters Colorado into the Psychology Interjurisdictional Compact (compact) to allow psychologists licensed by the Department of Regulatory Agencies (DORA) to practice in other compact states (member states) via telepsychology or short-term, in person practice. Specifies requirements for psychologists to participate in the compact. For FY 2018-19, appropriates \$15,984 reappropriated funds and 0.1 to the Department of Law for the provision of legal services to DORA. For additional information see the “Recent Legislation” section at the end of Part III for DORA.

**H.B. 18-1224 (LICENSEE DISCIPLINE MEDIATION STATE AGENCY):** Adds a mediation component to the process related to professional disciplinary actions initiated by state agencies. For FY 2018-19, appropriates \$64,575 reappropriated funds and 0.3 FTE to the Department of Law for the provision of legal services to DORA. For additional information see the “Recent Legislation” section at the end of Part III for DORA.

**H.B. 18-1280 (COURT APPOINTEES FOR MARIJUANA BUSINESSES):** Addresses requirements for court-appointed receiverships or similar situations related to a person taking possession of, operating, managing, or controlling a

licensed marijuana business. Requires the Marijuana Enforcement Division (MED) in the Department of Revenue to issue temporary registration to any appointee that has certified to the appointing court that he or she is not prohibited from holding a marijuana license and has notified the MED of the court appointment. For FY 2018-19, appropriates \$14,918 reappropriated funds and 0.1 FTE to the Department of Law for the provision of legal services to the Department of Revenue. For additional information see the “Recent Legislation” section at the end of Part III for the Department of Revenue.

**H.B. 18-1322 (LONG BILL):** General appropriations act for FY 2018-19.

**H.B. 18-1353 (DEFENSE COUNSEL IN MUNICIPAL COURT GRANT):** Creates the Defense Counsel on First Appearance Grant Program in the Division of Local Government in the Department of Local Affairs (DOLA) to reimburse local governments, in full or in part, for costs associated with providing counsel to defendants at their first appearance in municipal court. For FY 2018-19, appropriates \$1,598 reappropriated funds to the Department of Law for the provision of legal services to DOLA. For additional information see the “Recent Legislation” section at the end of Part III for DOLA.

**H.B. 18-1434 (SAFE2TELL PROGRAM NEW DUTIES AND ANNUAL REPORT):** Expands the Safe2Tell Program’s duties to include additional training responsibilities and reporting requirements. For FY 2018-19, appropriates \$164,920 cash funds from the Marijuana Tax Cash Fund and 1.6 FTE to the Department of Law.



# Details

## LEGISLATIVE BRANCH

### FY 2017-18 AND FY 2018-19 APPROPRIATIONS BY DIVISION AND BILL

LEGISLATIVE DEPARTMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2017-18 TOTAL APPROPRIATION:</b>	<b>\$49,928,386</b>	<b>\$48,280,517</b>	<b>\$470,869</b>	<b>\$1,177,000</b>	<b>\$0</b>	<b>287.7</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
General Assembly	18,281,075	18,191,075	90,000	0	0	66.0
State Auditor	10,369,654	9,442,654	0	927,000	0	75.2
Joint Budget Committee	1,940,846	1,940,846	0	0	0	16.0
Legislative Council	12,337,877	11,713,726	374,151	250,000	0	75.9
Committee on Legal Services	6,998,934	6,992,216	6,718	0	0	54.6
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
SB 17-230 (Legislative Appropriation)	\$43,595,138	\$42,578,138	\$90,000	\$927,000	\$0	286.9
SB 17-254 (Long Bill)	5,626,005	5,376,005	0	250,000	0	0.0
HB 17-1216	26,374	26,374	0	0	0	0.4
HB 17-1340	380,869	0	380,869	0	0	0.4
HB 17-1361	300,000	300,000	0	0	0	0.0
<b>FY 2018-19 TOTAL APPROPRIATION:</b>	<b>\$51,720,061</b>	<b>\$50,287,893</b>	<b>\$470,869</b>	<b>\$961,299</b>	<b>\$0</b>	<b>289.5</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
General Assembly	19,055,467	18,965,467	90,000	0	0	66.0
State Auditor	10,697,974	9,736,675	0	961,299	0	75.2
Joint Budget Committee	2,015,188	2,015,188	0	0	0	16.0
Legislative Council	12,566,930	12,192,779	374,151	0	0	76.9
Committee on Legal Services	7,384,502	7,377,784	6,718	0	0	55.4
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
HB 18-1293 (Legislative Appropriation)	\$46,348,261	\$44,916,093	\$470,869	\$961,299	\$0	287.3
HB 18-1322 (Long Bill)	4,831,270	4,831,270	0	0	0	0.0
SB 18-031	54,257	54,257	0	0	0	1.0
SB 18-039	49,125	49,125	0	0	0	0.4
SB 18-163	31,155	31,155	0	0	0	0.4
SB 18-200	200,000	200,000	0	0	0	0.0
HB 18-1003	39,249	39,249	0	0	0	0.4
HB 18-1186	25,000	25,000	0	0	0	0.0
HB 18-1421	141,744	141,744	0	0	0	0.0
<b>INCREASE/(DECREASE)</b>	<b>\$1,791,675</b>	<b>\$2,007,376</b>	<b>\$0</b>	<b>(\$215,701)</b>	<b>\$0</b>	<b>1.8</b>
Percentage Change	3.6%	4.2%	0.0%	(18.3%)	n/a	0.6%

## 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. Funding for the General Assembly is primarily General Fund with a small amount of funding from the sale of bill boxes, legislative directories, publications, and other services.

GENERAL ASSEMBLY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-230 (Legislative Appropriation)	\$15,106,618	\$15,016,618	\$90,000	\$0	\$0	66.0
SB 17-254 (Long Bill)	3,171,835	3,171,835	0	0	0	0.0
HB 17-1216	2,622	2,622	0	0	0	0.0
<b>TOTAL</b>	<b>\$18,281,075</b>	<b>\$18,191,075</b>	<b>\$90,000</b>	<b>\$0</b>	<b>\$0</b>	<b>66.0</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$18,281,075	\$18,191,075	\$90,000	\$0	\$0	66.0
Salary/benefits/operating adjustments	991,955	991,955	0	0	0	0.0
Centrally appropriated line items	(260,917)	(260,917)	0	0	0	0.0
<b>HB 18-1293 (Legislative Appropriation)<sup>1</sup></b>	<b>\$16,156,843</b>	<b>\$16,066,843</b>	<b>\$90,000</b>	<b>\$0</b>	<b>\$0</b>	<b>66.0</b>
<b>HB 18-1322 (Long Bill)<sup>1</sup></b>	<b>2,855,270</b>	<b>2,855,270</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>
SB 18-163	5,244	5,244	0	0	0	0.0
HB 18-1003	13,110	13,110	0	0	0	0.0
HB 18-1186	25,000	25,000	0	0	0	0.0
<b>TOTAL</b>	<b>\$19,055,467</b>	<b>\$18,965,467</b>	<b>\$90,000</b>	<b>\$0</b>	<b>\$0</b>	<b>66.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$774,392</b>	<b>\$774,392</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	4.2%	4.3%	0.0%	n/a	n/a	0.0%

<sup>1</sup> The FY 2017-18 Appropriation plus the sum of the incremental changes described in the appropriation highlights equals the combined appropriation in H.B. 18-1293 (Legislative Appropriation) and H.B. 18-1322 (Long Bill).

### FY 2018-19 APPROPRIATION – H.B. 18-1293 (LEGISLATIVE APPROPRIATION) AND H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**SALARY/BENEFITS/OPERATING ADJUSTMENTS:** The appropriation includes an increase of \$991,955 General Fund that is primarily the result of changes in health, life, and dental insurance benefits; increases for a 3.0 percent base salary increase; increase for personal services and operating; an increase for the Capitol Building Advisory Committee; an increase for non-metro legislator per diem pursuant to statute; increases for the Legislative Aides Program; and dues for joint governmental agencies.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items as follows: increases for supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund, workers compensation, payments to risk management and property funds, and CORE operations. These increases are offset by decreases in Capitol Complex maintenance costs and information technology common policy issues.

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

## STATE AUDITOR

The duties of the Office 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. The Office of the State Auditor is primarily funded with General Fund and a small amount of reappropriated funds from billable audits of programs supported by federal or cash funds where permitted.

STATE AUDITOR						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-230 (Legislative Appropriation)	\$10,069,654	\$9,142,654	\$0	\$927,000	\$0	75.2
HB 17-1361	300,000	300,000	0	0	0	0.0
<b>TOTAL</b>	<b>\$10,369,654</b>	<b>\$9,442,654</b>	<b>\$0</b>	<b>\$927,000</b>	<b>\$0</b>	<b>75.2</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$10,369,654	\$9,442,654	\$0	\$927,000	\$0	75.2
Salary/benefits/operating adjustments	151,278	116,979	0	34,299	0	0.0
Centrally appropriated line items	35,298	35,298	0	0	0	0.0
<b>HB 18-1293 (Legislative Appropriation)</b>	<b>\$10,556,230</b>	<b>\$9,594,931</b>	<b>\$0</b>	<b>\$961,299</b>	<b>\$0</b>	<b>75.2</b>
HB 18-1421	141,744	141,744	0	0	0	0.0
<b>TOTAL</b>	<b>\$10,697,974</b>	<b>\$9,736,675</b>	<b>\$0</b>	<b>\$961,299</b>	<b>\$0</b>	<b>75.2</b>
<b>INCREASE/(DECREASE)</b>	<b>\$328,320</b>	<b>\$294,021</b>	<b>\$0</b>	<b>\$34,299</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	3.2%	3.1%	n/a	3.7%	n/a	0.0%

### FY 2018-19 APPROPRIATION – H.B. 18-1293 (LEGISLATIVE APPROPRIATION) AND H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**SALARY/BENEFITS/OPERATING ADJUSTMENTS:** The appropriation includes an increase of \$151,278, including \$116,979 General Fund that is primarily the result of changes in health, life, and dental insurance benefits; and increases to personal services, and operating expenses.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund.

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

## JOINT BUDGET COMMITTEE

The Joint Budget Committee is the permanent fiscal and budget review agency of the General Assembly. The six-member committee is comprised of three members from the House of Representatives, 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 Long Bill. The staff is also responsible for providing support for both the House and Senate Appropriations Committees. The Joint Budget Committee is funded with General Fund.

JOINT BUDGET COMMITTEE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-230 (Legislative Appropriation)	\$1,940,846	\$1,940,846	\$0	\$0	\$0	16.0
<b>TOTAL</b>	<b>\$1,940,846</b>	<b>\$1,940,846</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>16.0</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$1,940,846	\$1,940,846	\$0	\$0	\$0	16.0
Salary/benefits/operating adjustments	69,176	69,176	0	0	0	0.0
Centrally appropriated line items	5,166	5,166	0	0	0	0.0
<b>HB 18-1293 (Legislative Appropriation)</b>	<b>\$2,015,188</b>	<b>\$2,015,188</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>16.0</b>
<b>TOTAL</b>	<b>\$2,015,188</b>	<b>\$2,015,188</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>16.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$74,342</b>	<b>\$74,342</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	3.8%	3.8%	n/a	n/a	n/a	0.0%

## FY 2018-19 APPROPRIATION – H.B. 18-1293 (LEGISLATIVE APPROPRIATION) AND H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**SALARY/BENEFITS/OPERATING ADJUSTMENTS:** The appropriation includes an increase of \$69,176 General Fund that is primarily the result of changes in health, life, and dental insurance benefits and increases to personal services.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for state contributions to the Public Employees' Retirement Association (PERA) pension fund.

## LEGISLATIVE COUNCIL

The Legislative Council is comprised of 18 legislators, nine from the House of Representatives 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, for providing revenue estimates, and providing support services for legislative agencies. The Council staff is primarily funded with General Fund with reappropriated funds transferred from the Department of Education every other year.

LEGISLATIVE COUNCIL						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-230 (Legislative Appropriation)	\$9,492,677	\$9,492,677	\$0	\$0	\$0	75.3
SB 17-254 (Long Bill)	2,454,170	2,204,170	0	250,000	0	0.0
HB 17-1216	16,879	16,879	0	0	0	0.3
HB 17-1340	374,151	0	374,151	0	0	0.3
<b>TOTAL</b>	<b>\$12,337,877</b>	<b>\$11,713,726</b>	<b>\$374,151</b>	<b>\$250,000</b>	<b>\$0</b>	<b>75.9</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$12,337,877	\$11,713,726	\$374,151	\$250,000	\$0	75.9
Salary/benefits/operating adjustments	389,708	389,708	0	0	0	0.0
Centrally appropriated line items	31,706	31,706	0	0	0	0.0
Property tax study adjustment	16,000	16,000	0	0	0	0.0
Cost of living analysis adjustment	(250,000)	0	0	(250,000)	0	0.0
Ballot analysis adjustment	(244,170)	(244,170)	0	0	0	0.0
<b>HB 18-1293 (Legislative Appropriation)<sup>1</sup></b>	<b>\$10,305,121</b>	<b>\$9,930,970</b>	<b>\$374,151</b>	<b>\$0</b>	<b>\$0</b>	<b>75.9</b>
<b>HB 18-1322 (Long Bill)<sup>1</sup></b>	<b>1,976,000</b>	<b>1,976,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>
SB 18-039	41,484	41,484	0	0	0	0.3
SB 18-163	25,911	25,911	0	0	0	0.4
SB 18-200	200,000	200,000	0	0	0	0.0
HB 18-1003	18,414	18,414	0	0	0	0.3
<b>TOTAL</b>	<b>\$12,566,930</b>	<b>\$12,192,779</b>	<b>\$374,151</b>	<b>\$0</b>	<b>\$0</b>	<b>76.9</b>
<b>INCREASE/(DECREASE)</b>	<b>\$229,053</b>	<b>\$479,053</b>	<b>\$0</b>	<b>(\$250,000)</b>	<b>\$0</b>	<b>1.0</b>
Percentage Change	1.9%	4.1%	0.0%	(100.0%)	n/a	1.3%

<sup>1</sup> The FY 2017-18 Appropriation plus the sum of the incremental changes described in the appropriation highlights equals the combined appropriation in H.B. 18-1293 (Legislative Appropriation) and H.B. 18-1322 (Long Bill).

## FY 2018-19 APPROPRIATION – H.B. 18-1293 (LEGISLATIVE APPROPRIATION) AND H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**SALARY/BENEFITS/OPERATING ADJUSTMENTS:** The appropriation includes an increase of \$389,708 General Fund that is primarily the result of changes in health, life, and dental insurance benefits; and increases to personal services, operating, and travel budgets.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for state contributions to the Public Employees' Retirement Association (PERA) pension fund.

**PROPERTY TAX STUDY ADJUSTMENT:** The appropriation includes an increase of \$16,000 General Fund for the audit of county assessor values that the Legislative Council staff is required to complete annually pursuant to Section 39-1-104 (16)(a), C.R.S.

**COST OF LIVING ANALYSIS ADJUSTMENT:** The appropriation includes a decrease of \$250,000 reappropriated funds from a transfer from the Department of Education for a cost of living study. Legislative Council staff, pursuant to Section 22-54-104 (5)(c)(III)(A), C.R.S., is required to certify the cost of living factor for each school district every two years based on a cost of living analysis that is typically conducted through a contract. The appropriation is eliminated for FY 2018-19 as the Legislative Council staff is not required to perform the analysis in FY 2018-19.

**BALLOT ANALYSIS ADJUSTMENT:** The appropriation includes a decrease of \$244,170 General Fund for the costs associated with an analysis of measures on the ballot. Section 1 (7.5) of Article V of the State Constitution requires the nonpartisan research staff of the General Assembly to perform this function.

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

## COMMITTEE ON LEGAL SERVICES

The Committee on Legal Services consists of ten members, five from the House of Representatives and five from the Senate. It provides legislative oversight to the Office of Legislative Legal Services and coordinates litigation involving the General Assembly.

The Office of Legislative Legal Services drafts and prepares bills, resolutions, amendments, conference committee reports, and digests of enacted bills. The Office also reviews rules promulgated by executive agencies to determine whether they are within the powers delegated to the agency; performs legal research; aids in legal representation of the General Assembly; participates in the review of and comments on the titles given to initiated measures; and assists in staffing interim committees.

The Office is also responsible for compiling, editing, arranging, and preparing for publication all of the laws of the State of Colorado, and for assisting in publication and distribution of portions of the statutes in accordance with Section 2-5-118, C.R.S. Annually, the Office prepares the session laws and supplements to the statutes as necessary and also prepares the index and case law annotations for the Colorado Revised Statutes.

The Colorado Commission of Uniform State Laws, comprised of seven members who are attorneys-at-law in Colorado (three of whom are state legislators), represents Colorado at the National Conference of Commissioners on Uniform State Laws. The purpose of the conference is to promote the uniformity of state laws on all subjects where uniformity is deemed desirable and practical. The Office of Legislative Legal Services is primarily funded with General Fund.

COMMITTEE ON LEGAL SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-230 (Legislative Appropriation)	\$6,985,343	\$6,985,343	\$0	\$0	\$0	54.4
HB 17-1216	6,873	6,873	0	0	0	0.1
HB 17-1340	6,718	0	6,718	0	0	0.1
<b>TOTAL</b>	<b>\$6,998,934</b>	<b>\$6,992,216</b>	<b>\$6,718</b>	<b>\$0</b>	<b>\$0</b>	<b>54.6</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$6,998,934	\$6,992,216	\$6,718	\$0	\$0	54.6
Salary/benefits/operating adjustments	292,847	292,847	0	0	0	(0.4)
Centrally appropriated line items	23,098	23,098	0	0	0	0.0
<b>HB 18-1293 (Legislative Appropriation)</b>	<b>\$7,314,879</b>	<b>\$7,308,161</b>	<b>\$6,718</b>	<b>\$0</b>	<b>\$0</b>	<b>54.2</b>
SB 18-031	54,257	54,257	0	0	0	1.0
SB 18-039	7,641	7,641	0	0	0	0.1
HB 18-1003	7,725	7,725	0	0	0	0.1
<b>TOTAL</b>	<b>\$7,384,502</b>	<b>\$7,377,784</b>	<b>\$6,718</b>	<b>\$0</b>	<b>\$0</b>	<b>55.4</b>
<b>INCREASE/(DECREASE)</b>	<b>\$385,568</b>	<b>\$385,568</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.8</b>
Percentage Change	5.5%	5.5%	0.0%	n/a	n/a	1.5%

## FY 2018-19 APPROPRIATION – H.B. 18-1293 (LEGISLATIVE APPROPRIATION) AND H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**SALARY/BENEFITS/OPERATING ADJUSTMENTS:** The appropriation includes an increase of \$292,847 General Fund that is primarily the result of changes in health, life, and dental insurance benefits; and increases to personal services, operating, and travel budgets. Included in the personal services increase is the funding for the General Assembly's recently hired Legislative Human Resources Administrator.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for state contributions to the Public Employees' Retirement Association (PERA) pension fund.

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

## RECENT LEGISLATION

### 2017 SESSION BILLS

**S.B. 17-230 (LEGISLATIVE APPROPRIATION BILL):** Legislative appropriation act for FY 2017-18.

**S.B. 17-254 (LONG BILL):** General appropriations act for FY 2017-18.

**H.B. 17-1216 (SALES & USE TAX SIMPLIFICATION TASK FORCE):** Creates a sales and use tax simplification task force (task force). The task force is required to meet at least eight times between FY 2017-18 and FY 2019-20 in order to study the necessary components of a simplified sales and use tax system for both the state and local governments. The task force is required to consider the feasibility of potential changes to administration of state and local sales and use taxes and to make annual reports to the Legislative Council in 2017, 2018, and 2019. For FY 2017-18, appropriates \$26,374 General Fund and an allocation of 0.4 FTE to the Legislative Department.

**H.B. 17-1340 (LEGISLATIVE INTERIM COMMITTEE ON SCHOOL FINANCE):** Creates a legislative interim committee to study school finance issues and make legislative recommendations concerning how to most accurately meet the educational needs of students through the funding of K-12 education in Colorado. Specifies the membership of the interim committee and requires that members be appointed by July 1, 2017. Specifies a list of issues the committee must consider and authorizes the committee to consider additional issues. The committee will meet up to five times per interim in the 2017 and 2018 interims and may introduce up to five bills during each of the 2018 and 2019 legislative sessions. Subject to available appropriations, requires the committee to contract with a private entity to assist in gathering information for the study and analyzing the chosen issues. For FY 2017-18, appropriates \$380,869 cash funds from the State Public School Fund and 0.4 FTE to the Legislative Department.

**H.B. 17-1361 (EVALUATE STATE INFORMATION TECHNOLOGY RESOURCES):** Requires the State Auditor to retain a qualified, independent third-party consulting firm to evaluate the state's implementation of information technology (IT) resources, tools, and projects. Indicates that on or before December 15, 2018, the independent firm shall submit a post-evaluation report with recommendations to the Legislative Audit Committee, the Joint Budget Committee, the Joint Technology Committee, and the Governor's Office of Information Technology. Appropriates \$300,000 General Fund to the State Auditor for FY 2017-18 for this purpose and states that any of the appropriated money that is not expended prior to July 1, 2018, is further appropriated to the State Auditor for FY 2018-19 for the same purpose.

## 2018 SESSION BILLS

**S.B. 18-031 (TITLE 12 RECODIFICATION STUDY ONE-YEAR EXTENSION):** Extends the study for the organizational recodification of Title 12 of the Colorado Revised Statutes (C.R.S.). The deadline for the Committee on Legal Services to direct the Office of Legislative Legal Services (OLLS) to draft proposed legislation for the recodification of Title 12 is extended from December 31, 2017, to December 31, 2018. This bill is repealed September 1, 2019. Appropriates \$54,257 General Fund and 1.0 FTE to the Office of Legislative Legal Services for FY 2018-19 for this purpose.

**S.B. 18-039 (CONTINUE THE WILDFIRE MATTERS REVIEW COMMITTEE):** Extends the repeal of the Wildfire Matters Review Committee to September 1, 2025 and repealed obsolete provisions related to the committee. Appropriates \$41,484 General Fund and 0.3 FTE to the Legislative Council, and, \$7,641 General Fund and 0.1 FTE to the Office of Legislative Legal Services for FY 2018-19 for this purpose.

**S.B. 18-163 (EXTEND REPEAL EARLY CHILDHOOD LEGISLATIVE COMMISSION):** Extends the repeal date of the Early Childhood Legislative Commission to July 1, 2023, and specifies that it will be staffed by Legislative Council Staff. Appropriates \$25,911 General Fund and 0.4 FTE to the Legislative Council, and, \$7,244 General Fund to the General Assembly for FY 2018-19 for this purpose.

**S.B. 18-200 (MODIFICATIONS TO PERA TO ELIMINATE UNFUNDED LIABILITY):** Modifies the Colorado Public Employees' Retirement Association (PERA). The bill creates ongoing state revenue reductions; ongoing state and local expenditure increases; and ongoing PERA revenue increases. The bill changes the number of years factored into the highest number of years calculation, modifies the definition of salary on which the PERA benefit is assessed, clarifies provisions related to a local government division employer that ceases operations or participation in PERA, and creates a direct distribution to PERA. Appropriates \$200,000 General Fund to the Legislative Council for FY 2018-19 for independent review of PERA assumptions.

**H.B. 18-1003 (OPIOID MISUSE PREVENTION):** Implements several policies related to the prevention of opioid and substance misuse and allocates \$2,489,249 total funds in FY 2018-19, including the following:

- \$39,249 General Fund to the Legislative Department for the continuation of the Opioid and Other Substance Use Disorders Interim Study Committee for two years;
- \$925,000 Marijuana Tax Cash Fund to the Department of Health Care Policy and Financing for the Screening, Brief Intervention, and Referral to Treatment (SBIRT) training program for the development of a training module on substance-exposed pregnancies and additional funding for SBIRT grants;
- \$775,000 Marijuana Tax Cash Fund to the Department of Public Health and Environment for grants to school-based health centers to expand behavioral health services to include treatment for opioid and other substance use disorders; and
- \$750,000 Marijuana Tax Cash Fund to the University of Colorado for the Center for Research Into Substance Use Disorder Prevention, Treatment, and Recovery to develop and implement continuing medical education activities for prescribers of pain medication.

**H.B. 18-1186 (SUNSET REVIEW COLORADO YOUTH ADVISORY COUNCIL):** Extends the repeal date of the Youth Advisory Council from July 1, 2018, to September 1, 2023, and requires another sunset review.

**H.B. 18-1293 (LEGISLATIVE APPROPRIATION BILL):** Legislative appropriation act for FY 2017-18.

**H.B. 18-1322 (LONG BILL):** General appropriations act for FY 2017-18.



**H.B. 18-1421 (PROCUREMENT PROCESS FOR MAJOR IT PROJECTS):** Makes certain changes to the state information technology (IT) procurement process. First, it requires the State Controller in the Department of Personnel and Administration (DPA) to delegate the authority to sign IT procurement contracts to the Chief Information Officer in the Governor's Office of Information Technology (OIT) or his or her designee. It requires that a project plan for a major IT project undertaken by a state agency include a planning and analysis function by OIT that ensures that the desired project solution is in accordance with OIT standards and the scope and budget are vetted by OIT. OIT is required to establish policies and procedures regarding vendor selection standards to be used in selecting a vendor for any major IT project. Finally, the bill requires an audit of the procurement process for the human resources information system that was initially known as HRIS, but is now called HR Works. House Bill 17-1361 required the Office of the State Auditor to sign a contract with a third-party auditor to conduct a comprehensive audit of the state of IT in Colorado. This audit is currently ongoing. The audit required by the bill will be added to the scope of the ongoing audit. Appropriates \$141,744 General Fund to the Office of the State Auditor for FY 2018-19 for the required audit to HRIS.

# Details

## DEPARTMENT OF LOCAL AFFAIRS

### FY 2017-18 AND FY 2018-19 APPROPRIATIONS BY DIVISION AND BILL

DEPARTMENT OF LOCAL AFFAIRS						
	TOTAL FUNDS	GENERAL FUND <sup>1,2</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2017-18 TOTAL APPROPRIATION:</b>	<b>\$304,171,185</b>	<b>\$30,324,944</b>	<b>\$181,821,729</b>	<b>\$11,319,391</b>	<b>\$80,705,121</b>	<b>179.2</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Executive Director's Office	8,535,267	2,120,981	950,226	4,163,524	1,300,536	14.2
Property Taxation	3,803,457	1,361,174	1,324,212	1,118,071	0	50.4
Division of Housing	101,523,208	16,535,851	16,484,972	961,703	67,540,682	55.8
Division of Local Government	190,309,253	10,306,938	163,062,319	5,076,093	11,863,903	58.8
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
SB 17-254	\$294,037,300	\$26,136,451	\$175,876,337	\$11,319,391	\$80,705,121	176.6
HB 17-1221	5,945,392	0	5,945,392	0	0	1.3
HB 17-1313	84,451	84,451	0	0	0	0.5
HB 17-1326	5,865,182	5,865,182	0	0	0	0.8
HB 18-1409	(1,761,140)	(1,761,140)	0	0	0	0.0
<b>FY 2018-19 TOTAL APPROPRIATION:</b>	<b>\$316,144,475</b>	<b>\$37,086,367</b>	<b>\$186,097,459</b>	<b>\$12,147,248</b>	<b>\$80,813,401</b>	<b>181.1</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Executive Director's Office	8,841,830	1,765,651	1,524,761	4,152,696	1,398,722	14.2
Property Taxation	3,768,122	2,282,664	1,245,818	239,640	0	50.4
Division of Housing	107,806,726	17,877,920	21,319,609	1,113,183	67,496,014	57.8
Division of Local Government	195,727,797	15,160,132	162,007,271	6,641,729	11,918,665	58.7
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
HB 18-1322	\$313,735,639	\$34,788,319	\$186,047,459	\$12,086,460	\$80,813,401	178.6
SB 18-016	60,788	0	0	60,788	0	1.0
SB 18-191	50,000	0	50,000	0	0	0.0
HB 18-1267	132,328	132,328	0	0	0	1.0
HB 18-1326	306,000	306,000	0	0	0	0.0
HB 18-1339	6,683	6,683	0	0	0	0.0
HB 18-1353	1,853,037	1,853,037	0	0	0	0.5
<b>INCREASE/(DECREASE)</b>	<b>\$11,973,290</b>	<b>\$6,761,423</b>	<b>\$4,275,730</b>	<b>\$827,857</b>	<b>\$108,280</b>	<b>1.9</b>
Percentage Change	3.9%	22.3%	2.4%	7.3%	0.1%	1.1%

<sup>1</sup> Includes General Fund Exempt.

<sup>2</sup> Includes \$4,230,000 in FY 2017-18 and \$4,300,000 in FY 2018-19 that is exempt from the statutory limit on state General Fund appropriations imposed by Section 24-75-201.1, C.R.S.

**GENERAL FUND EXEMPT:** Amounts in the General Fund column include appropriations from both the General Fund and General Fund Exempt Account. The General Fund Exempt Account was created by Referendum C, passed by Colorado voters in November 2005. Referendum C allowed the State to retain for FY 2005-06 through FY 2009-10 all revenue collected in excess of the TABOR limit and for FY 2010-11 and subsequent fiscal years all revenues in excess of the TABOR limit but less than the excess state revenues cap. The retained revenue must be placed in the

General Fund Exempt Account. The table below shows the amount appropriated from the General Fund Exempt Account for FY 2017-18 and FY 2018-19 for volunteer firefighter retirement plans and death and disability insurance, pursuant to Section 24-77-103.6 (2)(c), C.R.S. For additional information on General Fund Exempt appropriations, see Appendix D.

GENERAL FUND SUMMARY	TOTAL GENERAL FUND	GENERAL FUND	GENERAL FUND EXEMPT
FY 2017-18	\$30,324,944	\$26,094,944	\$4,230,000
FY 2018-19	\$37,086,367	\$32,786,367	\$4,300,000

**INFORMATIONAL FUNDS:** The FY 2018-19 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Local Affairs are annotated with the "(I)". For additional information, see Appendix E.

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2018-19 Appropriations containing an (I) notation	\$240,013,401	\$4,300,000	\$154,900,000	\$0	\$80,813,401

## DETAIL OF APPROPRIATION BY ADMINISTRATIVE SECTION

### EXECUTIVE DIRECTOR'S OFFICE

The Executive Director's Office is responsible for the management and administration of the Department, including accounting, budgeting, human resources, and other functions statutorily assigned to the Department such as administration of the Moffat Tunnel Improvement District. Cash fund sources include marijuana tax revenues, lease revenues generated from the operation of the Moffat Tunnel, and various other sources. Reappropriated funds include indirect cost recoveries and severance tax revenues and federal mineral lease revenues transferred from the Local Government Mineral and Energy Impact Grants and Disbursements line item.

EXECUTIVE DIRECTOR'S OFFICE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2017-18 APPROPRIATION:</b>						
SB 17-254	\$8,406,631	\$2,018,701	\$923,870	\$4,163,524	\$1,300,536	14.2
HB 17-1221	26,356	0	26,356	0	0	0.0
HB 17-1313	49,239	49,239	0	0	0	0.0
HB 17-1326	53,041	53,041	0	0	0	0.0
<b>TOTAL</b>	<b>\$8,535,267</b>	<b>\$2,120,981</b>	<b>\$950,226</b>	<b>\$4,163,524</b>	<b>\$1,300,536</b>	<b>14.2</b>
<b>FY 2018-19 APPROPRIATION:</b>						
FY 2017-18 Appropriation	\$8,535,267	\$2,120,981	\$950,226	\$4,163,524	\$1,300,536	14.2
Centrally appropriated line items	614,602	(380,458)	635,670	188,648	170,742	0.0
Modify use of energy impact funds for administration	0	472,309	0	(472,309)	0	0.0
Indirect cost assessment fund source adjustment	0	(368,677)	0	368,677	0	0.0
Annualize prior year budget actions	(280,546)	(69,761)	(42,385)	(95,844)	(72,556)	0.0
Annualize prior year legislation	(105,762)	(87,012)	(18,750)	0	0	0.0
<b>HB 18-1322</b>	<b>\$8,763,561</b>	<b>\$1,687,382</b>	<b>\$1,524,761</b>	<b>\$4,152,696</b>	<b>\$1,398,722</b>	<b>14.2</b>
HB 18-1267	65,508	65,508	0	0	0	0.0
HB 18-1339	6,683	6,683	0	0	0	0.0
HB 18-1353	6,078	6,078	0	0	0	0.0
<b>TOTAL</b>	<b>\$8,841,830</b>	<b>\$1,765,651</b>	<b>\$1,524,761</b>	<b>\$4,152,696</b>	<b>\$1,398,722</b>	<b>14.2</b>

EXECUTIVE DIRECTOR'S OFFICE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>INCREASE/(DECREASE)</b>	\$306,563	(\$355,330)	\$574,535	(\$10,828)	\$98,186	0.0
Percentage Change	3.6%	(16.8%)	60.5%	(0.3%)	7.5%	0.0%

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (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 Employee Retirement Association (PERA) pension fund; salary survey; workers' compensation; legal services; payment to risk management and property funds; vehicle lease payments; Capitol complex leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

**MODIFY USE OF ENERGY IMPACT FUNDS FOR ADMINISTRATION:** The appropriation reflects a series of fund source adjustments to establish a new methodology for using energy impact funds to support Department administrative functions. This new methodology is better aligned with workload related to serving energy-impacted communities and administering energy impact grant and distribution programs, and it increases the amount available for grants. The adjustments reduce appropriations from reappropriated fund sources for this division by a total of \$472,309, including:

- A \$166,500 reduction in appropriations of energy impact funds for administrative functions; and
- A \$305,809 reduction in appropriations of indirect cost recoveries.

These adjustments require an increase of \$472,309 General Fund to maintain existing funding for department operations.

**INDIRECT COST ASSESSMENT FUND SOURCE ADJUSTMENT:** The appropriation simplifies the application of amounts from indirect cost recoveries to offset the need for General Fund in the Department by consolidating all appropriations from these sources in the Executive Director's Office. The appropriation thus shifts the amounts that were previously appropriated in other divisions (a total of \$419,662 reappropriated funds) to this division. The appropriation also includes a \$50,985 net decrease in the amounts appropriated from indirect cost recoveries and reserves in the Indirect Cost Recoveries Cash Fund that are applied to offset the need for General Fund in the Department. These adjustments allow for a reduction of \$368,677 General Fund in this division.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes a reduction of \$280,546 total funds to reflect the allocation of the centrally appropriated amount for salary increases awarded in FY 2017-18.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes a reduction of \$105,762 total funds for the second-year impact of prior year legislation. The changes in this division reflect the elimination of one-time appropriations in three bills (H.B. 17-1326, H.B. 17-1313, and H.B. 17-1221) for payments to the Governor's Office of Information Technology and for the purchase of legal services.

**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 sources include fee revenue related to property tax exemptions and filing fee revenue related to property tax assessment appeals. Reappropriated funds are from severance tax revenues and federal mineral lease revenues transferred from the Local Government Mineral and Energy Impact Grants and Disbursements line item within the Division of Local Government.

PROPERTY TAXATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$3,803,457	\$1,361,174	\$1,324,212	\$1,118,071	\$0	50.4
<b>TOTAL</b>	<b>\$3,803,457</b>	<b>\$1,361,174</b>	<b>\$1,324,212</b>	<b>\$1,118,071</b>	<b>\$0</b>	<b>50.4</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$3,803,457	\$1,361,174	\$1,324,212	\$1,118,071	\$0	50.4
Annualize prior year budget actions	68,901	34,553	15,591	18,757	0	0.0
Indirect cost assessment	34,455	0	18,584	15,871	0	0.0
Technical changes	0	112,569	(112,569)	0	0	0.0
Indirect cost assessment fund source adjustment	0	63,155	0	(63,155)	0	0.0
Modify use of energy impact funds for administration	(138,691)	711,213	0	(849,904)	0	0.0
<b>HB 18-1322</b>	<b>\$3,768,122</b>	<b>\$2,282,664</b>	<b>\$1,245,818</b>	<b>\$239,640</b>	<b>\$0</b>	<b>50.4</b>
<b>TOTAL</b>	<b>\$3,768,122</b>	<b>\$2,282,664</b>	<b>\$1,245,818</b>	<b>\$239,640</b>	<b>\$0</b>	<b>50.4</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$35,335)</b>	<b>\$921,490</b>	<b>(\$78,394)</b>	<b>(\$878,431)</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	(0.9%)	67.7%	(5.9%)	(78.6%)	n/a	0.0%

### FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes \$68,901 total funds for salary increases awarded in FY 2017-18.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net increase in this division's indirect cost assessment. This increase of \$34,455 total funds does not, however, include the \$138,691 reduction in indirect cost assessments that results from the modified use of energy impact funds for this division's administrative functions (described below).

**TECHNICAL CHANGES:** The appropriation includes a fund source change for the Board of Assessment Appeals based on anticipated cash fund revenue.

**INDIRECT COST ASSESSMENT FUND SOURCE ADJUSTMENT:** The appropriation simplifies the application of amounts from indirect cost recoveries to offset the need for General Fund in the Department by consolidating all appropriations from these sources in the Executive Director's Office. The appropriation thus eliminates the appropriation of \$63,155 from this source (reappropriated funds) in this division and increases the General Fund appropriation by the same amount.

**MODIFY USE OF ENERGY IMPACT FUNDS FOR ADMINISTRATION:** The appropriation reflects a series of fund source adjustments to establish a new methodology for using energy impact funds to support Department administrative functions. The adjustments reduce appropriations from reappropriated fund sources for this division by a total of \$849,904, including:

- A \$711,213 reduction in appropriations of energy impact funds for administrative functions; and
- A \$138,691 reduction in appropriations for indirect cost assessments.

These adjustments require an increase of \$711,213 General Fund to maintain existing funding for this division.

## DIVISION OF HOUSING

The Division of Housing provides financial and technical assistance designed to increase the availability of housing to individuals with low incomes, individuals with disabilities, and elderly individuals. Financial assistance programs include State and federal grants, loans, loan guarantees, equity investments, and subordinated debt for construction or rehabilitation of affordable housing. The Division provides technical assistance to local communities, including assisting communities in identifying housing needs and securing available private and public financing for housing projects. The Division develops and updates various studies on the availability and affordability of housing in Colorado. Finally, the Division works with local governments to reform local development and building regulations in ways that lower housing production costs.

Significant cash fund sources include: (1) marijuana tax revenues; (2) unspent General Fund appropriations to the Department of Public Safety for community corrections programs that are credited to the Housing Assistance for Persons Transitioning from the Criminal or Juvenile Justice System Cash Fund; and (3) fee revenue related to the regulation of manufactured housing. Reappropriated fund sources include: severance tax revenues and federal mineral lease revenues transferred from the Local Government Mineral and Energy Impact Grants and Disbursements line item within the Division of Local Government; money transferred from the Department of Health Care Policy and Financing for the Medicaid home modification benefit; and funds transferred within the Division to reflect amounts used for administration of affordable housing construction grants and loans. Federal funds are from the U.S. Department of Housing and Urban Development for rental vouchers and other housing-related grants and programs.

DIVISION OF HOUSING						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$101,523,208	\$16,535,851	\$16,484,972	\$961,703	\$67,540,682	55.8
<b>TOTAL</b>	<b>\$101,523,208</b>	<b>\$16,535,851</b>	<b>\$16,484,972</b>	<b>\$961,703</b>	<b>\$67,540,682</b>	<b>55.8</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$101,523,208	\$16,535,851	\$16,484,972	\$961,703	\$67,540,682	55.8
Housing assistance for reentry population	4,758,600	0	4,758,600	0	0	0.0
Affordable housing construction grants and loans	1,000,000	1,000,000	0	0	0	0.0
Annualize prior year budget actions	96,798	23,715	13,769	8,695	50,619	0.0
Modify use of energy impact funds for administration	1,352	(54,466)	0	55,818	0	0.0
Indirect cost assessment	(6,840)	0	62,268	26,179	(95,287)	0.0
<b>HB 18-1322</b>	<b>\$107,373,118</b>	<b>\$17,505,100</b>	<b>\$21,319,609</b>	<b>\$1,052,395</b>	<b>\$67,496,014</b>	<b>55.8</b>
SB 18-016	60,788	0	0	60,788	0	1.0
HB 18-1267	66,820	66,820	0	0	0	1.0
HB 18-1326	306,000	306,000	0	0	0	0.0
<b>TOTAL</b>	<b>\$107,806,726</b>	<b>\$17,877,920</b>	<b>\$21,319,609</b>	<b>\$1,113,183</b>	<b>\$67,496,014</b>	<b>57.8</b>

DIVISION OF HOUSING						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>INCREASE/(DECREASE)</b>	\$6,283,518	\$1,342,069	\$4,834,637	\$151,480	(\$44,668)	2.0
Percentage Change	6.2%	8.1%	29.3%	15.8%	(0.1%)	3.6%

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**HOUSING ASSISTANCE FOR REENTRY POPULATION:** The appropriation includes \$4,758,600 cash funds from the Housing Assistance for Persons Transitioning from the Criminal or Juvenile Justice System Cash Fund. Pursuant to S.B. 17-021, these funds will be used by the Division to provide housing assistance for persons with behavioral or mental health disorders who are transitioning from incarceration. The source of funding is a transfer of unspent General Fund money that was appropriated to the Department of Public Safety for FY 2016-17 for community corrections programs and services.

**AFFORDABLE HOUSING CONSTRUCTION GRANTS AND LOANS:** The appropriation includes \$1,000,000 General Fund for affordable housing construction grant and loan programs.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes \$96,798 total funds for salary increases awarded in FY 2017-18.

**MODIFY USE OF ENERGY IMPACT FUNDS FOR ADMINISTRATION:** The appropriation reflects a series of fund source adjustments to establish a new methodology for using energy impact funds to support Department administrative functions. The adjustments increase appropriations from reappropriated fund sources for this division by a total of \$55,818, including:

- A \$54,466 increase in appropriations of energy impact funds for administrative functions; and
- A \$1,352 increase in appropriations for indirect cost assessments.

These adjustments allow for a decrease of \$54,466 General Fund for this division.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net decrease in this division's indirect cost assessment. This decrease of \$6,840 total funds does not, however, include the \$1,352 increase in indirect cost assessments that results from the modified use of energy impact funds for this division's administrative functions (described above).

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

## DIVISION OF LOCAL GOVERNMENT

The Division of Local Government provides information and training for local governments concerning budget development, purchasing, demographics, land use planning, and regulatory issues. The Division also manages federal- and state-funded programs that support local government infrastructure and services. 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; (4) limited gaming revenues; and (5) marijuana tax revenues. Reappropriated funds are primarily from severance tax revenues and federal mineral lease revenues transferred within this Division from the Local Government Mineral and Energy Impact Grants and Disbursements line item. Federal funds in this section include the Community Services Block Grant and the Community Development Block Grant.

DIVISION OF LOCAL GOVERNMENT						
	TOTAL FUNDS	GENERAL FUND <sup>1,2</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$180,304,004	\$6,220,725	\$157,143,283	\$5,076,093	\$11,863,903	56.2
HB 17-1221	5,919,036	0	5,919,036	0	0	1.3
HB 17-1313	35,212	35,212	0	0	0	0.5
HB 17-1326	5,812,141	5,812,141	0	0	0	0.8
HB 18-1409	(1,761,140)	(1,761,140)	0	0	0	0.0
<b>TOTAL</b>	<b>\$190,309,253</b>	<b>\$10,306,938</b>	<b>\$163,062,319</b>	<b>\$5,076,093</b>	<b>\$11,863,903</b>	<b>58.8</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$190,309,253	\$10,306,938	\$163,062,319	\$5,076,093	\$11,863,903	58.8
Peace Officers Mental Health Support Grant Program	4,000,000	2,000,000	0	2,000,000	0	0.0
Indirect cost assessment	307,420	0	(15,286)	289,881	32,825	0.0
Cybersecurity training for local governments	250,000	250,000	0	0	0	0.0
Annualize prior year budget actions	109,371	11,466	12,855	63,113	21,937	0.0
Technical changes	66,904	70,000	(3,096)	0	0	0.0
Strategic Planning Group on Coloradans Age 50 and Over	55,000	55,000	0	0	0	0.0
Annualize prior year legislation	21,996	881	21,115	0	0	0.4
Indirect cost assessment fund source adjustment	0	356,507	0	(356,507)	0	0.0
Eliminate funding for Marijuana Impact Grant Program	(1,120,636)	0	(1,120,636)	0	0	(1.0)
Modify use of energy impact funds for administration	(168,470)	262,381	0	(430,851)	0	0.0
<b>HB 18-1322</b>	<b>\$193,830,838</b>	<b>\$13,313,173</b>	<b>\$161,957,271</b>	<b>\$6,641,729</b>	<b>\$11,918,665</b>	<b>58.2</b>
SB 18-191	50,000	0	50,000	0	0	0.0
HB 18-1353	1,846,959	1,846,959	0	0	0	0.5
<b>TOTAL</b>	<b>\$195,727,797</b>	<b>\$15,160,132</b>	<b>\$162,007,271</b>	<b>\$6,641,729</b>	<b>\$11,918,665</b>	<b>58.7</b>
<b>INCREASE/(DECREASE)</b>	<b>\$5,418,544</b>	<b>\$4,853,194</b>	<b>(\$1,055,048)</b>	<b>\$1,565,636</b>	<b>\$54,762</b>	<b>(0.1)</b>
Percentage Change	2.8%	47.1%	(0.6%)	30.8%	0.5%	(0.2%)

<sup>1</sup>Includes General Fund Exempt.

<sup>2</sup>Includes \$4,230,000 in FY 2017-18 and \$4,300,000 in FY 2018-19 that is exempt from the statutory limit on state General Fund appropriations pursuant to Section 24-75-201.1, C.R.S.

## FY 2017-18 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 18-1409 eliminates the \$1,761,140 General Fund appropriation to the Parole Savings Fund that was included in H.B. 17-1326.

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**PEACE OFFICERS MENTAL HEALTH SUPPORT GRANT PROGRAM:** The appropriation includes \$2,000,000 General Fund for implementation of the Peace Officers Mental Health Support Grant Program. This program was created through H.B. 17-1215 to provide financial support for local law enforcement agencies to engage mental health professionals who can provide on-scene response services to support officers' handling of persons with mental health disorders, as well as counseling services to peace officers. This appropriation is credited to the Peace Officers Mental Health Support Fund, so the appropriation includes a matching amount of spending authority out of this cash fund (reappropriated funds).

**INDIRECT COST ASSESSMENT:** The appropriation includes a net increase in this division's indirect cost assessment. This increase of \$307,420 total funds does not, however, include the \$168,470 reduction in indirect cost assessments



that results from the modified use of energy impact funds for this division's administrative functions (described below).

**CYBERSECURITY TRAINING FOR LOCAL GOVERNMENTS:** The appropriation includes \$250,000 General Fund to reimburse local government staff and other eligible personnel for cybersecurity training.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes changes to reflect the out-year impact of funding decisions made through the FY 2017-18 appropriation including:

- \$114,074 total funds for salary increases awarded in FY 2017-18; and
- A reduction of \$4,703 reappropriated funds to eliminate one-time funding provided for the Rural Services Coordinator.

**TECHNICAL CHANGES:** The appropriation includes two technical changes, as detailed in the table below.

TECHNICAL CHANGES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Annual adjustment for volunteer firefighter retirement plans	\$70,000	\$70,000	\$0	\$0	\$0	0.0
Adjust amount from Conservation Trust Fund to reflect rounded estimate	(3,096)	0	(3,096)	0	0	0.0
<b>TOTAL</b>	<b>\$66,904</b>	<b>\$70,000</b>	<b>(\$3,096)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**STRATEGIC PLANNING GROUP ON COLORADANS AGE 50 AND OVER:** The appropriation includes \$55,000 General Fund to support the continued work of this planning group, which was established through H.B. 15-1033.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes an increase of \$21,996 total funds for the second-year impact of prior year legislation

**INDIRECT COST ASSESSMENT FUND SOURCE ADJUSTMENT:** The appropriation simplifies the application of amounts from indirect cost recoveries to offset the need for General Fund in the Department by consolidating all appropriations from these sources in the Executive Director's Office. The appropriation thus eliminates the appropriation of \$356,507 from this source (reappropriated funds) in this division and increases the General Fund appropriation by the same amount.

**ELIMINATE FUNDING FOR MARIJUANA IMPACT GRANT PROGRAM:** The appropriation reflects a decrease of \$1,120,636 cash funds from the Marijuana Tax Cash Fund and 1.0 FTE to eliminate funding for the Local Government Marijuana Impact Grant Program.

**MODIFY USE OF ENERGY IMPACT FUNDS FOR ADMINISTRATION:** The appropriation reflects a series of fund source adjustments to establish a new methodology for using energy impact funds to support Department administrative functions. The adjustments reduce appropriations from reappropriated fund sources for this division by a total of \$430,851, including:

- A \$262,381 reduction in appropriations of energy impact funds for administrative functions; and
- A \$168,470 reduction in appropriations for indirect cost assessments.

These adjustments require an increase of \$262,381 General Fund to maintain existing funding for this division.

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

## RECENT LEGISLATION

### 2017 SESSION BILLS

**S.B. 17-021 (ASSISTANCE TO RELEASED MENTALLY ILL OFFENDERS):** Establishes a housing program for certain persons who are transitioning from incarceration. Subject to available appropriations, requires the Department of Local Affairs' (DOLA's) Division of Housing to: (1) provide vouchers and other supportive services to persons with a mental health disorder or co-occurring behavioral health disorder that are newly released from the Department of Corrections, the Division of Youth Services in the Department of Human Services, or a county jail; and (2) provide grants or loans for the acquisition, construction, or rehabilitation of rental housing for persons with behavioral or mental health disorders. Creates the Housing Assistance for Persons Transitioning from the Criminal or Juvenile Justice System Cash Fund, which consists of any money appropriated by the General Assembly and a potential one-time transfer from the Department of Public Safety. Specifically, any money appropriated from the General Fund to the Department of Public Safety's Division of Criminal Justice for community corrections programs and services that is unexpended or unencumbered at the close of FY 2016-17 is transferred to the new cash fund. Expands the permissible uses of the Marijuana Tax Cash Fund (MTCF), allowing the appropriation of MTCF funds for housing, rental assistance, and supportive services, including reentry services.

**S.B. 17-254 (LONG BILL):** General appropriations act for FY 2017-18.

**S.B. 17-260 (SEVERANCE TAX CASH FUND TRANSFERS TO GENERAL FUND):** Effective June 30, 2018, transfers to the General Fund a total of \$45.7 million from severance tax revenue. This transfer includes \$22,850,000 from the Local Government Severance Tax Fund, \$11,425,000 from the Severance Tax Permanent Fund, and \$11,425,000 from the Severance Tax Operational Fund.

**H.B. 17-1221 (GRAY AND BLACK MARKET MJ ENFORCEMENT EFFORTS):** Creates the Gray and Black Market Marijuana Enforcement Grant Program in DOLA. Also creates an offense for a person who is not a primary caregiver for possessing a marijuana plant that the person is growing on behalf of another person. Authorizes DOLA to award grants to local law enforcement agencies and district attorneys to cover investigation and prosecution costs associated with unlicensed and illegal marijuana cultivation or distribution operations. Authorizes the appropriation of money from the MTCF for the grant program and related administration, and allows money not expended in a given fiscal year to remain available for expenditure in the next fiscal year. Appropriates \$5,945,392 cash funds from the MTCF for FY 2017-18 to DOLA and reflects the assumption that DOLA will require an additional 1.3 FTE. Provides FY 2017-18 appropriations of \$21,603 reappropriated funds to the Governor's Office for related information technology services and \$4,753 reappropriated funds to the Department of Law for related legal services.

**H.B. 17-1313 (CIVIL FORFEITURE REFORM):** Requires criminal justice agencies involved in the seizure of property to submit biannual seizure reports to DOLA, and requires DOLA to establish and maintain a searchable public access database for seizure-related information. Imposes restrictions and requirements on an agency's ability to receive forfeiture proceeds from the federal government, a joint task force, or multi-jurisdictional collaboration. Requires DOLA to submit annual reports summarizing seizure and forfeiture activity in the state to the Governor, the Attorney General, and the General Assembly beginning December 31, 2019. Provides a FY 2017-18 appropriation of \$84,451 General Fund to DOLA and reflects the assumption that DOLA will require an additional 0.5 FTE. Appropriates \$4,753 reappropriated funds to the Department of Law and \$44,486 reappropriated funds to the Governor's Office for related legal and information technology services.

**H.B. 17-1326 (JUSTICE REINVESTMENT CRIME PREVENTION INITIATIVE):** Creates the Justice Reinvestment Crime Prevention Initiative in DOLA's Division of Local Government to provide small business loans and grants

that are designed to reduce crime and promote community development in the target communities of north Aurora and southeast Colorado Springs.

- Requires the Division to issue a request for participation from one or more nondepository community development financial institution loan funds to participate in the small business lending program. Requires the Division to enter into a contract with the selected funds to define the operating terms of the loan program; however, limits the loans to five years and \$50,000.
- Requires the Division to issue a request for participation to select one or more community foundations to manage the grant program. Allows the grant program to fund:
  - academic improvement programs;
  - community-based services;
  - community engagement programs;
  - increasing safety and usability of common outdoor-spaces programs;
  - technical assistance related to data collection, data analysis, and evaluation; and
  - administrative costs of the foundation.

Funds the above-described program through various changes to parole, and establishes a new Parole Savings Fund to consist of “money generated by savings created in enacting [this act] and appropriated to the fund by the General Assembly”. Requires the State Treasurer to transfer to the General Fund any unexpended and unencumbered money remaining in the Fund at the end of the fiscal year. Subject to annual appropriation, allows money in the Fund to be expended by:

- DOLA’s Division of Local Government to provide small business lending and grants through the above-described program; and
- the Department of Corrections (DOC) for external capacity if the anticipated reduction in the use of private prison beds from the act’s parole changes are not achieved.

For FY 2017-18, the act provides direct General Fund appropriations for the DOLA lending and grant programs. In subsequent fiscal years, the lending and grant programs will be supported by appropriations from the Parole Savings Fund. Adjusts FY 2017-18 appropriations to the DOC and DOLA as follows:

H.B. 17-1326 ADJUSTMENTS TO FY 2017-18 APPROPRIATIONS	
	GENERAL FUND
Department of Corrections (DOC) Appropriation Changes	
Payments to local jails	\$13,595
Payments to in-state private prisons	(2,165,720)
Payments to pre-release parole revocation facilities	(1,082,860)
Payments to community return to custody facilities	(2,775,738)
Parole personal services	36,254
FTE	(0.8 FTE)
Parole operating expenses	5,463
Computer programming	103,824
<b>TOTAL DOC ADJUSTMENTS</b>	<b>(\$5,865,182)</b>
Department of Local Affairs (DOLA) Appropriation Changes	
Division of Local Government	\$51,001
FTE	(0.8 FTE)
Computer programming	48,288
Legal services	4,753
Small business lending	1,000,000
Grants for crime reduction and community development	3,000,000
Appropriation to the Parole Savings Fund	1,761,140
<b>TOTAL DOLA ADJUSTMENTS</b>	<b>\$5,865,182</b>
<b>OVERALL GENERAL FUND ADJUSTMENTS</b>	<b>\$0</b>

## 2018 SESSION BILLS

**S.B. 18-005 (RURAL ECONOMIC ADVANCEMENT OF COLORADO TOWNS):** Requires the Department of Local Affairs to act as the designated agency for coordinating the State's response to significant economic events in rural communities, including a plant closure or substantial layoff.

**S.B. 18-007 (AFFORDABLE HOUSING TAX CREDIT):** Changes the name of the existing low-income housing tax credit to the affordable housing tax credit, and authorizes an additional five years (2019 to 2024) in which the Colorado Housing and Finance Authority may allocate an additional \$150 million in tax credits.

**S.B. 18-016 (CONTINUE TRANSFER OF COMMUNITY CORRECTIONS REVERSIONS):** Continues indefinitely the annual transfer of any unspent General Fund appropriations for the Department of Public Safety's community corrections programs to the Housing Assistance for Persons Transitioning from the Criminal or Juvenile Justice System Cash Fund. Authorizes DOLA to spend appropriations from this fund over a two-year period. Appropriates \$60,788 to DOLA for FY 2018-19 from reappropriated funds transferred from the associated housing assistance line item appropriation, and states the assumption that DOLA will require an additional 1.0 FTE.

**S.B. 18-191 (LOCAL GOVERNMENT LIMITED GAMING IMPACT FUND):** Modifies the annual distribution of the State share of gaming tax revenues by increasing the distribution to the Local Government Limited Gaming Impact Fund (the Fund) to include \$5.0 million plus an annual increase equal to the growth of the State share of gaming tax revenue. Also requires a transfer to the Fund at the beginning of the fiscal year, starting in FY 2018-19, equal to DOLA's projected direct and indirect costs of administering the associated grant program; any unspent money from this transfer reverts to the Fund. For FY 2018-19 and 2019-20, requires that \$100,000 of the amount allocated to the Gambling Addiction Account within the Fund be appropriated for two purposes:

- \$50,000 to DOLA to study and establish policies and procedures concerning what constitutes documented gaming impacts for which local governments may receive state financial assistance; and
- \$50,000 to the Department of Human Services (DHS) to develop a plan for a successful gambling addiction program.

Eliminates the \$100,000 cash funds appropriation to DHS from the Gambling Addiction Account for FY 2018-19 for gambling addiction services and appropriates this money to DOLA and DHS as required by the act for FY 2018-19.

**H.B. 18-1249 (ANVIL POINTS FEDERAL MINERAL LEASE DISTRIBUTION):** Modifies the distribution of certain money the State may receive from the federal government from oil and gas production on naval oil shale reserve land. Specifically, in lieu of the existing statutory allocation for federal mineral lease revenues, requires the State Treasurer to distribute any such revenues received by the State to four counties (or to related federal mineral lease districts, if applicable) as follows: 40.0 percent each to Garfield and Rio Blanco counties, and 10.0 percent each to Mesa and Moffat counties.

**H.B. 18-1267 (INCOME TAX CREDIT FOR RETROFITTING A RESIDENCE):** For tax years 2019 through 2023, allows certain taxpayers to claim a state income tax credit for a portion of qualified costs incurred while retrofitting their residence for the purpose of improving accessibility, increasing visitability, or allowing qualified individuals to age in place. Requires DOLA's Division of Housing to certify that the taxpayer meets specified requirements, issue tax credits, and ensure that the total amount of credits issued does not exceed \$1.0 million each year. Appropriates \$132,328 General Fund to DOLA for FY 2018-19, and states the assumption that DOLA will require an additional 1.0 FTE. Appropriates \$65,508 of this amount to the Office of the Governor for FY 2018-19 to provide information technology services to DOLA.

**H.B. 18-1315 (MANUFACTURED HOMES SALES TAX EXEMPTION):** Beginning July 1, 2019, exempts manufactured homes from state sales and use tax.

**H.B. 18-1322 (LONG BILL):** General appropriations act for FY 2017-18.

**H.B. 18-1326 (SUPPORT FOR TRANSITION FROM INSTITUTIONAL SETTINGS):** Requires the Department of Health Care Policy and Financing (HCPF) to provide support and services to Medicaid clients transitioning from an institutional setting to a home- or community-based setting. Appropriates \$306,000 General Fund to DOLA's Division of Housing for FY 2018-19 to provide housing vouchers for HCPF transition clients. For additional information, see the "Recent Legislation" section at the end of Part III for HCPF.

**H.B. 18-1336 (REPEAL LOCAL GOVERNMENT RETAIL MARIJUANA IMPACT GRANT PROGRAM):** Repeals the Local Government Retail Marijuana Impact Grant Program on July 1, 2019.

**H.B. 18-1339 (BACKGROUND CHECKS FOR EMPLOYEES WITH ACCESS TO FEDERAL TAX INFORMATION):** Requires each applicant, state employee, state contractor, or other individual who has or may have access through a state agency to federal tax information received from the federal government to submit to a fingerprint-based criminal history records check. Specifies that a state agency that shares such federal tax information with a county may authorize and require the county department applicants, employees, contractors, or other individuals to submit to a fingerprint-based criminal history records check. Requires a state agency to deny access to federal tax information received from the federal government to any individual who does not pass the fingerprint-based criminal history record check. Provides FY 2018-19 appropriations to multiple departments for associated costs, including \$6,683 General Fund to DOLA. For additional information, see the "Recent Legislation" section at the end of Part III for the Department of Revenue.

**H.B. 18-1353 (DEFENSE COUNSEL ON FIRST APPEARANCE GRANT PROGRAM):** Creates the Defense Counsel on First Appearance Grant Program in DOLA's Division of Local Government to reimburse local governments for costs associated with the provision of defense counsel to defendants at their first appearances in municipal courts. Allows the Division to spend the annual appropriation for this grant program over two fiscal years. Appropriates \$1,853,037 General Fund to DOLA for FY 2018-19, and states the assumption that DOLA will require an additional 0.5 FTE. Appropriates \$6,078 of this amount to other agencies for FY 2018-19 to provide services to DOLA, including \$4,480 to the Office of the Governor for information technology services and \$1,598 to the Department of Law to provide legal services.

**H.B. 18-1394 (UPDATE COLORADO DISASTER EMERGENCY ACT):** Adds definitions and updates emergency management terminology, and authorizes the Governor to convene a disaster policy group to coordinate policy decisions and to advise the Governor in the emergency event. Subject to available grant funding, continues the Colorado Resiliency Office by codifying it in DOLA. Relocates existing provisions regarding the Expert Emergency Response Committee, makes changes to update emergency management terminology, and adds the Executive Director of DOLA or his or her designee to the Committee. By June 30, 2019, and regularly thereafter, requires the Department of Public Safety's Office of Emergency Management to update the centralized response computer database to include a listing of all-hazards recovery resources located in the state.

**H.B. 18-1409 (CRIME VICTIMS GRANT PROGRAM):** Creates the Community Crime Survivors Grant Program in the Department of Public Health and Environment (DPHE) to provide funding to entities that provide support services and other interventions to crime victims and their immediate family. Repeals the Parole Savings Fund created through H.B. 17-1326, and eliminates the associated \$1,761,140 General Fund appropriation to DOLA for FY 2017-18 that was that was included in H.B. 17-1326 to credit money to the Parole Savings Fund. For additional information, see the "Recent Legislation" section at the end of Part III for DPHE.

# Details

## DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

### FY 2017-18 AND FY 2018-19 APPROPRIATIONS BY DIVISION AND BILL

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2017-18 TOTAL APPROPRIATION:</b>	<b>\$226,968,060</b>	<b>\$10,530,168</b>	<b>\$1,135,343</b>	<b>\$0</b>	<b>\$215,302,549</b>	<b>1,393.3</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Executive Director and Army National Guard	13,723,618	7,180,318	113,285	0	6,430,015	87.7
Division of Veterans Affairs	4,094,878	2,955,920	1,022,058	0	116,900	18.0
Air National Guard	3,503,195	393,930	0	0	3,109,265	48.6
Federal Funded Programs	205,646,369	0	0	0	205,646,369	1,239.0
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
SB 17-254	\$226,868,060	\$10,430,168	\$1,135,343	\$0	\$215,302,549	1,393.3
SB 17-183	100,000	100,000	0	0	0	0.0
<b>FY 2018-19 TOTAL APPROPRIATION:</b>	<b>\$232,023,683</b>	<b>\$11,110,115</b>	<b>\$1,203,530</b>	<b>\$0</b>	<b>\$219,710,038</b>	<b>1,407.2</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Executive Director and Army National Guard	18,291,072	7,302,867	99,239	0	10,888,966	100.5
Division of Veterans Affairs	4,508,349	3,404,058	1,104,291	0	0	19.1
Air National Guard	3,577,893	403,190	0	0	3,174,703	48.6
Federal Funded Programs	205,646,369	0	0	0	205,646,369	1,239.0
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
HB 18-1322	\$231,900,218	\$10,986,650	\$1,203,530	\$0	\$219,710,038	1,406.1
HB 18-1337	123,465	123,465	0	0	0	1.1
<b>INCREASE/(DECREASE)</b>	<b>\$5,055,623</b>	<b>\$579,947</b>	<b>\$68,187</b>	<b>\$0</b>	<b>\$4,407,489</b>	<b>13.9</b>
Percentage Change	2.2%	5.5%	6.0%	n/a	2.0%	1.0%

**INFORMATIONAL FUNDS:** The FY 2018-19 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Military and Veterans Affairs are annotated with the "(I)". For additional information, see Appendix E.

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2018-19 Appropriations containing an (I) notation	\$219,710,038	\$0	\$0	\$0	\$219,710,038

## 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's Office, 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 and operations costs for Army National Guard facilities.

The federal government fully funds National Guard training and provides most of the funding for construction of armories and other military facilities. Under cooperative agreements with the federal government, the Department is responsible for a portion of maintenance and operations costs for the military facilities in the State. The state's share varies by function and facility. Most of the Department's General Fund expenditures for personal services costs are for administrative and professional staff in the Executive Director/Army National Guard Office and for the labor trades and crafts employees who maintain and repair the armories and other military facilities. The Division also provides support for the Colorado Wing of the Civil Air Patrol and administers the Colorado National Guard Tuition Program.

The Division is funded by General Fund, cash funds, and federal funds. The cash funds sources include armory rental fees, real estate proceeds, and the Western Slope Military Veterans' Cemetery Fund. 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 2017-18 APPROPRIATION:						
SB 17-254	\$13,623,618	\$7,080,318	\$113,285	\$0	\$6,430,015	87.7
SB 17-183	100,000	100,000	0	0	0	0.0
<b>TOTAL</b>	<b>\$13,723,618</b>	<b>\$7,180,318</b>	<b>\$113,285</b>	<b>\$0</b>	<b>\$6,430,015</b>	<b>87.7</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$13,723,618	\$7,180,318	\$113,285	\$0	\$6,430,015	87.7
Informational funds adjustments	4,286,065	0	0	0	4,286,065	12.7
Centrally appropriated line items	344,734	201,756	14,293	0	128,685	0.0
Federal administrative support and indirect cost adjustments	112,568	(2,851)	3,137	0	112,282	0.0
Safety training	54,585	54,585	0	0	0	0.0
Annualize prior year budget actions	(100,888)	(30,941)	(1,866)	0	(68,081)	0.1
Annualize prior year legislation	(100,000)	(100,000)	0	0	0	0.0
Cash funds adjustments	(29,610)	0	(29,610)	0	0	0.0
<b>HB 18-1322</b>	<b>\$18,291,072</b>	<b>\$7,302,867</b>	<b>\$99,239</b>	<b>\$0</b>	<b>\$10,888,966</b>	<b>100.5</b>
<b>TOTAL</b>	<b>\$18,291,072</b>	<b>\$7,302,867</b>	<b>\$99,239</b>	<b>\$0</b>	<b>\$10,888,966</b>	<b>100.5</b>
<b>INCREASE/(DECREASE)</b>	<b>\$4,567,454</b>	<b>\$122,549</b>	<b>(\$14,046)</b>	<b>\$0</b>	<b>\$4,458,951</b>	<b>12.8</b>
Percentage Change	33.3%	1.7%	(12.4%)	n/a	69.3%	14.6%

### FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**INFORMATIONAL FUNDS ADJUSTMENTS:** The appropriation includes adjustments to federal funds shown for informational purposes. Most of the adjustment is for an increase in funding anticipated to be received for the Army National Guard Cooperative Agreement.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items, as detailed in the following table.

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey	\$276,353	\$101,574	\$4,553	\$0	\$170,226	0.0
Workers' compensation	28,674	13,782	0	0	14,892	0.0
Payment to risk management / property funds	98,708	98,708	0	0	0	0.0
CORE accounting system	7,816	7,816	0	0	0	0.0
Legal services	4,396	4,396	0	0	0	0.0
Shift differential	3,242	0	0	0	3,242	0.0
Health, life, and dental	(32,822)	31,614	4,049	0	(68,485)	0.0
Payments to OIT	(25,028)	(25,028)	0	0	0	0.0
Vehicle lease payments	(6,701)	(40,090)	0	0	33,389	0.0
Capitol Complex leased space	(6,093)	(6,093)	0	0	0	0.0
Short-term disability	(1,451)	(235)	79	0	(1,295)	0.0
PERA retirement fund AED	(1,180)	7,656	2,806	0	(11,642)	0.0
PERA retirement fund SAED	(1,180)	7,656	2,806	0	(11,642)	0.0
<b>TOTAL</b>	<b>\$344,734</b>	<b>\$201,756</b>	<b>\$14,293</b>	<b>\$0</b>	<b>\$128,685</b>	<b>0.0</b>

**FEDERAL ADMINISTRATIVE SUPPORT AND INDIRECT COST ADJUSTMENTS:** The appropriation includes an increase for the centralized personnel plan, which provides federal cost-sharing for administrative activities. The appropriation also includes an adjustment for cash funds collected for the Department's statewide indirect cost assessment.

**SAFETY TRAINING:** The appropriation adds \$54,585 General Fund for training, materials and equipment to support the Department safety program for all personnel. This amount decreases to \$24,085 General Fund in FY 2019-20 and subsequent years.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions. Most of the adjustment is for salary survey and merit pay. Salary survey and merit may be centrally-appropriated in the first year awarded and are transferred to other divisions in the second (annualization) year.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation eliminates one-time funding appropriated in S.B. 17-183 (U.S.S. Colorado Commissioning).

**CASH FUNDS ADJUSTMENTS:** The appropriation includes adjustments to align cash funds appropriations and actual expenditures.

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

## DIVISION OF VETERANS AFFAIRS

The Division of Veterans Affairs represents veterans in federal benefits claims and provides information, training, and direct funding to county veterans service officers. The State Board of Veterans Affairs makes grants to veterans' service organizations from the Veterans Trust Fund, which receives tobacco master settlement revenue. The Division has received an appropriation of \$1.0 million General Fund annually since FY 2012-13 to provide



additional grants to organizations serving veterans, with priority given to homeless veterans services. The Division also maintains the Western Slope Veterans' Cemetery in Grand Junction.

The cash funds sources are the Colorado State Veterans Trust Fund (tobacco master settlement revenue) and the Western Slope Military Veterans' Cemetery Fund.

DIVISION OF VETERANS AFFAIRS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$4,094,878	\$2,955,920	\$1,022,058	\$0	\$116,900	18.0
<b>TOTAL</b>	<b>\$4,094,878</b>	<b>\$2,955,920</b>	<b>\$1,022,058</b>	<b>\$0</b>	<b>\$116,900</b>	<b>18.0</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$4,094,878	\$2,955,920	\$1,022,058	\$0	\$116,900	18.0
Increase for County Veterans Services Officers	300,000	300,000	0	0	0	0.0
Tobacco Master Settlement Agreement revenue adjustment	80,367	0	80,367	0	0	0.0
Annualize prior year budget actions	27,799	23,473	1,866	0	2,460	0.0
Support for joint information request with Health Care Policy and Financing	1,200	1,200	0	0	0	0.0
Federal funds adjustments	(119,360)	0	0	0	(119,360)	0.0
<b>HB 18-1322</b>	<b>\$4,384,884</b>	<b>\$3,280,593</b>	<b>\$1,104,291</b>	<b>\$0</b>	<b>\$0</b>	<b>18.0</b>
HB 18-1337	123,465	123,465	0	0	0	1.1
<b>TOTAL</b>	<b>\$4,508,349</b>	<b>\$3,404,058</b>	<b>\$1,104,291</b>	<b>\$0</b>	<b>\$0</b>	<b>19.1</b>
<b>INCREASE/(DECREASE)</b>	\$413,471	\$448,138	\$82,233	\$0	(\$116,900)	1.1
Percentage Change	10.1%	15.2%	8.0%	n/a	(100.0%)	6.1%

#### FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**INCREASE FOR COUNTY VETERANS SERVICES OFFICERS:** The appropriation includes an increase of \$300,000 General Fund for county veterans' services officer payments. This appropriation funds a reimbursement program that assists all Colorado counties with the personal services and operating costs associated with their veterans' services offices. These officers assist Colorado's military veterans in claiming their federal benefits.

**TOBACCO MASTER SETTLEMENT AGREEMENT REVENUE ADJUSTMENT:** The appropriation includes an adjustment based on the Legislative Council FY 2018-19 Tobacco Master Settlement Agreement revenue projection.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year salary survey and merit pay.

**SUPPORT FOR JOINT INFORMATION REQUEST WITH HEALTH CARE POLICY AND FINANCING:** The appropriation includes \$1,200 General Fund for travel costs to enable Department staff to learn about a Washington State program that matches Medicaid and federal Veterans Administration (VA) data and assists veterans in increasing the use of VA services in lieu of Medicaid.

**FEDERAL FUNDS ADJUSTMENTS:** The appropriation includes adjustments to federal funds shown for informational purposes. Beginning in FY 2018-19, the Long Bill no longer reflects federal funds that are deposited to the Western Slope Military Veterans' Cemetery Fund, since these amounts are appropriated in this division as cash funds.

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

## 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, based on the type and use of each building and whether it is on state or federal land. The federal government also funds 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 2017-18 APPROPRIATION:						
SB 17-254	\$3,503,195	\$393,930	\$0	\$0	\$3,109,265	48.6
<b>TOTAL</b>	<b>\$3,503,195</b>	<b>\$393,930</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,109,265</b>	<b>48.6</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$3,503,195	\$393,930	\$0	\$0	\$3,109,265	48.6
Annualize prior year budget actions	74,698	9,260	0	0	65,438	0.0
Air National Guard reorganization	0	0	0	0	0	0.0
<b>HB 18-1322</b>	<b>\$3,577,893</b>	<b>\$403,190</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,174,703</b>	<b>48.6</b>
<b>TOTAL</b>	<b>\$3,577,893</b>	<b>\$403,190</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,174,703</b>	<b>48.6</b>
<b>INCREASE/(DECREASE)</b>	\$74,698	\$9,260	\$0	\$0	\$65,438	0.0
Percentage Change	2.1%	2.4%	n/a	n/a	2.1%	0.0%

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year salary survey and merit pay.

**AIR NATIONAL GUARD REORGANIZATION:** The appropriation includes net \$0 adjustments to line items in the Air National Guard division.

## FEDERAL FUNDED PROGRAMS

This section provides an estimate of 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. Federal funds are received 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 2017-18 APPROPRIATION:						
SB 17-254	\$205,646,369	\$0	\$0	\$0	205,646,369	1,239.0
<b>TOTAL</b>	<b>\$205,646,369</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$205,646,369</b>	<b>1,239.0</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$205,646,369	\$0	\$0	\$0	\$205,646,369	1,239.0
<b>HB 18-1322</b>	<b>\$205,646,369</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$205,646,369</b>	<b>1,239.0</b>
<b>TOTAL</b>	<b>\$205,646,369</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$205,646,369</b>	<b>1,239.0</b>
<b>INCREASE/(DECREASE)</b>	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	n/a	n/a	n/a	0.0%	0.0%

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**NO CHANGES:** The appropriation does not contain changes from the FY 2017-18 appropriation.

## RECENT LEGISLATION

### 2017 SESSION BILLS

**S.B. 17-174 (ALLOCATION OF MONEY FOR NATIONAL GUARD TUITION):** Removes the statutory reference to the Colorado Commission on Higher Education allocating funds for the Colorado National Guard Tuition Fund, allowing the Joint Budget Committee to make the program's future appropriations directly from the General Fund to the Department of Military and Veterans Affairs.

**S.B. 17-183 (SUPPORT USS COLORADO COMMISSIONING):** Appropriates \$100,000 General Fund for FY 2017-18 to the Department of Military and Veterans Affairs and requires the Department to make grants in support of the USS Colorado, a nuclear submarine expected to be commissioned in 2017.

**S.B. 17-212 (SUNSET BOARD OF VETERANS AFFAIRS):** Implements the recommendations in the Department of Regulatory Agencies' sunset report on the Board of Veterans Affairs and eliminates the repeal date of the board.

**S.B. 17-254 (LONG BILL):** General appropriations act for FY 2017-18.

### 2018 SESSION BILLS

**H.B. 18-1322 (LONG BILL):** General appropriations act for FY 2018-19.

**H.B. 18-1337 (VETERANS' ONE-STOP CENTER IN GRAND JUNCTION):** Authorizes the Department of Military and Veterans Affairs to operate a veterans' one-stop center in Grand Junction. The Department may staff the center with department employees or contract with one or more private vendors for the management of the facility. The Department is required to establish an advisory board for the center and develop procedures for evaluating the center's effectiveness. The Department may also provide identification cards issued by the U.S. Department of Defense to eligible military members, retirees, and their family members. Creates the Veterans One-Stop Center Cash Fund, consisting of money generated from the public or private use of the veterans' one-stop center. Authorizes appropriations for the center from either the cash fund or the General Fund and provides a General Fund appropriation of \$123,465 and 1.1 FTE to the Department for FY 2018-19. This amount is expected to annualize to \$182,392 General Fund and 3.1 FTE in FY 2019-20.

# Details

## DEPARTMENT OF NATURAL RESOURCES

### FY 2017-18 AND FY 2018-19 APPROPRIATIONS BY DIVISION AND BILL

DEPARTMENT OF NATURAL RESOURCES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2017-18 TOTAL APPROPRIATION:</b>	<b>\$295,292,465</b>	<b>\$30,864,532</b>	<b>\$230,795,872</b>	<b>\$6,932,593</b>	<b>\$26,699,468</b>	<b>1,458.6</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Executive Director's Office	67,718,528	9,912,501	49,817,748	6,707,593	1,280,686	52.2
Division of Reclamation, Mining, and Safety	7,949,217	0	4,460,425	0	3,488,792	67.9
Oil and Gas Conservation Commission	12,471,154	0	12,370,025	0	101,129	110.3
State Board of Land Commissioners	5,089,096	0	4,864,096	225,000	0	41.0
Division of Parks and Wildlife	140,032,678	150,000	118,491,675	0	21,391,003	886.5
Colorado Water Conservation Board	38,799,973	0	38,597,165	0	202,808	46.7
Division of Water Resources	23,231,819	20,802,031	2,194,738	0	235,050	254.0
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
SB 17-254	\$261,308,465	\$30,864,532	\$196,811,872	\$6,932,593	\$26,699,468	1,458.6
SB 17-202	3,850,000	0	3,850,000	0	0	0.0
HB 17-1248	30,134,000	0	30,134,000	0	0	0.0
<b>FY 2018-19 TOTAL APPROPRIATION:</b>	<b>\$305,365,244</b>	<b>\$32,005,418</b>	<b>\$238,857,665</b>	<b>\$7,933,687</b>	<b>\$26,568,474</b>	<b>1,464.5</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Executive Director's Office	74,069,656	10,600,896	54,483,404	7,708,687	1,276,669	52.2
Division of Reclamation, Mining, and Safety	7,894,082	0	4,502,244	0	3,391,838	65.8
Oil and Gas Conservation Commission	18,050,559	0	17,950,270	0	100,289	116.3
State Board of Land Commissioners	5,181,149	0	4,956,149	225,000	0	42.0
Division of Parks and Wildlife	142,762,153	150,000	121,241,275	0	21,370,878	887.5
Colorado Water Conservation Board	33,772,994	0	33,577,344	0	195,650	46.7
Division of Water Resources	23,634,651	21,254,522	2,146,979	0	233,150	254.0
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
HB 18-1322	\$277,648,350	\$32,005,418	\$211,140,771	\$7,933,687	\$26,568,474	1,464.5
SB 18-218	24,716,894	0	24,716,894	0	0	0.0
HB 18-1338	3,000,000	0	3,000,000	0	0	0.0
<b>INCREASE/(DECREASE)</b>	<b>\$10,072,779</b>	<b>\$1,140,886</b>	<b>\$8,061,793</b>	<b>\$1,001,094</b>	<b>(\$130,994)</b>	<b>5.9</b>
Percentage Change	3.4%	3.7%	3.5%	14.4%	(0.5%)	0.4%

**INFORMATIONAL FUNDS:** The FY 2018-19 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Natural Resources are annotated with the "(I)". For additional information, see Appendix E.

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2018-19 Appropriations containing an (I) notation	\$51,317,729	\$0	\$24,749,255	\$0	\$26,568,474

## DETAIL OF APPROPRIATION BY ADMINISTRATIVE SECTION

### EXECUTIVE DIRECTOR'S OFFICE

The Executive Director's Office is responsible for the management and administration of the Department, including: departmental administration and policy development, human resources, accounting and purchasing, budgeting, and information technology services. The Colorado Avalanche Information Center is also included as a special program within this division. Funding consists of \$10.6 million from the General Fund, \$49.2 million from various cash funds, and \$2.1 million from the Severance Tax Operational Fund to pay for employee benefits and other central services. An additional \$3.0 million from the Species Conservation Trust Fund is provided pursuant to H.B. 18-1338 (Reduced Revenue Severance Tax Operational Fund Transfers). Reappropriated funds are from indirect cost recoveries.

EXECUTIVE DIRECTOR'S OFFICE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$63,868,528	\$9,912,501	\$45,967,748	\$6,707,593	\$1,280,686	52.2
SB 17-202	3,850,000	0	3,850,000	0	0	0.0
<b>TOTAL</b>	<b>\$67,718,528</b>	<b>\$9,912,501</b>	<b>\$49,817,748</b>	<b>\$6,707,593</b>	<b>\$1,280,686</b>	<b>52.2</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$67,718,528	\$9,912,501	\$49,817,748	\$6,707,593	\$1,280,686	52.2
Centrally appropriated line items	9,713,556	1,787,107	7,539,721	322,105	64,623	0.0
Increase IT application development and support	115,445	36,942	66,976	9,236	2,291	0.0
Plugging and reclaiming orphan wells spending authority	39,797	0	39,797	0	0	0.0
CPW leased space refinance	21,540	0	21,540	0	0	0.0
Indirect cost adjustment	13,264	(670,293)	15,552	670,293	(2,288)	0.0
Additional staffing and equipment for flowline safety	2,148	0	2,148	0	0	0.0
Other technical adjustments	556	0	556	0	0	0.0
EDO line item reorganization	0	0	0	0	0	0.0
Additional staff for SLB stewardship	0	0	0	0	0	0.0
Annualize prior year legislation	(3,850,000)	0	(3,850,000)	0	0	0.0
Annualize prior year budget actions	(2,705,178)	(465,361)	(2,170,634)	(540)	(68,643)	0.0
<b>HB 18-1322</b>	<b>\$71,069,656</b>	<b>\$10,600,896</b>	<b>\$51,483,404</b>	<b>\$7,708,687</b>	<b>\$1,276,669</b>	<b>52.2</b>
HB 18-1338	3,000,000	0	3,000,000	0	0	0.0
<b>TOTAL</b>	<b>\$74,069,656</b>	<b>\$10,600,896</b>	<b>\$54,483,404</b>	<b>\$7,708,687</b>	<b>\$1,276,669</b>	<b>52.2</b>
<b>INCREASE/(DECREASE)</b>	<b>\$6,351,128</b>	<b>\$688,395</b>	<b>\$4,665,656</b>	<b>\$1,001,094</b>	<b>(\$4,017)</b>	<b>0.0</b>
Percentage Change	9.4%	6.9%	9.4%	14.9%	(0.3%)	0.0%

### FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

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

**INCREASE IT APPLICATION AND DEVELOPMENT SUPPORT:** The appropriation includes an increase of \$115,445 total funds, including \$36,942 General Fund. This appropriation will allow the Department to purchase an additional 1,548 hours of software development and support from the Governor's Office of Information Technology (OIT).

**PLUGGING AND RECLAIMING ORPHAN WELLS SPENDING AUTHORITY:** The appropriation includes an increase of \$39,797 cash funds spending authority from the Oil and Gas Conservation and Environmental Response Fund to allow the number of projects undertaken to plug and reclaim oil and gas wells that have been abandoned by the operator or historic ones recently discovered.

**CPW LEASED SPACE REFINANCE:** The appropriation includes an increase of \$21,450 cash funds to the EDO's Leased Space line item, which is matched with an equivalent reduction from the Division of Parks and Wildlife's (CPW's) Wildlife Operations line item. This expenditure covers the cost of new leased space for CPW's Wildlife Area 3 administrative staff.

**INDIRECT COST ADJUSTMENT:** The appropriation includes an increase in the amount of indirect cost recoveries applied to offset the need for General Fund in this division, which appears as an increase of reappropriated funds and a decrease in the appropriation of General Fund.

**ADDITIONAL STAFFING AND EQUIPMENT FOR FLOWLINE SAFETY:** The appropriation includes an increase of \$2,148 cash funds from the Oil and Gas Conservation Commission (OGCC) Emergency and Environmental Response fund to increase the capacity for oversight of flowlines constructed by oil and gas operators. The additional funding will allow the OGCC to have a flowline specialist on the West Slope and adds another flowline engineer to review plans and integrity tests of flowlines submitted by operators.

**OTHER TECHNICAL ADJUSTMENTS:** The appropriation includes an increase of \$556 cash funds and the addition of a new line items in the Executive Director's Office for Administrative Law Judge Services.

**EDO LINE ITEM REORGANIZATION:** The appropriation includes a budget neutral line item reorganization in the Department's Executive Director's Office. The bill creates a new Capital Outlay line item in the EDO, shifting \$1,057,006 cash funds and \$5,337 federal funds from the EDO's Operating Expenses line item. This reorganization will more accurately reflect the EDO's expenditures and increase budgetary transparency.

**ADDITIONAL STAFF FOR SLB STEWARDSHIP:** The appropriation is to address deficiencies identified in the October 2017 Performance Audit surrounding administration of its Stewardship Trust lands, as required by a 1996 constitutional amendment. Additional staff will allow the Land Board to catch up on reviewing and amending the backlog of lease contracts on Stewardship Trust lands for which no Stewardship-specific provisions are included.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes a decrease of \$3,850,000 cash funds for the second-year impacts of S.B. 17-202 (Species Conservation Fund Bill).

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes a decrease of \$2,705,178 total funds, including a decrease of \$465,361 General Fund, for the second-year impact of prior year salary survey and merit pay.

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

## DIVISION OF RECLAMATION, MINING, AND SAFETY

The Division of Reclamation, Mining, and Safety includes four main program areas, described below, which are primarily funded by the Severance Tax Operational Fund and federal grants.

- The **Coal Regulatory Program** issues and enforces mining and reclamation permits for coal mines in Colorado on state, federal, and private lands, including ensuring compliance with the requirements of the federal Surface Mining Control and Reclamation Act. The program is currently responsible for 37 permitted mines and 57 exploration units (permitted areas covering 174,500 acres).
- The **Minerals Regulatory Program** issues and enforces mining and reclamation permits for all non-coal mines in Colorado on state, federal, and private lands. The program permits and inspects the 1,710 non-coal mines in Colorado (190,019 permitted acres) and regulates 168 active prospecting operations.
- The **Inactive Mines Reclamation Program** safeguards mine openings, inspects and monitors inactive mine sites, and reclaims abandoned mines. A total of 9,472 hazardous mine openings have been reclaimed since the program started and approximately 13,528 hazardous mine openings remain in Colorado.
- The **Mine Safety 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.

DIVISION OF RECLAMATION, MINING, AND SAFETY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$7,949,217	\$0	\$4,460,425	\$0	\$3,488,792	67.9
<b>TOTAL</b>	<b>\$7,949,217</b>	<b>\$0</b>	<b>\$4,460,425</b>	<b>\$0</b>	<b>\$3,488,792</b>	<b>67.9</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$7,949,217	\$0	\$4,460,425	\$0	\$3,488,792	67.9
Annualize prior year budget actions	115,708	0	53,026	0	62,682	0.0
Indirect cost adjustment	21,168	0	29,919	0	(8,751)	0.0
Other technical adjustments	0	0	0	0	0	(1.1)
RMS coal program reduction	(189,276)	0	(39,748)	0	(149,528)	(1.0)
Centrally appropriated line items	(2,735)	0	(1,378)	0	(1,357)	0.0
<b>HB 18-1322</b>	<b>\$7,894,082</b>	<b>\$0</b>	<b>\$4,502,244</b>	<b>\$0</b>	<b>\$3,391,838</b>	<b>65.8</b>
<b>TOTAL</b>	<b>\$7,894,082</b>	<b>\$0</b>	<b>\$4,502,244</b>	<b>\$0</b>	<b>\$3,391,838</b>	<b>65.8</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$55,135)</b>	<b>\$0</b>	<b>\$41,819</b>	<b>\$0</b>	<b>(\$96,954)</b>	<b>(2.1)</b>
Percentage Change	(0.7%)	n/a	0.9%	n/a	(2.8%)	(3.1%)

### FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes a decrease of \$115,708 cash funds for the second-year impact of prior year salary survey and merit pay.

**INDIRECT COST ASSESSMENT:** The appropriation includes an increase in the division's indirect cost assessment.

**OTHER TECHNICAL ADJUSTMENTS:** The appropriation includes a decrease of 1.1 FTE to the Minerals subdivision to more accurately account for the FTE in this subdivision.

**RMS COAL PROGRAM REDUCTION:** The appropriation includes a decrease of \$189,276 total funds and 1.0 FTE, consisting of \$149,528 federal funds and \$39,748 cash funds from the Severance Tax Operational Fund to reflect reduced grants from the federal government anticipated in FY 2018-19 and the reduced need for matching funds.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to payments to the Governor's Office of Information Technology (OIT) for the division.

## OIL AND GAS CONSERVATION COMMISSION

The Oil and Gas Conservation Commission (OGCC) is responsible for promoting the exploration, development, and conservation of Colorado's oil and natural gas resources. The OGCC also has the authority to regulate oil and gas operations to protect public health, prevent significant adverse environmental impacts, and prevent waste. In addition to enforcement, this responsibility involves: answering complaints and inquiries; responding to oil and gas spills and other environmental emergencies at production sites; managing reclamation work at abandoned well sites; and performing baseline water quality studies. Funding for the OGCC is from the Oil and Gas Conservation and Environmental Response Fund, supported by a mill levy on oil and gas production, and from the Severance Tax Operational Fund.

OIL AND GAS CONSERVATION COMMISSION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$12,471,154	\$0	\$12,370,025	\$0	\$101,129	110.3
<b>TOTAL</b>	<b>\$12,471,154</b>	<b>\$0</b>	<b>\$12,370,025</b>	<b>\$0</b>	<b>\$101,129</b>	<b>110.3</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$12,471,154	\$0	\$12,370,025	\$0	\$101,129	110.3
Plugging and reclaiming orphan wells spending authority	4,960,203	0	4,960,203	0	0	4.0
Additional staffing and equipment for flowline safety	351,252	0	351,252	0	0	2.0
Annualize prior year budget actions	197,286	0	197,286	0	0	0.0
Indirect cost adjustment	75,553	0	76,393	0	(840)	0.0
Centrally appropriated line items	(4,889)	0	(4,889)	0	0	0.0
<b>HB 18-1322</b>	<b>\$18,050,559</b>	<b>\$0</b>	<b>\$17,950,270</b>	<b>\$0</b>	<b>\$100,289</b>	<b>116.3</b>
<b>TOTAL</b>	<b>\$18,050,559</b>	<b>\$0</b>	<b>\$17,950,270</b>	<b>\$0</b>	<b>\$100,289</b>	<b>116.3</b>
<b>INCREASE/(DECREASE)</b>						
	\$5,579,405	\$0	\$5,580,245	\$0	(\$840)	6.0
Percentage Change	44.7%	n/a	45.1%	n/a	(0.8%)	5.4%

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**PLUGGING AND RECLAIMING ORPHAN WELLS SPENDING AUTHORITY:** The bill includes an increase of \$5.0 million cash funds spending authority and 4.0 FTE from the Oil and Gas Conservation and Environmental Response Fund to fund a number of projects undertaken to plug and reclaim oil and gas wells that have been abandoned by the operator or historic ones recently discovered. The FTE will manage contracts with non-state entities to perform the plugging and reclaiming of the wells and sites and perform inspections once work has been completed.

**ADDITIONAL STAFFING AND EQUIPMENT FOR FLOWLINE SAFETY:** The bill includes an increase of \$351,252 cash funds from the Oil and Gas Conservation Commission (OGCC) Emergency and Environmental Response fund and 2.0 FTE to increase the capacity for oversight of flowlines constructed by oil and gas operators. The additional



funding will allow the OGCC to have a flowline specialist on the Western Slope and adds another flowline engineer to review plans and integrity tests of flowlines submitted by operators.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes an increase of \$197,286 cash funds for the second-year impact of prior year salary survey and merit pay.

**INDIRECT COST ASSESSMENT:** The appropriation includes an increase in the division's indirect cost assessment.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments related to changes in the Governor's Office of Information Technology (OIT) licenses applications and operating systems for the division.

## STATE BOARD OF LAND COMMISSIONERS

The State Board of Land Commissioners (State Land Board) manages eight public trusts of land including the Public School Trust, to raise money for the benefit of K-12 education and other trust beneficiaries as specified in the Colorado Constitution or in statute. Over 98.0 percent of State Land Board revenue is attributable to the Public School Trust and the majority of this amount is from mineral assets including oil and gas leases and bonus payments. Funding for this division reflects the State Land Board's operating costs. Cash funds are from a portion of School Trust revenues, and the reappropriated funds are transferred from the Division of Parks and Wildlife.

STATE BOARD OF LAND COMMISSIONERS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$5,089,096	\$0	\$4,864,096	\$225,000	\$0	41.0
<b>TOTAL</b>	<b>\$5,089,096</b>	<b>\$0</b>	<b>\$4,864,096</b>	<b>\$225,000</b>	<b>\$0</b>	<b>41.0</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$5,089,096	\$0	\$4,864,096	\$225,000	\$0	41.0
Additional staff for SLB stewardship	76,483	0	76,483	0	0	1.0
Annualize prior year budget actions	74,839	0	74,839	0	0	0.0
Indirect cost adjustment	(57,186)	0	(57,186)	0	0	0.0
Centrally appropriated line items	(2,083)	0	(2,083)	0	0	0.0
<b>HB 18-1322</b>	<b>\$5,181,149</b>	<b>\$0</b>	<b>\$4,956,149</b>	<b>\$225,000</b>	<b>\$0</b>	<b>42.0</b>
<b>TOTAL</b>	<b>\$5,181,149</b>	<b>\$0</b>	<b>\$4,956,149</b>	<b>\$225,000</b>	<b>\$0</b>	<b>42.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$92,053</b>	<b>\$0</b>	<b>\$92,053</b>	<b>\$0</b>	<b>\$0</b>	<b>1.0</b>
Percentage Change	1.8%	n/a	1.9%	0.0%	n/a	2.4%

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**ADDITIONAL STAFF FOR SLB STEWARDSHIP:** The bill includes an increase of \$76,483 and 1.0 FTE from the State Land Board Trust Administration Fund to address deficiencies identified in the October 2017 Performance Audit surrounding administration of its Stewardship Trust lands, as required by a 1996 constitutional amendment. Additional staff will allow the Land Board to catch up on reviewing and amending the backlog of lease contracts on Stewardship Trust lands for which no Stewardship-specific provisions are included.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes an increase of \$74,839 cash funds for the second-year impact of prior year salary survey and merit pay.

**INDIRECT COST ASSESSMENT:** The appropriation includes a decrease in the division's indirect cost assessment.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments related to changes in the Governor's Office of Information Technology (OIT) licenses applications and operating systems for the division.

## DIVISION OF PARKS AND WILDLIFE

The Division of Parks and Wildlife (CPW) manages 41 parks and several special purpose programs including the snowmobile program, the off-highway vehicle program, river outfitters regulation, federal grants, aquatic nuisance species control and prevention, and the distribution of trails grants. Funding for the State Parks' programs is a mixture of cash funds from license fees, lottery funds, off-highway vehicle recreation funds, severance tax dollars, and other state and federal funds.

The CPW also manages the state's 900 game and non-game wildlife species by issuing fishing and hunting licenses, enforcing wildlife regulations, protecting habitat and native wildlife populations, and managing more than 350 state wildlife areas. Funding for Wildlife operations and programs is a mixture of cash funds from license fees (primarily hunting and fishing licenses), federal funds, Great Outdoors Colorado funds, and various other sources.

DIVISION OF PARKS AND WILDLIFE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$140,032,678	\$150,000	\$118,491,675	\$0	\$21,391,003	886.5
<b>TOTAL</b>	<b>\$140,032,678</b>	<b>\$150,000</b>	<b>\$118,491,675</b>	<b>\$0</b>	<b>\$21,391,003</b>	<b>886.5</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$140,032,678	\$150,000	\$118,491,675	\$0	\$21,391,003	886.5
Annualize prior year budget actions	1,716,855	0	1,716,855	0	0	0.0
Indirect cost adjustment	636,199	0	656,324	0	(20,125)	0.0
State Forest State Park resources increase	375,932	0	375,932	0	0	1.0
Chatfield reallocation project loan repayment increase	59,871	0	59,871	0	0	0.0
Other technical adjustments	16,365	0	16,365	0	0	0.0
Centrally appropriated line items	(54,207)	0	(54,207)	0	0	0.0
CPW leased space refinance	(21,540)	0	(21,540)	0	0	0.0
<b>HB 18-1322</b>	<b>\$142,762,153</b>	<b>\$150,000</b>	<b>\$121,241,275</b>	<b>\$0</b>	<b>\$21,370,878</b>	<b>887.5</b>
<b>TOTAL</b>	<b>\$142,762,153</b>	<b>\$150,000</b>	<b>\$121,241,275</b>	<b>\$0</b>	<b>\$21,370,878</b>	<b>887.5</b>
<b>INCREASE/(DECREASE)</b>	<b>\$2,729,475</b>	<b>\$0</b>	<b>\$2,749,600</b>	<b>\$0</b>	<b>(\$20,125)</b>	<b>1.0</b>
Percentage Change	1.9%	0.0%	2.3%	n/a	(0.1%)	0.1%

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes an increase of \$1,716,855 cash funds for the second-year impact of prior year salary survey and merit pay.

**INDIRECT COST ASSESSMENT:** The appropriation includes an increase in the division's indirect cost assessment.

**STATE FOREST STATE PARK RESOURCES INCREASE:** The appropriation includes an increase of \$375,932 cash funds and 1.0 FTE to support the expansion of operations at the State Forest State Park. The additional resources will allow the Division of Parks and Wildlife to meet its additional operating responsibilities resulting from a new lease to manage the State Land Board's North Park Campground.

**CHATFIELD REALLOCATION PROJECT LOAN REPAYMENT INCREASE:** The appropriation includes an increase of \$59,871 cash funds for the Division of Parks and Wildlife's Chatfield Reallocation Project. This increase is a result of updated cost estimates for the Project, which will require CPW to increase their loan repayments to the CWCB. The project will reduce depletions and dependency on non-renewable basin groundwater, facilitate re-use of water, and use the existing reservoir capacity to provide additional supplies for municipal and agricultural users without requiring new dam construction.

**OTHER TECHNICAL ADJUSTMENTS:** The appropriation includes an increase of \$16,365 cash funds and the addition of a new line items in the Division of Parks and Wildlife for Annual Depreciation-lease Equivalent Payment.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to payments to the Governor's Office of Information Technology (OIT) for the division.

**CPW LEASED SPACE REFINANCE:** The appropriation includes a decrease of \$21,450 cash funds from the Division of Parks and Wildlife's (CPW's) Wildlife Operations line item. The decrease is matched with an equivalent increase in the EDO's Leased Space line item. This expenditure covers the cost of new leased space for CPW's Wildlife Area 3 administrative staff.

## 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 2017-18 APPROPRIATION:						
SB 17-254	\$9,045,973	\$0	\$8,843,165	\$0	\$202,808	46.7
HB 17-1248	29,754,000	0	29,754,000	0	0	0.0
<b>TOTAL</b>	<b>\$38,799,973</b>	<b>\$0</b>	<b>\$38,597,165</b>	<b>\$0</b>	<b>\$202,808</b>	<b>46.7</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$38,799,973	\$0	\$38,597,165	\$0	\$202,808	46.7
Indirect cost adjustment	300,133	0	311,207	0	(11,074)	0.0
Annualize prior year budget actions	99,353	0	95,437	0	3,916	0.0
CWCB membership dues	65,109	0	65,109	0	0	0.0
Annualize prior year legislation	(29,826,343)	0	(29,826,343)	0	0	0.0
Centrally appropriated line items	(2,125)	0	(2,125)	0	0	0.0
<b>HB 18-1322</b>	<b>\$9,436,100</b>	<b>\$0</b>	<b>\$9,240,450</b>	<b>\$0</b>	<b>\$195,650</b>	<b>46.7</b>
SB 18-218	24,336,894	0	24,336,894	0	0	0.0
<b>TOTAL</b>	<b>\$33,772,994</b>	<b>\$0</b>	<b>\$33,577,344</b>	<b>\$0</b>	<b>\$195,650</b>	<b>46.7</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$5,026,979)</b>	<b>\$0</b>	<b>(\$5,019,821)</b>	<b>\$0</b>	<b>(\$7,158)</b>	<b>0.0</b>
Percentage Change	(13.0%)	n/a	(13.0%)	n/a	(3.5%)	0.0%

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**INDIRECT COST ASSESSMENT:** The appropriation includes an increase in the division's indirect cost assessment.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 17-18 Salary survey	\$78,285	\$0	\$75,405	\$0	\$2,880	0.0
FY 17-18 Merit pay	25,771	0	24,735	0	1,036	0.0
FY 17-18 ISF program assistant	(4,703)	0	(4,703)	0	0	0.0
<b>TOTAL</b>	<b>\$99,353</b>	<b>\$0</b>	<b>\$95,437</b>	<b>\$0</b>	<b>\$3,916</b>	<b>0.0</b>

**CWCB MEMBERSHIP DUES:** The appropriation includes an increase of \$65,109 cash funds for the Colorado Water Conservation Board (CWCB) to pay for increases in membership dues to interstate water organizations. The CWCB Construction Fund will support this expenditure.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments for the second- and third-year impacts of prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 15-1016 Precipitation harvesting pilot project	\$8,160	\$0	\$8,160	\$0	\$0	0.0
HB 17-1248 CWCB projects	(29,754,000)	0	(29,754,000)	0	0	0.0
HB 15-1178 Emergency pumping of high groundwater	(80,503)	0	(80,503)	0	0	0.0
<b>TOTAL</b>	<b>(\$29,826,343)</b>	<b>\$0</b>	<b>(\$29,826,343)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to payments to the Governor's Office of Information Technology (OIT) for the division.

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

## DIVISION OF WATER RESOURCES

This division, also called the Office of the State Engineer, is primarily responsible for administration of water resources. This includes daily oversight of water allocations within the state and downstream interstate compact compliance, monitoring of water supply through stream-flow measurements, and groundwater regulation. The Division administers and operates over 170,000 surface and ground water rights and is responsible for dam safety inspections and groundwater well construction regulation. The Water Resources Cash Fund, the Colorado Water Conservation Board Construction Fund, the Well Inspection Cash Fund, and the Satellite Monitoring System Cash Fund provide the bulk of cash fund revenue.

DIVISION OF WATER RESOURCES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$22,851,819	\$20,802,031	\$1,814,738	\$0	\$235,050	254.0
HB 17-1248	380,000	0	380,000	0	0	0.0
<b>TOTAL</b>	<b>\$23,231,819</b>	<b>\$20,802,031</b>	<b>\$2,194,738</b>	<b>\$0</b>	<b>\$235,050</b>	<b>254.0</b>
FY 2018-19 APPROPRIATION:						

DIVISION OF WATER RESOURCES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 Appropriation	\$23,231,819	\$20,802,031	\$2,194,738	\$0	\$235,050	254.0
Annualize prior year budget actions	477,729	464,262	13,467	0	0	0.0
Annualize prior year legislation	(380,000)	0	(380,000)	0	0	0.0
Interruptible water supply reduction	(61,589)	0	(61,589)	0	0	0.0
Centrally appropriated line items	(11,771)	(11,771)	0	0	0	0.0
Indirect cost adjustment	(1,537)	0	363	0	(1,900)	0.0
<b>HB 18-1322</b>	<b>\$23,254,651</b>	<b>\$21,254,522</b>	<b>\$1,766,979</b>	<b>\$0</b>	<b>\$233,150</b>	<b>254.0</b>
SB 18-218	380,000	0	380,000	0	0	0.0
<b>TOTAL</b>	<b>\$23,634,651</b>	<b>\$21,254,522</b>	<b>\$2,146,979</b>	<b>\$0</b>	<b>\$233,150</b>	<b>254.0</b>
<b>INCREASE/(DECREASE)</b>	\$402,832	\$452,491	(\$47,759)	\$0	(\$1,900)	0.0
Percentage Change	1.7%	2.2%	(2.2%)	n/a	(0.8%)	0.0%

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 17-18 Salary survey	\$344,580	\$335,391	\$9,189	\$0	\$0	0.0
FY 17-18 Merit pay	132,093	127,815	4,278	0	0	0.0
FY 17-18 Assistant subdistrict coordinator	1,056	1,056	0	0	0	0.0
<b>TOTAL</b>	<b>\$477,729</b>	<b>\$464,262</b>	<b>\$13,467</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes a decrease of \$380,000 cash funds for the second-year impacts of H.B.17-1248 (CWCB Projects Bill).

**INTERRUPTIBLE WATER SUPPLY REDUCTION:** The appropriation includes a decrease of \$61,589 cash funds and absorption of the Interruptible Water Supply Program line item into the Division of Water Resources' Water Administration line item.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to payments to the Governor's Office of Information Technology (OIT) for the division.

**INDIRECT COST ASSESSMENT:** The appropriation includes a decrease in the division's indirect cost assessment.

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

## RECENT LEGISLATION

### 2017 SESSION BILLS

**S.B. 17-026 (STATE ENGINEER STATUTES CLEANUP):** Removes obsolete provisions and modernizes the language of state statutes related to the State Engineer and the Division of Water Resources.

**S.B. 17-202 (SPECIES CONSERVATION TRUST FUND PROJECTS):** Authorizes the Department of Natural Resources to obligate and expend \$3.9 million from the Species Conservation Trust Fund in FY 2017-18 for

programs to conserve native species listed as threatened or endangered under state or federal law, or are likely to become candidate species as determined by the United States Fish and Wildlife Services.

**S.B. 17-254 (LONG BILL):** General appropriations act for FY 2017-18.

**S.B. 17-259 (GENERAL FUND TRANSFERS TO PROTECT NATURAL RESOURCES):** Makes transfers totaling \$10.0 million General Fund to support four Severance Tax Tier 2-funded programs as described in the following table:

TRANSFERS OF FUNDS TO SUPPORT SEVERANCE TIER 2 PROGRAMS		
FY 2017-18 TRANSFER ON JUNE 30, 2018	CASH FUNDS	GENERAL FUND
FOREST HEALTH AND WILDFIRE PREVENTION AND MITIGATION PROGRAMS		
Health forest and vibrant communities program	\$1,186,363	(\$1,186,363)
Forest restoration and wildfire risk mitigation grant program	954,545	(954,545)
Wildfire preparedness program	86,364	(86,364)
Wildland-urban interface training program	45,455	(45,455)
Species conservation trust fund	4,090,909	(4,090,909)
AQUATIC NUISANCE SPECIES		
Division of Wildlife--Aquatic nuisance species	2,452,193	(2,452,193)
Division of Parks--Aquatic nuisance species	1,184,171	(1,184,171)
<b>TOTAL</b>	<b>\$10,000,000</b>	<b>(\$10,000,000)</b>

**S.B. 17-260 (SEVERANCE TAX CASH FUND TRANSFER TO GENERAL FUND):** Transfers \$45.7 million funds originating as severance tax revenue to the General Fund.

**H.B. 17-1030 (UPDATE 1921 IRRIGATION DISTRICT LAW):** Updates the 1921 Irrigation District Act. The bill made the following changes: increases the compensation of board members and election judges; clarifies the definitions of agricultural land and landowner; allows an irrigation district to lease its surplus water for any beneficial use permitted by decree or applicable law; clarifies how irrigation district assessments are to be collected, held, and reported; eliminates the bonding requirement for district board members; and modernizes election procedures and procedures for selling surplus property.

**H.B. 17-1248 (CWCB CONSTRUCTION FUND PROJECTS):** Appropriates \$30,134,000 funds from the CWCB Construction Fund to the Department of Natural Resources in FY 2017-18 for various water-related projects. Authorizes the following transfers:

- \$30,000,000 from the Severance Tax Perpetual Base Fund to the Loan Guarantee Fund for repayment of loans made for water projects;
- \$20,000,000 from the Severance Tax Perpetual Base Fund to the CWCB Construction Fund to support appropriations made in other sections of the bill;
- \$10,000,000 from the Severance Tax Perpetual Base Fund to the Water Supply Reserve Fund to support water basin roundtable approved projects;
- \$1,500,000 from the CWCB Construction Fund to replenish the continuously-appropriated Fish and Wildlife Resources Fund;
- \$1,300,000 from the CWCB Construction Fund to replenish the continuously-appropriated Litigation Fund;
- \$500,000 from the CWCB Construction Fund to replenish the continuously-appropriated Flood and Drought Response Fund;
- \$300,000 from the CWCB Construction Fund to replenish the continuously-appropriated Feasibility Study Small Grant Fund; and
- \$260,000 from the CWCB Construction Fund to the Public and Private Utilities Sector Fund to support appropriations made in other sections of the bill.

**H.B. 17-1250 (RENEW AND EXPAND TAX CHECK-OFF TO BENEFIT WILDLIFE):** Extends and modifies the Colorado Nongame Conservation and Wildlife Restoration voluntary checkoff program and establishes the Colorado Nongame Conservation and Wildlife Restoration Cash Fund Authority that is overseen by a board of directors. The bill also creates the Nongame Conservation and Wildlife Restoration Cash Fund. Money in the fund is used by the Division of Parks and Wildlife to support a variety of activities that aid nongame and endangered species work. In addition, a percentage of the checkoff revenue may be given in the form of grants for wildlife rehabilitation in Colorado. Grants will be overseen by the board of directors.

**H.B. 17-1289 (STATE ENGINEER RULES HISTORICAL CONSUMPTIVE USE):** Directs the State Engineer in the Department of Natural Resources (DNR) to adopt rules taking into account local conditions that an applicant can use to calculate the historical consumptive use of a water right. The use of the methodology, approach, or local factors developed by the State Engineer is voluntary, and the resulting calculation of historical consumptive use carries no presumptive effect in the determination by the State Engineer, water referee, or water judge.

## 2018 SESSION BILLS

**S.B. 18-143 (PARKS AND WILDLIFE MEASURES TO INCREASE REVENUE):** Increases fees for the Colorado Parks and Wildlife Division (CPW) for certain hunting and fishing licenses and park passes. In addition, the bill:

- Authorizes CPW to apply a consumer price index to hunting and fishing licenses;
- Creates a new annual resident youth fishing license;
- Authorizes CPW to create a license for young adult hunters and anglers;
- Requires CPW to prepare an annual report on the impact of the fee increases by March 1, 2022; and
- Requires CPW to require individuals entering state parks by means other than motor vehicles to purchase an entrance pass.

**S.B. 18-170 (RESERVOIR RELEASES FOR FISH AND WILDLIFE MITIGATION):** Establishes a water court process by which a storage water right owner may dedicate releases from new capacity in a reservoir to the CWCB in order to reasonably avoid, minimize, or mitigate impacts on fish and wildlife within a qualifying stream reach, if certain conditions are met.

**S.B. 18-218 (CWCB CONSTRUCTION FUND PROJECTS):** Appropriates \$24,716,894 cash funds from the CWCB Construction Fund in FY 2018-19 for various water-related projects. The bill also authorizes the following transfers:

- \$30,000,000 from the Loan Guarantee Fund to the Severance Tax Perpetual Base Fund;
- \$4,000,000 from the Severance Tax Perpetual Base Fund to the CWCB Construction Fund to support appropriations made in other sections of the bill;
- \$2,000,000 from the CWCB Construction Fund to the Water Supply Reserve Fund to support water basin roundtable approved projects;
- \$2,000,000 from the CWCB Construction Fund to replenish the continuously-appropriated Litigation Fund;
- \$500,000 from the CWCB Construction Fund to replenish the continuously-appropriated Flood and Drought Response Fund; and
- \$500,000 from the CWCB Construction Fund to replenish the continuously-appropriated Feasibility Study Small Grant Fund.

**H.B. 18-1008 (MUSSEL-FREE COLORADO ACT):** Creates new financing mechanisms for the Aquatic Nuisance Species (ANS) Program and increases cash fund revenue to the program beginning January 1, 2019, and thereafter from fees on boats. Combines the balances of two existing ANS cash funds.

**H.B. 18-1322 (LONG BILL):** General appropriations act for FY 2018-19.

**H.B. 18-1338 (MEASURES TO ADDRESS REDUCED REVENUE SEVERANCE TAX REVENUES):** Makes a number of transfers to support programs historically funded with Tier 1 or Tier 2 severance tax revenue from the Severance Tax Operational Fund. General descriptions of each transfer are provided below. The fiscal impact of the bill is dependent upon revenue forecasts. The fiscal impact in this bill summary is based on the Governor's Office of Planning and Budgeting March Revenue Forecast, which estimated severance tax revenue in FY 2018-19 will total \$113.0 million. The bill contains the following provisions.

- Transfers a total of \$2,973,869 out of Tier 2 cash funds administered by the Department of Natural Resources back into the Severance Tax Operational Fund, effective upon enactment. This reverses or "claws back" the transfers made to the Department's Tier 2 programs in July 2017. These transfers were based on the June 2017 LCS Forecast which did not fully account for the state's outstanding refund liability associated with *BP America* Supreme Court of Colorado decision. The transfers would not have occurred without the favorable forecast and the revenue would have been allocated to Tier 1 agencies.
- Eliminates the statutory transfer of \$11.4 million required by S.B. 17-260 (Section 39-29-109.3 (1.7), C.R.S.). A transfer of this magnitude would guarantee the Operational Fund would go bankrupt at the end of FY 2017-18.
- Accounts for severance tax refunds attributable to the operational account by diverting income tax revenue to a reserve used to pay these refunds. Refunds count as a reduction in state revenue (thus not fiscal year spending).
- Transfers General Fund into the Operational Fund on July 1, 2018, in an amount equal to total Tier 1 appropriations in FY 2018-19 Long Bill.
- Transfers General Fund into the Operational Fund on January 1 and July 1, 2019, in an amount equal to total Tier 1 appropriations in FY 2019-20 to fulfill the Tier 1 reserve requirement. The transfer on July 1, 2019, is estimated to total \$14,214,854 but is dependent on funding decisions made for Tier 1 programs in the 2019 Long Bill. This estimated figure also serves as the maximum amount that may be transferred for this purpose.
- Transfers General Fund into specific cash funds continuously appropriated to Tier 2 severance tax programs:

TIER 2 PROGRAMS TARGETED WITH TRANSFERS	
TIER 2 PROGRAM	TRANSFER INCLUDED
Aquatic Nuisance Species	\$3,636,364
Species Conservation Trust Fund	3,000,000
Forestry and Wildfire Grants	2,272,727
Soil Conservation Districts Matching Grants	450,000
Forfeited Mine Site Reclamation	127,000
<b>TOTAL TIER 2 TRANSFERS</b>	<b>\$9,486,091</b>

- Diverts all severance tax revenue that would otherwise be distributed to the Operational Fund between February 1, 2018, and June 30, 2019, to the General Fund up to a cap of just under \$41.0 million. If revenue exceeds the cap during the period specified, the excess should be directed back to the Operational Fund. This functions as a "repayment" mechanism to minimize the impact of the legislation on the General Fund. Some severance tax revenue will be realized but it is unclear how much or the timing of it.
- Includes authorizations for species conservation projects submitted by the Director of the Department of Natural Resources that are designed to conserve native species that have been listed as threatened or endangered under state or federal law, or are likely to become candidate species as determined by the United States Fish and Wildlife Service. The funds appropriated are available in FY 2018-19 and remain available for the designated purposes until they are fully expended.



# Details

## DEPARTMENT OF PERSONNEL

### FY 2017-18 AND FY 2018-19 APPROPRIATIONS BY DIVISION AND BILL

DEPARTMENT OF PERSONNEL						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2017-18 TOTAL APPROPRIATION:</b>	<b>\$196,216,235</b>	<b>\$12,499,410</b>	<b>\$14,926,636</b>	<b>\$168,790,189</b>	<b>\$0</b>	<b>422.1</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Executive Director's Office	22,582,887	6,183,389	2,823,899	13,575,599	0	49.3
Division of Human Resources	68,315,150	2,031,559	3,018,534	63,265,057	0	46.7
Constitutionally Independent Entities	548,780	548,780	0	0	0	4.8
Central Services	79,503,398	1,159,017	1,553,595	76,790,786	0	179.5
Division of Accounts and Control	21,073,709	2,568,565	7,424,692	11,080,452	0	97.3
Administrative Courts	4,192,311	8,100	105,916	4,078,295	0	44.5
Division of Capital Assets	0	0	0	0	0	0.0
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
SB 17-254	\$195,012,900	\$12,491,310	\$13,927,636	\$168,593,954	\$0	422.3
SB 17-121	8,100	8,100	0	0	0	0.0
HB 17-1296	196,235	0	0	196,235	0	(0.2)
HB 18-1164	999,000	0	999,000	0	0	0.0
<b>FY 2018-19 TOTAL APPROPRIATION:</b>	<b>\$206,449,496</b>	<b>\$14,074,381</b>	<b>\$14,016,747</b>	<b>\$178,358,368</b>	<b>\$0</b>	<b>425.6</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Executive Director's Office	24,666,041	7,245,207	3,144,322	14,276,512	0	37.3
Division of Human Resources	72,091,473	2,149,308	3,053,288	66,888,877	0	46.7
Constitutionally Independent Entities	567,323	567,323	0	0	0	4.8
Central Services	28,217,252	1,443,470	1,394,720	25,379,062	0	120.7
Division of Accounts and Control	19,914,469	2,669,073	5,961,094	11,284,302	0	97.3
Administrative Courts	4,176,778	0	109,633	4,067,145	0	44.7
Division of Capital Assets	56,816,160	0	353,690	56,462,470	0	74.1
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
HB 18-1322	\$206,417,946	\$14,062,748	\$14,016,747	\$178,338,451	\$0	425.4
HB 18-1224	19,917	0	0	19,917	0	0.2
HB 18-1339	11,633	11,633	0	0	0	0.0
<b>INCREASE/(DECREASE)</b>	<b>\$10,233,261</b>	<b>\$1,574,971</b>	<b>(\$909,889)</b>	<b>\$9,568,179</b>	<b>\$0</b>	<b>3.5</b>
Percentage Change	5.2%	12.6%	(6.1%)	5.7%	n/a	0.8%

**INFORMATIONAL FUNDS:** The FY 2018-19 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Personnel are annotated with the "(I)". For additional information, see Appendix E.

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2018-19 Appropriations containing an (I) notation	\$60,719,964	\$0	\$1,848,701	\$58,871,263	\$0

## DETAIL OF APPROPRIATION BY ADMINISTRATIVE SECTION

### EXECUTIVE DIRECTOR'S OFFICE

This division provides centralized accounting, personnel, and budgeting services for the Department. It also includes the Colorado State Employees Assistance Program (C-SEAP) and the Office of the State Architect. 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 2017-18 APPROPRIATION:						
SB 17-254	\$22,582,887	\$6,183,389	\$2,823,899	\$13,575,599	\$0	49.3
<b>TOTAL</b>	<b>\$22,582,887</b>	<b>\$6,183,389</b>	<b>\$2,823,899</b>	<b>\$13,575,599</b>	<b>\$0</b>	<b>49.3</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$22,582,887	\$6,183,389	\$2,823,899	\$13,575,599	\$0	49.3
Centrally appropriated line items	2,705,679	136,273	264,128	2,305,278	0	0.0
Annualize prior year legislation	434,601	239,769	194,832	0	0	0.0
CORE Operations adjustments	100,622	17,149	8,271	75,202	0	0.0
Indirect cost assessment	95,233	0	0	95,233	0	0.0
Microsoft operating system and Microsoft Office productivity suite service offerings	41,499	9,797	5,138	26,564	0	0.0
Fleet Management adjustments	28,155	0	0	28,155	0	0.0
Governor transition funding	25,000	25,000	0	0	0	0.0
Department operating adjustments	11,503	0	0	11,503	0	0.0
Cybersecurity liability insurance policy	3,069	827	291	1,951	0	0.0
Statewide indirect cost plan adjustments	(709,975)	1,183,598	(52,549)	(1,841,024)	0	0.0
Central Services reorganization	(629,304)	(500,545)	(99,688)	(29,071)	0	(10.0)
Annualize prior year budget actions	(34,561)	(61,683)	0	27,122	0	(2.0)
<b>HB 18-1322</b>	<b>\$24,654,408</b>	<b>\$7,233,574</b>	<b>\$3,144,322</b>	<b>\$14,276,512</b>	<b>\$0</b>	<b>37.3</b>
HB 18-1339	11,633	11,633	0	0	0	0.0
<b>TOTAL</b>	<b>\$24,666,041</b>	<b>\$7,245,207</b>	<b>\$3,144,322</b>	<b>\$14,276,512</b>	<b>\$0</b>	<b>37.3</b>
<b>INCREASE/(DECREASE)</b>	<b>\$2,083,154</b>	<b>\$1,061,818</b>	<b>\$320,423</b>	<b>\$700,913</b>	<b>\$0</b>	<b>(12.0)</b>
Percentage Change	9.2%	17.2%	11.3%	5.2%	n/a	(24.3%)

### FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

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

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments out-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 17-1144 Amend Cap Const Automatic Funding	\$352,601	\$239,769	\$112,832	\$0	\$0	0.0
SB 13-276 Disability investigational and pilot support	82,000	0	82,000	0	0	0.0
<b>TOTAL</b>	<b>\$434,601</b>	<b>239,769</b>	<b>\$194,832</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**CORE OPERATIONS ADJUSTMENTS:** The appropriation adds \$100,622 total funds, including \$17,149 General Fund, for maintenance and operations of the Colorado Operations Resource Engine (CORE).

**INDIRECT COST ASSESSMENT:** The appropriation includes a net increase in indirect cost assessments in this division.

**MICROSOFT OPERATING SYSTEM AND MICROSOFT OFFICE PRODUCTIVITY SUITE SERVICE OFFERINGS:** The appropriation includes an increase of \$41,499 total funds, including \$9,979 General Fund, transferred to the Governor's Office of Information Technology to transition from a non-consolidated licensing approach for operating system and Microsoft Office applications to a centralized approach managed by the Office for all state agencies.

**FLEET MANAGEMENT ADJUSTMENTS:** The appropriation adds \$28,155 reappropriated funds for vehicle lease-purchase payments in the Fleet Management Program for approved replacement vehicles and new vehicles.

**GOVERNOR TRANSITION FUNDING:** The appropriation includes \$25,000 General Fund to assist in the transition to a new Governor in FY 2018-19. Section 24-8-105, C.R.S., directs the General Assembly to appropriate at least \$10,000 for this purpose. During the last Governor transition, the Department sought a supplemental budget change to address a shortfall of just less than \$15,000 when the General Assembly appropriated only the minimum required by statute.

**DEPARTMENT OPERATING ADJUSTMENTS:** The appropriation includes an increase of \$11,503 reappropriated funds, to support operating costs for the Colorado State Employees Assistance Program (CSEAP) to provide services at satellite offices and acquire new lease space in Colorado Springs at the end of its current lease in FY 2017-18.

**CYBERSECURITY LIABILITY INSURANCE POLICY:** The appropriation includes an increase of \$3,069 total funds in FY 2018-19 for the Department's share of the new statewide cybersecurity policy.

**STATEWIDE INDIRECT COST PLAN ADJUSTMENTS:** The appropriation includes a net decrease of \$709,975 total funds, including an increase of \$1,183,598 General Fund, due to reduced indirect costs allocated to the Department by other agencies.

**CENTRAL SERVICES REORGANIZATION:** The appropriation includes a net zero reorganization of the Division of Central Services (DCS). The amount reflected in this division reflects the move of Colorado State Archives from the Executive Director's Office to the Division of Central Services.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the out-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 17-18 Salary survey	\$77,192	\$58,039	\$0	\$19,153	\$0	0.0
FY 17-18 Merit pay	29,480	21,511	0	7,969	0	0.0
FY 14-15 Legislative audio digitization	(141,233)	(141,233)	0	0	0	(2.0)
<b>TOTAL</b>	<b>(\$34,561)</b>	<b>(\$61,683)</b>	<b>\$0</b>	<b>\$27,122</b>	<b>\$0</b>	<b>(2.0)</b>

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

## DIVISION OF HUMAN RESOURCES

This division administers the State's classified personnel system, administers the employee benefits programs, manages statewide systems for payroll and employee databases, and operates the statewide risk management program, including the provision of liability, property, and workers' compensation insurance.

DIVISION OF HUMAN RESOURCES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$68,315,150	\$2,031,559	\$3,018,534	\$63,265,057	\$0	46.7
<b>TOTAL</b>	<b>\$68,315,150</b>	<b>\$2,031,559</b>	<b>\$3,018,534</b>	<b>\$63,265,057</b>	<b>\$0</b>	<b>46.7</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$68,315,150	\$2,031,559	\$3,018,534	\$63,265,057	\$0	46.7
Risk Management adjustments	3,309,892	0	0	3,309,892	0	0.0
Cybersecurity liability insurance policy	375,000	0	0	375,000	0	0.0
Annualize prior year budget actions	156,709	118,118	19,706	18,885	0	0.0
Centrally appropriated line items	(62,582)	0	0	(62,582)	0	0.0
Indirect cost assessment	(1,798)	0	15,279	(17,077)	0	0.0
Microsoft operating system and Microsoft Office productivity suite service offerings	(898)	(369)	(231)	(298)	0	0.0
<b>HB 18-1322</b>	<b>\$72,091,473</b>	<b>\$2,149,308</b>	<b>\$3,053,288</b>	<b>\$66,888,877</b>	<b>\$0</b>	<b>46.7</b>
<b>TOTAL</b>	<b>\$72,091,473</b>	<b>\$2,149,308</b>	<b>\$3,053,288</b>	<b>\$66,888,877</b>	<b>\$0</b>	<b>46.7</b>
<b>INCREASE/(DECREASE)</b>	<b>\$3,776,323</b>	<b>\$117,749</b>	<b>\$34,754</b>	<b>\$3,623,820</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	5.5%	5.8%	1.2%	5.7%	n/a	0.0%

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**RISK MANAGEMENT ADJUSTMENTS:** The appropriation includes a net increase of \$3,309,892 reappropriated funds for adjustments to the risk management program based on historic use.

**CYBERSECURITY LIABILITY INSURANCE POLICY:** The appropriation includes an increase of \$375,000 reappropriated funds in FY 2018-19 and ongoing to fund the purchase of a cybersecurity insurance policy. Of the requested amount, \$325,000 is for the annual liability premium and \$50,000 is for anticipated payments required for liabilities that do not exceed the plan deductible. The insurance plan is billed out to state agencies like other liability insurance policies.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the out-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 14-15 Total compensation vendor	\$300,000	\$300,000	\$0	\$0	\$0	0.0
FY 17-18 Salary survey	53,930	24,419	14,278	15,233	0	0.0
FY 17-18 Merit pay	17,779	8,699	5,428	3,652	0	0.0
FY 13-14 Employee Engagement Survey	(215,000)	(215,000)	0	0	0	0.0
<b>TOTAL</b>	<b>\$156,709</b>	<b>\$118,118</b>	<b>\$19,706</b>	<b>\$18,885</b>	<b>\$0</b>	<b>0.0</b>

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes a decrease of \$62,582 reappropriated funds for the provision of legal services required by the risk management programs.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net decrease in indirect cost assessments in this division.

**MICROSOFT OPERATING SYSTEM AND MICROSOFT OFFICE PRODUCTIVITY SUITE SERVICE OFFERINGS:** The appropriation includes a decrease of \$898 total funds transferred to the Governor's Office of Information Technology to transition from a non-consolidated licensing approach for operating system and Microsoft Office applications to a centralized approach managed by the Office of Information Technology for all state agencies.

## CONSTITUTIONALLY INDEPENDENT ENTITIES

This division includes the State Personnel Board, which 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 2017-18 APPROPRIATION:						
SB 17-254	\$548,780	\$548,780	\$0	\$0	\$0	4.8
<b>TOTAL</b>	<b>\$548,780</b>	<b>\$548,780</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>4.8</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$548,780	\$548,780	\$0	\$0	\$0	4.8
Annualize prior year budget actions	14,759	14,759	0	0	0	0.0
Department operating adjustments	3,876	3,876	0	0	0	0.0
Microsoft operating system and Microsoft Office productivity suite service offerings	(92)	(92)	0	0	0	0.0
<b>HB 18-1322</b>	<b>\$567,323</b>	<b>\$567,323</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>4.8</b>
<b>TOTAL</b>	<b>\$567,323</b>	<b>\$567,323</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>4.8</b>
INCREASE/(DECREASE)						
Percentage Change	3.4%	3.4%	n/a	n/a	n/a	0.0%

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions for salary survey and merit pay.

**DEPARTMENT OPERATING ADJUSTMENTS:** The appropriation includes an increase of \$3,876 General Fund for the State Personnel Board. The funding will allow it to access the new case management system implemented recently by the Office of Administrative Courts.

**MICROSOFT OPERATING SYSTEM AND MICROSOFT OFFICE PRODUCTIVITY SUITE SERVICE OFFERINGS:** The appropriation includes a decrease of \$92 to transition from a non-consolidated licensing approach for operating system and Microsoft Office applications to a centralized approach managed by the Office for all state agencies.

### CENTRAL SERVICES

This division is responsible for providing statewide support services such as print, document management, and mail services and the Office of State Archives. Central Services is almost entirely funded by reappropriated funds consisting of user fees from state agencies. General Fund and cash funds from offender surcharges and grants provide funding for the Address Confidentiality Program within Integrated Document Solutions.

CENTRAL SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$79,307,163	\$1,159,017	\$1,553,595	\$76,594,551	\$0	179.7
HB 17-1296	196,235	0	0	196,235	0	(0.2)
<b>TOTAL</b>	<b>\$79,503,398</b>	<b>\$1,159,017</b>	<b>\$1,553,595</b>	<b>\$76,790,786</b>	<b>\$0</b>	<b>179.5</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$79,503,398	\$1,159,017	\$1,553,595	\$76,790,786	\$0	179.5
CBMS/Peak adjustments	3,391,028	0	0	3,391,028	0	0.0
CO State Archives digitization and electronic record plan	414,335	372,335	42,000	0	0	3.0
Address Confidentiality Program resources	303,113	283,113	20,000	0	0	2.5
Annualize prior year budget actions	234,398	3,691	0	230,707	0	0.0
Centrally appropriated line items	193,545	0	33,266	160,279	0	0.0
CO State Archives historic preservation	125,000	125,000	0	0	0	0.0
Annualize prior year legislation	20,869	0	0	20,869	0	0.2
Central Services reorganization	(55,536,463)	(499,455)	(254,002)	(54,783,006)	0	(64.5)
Indirect cost assessment	(429,654)	0	0	(429,654)	0	0.0
Microsoft operating system and Microsoft Office productivity suite service offerings	(2,317)	(231)	(139)	(1,947)	0	0.0
<b>HB 18-1322</b>	<b>\$28,217,252</b>	<b>\$1,443,470</b>	<b>\$1,394,720</b>	<b>\$25,379,062</b>	<b>\$0</b>	<b>120.7</b>
<b>TOTAL</b>	<b>\$28,217,252</b>	<b>\$1,443,470</b>	<b>\$1,394,720</b>	<b>\$25,379,062</b>	<b>\$0</b>	<b>120.7</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$51,286,146)</b>	<b>\$284,453</b>	<b>(\$158,875)</b>	<b>(\$51,411,724)</b>	<b>\$0</b>	<b>(58.8)</b>
Percentage Change	(64.5%)	24.5%	(10.2%)	(67.0%)	n/a	(32.8%)

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**CBMS/PEAK ADJUSTMENTS:** The appropriation includes an increase of \$3,391,028 reappropriated funds to meet increasing costs associated with the operation of the Colorado Benefits Management System (CBMS). The funds will be used for producing and mailing client correspondence, meeting federal security requirements, and covering the software licensing, maintenance, and support costs associated with existing capacity and performance issues.

**CO STATE ARCHIVES DIGITIZATION AND ELECTRONIC RECORD PLAN:** The appropriation includes an increase of \$414,335 total funds, including \$372,335 General Fund, and 3.0 FTE to continue digitization of legislative audio, refresh aging technology used for conversion and digitization, and implement a long-term Electronic Record Plan (ERP) to retain critical state records required to be kept in perpetuity.

**ADDRESS CONFIDENTIALITY PROGRAM RESOURCES:** The appropriation includes an increase of \$303,113 total funds and 2.5 FTE, including \$283,113 General Fund, to operate the Address Confidentiality Program including increasing outreach due to program growth.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions for salary survey and merit pay.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments for the cost of utilities for the state fleet operations.

**CO STATE ARCHIVES HISTORIC PRESERVATION:** The appropriation includes an increase of \$125,000 General Fund for the Colorado State Archives to assist General Assembly staff in restoring and preserving recovered and discovered items of historic value to the State Capitol at the direction of the Capitol Advisory Committee.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments out-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 16-1467 First Homebuyer Saving Account	\$14,903	\$0	\$0	\$14,903	\$0	0.0
HB 17-1296 Assignment of State Vehicles	8,366	0	0	8,366	0	0.2
HB16-1194 Ag Asset Lease Tax Deduction	(2,400)	0	0	(2,400)	0	0.0
<b>TOTAL</b>	<b>\$20,869</b>	<b>\$0</b>	<b>\$0</b>	<b>\$20,869</b>	<b>\$0</b>	<b>0.2</b>

**CENTRAL SERVICES REORGANIZATION:** The appropriation includes a net zero reorganization of the Division of Central Services (DCS). During the last half of FY 2016-17, the Department's executive management team implemented a new organizational structure for the Division of Central Services with the intent of flattening the Department's organization. The amount identified in this Division represents transferring the Fleet Management and Capitol Complex programs to the Division of Capital Assets, offset by the addition of the Colorado State Archives.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net decrease in indirect cost assessments in this division.

**MICROSOFT OPERATING SYSTEM AND MICROSOFT OFFICE PRODUCTIVITY SUITE SERVICE OFFERINGS:** The appropriation includes a decrease of \$2,317, including \$231 General Fund, to transition from a non-consolidated licensing approach for operating system and Microsoft Office applications to a centralized approach managed by the Office for all state agencies.

## DIVISION OF ACCOUNTS AND CONTROL

This division includes the Office of the State Controller in Financial Operations and Reporting, which manages statewide fiscal rules, conducts statewide financial reporting, provides policy and procedural guidance, and develops the statewide indirect cost allocation plan. CORE Operations oversees the Colorado Operations Resource Engine (CORE), the state's accounting system. Procurement and Contracts administers a statewide procurement program and meets the product and service needs of state agencies by negotiating contracts for goods and services. Central Collections Services provides for the collection of debts due to the state. This division is funded with rebates received from the Procurement Card Program, statewide indirect cost recoveries, cash funds from the Supplier Database Cash Fund, user fees from state agencies for CORE Operations, collection fees assessed to individuals making payments in the collections process, and General Fund.

DIVISION OF ACCOUNTS AND CONTROL						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$20,074,709	\$2,568,565	\$6,425,692	\$11,080,452	\$0	97.3
HB 18-1164	999,000	0	999,000	0	0	0.0
<b>TOTAL</b>	<b>\$21,073,709</b>	<b>\$2,568,565</b>	<b>\$7,424,692</b>	<b>\$11,080,452</b>	<b>\$0</b>	<b>97.3</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$21,073,709	\$2,568,565	\$7,424,692	\$11,080,452	\$0	97.3
Annualize prior year budget actions	167,539	103,512	22,811	41,216	0	0.0
Fund source adjustment	0	(3,004)	3,004	0	0	0.0
Statewide indirect cost plan adjustments	0	0	(251,653)	251,653	0	0.0
Annualize prior year legislation	(999,000)	0	(999,000)	0	0	0.0
Indirect cost assessment	(259,044)	0	(237,232)	(21,812)	0	0.0
CORE Operations adjustments	(66,863)	0	0	(66,863)	0	0.0
Microsoft operating system and Microsoft Office productivity suite service offerings	(1,872)	0	(1,528)	(344)	0	0.0
<b>HB 18-1322</b>	<b>\$19,914,469</b>	<b>\$2,669,073</b>	<b>\$5,961,094</b>	<b>\$11,284,302</b>	<b>\$0</b>	<b>97.3</b>
<b>TOTAL</b>	<b>\$19,914,469</b>	<b>\$2,669,073</b>	<b>\$5,961,094</b>	<b>\$11,284,302</b>	<b>\$0</b>	<b>97.3</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$1,159,240)</b>	<b>\$100,508</b>	<b>(\$1,463,598)</b>	<b>\$203,850</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	(5.5%)	3.9%	(19.7%)	1.8%	n/a	0.0%

## FY 2017-18 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 18-1164 modifies the FY 2017-18 appropriation to increase cash fund spending authority by \$999,000 (for a total of \$1.0 million) from the Recovery Audit Cash Fund to facilitate a recovery audit covering FY 2014-15 through FY 2016-17, as required by statute. It also included a provision authorizing the appropriation to be spent over a two-year period, FY 2017-18 and FY 2018-19. The vendor who performs the recovery audit retains a portion of any recoveries made, also required by statute, and thus the activity is self-funded. The previous appropriation of \$1,000 served as a placeholder for the Recovery Audit Program, which does not operate each year.



## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions for salary survey and merit pay.

**FUND SOURCE ADJUSTMENT:** The appropriation includes a decrease in General Fund offset by an increase in cash funds. This includes an increase in the amount of total department indirect cost recoveries applied to offset the need for General Fund, which necessitates an increase in the cash funds appropriation.

**STATEWIDE INDIRECT COST PLAN ADJUSTMENTS:** The appropriation includes an increase in the amount of total department indirect cost recoveries applied to offset the need for cash funds in this division, which necessitates an increase in the reappropriated funds appropriation.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments for the second-year impact of H.B. 18-1164, the supplemental budget bill for the Department.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net decrease in the division's indirect cost assessments.

**CORE OPERATIONS ADJUSTMENTS:** The appropriation decreases by \$66,863 total funds for maintenance and operations of the Colorado Operations Resource Engine (CORE).

**MICROSOFT OPERATING SYSTEM AND MICROSOFT OFFICE PRODUCTIVITY SUITE SERVICE OFFERINGS:** The appropriation includes a decrease of \$1,872 total funds to transition from a non-consolidated licensing approach for operating system and Microsoft Office applications to a centralized approach managed by the Office for all state agencies.

### ADMINISTRATIVE COURTS

This division provides an independent administrative law adjudication system for state agencies in order to resolve cases related to workers' compensation, human resources, and regulatory law. It offers a full range of alternative dispute resolution options, including evidentiary hearings, settlement conferences, and mediation. Approximately one-half of all hearings are related to workers' compensation cases. The division is primarily funded with reappropriated funds transferred from user agencies, and it receives a small amount of cash funds that originate as user fees from non-state agencies.

ADMINISTRATIVE COURTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$4,184,211	\$0	\$105,916	\$4,078,295	\$0	44.5
SB 17-121	8,100	8,100	0	0	0	0.0
<b>TOTAL</b>	<b>\$4,192,311</b>	<b>\$8,100</b>	<b>\$105,916</b>	<b>\$4,078,295</b>	<b>\$0</b>	<b>44.5</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$4,192,311	\$8,100	\$105,916	\$4,078,295	\$0	44.5
Annualize prior year budget actions	44,773	0	3,717	41,056	0	0.0
Department operating adjustments	6,000	0	0	6,000	0	0.0
Indirect cost assessment	(78,617)	0	0	(78,617)	0	0.0
Annualize prior year legislation	(6,750)	(8,100)	0	1,350	0	0.0
Microsoft operating system and Microsoft Office productivity suite service offerings	(856)	0	0	(856)	0	0.0

ADMINISTRATIVE COURTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>HB 18-1322</b>	<b>\$4,156,861</b>	<b>\$0</b>	<b>\$109,633</b>	<b>\$4,047,228</b>	<b>\$0</b>	<b>44.5</b>
HB 18-1224	19,917	0	0	19,917	0	0.2
<b>TOTAL</b>	<b>\$4,176,778</b>	<b>\$0</b>	<b>\$109,633</b>	<b>\$4,067,145</b>	<b>\$0</b>	<b>44.7</b>
<b>INCREASE/(DECREASE)</b>	(\$15,533)	(\$8,100)	\$3,717	(\$11,150)	\$0	0.2
Percentage Change	(0.4%)	(100.0%)	3.5%	(0.3%)	n/a	0.4%

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions for salary survey and merit pay.

**DEPARTMENT OPERATING ADJUSTMENTS:** The appropriation includes an increase of \$6,000 reappropriated funds to allow the Office of Administrative Courts to offer remote hearings, primarily for workers' compensation disputes, and ones closer to the location of the dispute.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net decrease in indirect cost assessments in this division.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments for the second-year impact of prior year legislation, S.B. 17-121 (Improve Medicaid Compliance).

**MICROSOFT OPERATING SYSTEM AND MICROSOFT OFFICE PRODUCTIVITY SUITE SERVICE OFFERINGS:** The appropriation includes a decrease of \$856 reappropriated funds to transition from a non-consolidated licensing approach for operating system and Microsoft Office applications to a centralized approach managed by the Office of Information Technology for all state agencies.

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

## DIVISION OF CAPITAL ASSETS

This division is responsible for providing statewide support services such fleet management and operation and maintenance of buildings in the capitol complex and other state-owned facilities. The Division of Capital Assets is almost entirely funded by reappropriated funds consisting of user fees from state agencies or cash funds that originated as user fees.

DIVISION OF CAPITAL ASSETS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$0	\$0	\$0	\$0	\$0	0.0
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$0	\$0	\$0	\$0	\$0	0.0
Central Services reorganization	56,165,767	1,000,000	353,690	54,812,077	0	74.1
Fleet Management adjustments	1,643,930	0	0	1,643,930	0	0.0

DIVISION OF CAPITAL ASSETS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Capitol Complex adjustments	7,829	0	0	7,829	0	0.0
Transfer Governor residence restoration to capital budget	(1,000,000)	(1,000,000)	0	0	0	0.0
Microsoft operating system and Microsoft Office productivity suite service offerings	(1,366)	0	0	(1,366)	0	0.0
<b>HB 18-1322</b>	<b>\$56,816,160</b>	<b>\$0</b>	<b>\$353,690</b>	<b>\$56,462,470</b>	<b>\$0</b>	<b>74.1</b>
<b>TOTAL</b>	<b>\$56,816,160</b>	<b>\$0</b>	<b>\$353,690</b>	<b>\$56,462,470</b>	<b>\$0</b>	<b>74.1</b>
<b>INCREASE/(DECREASE)</b>	\$56,816,160	\$0	\$353,690	\$56,462,470	\$0	74.1
Percentage Change	n/a	n/a	n/a	n/a	n/a	n/a

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**CENTRAL SERVICES REORGANIZATION:** The appropriation includes a net zero reorganization of the Division of Central Services (DCS). During the last half of FY 2016-17, the Department's executive management team implemented a new organizational structure for the Division of Central Services with the intent of flattening the Department's organization. The amount identified in this Division represents transfers for appropriations from the Division of Central Services for the Fleet Management and Capitol Complex programs to the Division of Capital Assets.

**FLEET MANAGEMENT ADJUSTMENTS:** The appropriation adds \$1,643,930 reappropriated funds for vehicle lease-purchase payments in the Fleet Management Program for approved replacement vehicles and new vehicles.

**CAPITOL COMPLEX ADJUSTMENTS:** The appropriation includes a net increase of \$7,829 reappropriated funds for Capitol Complex Security paid to the Department of Public Safety.

**TRANSFER GOVERNOR RESIDENCE RESTORATION TO CAPITAL BUDGET:** The appropriation includes a transfer from this section of the budget to the capital budget, which totals \$1,000,000 General Fund.

**MICROSOFT OPERATING SYSTEM AND MICROSOFT OFFICE PRODUCTIVITY SUITE SERVICE OFFERINGS:** The appropriation includes a decrease of \$1,366 reappropriated funds to transition from a non-consolidated licensing approach for operating system and Microsoft Office applications to a centralized approach managed by the Office for all state agencies.

## RECENT LEGISLATION

### 2017 SESSION BILLS

**S.B. 17-121 (IMPROVE MEDICAID CLIENT CORRESPONDENCE):** Requires the Department of Health Care Policy and Financing to implement an ongoing process to improve communications with Medicaid clients. Appropriates \$8,100 General Fund to the Department of Personnel in FY 2017-18 for Administrative Courts.

**S.B. 17-167 (SUPPLEMENTAL BILL):** Modifies FY 2016-17 appropriations to the Department.

**S.B. 17-175 (TRANSFERS BETWEEN STATE SELF-INSURANCE FUNDS):** If there is an insufficient cash balance in any state self-insurance cash fund, authorizes the Executive Director of the Department of Personnel to request the State Treasurer to transfer money from another self-insurance fund's reserve balance to the fund with the deficiency. State self-insurance cash funds consist of:

- the Risk Management Fund (liability insurance program);
- the Self-insured Property Fund (property insurance program); and
- the State Employee Workers' Compensation Account in the Risk Management Fund (workers' compensation insurance program).

The State Treasurer is required to make the requested transfer and in the next annual Long Bill the General Assembly is required to appropriate an amount to enable the return of the transfer amount to the fund from which the transfer was made. The Department is prohibited from using the transferred amounts for the cost of operating the risk management system.

**S.B. 17-254 (LONG BILL):** General appropriations act for FY 2017-18.

**S.B. 17-265 (STATE EMPLOYEE RESERVE FUND TRANSFER):** Transfers \$26.3 million from the State Employee Reserve Fund to the General Fund on July 1, 2017.

**H.B. 17-1265 (PERA JUDICIAL DIVISION TOTAL EMPLOYER CONTRIBUTION):** Makes the following adjustments to the Judicial Division's contribution rates to the Colorado Public Employees' Retirement Association's (PERA's) Amortization Equalization Disbursement (AED), currently set at 2.20 percent, and Supplemental Amortization Equalization Disbursement (SAED), currently set at 1.50 percent:

- CY 2019: AED and SAED to 3.4 percent;
- CY 2020: AED and SAED to 3.8 percent;
- CY 2021: AED and SAED to 4.2 percent;
- CY 2022: AED and SAED to 4.6 percent; and
- CY 2023: AED and SAED to 5.0 percent.

**H.B. 17-1296 (ASSIGNMENT OF STATE-OWNED VEHICLES):** Implements recommendations from the November 2017 Commuting Use of State-Owned Vehicles audit from the Office of the State Auditor. Clarifies the criteria and requirements for the assignment of state-owned vehicles to state agencies and employees. Specifies that an officer or employee of an agency must pay income tax on the value of the fringe benefit of an assigned vehicle. Appropriates \$196,235 from the Motor Fleet Management Fund and 1.8 FTE and reduces 2.0 FTE in Integrated Document Solutions in FY 2017-18.

**H.B. 17-1298 (ANNUAL COMPENSATION REPORT SUBMISSION DEADLINE):** Extends the date by which the annual compensation report is required to be submitted by the State Personnel Director, from August 1 to September 15, beginning in 2017.

## 2018 SESSION BILLS

**H.B. 18-1164 (SUPPLEMENTAL BILL):** Modifies FY 2017-18 appropriations to the Department.

**H.B. 18-1224 (LICENSEE DISCIPLINE MEDIATION):** Adds a mediation component to the process related to professional disciplinary actions. Under the bill, during an agency proceeding that concerns an individual who is licensed to practice a profession or occupation either the licensee or agency may request mediation after the licensee has received the notice of hearing, to be ordered by the hearing officer or administrative law judge involved in the proceeding. Appropriates \$19,917 General Fund and 0.2 FTE to the Department of Personnel in FY 2018-19.

**H.B. 18-1322 (LONG BILL):** General appropriations act for FY 2017-18.

**H.B. 18-1339 (BACKGROUND CHECKS FOR EMPLOYEES WITH ACCESS TO FEDERAL TAX INFORMATION):** Requires each applicant, state employee, state contractor, or other individual who has or may have access through a

state agency to federal tax information received from the federal government to submit to a fingerprint-based criminal history records check. Specifies that a state agency that shares such federal tax information with a county may authorize and require the county department applicants, employees, contractors, or other individuals to submit to a fingerprint-based criminal history records check. Requires a state agency to deny access to federal tax information received from the federal government to any individual who does not pass the fingerprint-based criminal history record check. Provides FY 2018-19 appropriations to multiple departments for associated costs, including \$11,633 General Fund to the Department of Personnel. For additional information, see the “Recent Legislation” section at the end of Part III for the Department of Revenue.

## Details

# DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT

## FY 2017-18 AND FY 2018-19 APPROPRIATIONS BY DIVISION AND BILL

DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT						
	TOTAL FUNDS	GENERAL FUND <sup>1, 2</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2017-18 TOTAL APPROPRIATION:</b>	<b>\$580,007,988</b>	<b>\$48,798,277</b>	<b>\$188,457,556</b>	<b>\$45,239,889</b>	<b>\$297,512,266</b>	<b>1,336.0</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Administration and Support	71,713,748	12,685,608	11,866,456	36,155,091	11,006,593	91.1
Center for Health and Environmental Information	13,489,833	1,989,807	6,159,659	5,887	5,334,480	93.4
Laboratory Services	15,095,331	1,120,077	10,051,390	476,080	3,447,784	81.1
Air Pollution Control Division	25,509,360	0	20,803,402	0	4,705,958	181.8
Water Quality Control Division	26,353,142	4,538,808	7,696,125	39,673	14,078,536	179.7
Hazardous Materials and Waste Management Division	30,273,020	1,345,000	20,808,205	288,044	7,831,771	116.2
Division of Environmental Health and Sustainability	9,879,485	1,637,599	6,687,903	111,730	1,442,253	45.3
Disease Control and Environmental Epidemiology Division	101,051,894	6,756,910	12,576,433	402,330	81,316,221	144.9
Prevention Services Division	237,418,153	15,252,111	73,478,147	1,300,755	147,387,140	197.3
Health Facilities and Emergency Medical Services Division	32,963,758	1,880,035	18,329,836	6,460,299	6,293,588	170.1
Office of Emergency Preparedness and Response	16,260,264	1,592,322	0	0	14,667,942	35.1
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
SB 17-254	\$577,561,316	\$48,365,235	\$186,449,278	\$45,234,537	\$297,512,266	1,331.6
HB 17-1079	491,510	0	491,510	0	0	3.0
HB 17-1248	260,000	0	260,000	0	0	0.0
HB 17-1285	1,258,007	433,042	824,965	0	0	0.0
HB 17-1306	431,803	0	431,803	0	0	1.3
HB 17-1315	5,352	0	0	5,352	0	0.1
<b>FY 2018-19 TOTAL APPROPRIATION:</b>	<b>\$590,707,821</b>	<b>\$52,020,069</b>	<b>\$192,576,513</b>	<b>\$47,088,905</b>	<b>\$299,022,334</b>	<b>1,345.8</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Administration and Support	76,953,961	14,415,853	12,832,575	38,281,851	11,423,682	91.1
Center for Health and Environmental Information	16,446,393	1,952,822	9,159,988	5,887	5,327,696	94.4
Laboratory Services	14,633,759	1,274,014	9,434,812	477,149	3,447,784	83.7
Air Pollution Control Division	25,315,241	0	20,616,670	0	4,698,571	181.8
Water Quality Control Division	27,359,011	4,785,725	8,465,409	39,673	14,068,204	180.9
Hazardous Materials and Waste Management Division	25,476,734	0	17,354,752	290,211	7,831,771	116.2
Division of Environmental Health and Sustainability	11,174,470	1,655,930	7,965,059	111,730	1,441,751	45.3
Disease Control and Environmental Epidemiology Division	101,976,277	6,783,139	13,876,917	0	81,316,221	144.9
Prevention Services Division	241,637,247	17,724,801	74,171,371	1,300,755	148,440,320	199.6
Health Facilities and Emergency Medical Services Division	33,477,587	1,838,586	18,698,960	6,581,649	6,358,392	172.8
Office of Emergency Preparedness and Response	16,257,141	1,589,199	0	0	14,667,942	35.1

# DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT

	TOTAL FUNDS	GENERAL FUND <sup>1, 2</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
HB 18-1322	\$584,378,174	\$50,659,444	\$187,607,491	\$47,088,905	\$299,022,334	1,341.3
SB 18-024	2,500,000	0	2,500,000	0	0	2.0
SB 18-033	14,323	0	14,323	0	0	0.0
SB 18-038	40,602	40,602	0	0	0	0.4
SB 18-146	34,725	0	34,725	0	0	0.5
SB 18-272	400,000	400,000	0	0	0	0.3
HB 18-1003	775,000	0	775,000	0	0	0.0
HB 18-1006	89,222	0	89,222	0	0	1.0
HB 18-1069	25,054	25,054	0	0	0	0.2
HB 18-1093	14,399	14,399	0	0	0	0.1
HB 18-1400	1,555,752	0	1,555,752	0	0	0.0
HB 18-1409	880,570	880,570	0	0	0	0.0
<b>INCREASE/(DECREASE)</b>	<b>\$10,699,833</b>	<b>\$3,221,792</b>	<b>\$4,118,957</b>	<b>\$1,849,016</b>	<b>\$1,510,068</b>	<b>9.8</b>
Percentage Change	1.8%	6.6%	2.2%	4.1%	0.5%	0.7%

<sup>1</sup> Includes General Fund Exempt.

<sup>2</sup> Includes \$440,340 in FY 2017-18 and \$429,909 in FY 2018-19 that is not subject to the statutory restriction on state General Fund appropriations imposed by Section 24-75-201.1, C.R.S.

**GENERAL FUND EXEMPT:** Amounts in the General Fund column include appropriations that are classified as General Fund Exempt. The General Fund Exempt amount for the Department of Public Health and Environment is from revenue received and appropriated pursuant to Amendment 35 to the State Constitution. Amendment 35, which was approved by voters in November 2004, imposed new cigarette and tobacco taxes through the addition of Section 21 in Article X of the State Constitution. The new tobacco tax revenues authorized by Amendment 35 are exempt from the TABOR state fiscal year spending limit, and General Fund appropriations from these revenues are also exempt from the statutory restriction on General Fund appropriations. Amendment 35 requires that a portion of the new tobacco tax revenues be appropriated to the General Fund and made available to this department for immunization services provided by local public health agencies. The table below reflects General Fund Exempt appropriations to the Department for FY 2017-18 and FY 2018-19. For additional information on General Fund Exempt appropriations, see Appendix D.

GENERAL FUND SUMMARY	TOTAL GENERAL FUND	GENERAL FUND	GENERAL FUND EXEMPT
FY 2017-18	\$48,798,277	\$48,357,937	\$440,340
FY 2018-19	\$52,020,069	\$51,590,160	\$429,909

**INFORMATIONAL FUNDS:** The FY 2018-19 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Public Health and Environment are annotated with the "(I)". For additional information, see Appendix E.

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2018-19 Appropriations containing an (I) notation	\$279,873,828	\$0	\$600,000	\$0	\$279,273,828

## DETAIL OF APPROPRIATION BY ADMINISTRATIVE SECTION

### ADMINISTRATION AND SUPPORT

This division is comprised of three subdivisions: Administration, Office of Health Equity, and Office of Planning and Partnerships.

#### (A) ADMINISTRATION

This subdivision provides department-wide administrative services including: accounting, budgeting, human resources, and purchasing. The appropriations for this subdivision include funds for the provision of department-wide services, and centrally appropriated personnel line items like salary survey and health, life and dental. Funding for this subdivision is primarily from reappropriated funds from departmental indirect cost recoveries with a small amount from Medicaid reappropriated funds. This subdivision also receives appropriations from the General Fund, cash funds including the AIR subaccount of the Highway Users Tax Fund, and federal funds.

#### (B) OFFICE OF HEALTH EQUITY

This subdivision provides grants for health initiatives aimed at reducing and eliminating disparities in the provision of health services across the state. Funding for this subdivision is primarily Amendment 35 tobacco tax revenue that is transferred into the Health Disparities Grant Fund and a small amount of General Fund for the Necessary Document Assistance Program.

#### (C) OFFICE OF PLANNING AND PARTNERSHIPS

This subdivision oversees the distribution of state funds to local public health agencies. Funding for this subdivision is a combination of General Fund, Marijuana Tax Cash Funds, and federal funds.

ADMINISTRATION AND SUPPORT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$71,713,748	\$12,685,608	\$11,866,456	\$36,155,091	\$11,006,593	91.1
<b>TOTAL</b>	<b>\$71,713,748</b>	<b>\$12,685,608</b>	<b>\$11,866,456</b>	<b>\$36,155,091</b>	<b>\$11,006,593</b>	<b>91.1</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$71,713,748	\$12,685,608	\$11,866,456	\$36,155,091	\$11,006,593	91.1
Centrally appropriated line items	6,659,656	1,167,149	1,609,659	2,382,560	1,500,288	0.0
SharePoint upgrade	212,098	0	0	212,098	0	0.0
Amendment 35 tobacco tax adjustment	204,556	0	211,332	(6,776)	0	0.0
Indirect cost adjustment	172,784	687,717	500	(515,433)	0	0.0
Provider rate increase	92,787	67,653	17,924	7,210	0	0.0
Other technical adjustments	89,345	89,345	0	0	0	0.0
Annualize prior year budget actions	(2,190,063)	(277,817)	(873,296)	44,249	(1,083,199)	0.0
Stationary Sources Control Fund reduction	(200,051)	0	(200,051)	0	0	0.0
Annualize prior year legislation	(950)	(3,802)	0	2,852	0	0.0
<b>HB 18-1322</b>	<b>\$76,753,910</b>	<b>\$14,415,853</b>	<b>\$12,632,524</b>	<b>\$38,281,851</b>	<b>\$11,423,682</b>	<b>91.1</b>
HB 18-1400	200,051	0	200,051	0	0	0.0
<b>TOTAL</b>	<b>\$76,953,961</b>	<b>\$14,415,853</b>	<b>\$12,832,575</b>	<b>\$38,281,851</b>	<b>\$11,423,682</b>	<b>91.1</b>
<b>INCREASE/(DECREASE)</b>	<b>\$5,240,213</b>	<b>\$1,730,245</b>	<b>\$966,119</b>	<b>\$2,126,760</b>	<b>\$417,089</b>	<b>0.0</b>
Percentage Change	7.3%	13.6%	8.1%	5.9%	3.8%	0.0%



## FY 2018-19 APPROPRIATION – H.B. 18-1322 (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; salary survey; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; vehicle lease payments; Capitol complex leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

**SHAREPOINT UPGRADE:** The appropriation includes an increase of \$212,098 reappropriated funds to update the Department's SharePoint platform. The Department uses SharePoint for internal administrative functions and various programmatic activities.

**AMENDMENT 35 TOBACCO TAX ADJUSTMENT:** The appropriation includes an increase of \$204,556 total funds to reflect forecasted revenue, as well as adjustments related to existing cash fund balances.

**INDIRECT COST ASSESSMENT:** The appropriation includes an increase in the division's indirect cost assessment.

**PROVIDER RATE INCREASE:** The appropriation includes an increase of \$92,787 total funds, including \$67,653 General Fund, for a 1.0 percent provider rate increase for Local Public Health Agencies.

**OTHER TECHNICAL ADJUSTMENTS:** The appropriation an increase of \$89,345 General Fund for depreciation equivalent payments.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 17-18 Lease escalator	\$189,814	\$0	\$17,504	\$172,310	\$0	0.0
FY 17-18 Marijuana reference library	3,420	0	3,420	0	0	0.0
FY 17-18 Salary survey	(1,763,857)	(204,132)	(661,093)	(92,563)	(806,069)	0.0
FY 17-18 Merit pay	(619,440)	(73,685)	(233,127)	(35,498)	(277,130)	0.0
<b>TOTAL</b>	<b>(\$2,190,063)</b>	<b>(\$277,817)</b>	<b>(\$873,296)</b>	<b>\$44,249</b>	<b>(\$1,083,199)</b>	<b>0.0</b>

**STATIONARY SOURCES CONTROL FUND REDUCTION:** The appropriation includes a reduction of \$200,051 cash funds from the Stationary Sources Control Fund (SSCF). This reduction will align the spending authority from the Fund with its available revenue from fees and the Fund's projected year beginning balance.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation a decrease of \$950 total funds for the second-year impact of S.B. 16-069 (Community paramedics).

**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 including: Administration, Health Statistics and Vital Records, Medical Marijuana Registry, and Health Data Programs and Information.

### (A) ADMINISTRATION

This subdivision provides division-wide services to the three programs within this division. Funding for this subdivision is from General Fund, cash funds from the Vital Statistics Records Cash Funds, and departmental indirect cost recoveries.

### (B) HEALTH STATISTICS AND VITAL RECORDS

This subdivision is responsible for the maintenance of Colorado birth, death, marriage, divorce, and other vital records-related certificates. In Colorado in 2016 there were 67,178 recorded births, 39,000 recorded marriages, and 38,151 recorded death. 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 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 Statistic Records Cash Fund and federal funds.

### (C) MEDICAL MARIJUANA REGISTRY

This subdivision 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. As of April 2017 there are 88,548 registered medical marijuana card holders.

### (D) HEALTH DATA PROGRAMS AND INFORMATION

This subdivision houses a number of the Department's health data programs that gather health data and survey information, including the Cancer Registry and the Birth Defects Monitoring Program. It also receives funding to connect a number of the health data systems with the statewide Health Information Exchange and for Local Public Health Agencies to build electronic health records that can communicate with the Health Information Exchange. Funding for this subdivision consists of General Fund, Vital Statistics Records Cash Fund, and federal funds.

CENTER FOR HEALTH AND ENVIRONMENTAL INFORMATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$13,489,833	\$1,989,807	\$6,159,659	\$5,887	\$5,334,480	93.4
<b>TOTAL</b>	<b>\$13,489,833</b>	<b>\$1,989,807</b>	<b>\$6,159,659</b>	<b>\$5,887</b>	<b>\$5,334,480</b>	<b>93.4</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$13,489,833	\$1,989,807	\$6,159,659	\$5,887	\$5,334,480	93.4
Medical marijuana research grants	3,000,000	0	3,000,000	0	0	0.0
Health Information Exchange	387,516	387,516	0	0	0	0.0
Indirect cost adjustment	11,150	0	11,150	0	0	0.0
Annualize prior year budget actions	(355,647)	(424,501)	68,854	0	0	0.0
Medical marijuana adjustment	(166,268)	0	(166,268)	0	0	0.0
Centrally appropriated line items	(9,413)	0	(2,629)	0	(6,784)	0.0
<b>HB 18-1322</b>	<b>\$16,357,171</b>	<b>\$1,952,822</b>	<b>\$9,070,766</b>	<b>\$5,887</b>	<b>\$5,327,696</b>	<b>93.4</b>
HB 18-1006	89,222	0	89,222	0	0	1.0
<b>TOTAL</b>	<b>\$16,446,393</b>	<b>\$1,952,822</b>	<b>\$9,159,988</b>	<b>\$5,887</b>	<b>\$5,327,696</b>	<b>94.4</b>
<b>INCREASE/(DECREASE)</b>	<b>\$2,956,560</b>	<b>(\$36,985)</b>	<b>\$3,000,329</b>	<b>\$0</b>	<b>(\$6,784)</b>	<b>1.0</b>
Percentage Change	21.9%	(1.9%)	48.7%	0.0%	(0.1%)	1.1%

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**MEDICAL MARIJUANA RESEARCH GRANTS:** The appropriation includes an increase of \$3.0 million cash funds from the Marijuana Tax Cash Fund for medical marijuana research grants.

**HEALTH INFORMATION EXCHANGE:** The appropriation includes \$387,516 General Fund to support development of additional interfaces to connect providers to the Health Information Exchange.

**INDIRECT COST ADJUSTMENT:** The appropriation includes an increase in the division's indirect cost assessment.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the out-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 17-18 Salary survey	\$72,873	\$21,530	\$51,343	\$0	\$0	0.0
FY 17-18 Merit pay	24,996	7,485	17,511	0	0	0.0
FY 14-15 Heath Exchange funding	(453,516)	(453,516)	0	0	0	0.0
<b>TOTAL</b>	<b>(\$355,647)</b>	<b>(\$424,501)</b>	<b>\$68,854</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**MEDICAL MARIJUANA ADJUSTMENT:** The appropriation includes a total reduction of \$166,268 cash funds from the Medical Marijuana Cash Fund. The reduction includes a decrease of \$284,888 from personal services expenditures and includes an increase of \$118,620 for operating expenditures to fund annual maintenance costs for the online Medical Marijuana Registration system.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to payments to the Governor's Office of Information Technology (OIT) for the division.

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

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## LABORATORY SERVICES

This division is comprised of the following three sections:

### THE DIRECTOR'S OFFICE

The Office provides managerial and administrative support for the Division. Funding for the Office is from the General Fund; cash funds including the Laboratory Cash Fund, Newborn Screening and Genetics Counseling Cash Funds, and the Law Enforcement Assistance Cash Fund; divisional reappropriated funds; and federal funds.

### THE CHEMISTRY AND MICROBIOLOGY SECTION

This section performs the following activities: analyzing blood and tissue specimens, testing for newborn genetic disorders, diagnostic testing for bacterial diseases, analysis for disease outbreaks, and water and environmental testing. Funding for this section is from the General Fund, cash funds from the Laboratory Cash Fund, the Newborn Screening and Genetics Counseling Cash Funds, and the Marijuana Tax Cash Fund; and federal funds.

## THE CERTIFICATION SECTION

This section certifies private medical laboratories, environmental laboratories, including water testing laboratories, on-site dairy laboratories, and the state and local law enforcement breath-alcohol testing devices (intoxilyzers) throughout the state. This section is also responsible for surveying marijuana testing facilities and making certification recommendations to the Department of Revenue. As of June 2017, there were 15 licensed medical marijuana testing facilities and 14 retail marijuana testing facilities. The Department also operates a marijuana reference library to supplement the certification work in the Department of Revenue of private marijuana labs. Funding for this section is from General Fund, cash funds, and reappropriated funds from the Water Quality Control Division, and federal funds. Cash funds include the Law Enforcement Assistance Cash Fund, the Laboratory Cash Fund, and the Marijuana Tax Cash Fund.

LABORATORY SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$15,089,979	\$1,120,077	\$10,051,390	\$470,728	\$3,447,784	81.0
HB 17-1315	5,352	0	0	5,352	0	0.1
<b>TOTAL</b>	<b>\$15,095,331</b>	<b>\$1,120,077</b>	<b>\$10,051,390</b>	<b>\$476,080</b>	<b>\$3,447,784</b>	<b>81.1</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$15,095,331	\$1,120,077	\$10,051,390	\$476,080	\$3,447,784	81.1
Addressing critical public health threats	132,464	132,464	0	0	0	2.6
Annualize prior year legislation	1,069	0	0	1,069	0	0.0
Annualize prior year budget actions	(492,650)	21,473	(514,123)	0	0	0.0
Indirect cost adjustment	(95,000)	0	(95,000)	0	0	0.0
Centrally appropriated line items	(7,455)	0	(7,455)	0	0	0.0
<b>HB 18-1322</b>	<b>\$14,633,759</b>	<b>\$1,274,014</b>	<b>\$9,434,812</b>	<b>\$477,149</b>	<b>\$3,447,784</b>	<b>83.7</b>
<b>TOTAL</b>	<b>\$14,633,759</b>	<b>\$1,274,014</b>	<b>\$9,434,812</b>	<b>\$477,149</b>	<b>\$3,447,784</b>	<b>83.7</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$461,572)</b>	<b>\$153,937</b>	<b>(\$616,578)</b>	<b>\$1,069</b>	<b>\$0</b>	<b>2.6</b>
Percentage Change	(3.1%)	13.7%	(6.1%)	0.2%	0.0%	3.2%

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**ADDRESSING CRITICAL PUBLIC HEALTH THREATS:** The appropriation includes \$132,464 General Fund and 2.6 FTE to support testing capabilities for infectious disease surveillance and to address the emergent public health risk from harmful algal blooms at 20 high risk lakes in Colorado.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation an increase of \$1,069 reappropriated funds for the second-year impact of H.B. 17-1315 (Require Division of Criminal Justice to Report DUI Data).

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 17-18 Salary survey	\$77,649	\$15,933	\$61,716	\$0	\$0	0.0
FY 17-18 Merit pay	26,588	5,540	21,048	0	0	0.0
FY 17-18 Marijuana reference library	(596,887)	0	(596,887)	0	0	0.0
<b>TOTAL</b>	<b>(\$492,650)</b>	<b>\$21,473</b>	<b>(\$514,123)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**INDIRECT COST ADJUSTMENT:** The appropriation includes a decrease in the division's indirect cost assessment.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to payments to the Governor's Office of Information Technology (OIT) for the division.

## AIR POLLUTION CONTROL DIVISION

This division is comprised of four subdivisions: Administration, Technical Services, Mobile Sources, and Stationary Sources.

### (A) ADMINISTRATION

This subdivision provides administrative support to the Air Quality Control Commission and manages the implementation of air programs by the other subdivisions. This division is funded by cash funds including the Stationary Sources Control Fund and federal funds.

### (B) TECHNICAL SERVICES

This subdivision is responsible for measuring Colorado's air quality, compliance with the National Ambient Air Quality Standards, and issuing air quality forecasts and advisories. The subdivision houses three distinct programs: Air Quality Monitoring; Modeling and Analysis; and Visibility and Risk Assessment. Funding for this subdivision is from sources including the Department's subaccount of the Highway Users Tax Cash Fund, the Stationary Sources Control Fund, and federal funds.

### (C) MOBILE SOURCES

This subdivision is comprised of the Research and Support Program, which contains four subprograms: (1) the High Altitude Testing Program, (2) the Oxygenated Fuel Program, (3) the Clean Fuel Fleet Program, and (4) the Inspection and Maintenance Program. The Inspection and Maintenance Program works to reduce motor vehicle-related pollution through the inspection and emissions-related repair of motor vehicles. Emissions testing of gas and diesel powered vehicles are required when registering, renewing, or selling vehicles within the program areas along Colorado's Front Range. Funding for this subdivision is primarily from the Department's subaccount of the Highway Users Tax Fund, and a small amount is from federal funds.

### (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 permits, monitoring, and inspections of stationary sources that emit air pollutants. The subdivision houses the following three programs: the Inventory and Support Services Program, the Permits and Compliance Assurance Program, and the Hazardous and Toxic Control Program. Division staff permit, monitor, and inspect stationary source air pollution emitters. The majority of funding for this subdivision is from the Stationary Sources Control Cash Fund and a small amount of federal funds.

AIR POLLUTION CONTROL DIVISION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$25,509,360	\$0	\$20,803,402	\$0	\$4,705,958	181.8
<b>TOTAL</b>	<b>\$25,509,360</b>	<b>\$0</b>	<b>\$20,803,402</b>	<b>\$0</b>	<b>\$4,705,958</b>	<b>181.8</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$25,509,360	\$0	\$20,803,402	\$0	\$4,705,958	181.8
Stationary Sources Control Fund reduction	(1,344,004)	0	(1,344,004)	0	0	0.0
Annualize prior year budget actions	(175,078)	0	(175,078)	0	0	0.0
Centrally appropriated line items	(19,041)	0	(11,654)	0	(7,387)	0.0
<b>HB 18-1322</b>	<b>\$23,971,237</b>	<b>\$0</b>	<b>\$19,272,666</b>	<b>\$0</b>	<b>\$4,698,571</b>	<b>181.8</b>
HB 18-1400	1,344,004	0	1,344,004	0	0	0.0

AIR POLLUTION CONTROL DIVISION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>TOTAL</b>	<b>\$25,315,241</b>	<b>\$0</b>	<b>\$20,616,670</b>	<b>\$0</b>	<b>\$4,698,571</b>	<b>181.8</b>
<b>INCREASE/(DECREASE)</b>	(\$194,119)	\$0	(\$186,732)	\$0	(\$7,387)	0.0
Percentage Change	(0.8%)	n/a	(0.9%)	n/a	(0.2%)	0.0%

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**STATIONARY SOURCES CONTROL FUND REDUCTION:** The appropriation includes a reduction of \$1,344,004 cash funds from the Stationary Sources Control Fund. This reduction will align the spending authority from the Fund with its available revenue from fees and the Fund’s projected FY 2018-19 beginning balance.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 17-18 Salary survey	\$169,207	\$0	\$169,207	\$0	\$0	0.0
FY 17-18 Merit pay	58,045	0	58,045	0	0	0.0
FY 17-18 Oil and gas health activities	(402,330)	0	(402,330)	0	0	0.0
<b>TOTAL</b>	<b>(\$175,078)</b>	<b>\$0</b>	<b>(\$175,078)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to payments to the Governor's Office of Information Technology (OIT) for the division.

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the “Recent Legislation” section at the end of this department.

## WATER QUALITY CONTROL DIVISION

This division is comprised of three subdivisions: Administration, Clean Water Program, and Drinking Water Program.

### (A) ADMINISTRATION

This subdivision provides management and support staff for the Water Quality Control Commission, clerical support for other subdivisions, and maintains a centralized records system for the Division. This subdivision is responsible for training and certifying the operators of all water and wastewater treatment facilities in the state. Funding for this subdivision is from General Fund, various division cash funds including the Water Quality Control Fund and the Drinking Water Fund, and federal funds.

### (B) CLEAN WATER SECTORS

This subdivision is responsible for issuing discharge permits, monitoring compliance with permits, conducting inspections, providing technical assistance, and, as necessary, pursuing enforcement actions for the permitting and compliance assurance program for the six industry sectors. The sectors are construction, commerce and industry, municipal separate storm sewer systems, pesticides, public and private utilities, and water quality certification. Funding for the Sectors is from General Fund, cash funds from the sector specific cash funds, and federal funds.

### (C) CLEAN WATER PROGRAM

This subdivision funds grants and contracts primarily to local governments for the Non-Point Source Program and the Water Quality Improvement Program. Funding for this subdivision is from the General Fund, the Water Quality Improvement Fund, reappropriated funds from the Department of Agriculture, and federal funds.

### (D) DRINKING WATER PROGRAM

This subdivision is established under the federal Safe Drinking Water Act and implements measures to ensure that public water systems throughout Colorado provide safe drinking water for Colorado citizens. Funding for this subdivision is from the General Fund, the Drinking Water Cash Fund, and federal funds.

WATER QUALITY CONTROL DIVISION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$24,403,332	\$4,105,766	\$6,179,357	\$39,673	\$14,078,536	178.4
HB 17-1248	260,000	0	260,000	0	0	0.0
HB 17-1285	1,258,007	433,042	824,965	0	0	0.0
HB 17-1306	431,803	0	431,803	0	0	1.3
<b>TOTAL</b>	<b>\$26,353,142</b>	<b>\$4,538,808</b>	<b>\$7,696,125</b>	<b>\$39,673</b>	<b>\$14,078,536</b>	<b>179.7</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$26,353,142	\$4,538,808	\$7,696,125	\$39,673	\$14,078,536	179.7
Water Quality Improvement Fund increase	732,804	0	732,804	0	0	0.0
Annualize prior year budget actions	230,145	92,037	138,108	0	0	0.0
Indirect cost adjustment	200,000	0	200,000	0	0	0.0
Addressing critical public health threats	75,825	75,825	0	0	0	0.6
Annualize prior year legislation	(295,128)	0	(295,128)	0	0	(0.1)
Centrally appropriated line items	(17,832)	(1,000)	(6,500)	0	(10,332)	0.0
<b>HB 18-1322</b>	<b>\$27,278,956</b>	<b>\$4,705,670</b>	<b>\$8,465,409</b>	<b>\$39,673</b>	<b>\$14,068,204</b>	<b>180.2</b>
SB 18-038	40,602	40,602	0	0	0	0.4
HB 18-1069	25,054	25,054	0	0	0	0.2
HB 18-1093	14,399	14,399	0	0	0	0.1
<b>TOTAL</b>	<b>\$27,359,011</b>	<b>\$4,785,725</b>	<b>\$8,465,409</b>	<b>\$39,673</b>	<b>\$14,068,204</b>	<b>180.9</b>
<b>INCREASE/(DECREASE)</b>	<b>\$1,005,869</b>	<b>\$246,917</b>	<b>\$769,284</b>	<b>\$0</b>	<b>(\$10,332)</b>	<b>1.2</b>
Percentage Change	3.8%	5.4%	10.0%	0.0%	(0.1%)	0.7%

### FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**WATER QUALITY IMPROVEMENT FUND INCREASE:** The appropriation includes an increase of \$732,804 cash funds from the Water Quality Improvement Fund. The additional spending will allow the Water Quality Control Division to increase the amount and number of grants awarded from the Water Quality Improvement Fund. These grants provide financial assistance to public, non-profit, and private stakeholders for water quality improvement projects.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 17-18 Salary survey	\$170,740	\$68,282	\$102,458	\$0	\$0	0.0
FY 17-18 Merit pay	59,405	23,755	35,650	0	0	0.0
<b>TOTAL</b>	<b>\$230,145</b>	<b>\$92,037</b>	<b>\$138,108</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**INDIRECT COST ADJUSTMENT:** The appropriation includes an increase in the division's indirect cost assessment.

**ADDRESSING CRITICAL PUBLIC HEALTH THREATS:** The appropriation includes \$75,825 General Fund and 0.6 FTE to address the emergent public health risk from harmful algal blooms at 20 high risk lakes in Colorado.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments for the second-year impact of prior year legislation.

ANNUALIZE PRIOR YEAR BUDGET LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 17-1248 CWCB projects bill	(\$260,000)	\$0	(\$260,000)	\$0	\$0	0.0
HB 17-1306 Test lead in public schools drinking water	(35,128)	0	(35,128)	0	0	(0.1)
<b>TOTAL</b>	<b>(\$295,128)</b>	<b>\$0</b>	<b>(\$295,128)</b>	<b>\$0</b>	<b>\$0</b>	<b>(0.1)</b>

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to payments to the Governor's Office of Information Technology (OIT) for the division.

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

## HAZARDOUS MATERIALS AND WASTE MANAGEMENT DIVISION

This division is comprised of six subdivisions: Administration, Hazardous Waste Control Program, Solid Waste Control Program, Contaminated Site Cleanups and Remediation Programs, Radiation Management, and the Waste Tire Program.

### (A) ADMINISTRATION

This subdivision provides division-wide administrative and management support services. Funding for this subdivision is from divisional cash funds including the Hazardous Substance Response Fund, reappropriated funds from the Department of Local Affairs, and federal funds.

### (B) HAZARDOUS WASTE CONTROL PROGRAM

This subdivision has four primary responsibilities: permitting, compliance assurance, corrective action, and compliance assistance. This program monitors compliance and enforces hazardous waste regulations over 500 large-quantity hazardous waste generators, 3,000 small generators, hazardous waste transporters, and 50 hazardous waste treatment, storage and disposal facilities. Funding for this subdivision is from the Hazardous Waste Service Fee and Illegal Drug Laboratory Funds, 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, and medical waste facilities. There are 63 landfills regulated by the Solid Waste Control Program. Funding for this subdivision is from cash funds, including the Solid Waste Management Fund and the Radiation Control Fund.



#### (D) CONTAMINATED SITE CLEANUPS AND REMEDIATION PROGRAMS

This subdivision is comprised of the following programs and is funded primarily from the Hazardous Substance Response Fund and federal funds.

- The Superfund Program works with the Environmental Protection Agency as either the lead agency or support agency in the review and implementation of cleanup plans and oversight of the cleanup work at superfund sites. Funding for cleanup of the Rocky Mountain Arsenal superfund site is included in this program. There are 26 Superfund Sites in Colorado.
- The Contaminated Site Cleanups Program works to facilitate the cleanup of contaminated sites that have not been designated as superfund sites.
- The subdivision provides the Department of Law with technical support relating to the federal Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA).
- The Uranium Mill Tailings Remedial Action Program assists local governments in managing mill tailings that were not removed during cleanup and are disturbed during road work or other renewal or building activities.
- The Rocky Flats Program is responsible for monitoring long-term operations and maintenance of continuing remedy components (i.e., ground water cleanups and landfill caps), and closing out the administrative aspects of the regulatory process for site remediation.

#### (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 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.

#### (F) WASTE TIRE PROGRAM

This subdivision is responsible for regulating the reuse and disposal of waste tires including: regulation of waste tire haulers and facilities that generate, collect, store, process and/or use waste tires; awarding grants to local agencies for equipment, training and other activities related to prevention and response to waste tire fires; developing initiatives designed to encourage the disposal, recycling or reuse of illegally dumped tires and the recycling or reuse of waste tires; and payment of rebates to waste tire end users. Funding for this subdivision is from revenue from a \$0.55 fee on waste tires. The waste tire rebate and the Market Development Program was repealed on January 1, 2018.

HAZARDOUS MATERIALS AND WASTE MANAGEMENT DIVISION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$30,273,020	\$1,345,000	\$20,808,205	\$288,044	\$7,831,771	116.2
<b>TOTAL</b>	<b>\$30,273,020</b>	<b>\$1,345,000</b>	<b>\$20,808,205</b>	<b>\$288,044</b>	<b>\$7,831,771</b>	<b>116.2</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$30,273,020	\$1,345,000	\$20,808,205	\$288,044	\$7,831,771	116.2
Annualize prior year legislation	(3,094,319)	0	(3,094,319)	0	0	0.0
Annualize prior year budget actions	(1,509,750)	(1,345,000)	(166,917)	2,167	0	0.0
Indirect cost adjustment	(105,000)	0	(105,000)	0	0	0.0
Transfer to Department of Law	(75,430)	0	(75,430)	0	0	0.0
Centrally appropriated line items	(11,787)	0	(11,787)	0	0	0.0
<b>HB 18-1322</b>	<b>\$25,476,734</b>	<b>\$0</b>	<b>\$17,354,752</b>	<b>\$290,211</b>	<b>\$7,831,771</b>	<b>116.2</b>
<b>TOTAL</b>	<b>\$25,476,734</b>	<b>\$0</b>	<b>\$17,354,752</b>	<b>\$290,211</b>	<b>\$7,831,771</b>	<b>116.2</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$4,796,286)</b>	<b>(\$1,345,000)</b>	<b>(\$3,453,453)</b>	<b>\$2,167</b>	<b>\$0</b>	<b>0.0</b>

HAZARDOUS MATERIALS AND WASTE MANAGEMENT DIVISION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Percentage Change	(15.8%)	(100.0%)	(16.6%)	0.8%	0.0%	0.0%

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes a decrease of \$3,094,319 cash funds from various sources for the sunset of the waste tire fee established by H.B. 14-1352 (Update Waste Tire Management System).

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 17-18 Salary survey	\$63,345	\$0	\$61,746	\$1,599	\$0	0.0
FY 17-18 Merit pay	21,905	0	21,337	568	0	0.0
FY 17-18 Rural landfills	(1,595,000)	(1,345,000)	(250,000)	0	0	0.0
<b>TOTAL</b>	<b>(\$1,509,750)</b>	<b>(\$1,345,000)</b>	<b>(\$166,917)</b>	<b>\$2,167</b>	<b>\$0</b>	<b>0.0</b>

**INDIRECT COST ADJUSTMENT:** The appropriation includes a decrease in the division's indirect cost assessment.

**TRANSFER TO DEPARTMENT OF LAW:** The appropriation includes a decrease of \$75,430 cash funds to reflect adjustments in the Department of Law for expenses charged to the Hazardous Substance Response Fund. These funds are appropriated to the Department of Public Health and Environment first, then transferred to the Department of Law.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to payments to the Governor's Office of Information Technology (OIT) for the division.

## DIVISION OF ENVIRONMENTAL HEALTH AND SUSTAINABILITY

This division is comprised of multiple programs aimed to protect and improve Colorado's environment and human health. These programs address food safety in restaurants, schools, child care facilities, and state correctional facilities, as well as the production and sale of safe food; protect land, water, and air quality resources affected by the agricultural animal feeding industry; and protect and improve Colorado's environment through programs that conserve and reuse resources, prevent pollution, and advance the principles of sustainable development. The Division administers six programs, including:

- The Dairy Program inspects dairy operations from the farm to the production plant in accordance with state and federal standards to ensure safe milk products and allow for interstate shipment of these products.
- The Retail Food Program ensures safe food in restaurants, mobile food trucks, grocery stores, and school cafeterias by utilizing federal standards to develop state regulations for inspections and to provide compliance assistance to these operations.
- The Manufactured Food Program incorporates federal requirements into state regulations to inspect and ensure safe food products from food manufacturers, seafood and shellfish dealers, and food storage and warehouse facilities.

- The Environmental Institutions Program develops state requirements and inspects facilities to ensure safe environments in child care centers, summer camps, public and private schools, and correctional facilities.
- The Environmental Agriculture Program inspects concentrated animal feed operations and housed commercial swine feeding operations pursuant to state and federal requirements to ensure generated waste is managed to protect Colorado's water, air and land.
- Sustainability Programs implement the medication take back program, recycling grants, environmental leadership program, supplemental environmental projects, and pollution prevention initiatives.

This division is funded by General Fund, cash funds, reappropriated funds, and federal funds. The major sources of cash funds are from license fees for businesses, such as retail and wholesale food licenses. Reappropriated funds are from the Departments of Corrections and Human Services for the inspection of adult and youth correction facilities.

DIVISION OF ENVIRONMENTAL HEALTH AND SUSTAINABILITY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$9,387,975	\$1,637,599	\$6,196,393	\$111,730	\$1,442,253	42.3
HB 17-1079	491,510	0	491,510	0	0	3.0
<b>TOTAL</b>	<b>\$9,879,485</b>	<b>\$1,637,599</b>	<b>\$6,687,903</b>	<b>\$111,730</b>	<b>\$1,442,253</b>	<b>45.3</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$9,879,485	\$1,637,599	\$6,687,903	\$111,730	\$1,442,253	45.3
Recycling Resources Economic Opportunity Fund increase	1,150,000	0	1,150,000	0	0	0.0
Indirect cost adjustment	90,000	0	90,000	0	0	0.0
Annualize prior year budget actions	59,015	18,331	40,684	0	0	0.0
Animal Feeding Operations Cash Fund reduction	(14,323)	0	(14,323)	0	0	0.0
Stationary Sources Control Fund reduction	(11,697)	0	(11,697)	0	0	0.0
Centrally appropriated line items	(4,030)	0	(3,528)	0	(502)	0.0
<b>HB 18-1322</b>	<b>\$11,148,450</b>	<b>\$1,655,930</b>	<b>\$7,939,039</b>	<b>\$111,730</b>	<b>\$1,441,751</b>	<b>45.3</b>
SB 18-033	14,323	0	14,323	0	0	0.0
HB 18-1400	11,697	0	11,697	0	0	0.0
<b>TOTAL</b>	<b>\$11,174,470</b>	<b>\$1,655,930</b>	<b>\$7,965,059</b>	<b>\$111,730</b>	<b>\$1,441,751</b>	<b>45.3</b>
<b>INCREASE/(DECREASE)</b>	<b>\$1,294,985</b>	<b>\$18,331</b>	<b>\$1,277,156</b>	<b>\$0</b>	<b>(\$502)</b>	<b>0.0</b>
Percentage Change	13.1%	1.1%	19.1%	0.0%	(0.0%)	0.0%

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**RECYCLING RESOURCES ECONOMIC OPPORTUNITY FUND INCREASE:** The appropriation includes an increase of \$1.2 million cash funds from the Recycling Resources Economic Opportunity Fund. The additional spending authority allows the Recycling Resources Economic Opportunity Program in the Division of Environmental Health and Sustainability to increase the number of grants and rebates awarded for financial assistance to private, public, and non-profit stakeholders to encourage the development of waste diversion infrastructure in Colorado.

**INDIRECT COST ADJUSTMENT:** The appropriation includes an increase in the division's indirect cost assessment.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 17-18 Salary survey	\$43,940	\$13,602	\$30,338	\$0	\$0	0.0
FY 17-18 Merit pay	15,075	4,729	10,346	0	0	0.0
<b>TOTAL</b>	<b>\$59,015</b>	<b>\$18,331</b>	<b>\$40,684</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**ANIMAL FEEDING OPERATIONS CASH FUND REDUCTION:** The appropriation includes a reduction of \$14,323 cash funds from the Animal Feeding Operations Cash Fund. This reduction aligns the appropriation from the Fund with anticipated available revenue.

**STATIONARY SOURCES CONTROL FUND REDUCTION:** The appropriation includes a reduction of \$11,697 cash funds from the Stationary Sources Control Fund (SSCF). This reduction aligns the spending authority from the Fund with its available revenue from fees and the Fund's projected FY 2018-19 beginning balance.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to payments to the Governor's Office of Information Technology (OIT) for the division.

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

## DISEASE CONTROL AND ENVIRONMENTAL EPIDEMIOLOGY DIVISION

This division is comprised of three subdivisions: Administration, General Disease Control, and Surveillance; Special Purpose Disease Control Programs; and Environmental Epidemiology.

### (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. This subdivision is funded by General Fund, cash funds from the Tobacco Master Settlement Agreement, and federal funds. The Immunization Program consists of the following:

- The Immunization Outreach Program provides free immunization clinics around the state.
- The Colorado Immunization Information System houses immunization records, allowing health care providers to easily check a child's immunization status during a health care visit. This helps to ensure that a child is up-to-date on their immunizations and is not over-immunized. The system can also send reminders to parents of children who are not up-to-date on their immunizations.
- The Immunization Program also provides grants to local public health agencies for immunization clinics.

### (B) SPECIAL PURPOSE DISEASE CONTROL PROGRAMS

This subdivision is responsible for disease control programs which are designed to control and prevent certain communicable diseases including: sexually transmitted infections; HIV and AIDS; and tuberculosis. This subdivision is funded by General Fund, cash funds from the Tobacco Master Settlement Agreement, and federal funds.

## (C) ENVIRONMENTAL EPIDEMIOLOGY

This subdivision houses the Marijuana Health Effects Monitoring Program, which is responsible for researching the health impacts of marijuana use. This subdivision also includes funding for retail marijuana health research grants and data analysis of data relating to oil and gas operations. Funding for this subdivision is from the Oil and Gas Conservation and Environmental Response Fund, the Marijuana Tax Cash Fund, and federal funds.

DISEASE CONTROL AND ENVIRONMENTAL EPIDEMIOLOGY DIVISION						
	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$101,051,894	\$6,756,910	\$12,576,433	\$402,330	\$81,316,221	144.9
<b>TOTAL</b>	<b>\$101,051,894</b>	<b>\$6,756,910</b>	<b>\$12,576,433</b>	<b>\$402,330</b>	<b>\$81,316,221</b>	<b>144.9</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$101,051,894	\$6,756,910	\$12,576,433	\$402,330	\$81,316,221	144.9
Tobacco Master Settlement Agreement adjustment	1,264,638	0	1,264,638	0	0	0.0
Indirect cost adjustment	54,000	0	54,000	0	0	0.0
Annualize prior year budget actions	(351,934)	36,660	13,736	(402,330)	0	0.0
Centrally appropriated line items	(21,459)	0	(21,459)	0	0	0.0
Amendment 35 tobacco tax adjustment	(20,862)	(10,431)	(10,431)	0	0	0.0
<b>HB 18-1322</b>	<b>\$101,976,277</b>	<b>\$6,783,139</b>	<b>\$13,876,917</b>	<b>\$0</b>	<b>\$81,316,221</b>	<b>144.9</b>
<b>TOTAL</b>	<b>\$101,976,277</b>	<b>\$6,783,139</b>	<b>\$13,876,917</b>	<b>\$0</b>	<b>\$81,316,221</b>	<b>144.9</b>
<b>INCREASE/(DECREASE)</b>	<b>\$924,383</b>	<b>\$26,229</b>	<b>\$1,300,484</b>	<b>(\$402,330)</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	0.9%	0.4%	10.3%	(100.0%)	0.0%	0.0%

<sup>1</sup> Includes General Fund Exempt.

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**TOBACCO MASTER SETTLEMENT AGREEMENT ADJUSTMENT:** The appropriation includes an increase of \$1.3 million cash funds based on the Legislative Council FY 2018-19 Tobacco Master Settlement Agreement revenue projection, as well as adjustments related to existing cash fund balances.

**INDIRECT COST ADJUSTMENT:** The appropriation includes an increase in the division's indirect cost assessment.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the out-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 17-18 Salary survey	\$39,887	\$27,203	\$12,684	\$0	\$0	0.0
FY 17-18 Merit pay	10,509	9,457	1,052	0	0	0.0
FY 16-17 Oil and gas health activities	(402,330)	0	0	(402,330)	0	0.0
<b>TOTAL</b>	<b>(\$351,934)</b>	<b>\$36,660</b>	<b>\$13,736</b>	<b>(\$402,330)</b>	<b>\$0</b>	<b>0.0</b>

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to payments to the Governor's Office of Information Technology (OIT) for the division.

**AMENDMENT 35 TOBACCO TAX ADJUSTMENT:** The appropriation includes a reduction of \$20,862 total funds to reflect forecasted revenue, as well as adjustments related to existing cash fund balances.

## 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 for this subdivision is from the General Fund, various division cash funds, and federal funds.

### (B) CHRONIC DISEASE PREVENTION PROGRAMS

This subdivision provides target prevention services for specific chronic diseases including: breast and cervical cancer, lung cancer, and cardiovascular and chronic pulmonary disease. This subdivision also includes oral health programs and tobacco cessation, education, and prevention programs. Funding for this subdivision includes the Prevention, Early Detection Treatment Fund and the Tobacco Education Programs Fund which receive revenue from the Amendment 35 tobacco tax; Medicaid reappropriated funds, and federal funds.

### (C) PRIMARY CARE OFFICE

This subdivision 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 this subdivision includes General Fund, cash funds from the Tobacco Master Settlement Agreement, 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 and family planning services for low-income women, prenatal and postpartum services, and counseling and education to low-income pregnant women and their newborns. Children and Youth Programs include the children with special needs health care program, genetics counseling for children with possible genetic disorders, and school-based health centers. Injury, Suicide and Prevention Programs include suicide and injury prevention programs. Funding for this subdivision includes General Fund, cash funds from the Newborn Screening and Genetic Counseling Cash Fund and the Marijuana Tax Cash Fund, and federal funds.

### (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 federal poverty guidelines) women and children who are at-risk of poor nutritional outcomes. The Child and Adult Food Care Program provides reimbursement for nutritious foods to participating child care centers, Head Start programs, family day care homes, and adult day care centers. These programs are entirely federally funded.

PREVENTION SERVICES DIVISION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$237,418,153	\$15,252,111	\$73,478,147	\$1,300,755	\$147,387,140	197.3
<b>TOTAL</b>	<b>\$237,418,153</b>	<b>\$15,252,111</b>	<b>\$73,478,147</b>	<b>\$1,300,755</b>	<b>\$147,387,140</b>	<b>197.3</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$237,418,153	\$15,252,111	\$73,478,147	\$1,300,755	\$147,387,140	197.3
Indirect cost adjustment	1,711,232	0	1,711,232	0	0	0.0
Annualize prior year budget actions	1,186,612	58,133	57,838	0	1,070,641	0.0
Increase funding for oral health programs	500,000	500,000	0	0	0	0.0

PREVENTION SERVICES DIVISION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Family medicine loan repayment	225,000	225,000	0	0	0	0.0
Transfer Mental Health First Aid from DHS	210,000	210,000	0	0	0	0.0
Healthy food incentives	200,000	200,000	0	0	0	0.0
Tobacco Master Settlement Agreement adjustment	72,434	0	72,434	0	0	0.0
Other technical adjustments	0	0	0	0	0	0.0
Chronic disease grants adjustment	(2,362,788)	0	(2,362,788)	0	0	0.0
Amendment 35 tobacco tax adjustment	(2,056,442)	0	(2,056,442)	0	0	0.0
Centrally appropriated line items	(22,524)	(1,013)	(4,050)	0	(17,461)	0.0
<b>HB 18-1322</b>	<b>\$237,081,677</b>	<b>\$16,444,231</b>	<b>\$70,896,371</b>	<b>\$1,300,755</b>	<b>\$148,440,320</b>	<b>197.3</b>
SB 18-024	2,500,000	0	2,500,000	0	0	2.0
SB 18-272	400,000	400,000	0	0	0	0.3
HB 18-1003	775,000	0	775,000	0	0	0.0
HB 18-1409	880,570	880,570	0	0	0	0.0
<b>TOTAL</b>	<b>\$241,637,247</b>	<b>\$17,724,801</b>	<b>\$74,171,371</b>	<b>\$1,300,755</b>	<b>\$148,440,320</b>	<b>199.6</b>
<b>INCREASE/(DECREASE)</b>	<b>\$4,219,094</b>	<b>\$2,472,690</b>	<b>\$693,224</b>	<b>\$0</b>	<b>\$1,053,180</b>	<b>2.3</b>
Percentage Change	1.8%	16.2%	0.9%	0.0%	0.7%	1.2%

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**INDIRECT COST ADJUSTMENT:** The appropriation includes an increase in the division’s indirect cost assessment.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey	\$889,733	\$43,136	\$43,128	\$0	\$803,469	0.0
Merit pay	296,879	14,997	14,710	0	267,172	0.0
<b>TOTAL</b>	<b>\$1,186,612</b>	<b>\$58,133</b>	<b>\$57,838</b>	<b>\$0</b>	<b>\$1,070,641</b>	<b>0.0</b>

**INCREASE FUNDING FOR ORAL HEALTH PROGRAMS:** The appropriation includes \$500,000 General Fund to increase funding for oral health prevention programs for children.

**FAMILY MEDICINE LOAN REPAYMENT:** The appropriation includes \$225,000 General Fund to increase funding for family medicine loan repayment programs.

**TRANSFER MENTAL HEALTH FIRST AID FROM DHS:** The appropriation includes \$210,000 General Fund to transfer funding for Mental Health First Aid training from the Department of Human Services (DHS) to the Department of Public Health and Environment.

**HEALTHY FOOD INCENTIVES:** The appropriation includes \$200,000 General Fund to subsidize the purchase of fresh fruits and vegetables for low-income individuals by providing matching incentives for produce purchased at local farmers markets.

**TOBACCO MASTER SETTLEMENT AGREEMENT ADJUSTMENT:** The appropriation includes an increase of \$72,434 cash funds based on the Legislative Council FY 2018-19 Tobacco Master Settlement Agreement revenue projection, as well as adjustments related to existing cash fund balances.

**OTHER TECHNICAL ADJUSTMENTS:** The appropriation includes a net zero transfer of \$34,488 cash funds from the Marijuana Tax Cash Fund from the Substance Abuse Prevention Grants line to the Program Costs line for operating costs associated with travel to communities for technical support.

**CHRONIC DISEASE GRANTS ADJUSTMENT:** The appropriation includes a reduction of \$2.4 million cash funds in the Cancer, Cardiovascular and Chronic Disease Prevention Grants line item in the Prevention Services Division, reducing spending authority to properly reflect actual fund availability and expenditures.

**AMENDMENT 35 TOBACCO TAX ADJUSTMENT:** The appropriation includes a reduction of \$2.1 million total funds to reflect forecasted revenue, as well as adjustments related to existing cash fund balances.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to payments to the Governor's Office of Information Technology (OIT) for the division.

**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 three subdivisions.

### (A) OPERATIONS MANAGEMENT

This subdivision provides division-wide services to the Health Facilities Program. Funding for this subdivision is General Fund, divisional cash funds, and federal funds.

### (B) HEALTH FACILITIES PROGRAMS

This subdivision is responsible for the licensing and regulation of 3,269 medical facilities. Licensing activities conducted by the division include performing fitness reviews, conducting fire safety inspections, investigating complaints, and conducting enforcement activities. General Fund is required pursuant to Section 25-3-103.1, C.R.S., so that fees paid by non-government owned facilities do not subsidize the regulation of government-owned facilities. Funding for this subdivision is from the General Fund, cash funds including the Assisted Living Residences Cash Fund and the Health Facilities General Licensure Cash Fund, Medicaid reappropriated funds, and federal funds.

### (C) EMERGENCY MEDICAL SERVICES

This subdivision supports the emergency medical and trauma services system in Colorado, which provides transportation and immediate care to the ill and injured 24 hours a day, 365 days a year. Emergency medical and trauma care services are defined as the immediate health care services needed as a result of an injury or sudden illness, particularly when there is a threat to life or long-term functional abilities. Funding through this subdivision is provided to the Rocky Mountain Poison Control Center for operation of the poison center and call line. Funding for this subdivision includes General Fund, cash funds including the Emergency Medical Services Account within the Highway Users Tax Fund, and federal funds.

HEALTH FACILITIES AND EMERGENCY MEDICAL SERVICES DIVISION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$32,963,758	\$1,880,035	\$18,329,836	\$6,460,299	\$6,293,588	170.1
<b>TOTAL</b>	<b>\$32,963,758</b>	<b>\$1,880,035</b>	<b>\$18,329,836</b>	<b>\$6,460,299</b>	<b>\$6,293,588</b>	<b>170.1</b>



HEALTH FACILITIES AND EMERGENCY MEDICAL SERVICES DIVISION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$32,963,758	\$1,880,035	\$18,329,836	\$6,460,299	\$6,293,588	170.1
Annualize prior year budget actions	423,750	25,216	200,709	132,572	65,253	2.5
Indirect cost adjustment	160,000	0	160,000	0	0	0.0
Annualize prior year legislation	(86,164)	(66,665)	(19,499)	0	0	(0.3)
Centrally appropriated line items	(18,033)	0	(6,811)	(11,222)	0	0.0
Other technical adjustments	(449)	0	0	0	(449)	0.0
<b>HB 18-1322</b>	<b>\$33,442,862</b>	<b>\$1,838,586</b>	<b>\$18,664,235</b>	<b>\$6,581,649</b>	<b>\$6,358,392</b>	<b>172.3</b>
SB 18-146	34,725	0	34,725	0	0	0.5
<b>TOTAL</b>	<b>\$33,477,587</b>	<b>\$1,838,586</b>	<b>\$18,698,960</b>	<b>\$6,581,649</b>	<b>\$6,358,392</b>	<b>172.8</b>
<b>INCREASE/(DECREASE)</b>	<b>\$513,829</b>	<b>(\$41,449)</b>	<b>\$369,124</b>	<b>\$121,350</b>	<b>\$64,804</b>	<b>2.7</b>
Percentage Change	1.6%	(2.2%)	2.0%	1.9%	1.0%	1.6%

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 17-18 Salary survey	\$230,319	\$13,704	\$126,341	\$90,274	\$0	0.0
FY 17-18 Health facilities staffing	134,844	6,763	29,317	33,511	65,253	2.5
FY 17-18 Merit pay	81,902	4,749	45,051	32,102	0	0.0
FY 17-18 IDD facility survey staffing	(23,315)	0	0	(23,315)	0	0.0
<b>TOTAL</b>	<b>\$423,750</b>	<b>\$25,216</b>	<b>\$200,709</b>	<b>\$132,572</b>	<b>\$65,253</b>	<b>2.5</b>

**INDIRECT COST ADJUSTMENT:** The appropriation includes an increase in the division’s indirect cost assessment.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments related to prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 16-1280 Air ambulance	(\$71,749)	\$0	(\$71,749)	\$0	\$0	(0.3)
SB 16-069 Community paramedics	(9,712)	(66,665)	56,953	0	0	0.0
HB 15-1015 EMS compact	(4,703)	0	(4,703)	0	0	0.0
<b>TOTAL</b>	<b>(\$86,164)</b>	<b>(\$66,665)</b>	<b>(\$19,499)</b>	<b>\$0</b>	<b>\$0</b>	<b>(0.3)</b>

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to payments to the Governor's Office of Information Technology (OIT) for the division.

**OTHER TECHNICAL ADJUSTMENTS:** The appropriation includes a technical adjustment to the Medicare/Medicaid transfer to the Department of Public Safety.

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the “Recent Legislation” section at the end of this department.

## OFFICE OF EMERGENCY PREPAREDNESS AND RESPONSE

The Office develops and implements emergency response plans to enable the Department to ensure the protection of health and the medical response for victims when an emergency occurs in Colorado. The Office works to ensure the Department, local public health, and medical agencies have plans for responding to emergency events and administering medication in mass quantities to all citizens in Colorado. Funding for this division includes General Fund and federal funds. Additional responsibilities of the Office include:

- Training of health and medical professionals on the latest and improved response protocols, including the National Incident Management System;
- Ensuring that public health and medical programs are integrated with law enforcement, the Division of Emergency Management and other state departments critical to the state's response;
- Providing emergency preparedness education and training to Department employees, as well as medical and public health partners;
- Ensuring the rapid receipt, storage and distribution of the Strategic National Stockpile (SNS) supplies and medication during an emergency;
- Activation of the Department Emergency Operations Center (DOC) during emergency situations;
- Coordinating and enhancing the capacity of the Emergency System for Advance Registration of Volunteer Health Professionals, which enables the Colorado Hospital Preparedness Program to expand and integrate the Colorado Medical Reserve Corps to enable the preparation of volunteers for an all-hazards response;
- Fulfilling responsibilities as the state lead agency for behavioral health during and after an emergency event to assist individuals and communities recovering from the challenging effects of natural and human-caused disasters through the provision of community-based outreach and psycho educational services.

The amount of federal dollars this Division receives is driven by formulas that are based in part on state population, and if the state accepts the federal funds the state must provide the required match amount.

OFFICE OF EMERGENCY PREPAREDNESS AND RESPONSE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$16,260,264	\$1,592,322	\$0	\$0	\$14,667,942	35.1
<b>TOTAL</b>	<b>\$16,260,264</b>	<b>\$1,592,322</b>	<b>\$0</b>	<b>\$0</b>	<b>\$14,667,942</b>	<b>35.1</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$16,260,264	\$1,592,322	\$0	\$0	\$14,667,942	35.1
Centrally appropriated line items	(3,123)	(3,123)	0	0	0	0.0
<b>HB 18-1322</b>	<b>\$16,257,141</b>	<b>\$1,589,199</b>	<b>\$0</b>	<b>\$0</b>	<b>\$14,667,942</b>	<b>35.1</b>
<b>TOTAL</b>	<b>\$16,257,141</b>	<b>\$1,589,199</b>	<b>\$0</b>	<b>\$0</b>	<b>\$14,667,942</b>	<b>35.1</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$3,123)</b>	<b>(\$3,123)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	(0.0%)	(0.2%)	n/a	n/a	0.0%	0.0%

### FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to payments to the Governor's Office of Information Technology (OIT) for the division.

## RECENT LEGISLATION

### 2017 SESSION BILLS

**S.B. 17-254 (LONG BILL):** General appropriations act for FY 2017-18. Includes provisions modifying FY 2016-17 appropriations to the Department.

**H.B. 17-1079 (CONTINUE FEES WHOLESALE FOOD MANUFACTURE AND STORAGE):** Continues the Wholesale Food Manufacturing and Storage Protection Program (Program) with the Department that is currently set to expire on July 1, 2017, and restructures the Program's fees. Creates a \$100 annual application fee to be paid by all wholesale food manufacturing and storage businesses, and an additional registration fee associated with a specific business type. Nonprofit food storage facilities are exempt from all fees. Appropriates \$491,510 cash funds from the Wholesale Food Manufacturing and Storage Cash Fund to the Department for FY 2017-18 and states that the appropriation is based on the assumption the Department will require 3.0 FTE to implement the act.

**H.B. 17-1248 (COLORADO WATER CONSERVATION BOARD CONSTRUCTION FUND PROJECT):** Appropriates \$260,000 cash funds from the Public and Private Utilities Sector Cash Fund to the Department for an update to regulations concerning nonpotable reuse of water and graywater use. For additional information, see the "Recent Legislation" section at the end of Part III of the Department of Natural Resources.

**H.B. 17-1285 (REFINANCE WATER POLLUTION CONTROL PROGRAM):** Beginning July 1, 2018, increases the fee portion of funding for the Clean Water Sectors. Requires the Department to engage in a stakeholder process to determine the adequate and appropriate fee levels and the total funding required for the state's discharge permit system prior to future fee increases. Establishes goals for the ratio of fee revenue to General Fund revenue for each sector of the program. Transfers a total of \$809,107 from the Water Quality Improvement Fund to various cash funds dedicated to three clean water sectors.

TRANSFERS FROM WATER QUALITY IMPROVEMENT FUND	
CASH FUND	TRANSFER AMOUNT
Commerce and Industry	\$152,772
Municipal Separate Storm Sewer System	23,046
Public and Private Utilities	633,289
<b>TOTAL</b>	<b>\$809,107</b>

Appropriates \$1,258,007 total funds, of which \$433,042 is General Fund and \$824,965 is cash funds from the various Clean Water Sectors cash funds, to the Department for FY 2017-18.

SUMMARY OF APPROPRIATIONS IN H.B. 17-1285			
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS
Administration	\$0	(\$62,569)	\$62,569
Commerce and Industry	325,793	182,228	143,565
Construction	(95,752)	(74,878)	(20,874)
Municipal Separate Storm Sewer System	63,038	40,558	22,480
Pesticides	83,759	95,543	(11,784)
Public and Private Utilities	841,978	243,120	598,858
Water Quality Certification	(10,809)	9,040	(19,849)
Water Quality Improvement	50,000	0	50,000
<b>TOTAL</b>	<b>\$1,258,007</b>	<b>\$433,042</b>	<b>\$824,965</b>

**H.B. 17-1306 (TEST LEAD IN PUBLIC SCHOOLS' DRINKING WATER):** Authorizes the Department to establish a grant program to test for lead in drinking water in public schools that receive drinking water from public water systems. Priority is given to the oldest elementary schools, and the Department must provide an annual report to the committees of reference. A public school that receives a grant is required to either enter into a contract that requires compliance with the Department's testing protocols when having the testing conducted or to follow the Department's testing protocols and provide the test samples to the state laboratory or a laboratory certified by the Department. The public school is required to provide the test results to its local public health agency, its water supplier, its school board, and the Department. Appropriates \$431,803 cash funds from the Water Quality Improvement Fund to the Department for FY 2017-18 and states the assumption the Department will require 1.3 FTE to implement the act.

**H.B. 17-1315 (REQUIRE DIVISION OF CRIMINAL JUSTICE TO REPORT DUI DATA):** Requires the Division of Criminal Justice (DCJ) within the Department of Public Safety (DPS) to submit an annual report to the General Assembly containing information about substance-affected driving violations. Lists the specific types of information that DCJ must collect from the Judicial Branch, forensic toxicology labs, the Department of Public Health and Environment, and the Division of Probation Services. Requires anyone convicted of DUI, DUI per se, DWAI, vehicular assault, or vehicular homicide to pay a \$2 data-analysis surcharge, and creates a Substance-Affected Driving Data-Analysis Cash Fund in DPS. The money in the fund must be used to reimburse and provide advance payments to state, municipal, and private agencies and labs that apply to DCJ for payment of costs they incur in complying with the law. Appropriates \$5,352 reappropriated funds to the Department of Public Health and Environment for FY 2017-18 and states the assumption the Department will require 0.1 FTE to implement the act. The reappropriated funds are transferred from the Department of Public Safety.

## 2018 SESSION BILLS

**S.B. 18-024 (EXPAND ACCESS BEHAVIORAL HEALTH CARE PROVIDERS):** Modifies the Colorado Health Services Corps program to expand the availability of behavioral health care providers in designated shortage areas. In FY 2018-19, appropriates \$2,500,000 cash funds from the Marijuana Tax Cash Fund and 2.0 FTE to the Department of Public Health and Environment.

**S.B. 18-033 (ANIMAL FEEDING OPERATION PERMITS CONTINUATION):** Extends temporary higher fees for concentrated animal feeding operations and housed commercial swine feeding operations collected by the Water Quality Division from June 30, 2018, to June 30, 2025. Funds are used for permitting and oversight of these operations. Appropriates \$14,323 cash funds to the Department for FY 2018-19 to implement the act.

**S.B. 18-038 (RECLAIMED WATER USE ON INDUSTRIAL HEMP):** Codifies rules promulgated by the Water Quality Control Commission related to the allowable uses of reclaimed domestic wastewater. Expands allowable uses to include irrigation of industrial hemp, when it is not used as a food crop. Appropriates \$40,602 General Fund and 0.4 FTE to the Department for FY 2018-19 to implement the act.

**S.B. 18-146 (FREESTANDING EMERGENCY DEPTS REQUIRED CONSUMER NOTICES):** Requires freestanding emergency departments to provide certain notices about prices and services to patients seeking care. In FY 2018-19, appropriates \$34,725 cash funds from the Health Facilities General Licensure Cash Fund and 0.5 FTE to the Department of Public Health and Environment.

**S.B. 18-271 (IMPROVE FUNDING FOR MARIJUANA RESEARCH):** Extends the repeal of the Medical Marijuana Program Cash Fund until September 1, 2023. For additional information see the "Recent Legislation" section at the end of Part III for the Department of Revenue.

**S.B. 18-272 (CRISIS AND SUICIDE PREVENTION TRAINING GRANT PROGRAM):** Creates the Crisis and Suicide Prevention Training Grant Program in the Department of Public Health and Environment. The grant program will assist schools in providing crisis and suicide prevention training, with priority given to schools that have not previously received such training. In FY 2018-19, appropriates \$400,000 General Fund and 0.3 FTE to the Office of Suicide Prevention within the Department.

**H.B. 18-1003 (OPIOID MISUSE PREVENTION):** Implements several policies related to the prevention of opioid and substance misuse and allocates \$2,489,249 total funds in FY 2018-19, including the following:

- \$39,249 General Fund to the Legislative Department for the continuation of the Opioid and Other Substance Use Disorders Interim Study Committee for two years;
- \$925,000 Marijuana Tax Cash Fund to the Department of Health Care Policy and Financing for the Screening, Brief Intervention, and Referral to Treatment (SBIRT) training program for the development of a training module on substance-exposed pregnancies and additional funding for SBIRT grants;
- \$775,000 Marijuana Tax Cash Fund to the Department of Public Health and Environment for grants to school-based health centers to expand behavioral health services to include treatment for opioid and other substance use disorders; and
- \$750,000 Marijuana Tax Cash Fund to the Department of Higher Education for allocation to the University of Colorado for the Center for Research Into Substance Use Disorder Prevention, Treatment, and Recovery to develop and implement continuing medical education activities for prescribers of pain medication.

**H.B. 18-1006 (INFANT NEWBORN SCREENING):** Expands newborn screening for genetic and metabolic diseases, increases access to follow-up services, and creates a funding source for newborn hearing loss screening. In FY 2018-19, appropriates \$1,951,722 total funds to the Department for FY 2018-19, including:

- \$1,162,500 cash funds from the Newborn Screening and Genetic Counseling Cash Fund for capital construction related to laboratory space expansion and equipment purchase;
- \$700,000 Capital Construction Funds from the Information Technology Capital Account for capital construction related to an information technology system for hearing loss screening. The bill includes an associated transfer of \$700,000 General Fund to the Information Technology Capital Account; and
- \$89,222 cash funds from the Newborn Hearing Screening Cash Fund to the Department for the hearing loss screenings.

**H.B. 18-1069 (RECLAIMED WATER USE FOR TOILET FLUSHING):** Codifies rules promulgated by the Water Quality Control Commission related to the allowable uses of reclaimed domestic wastewater. Expands allowable uses to include toilet and urinal flushing in multifamily residential structures and in nonresidential structures, if the toilets and urinals are installed in accordance with rules promulgated by the State Plumbing Board in the Department of Regulatory Agencies. Appropriates \$25,054 General Fund and 0.2 FTE to the Department for FY 2018-19 to implement the act.

**H.B. 18-1093 (RECLAIMED WATER USE FOR EDIBLE CROPS):** Codifies rules promulgated by the Water Quality Control Commission related to the allowable uses of reclaimed domestic wastewater, and expands allowable uses to include irrigation of food crops. Appropriates \$14,399 General Fund and 0.1 FTE to the Department for FY 2018-19 to implement the act.

**H.B. 18-1322 (LONG BILL):** General appropriations act for FY 2018-19.

**H.B. 18-1400 (INCREASE FEES STATIONARY SOURCES AIR POLLUTANTS):** Increases the statutory fee caps for stationary sources of air pollutants by approximately 25 percent, but actual fees will be set in rule at or below these caps by the Air Quality Control Commission. Beginning January 1, 2019, until January 1, 2028, the maximum fees

automatically increase by the consumer price index for Denver-Aurora-Lakewood. Appropriates \$1,555,752 cash funds from the Stationary Sources Control Fund to the Department for FY 2018-19 to implement the act.

**H.B. 18-1409 (CRIME VICTIMS GRANT PROGRAM):** Creates the Community Crime Survivors Grant Program to provide funding to entities that provide support services and other interventions to crime victims and their immediate family. Repeals the Parole Savings Fund that was created through H.B. 17-1326, and eliminates the associated \$1,761,140 General Fund appropriation to the Department of Local Affairs for FY 2017-18 that was included in H.B. 17-1326 to credit money to the Parole Savings Fund. Appropriates \$880,570 General Fund to the Department of Public Health and Environment for FY 2018-19.

# Details

## DEPARTMENT OF PUBLIC SAFETY

### FY 2017-18 AND FY 2018-19 APPROPRIATIONS BY DIVISION AND BILL

DEPARTMENT OF PUBLIC SAFETY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2017-18 TOTAL APPROPRIATION:</b>	<b>\$423,094,664</b>	<b>\$124,687,644</b>	<b>\$200,795,010</b>	<b>\$40,845,123</b>	<b>\$56,766,887</b>	<b>1,802.5</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Executive Director's Office	67,254,498	15,101,510	34,598,864	15,722,977	1,831,147	121.7
Colorado State Patrol	156,540,276	6,364,152	134,611,007	9,899,242	5,665,875	1,120.3
Division of Fire Prevention and Control	25,564,940	11,080,481	9,331,121	4,803,763	349,575	106.4
Division of Criminal Justice	101,924,504	70,563,375	3,389,998	5,722,524	22,248,607	72.7
Colorado Bureau of Investigation	37,888,897	18,955,385	14,033,431	3,996,227	903,854	294.2
Division of Homeland Security and Emergency Management	33,921,549	2,622,741	4,830,589	700,390	25,767,829	87.2
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
SB 17-254	\$420,382,651	\$123,435,771	\$199,253,031	\$40,957,422	\$56,736,427	1,800.5
SB 17-096	814,834	0	814,834	0	0	0.3
SB 17-187	1,159	0	0	1,159	0	0.0
SB 17-240	162,983	0	162,983	0	0	0.8
HB 17-1204	12,294	12,294	0	0	0	0.4
HB 17-1315	20,352	0	20,352	0	0	0.0
SB 18-027	233,702	0	233,702	0	0	0.5
HB 18-1165	347,881	120,771	310,108	(113,458)	30,460	0.0
HB 18-1322	1,118,808	1,118,808	0	0	0	0.0
<b>FY 2018-19 TOTAL APPROPRIATION:</b>	<b>\$512,902,340</b>	<b>\$183,106,198</b>	<b>\$216,527,076</b>	<b>\$43,430,450</b>	<b>\$69,838,616</b>	<b>1,854.3</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Executive Director's Office	107,211,742	51,169,091	36,089,040	18,543,188	1,410,423	124.2
Colorado State Patrol	163,895,532	6,596,287	141,307,866	10,009,796	5,981,583	1,138.3
Division of Fire Prevention and Control	28,994,596	14,592,487	9,202,915	4,827,285	371,909	110.4
Division of Criminal Justice	120,712,189	75,516,473	4,803,108	5,781,085	34,611,523	82.1
Colorado Bureau of Investigation	39,962,295	19,233,678	15,573,433	4,203,255	951,929	304.6
Division of Homeland Security and Emergency Management	52,125,986	15,998,182	9,550,714	65,841	26,511,249	94.7
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
HB 18-1322	\$504,900,184	\$182,586,685	\$209,166,181	\$43,308,702	\$69,838,616	1,845.1
SB 18-027	336,009	0	336,009	0	0	2.0
SB 18-071	3,000	0	3,000	0	0	0.0
SB 18-158	5,000,000	0	5,000,000	0	0	2.3
SB 18-229	34,065	0	34,065	0	0	0.2
HB 18-1020	1,487,821	0	1,487,821	0	0	0.8
HB 18-1251	264,070	264,070	0	0	0	0.8
HB 18-1287	255,443	255,443	0	0	0	2.5
HB 18-1339	121,748	0	0	121,748	0	0.6
HB 18-1413	500,000	0	500,000	0	0	0.0
<b>INCREASE/(DECREASE)</b>	<b>\$89,807,676</b>	<b>\$58,418,554</b>	<b>\$15,732,066</b>	<b>\$2,585,327</b>	<b>\$13,071,729</b>	<b>51.8</b>

DEPARTMENT OF PUBLIC SAFETY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Percentage Change	21.2%	46.9%	7.8%	6.3%	23.0%	2.9%

**INFORMATIONAL FUNDS:** The FY 2018-19 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Public Safety are annotated with the "(I)". For additional information, see Appendix J.

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2018-19 Appropriations containing an (I) notation	\$80,107,942	\$0	\$6,289,163	\$3,980,163	\$69,838,616

## DETAIL OF APPROPRIATION BY ADMINISTRATIVE SECTION

### EXECUTIVE DIRECTOR'S OFFICE

This office manages the administrative and fiscal affairs of the Department, oversees 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 and indirect cost recoveries.

EXECUTIVE DIRECTOR'S OFFICE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$67,329,686	\$15,125,870	\$34,625,228	\$15,747,441	\$1,831,147	121.7
HB 18-1165	(75,188)	(24,360)	(26,364)	(24,464)	0	0.0
<b>TOTAL</b>	<b>\$67,254,498</b>	<b>\$15,101,510</b>	<b>\$34,598,864</b>	<b>\$15,722,977</b>	<b>\$1,831,147</b>	<b>121.7</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$67,254,498	\$15,101,510	\$34,598,864	\$15,722,977	\$1,831,147	121.7
Appropriation to the School Safety Resource Center Cash Fund	35,000,000	35,000,000	0	0	0	0.0
Centrally appropriated line items	8,945,703	4,383,947	4,981,584	(465,164)	45,336	0.0
SOMB data collection and evaluation	361,424	161,424	200,000	0	0	0.0
Planning and communications office capacity building	195,488	29,788	0	165,700	0	1.0
Additional troopers and support staff	63,319	0	0	63,319	0	1.0
Additional leased space	56,469	56,469	0	0	0	0.0
Black market marijuana interdiction	20,000	0	20,000	0	0	0.0
Indirect cost assessment	0	(2,743,094)	(13,676)	3,094,161	(337,391)	0.0
Safe2Tell communications officers	0	0	0	0	0	0.0
Technical changes	0	(157,739)	0	157,739	0	0.0
Annualize prior year budget actions	(4,685,159)	(663,214)	(3,697,732)	(195,544)	(128,669)	0.5
Annualize prior year legislation	(35,367)	(35,367)	0	0	0	0.0
<b>HB 18-1322</b>	<b>\$107,176,375</b>	<b>\$51,133,724</b>	<b>\$36,089,040</b>	<b>\$18,543,188</b>	<b>\$1,410,423</b>	<b>124.2</b>
HB 18-1287	35,367	35,367	0	0	0	0.0
<b>TOTAL</b>	<b>\$107,211,742</b>	<b>\$51,169,091</b>	<b>\$36,089,040</b>	<b>\$18,543,188</b>	<b>\$1,410,423</b>	<b>124.2</b>
<b>INCREASE/(DECREASE)</b>						
Percentage Change	59.4%	238.8%	4.3%	17.9%	(23.0%)	2.1%



## FY 2017-18 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 18-1165 includes a reduction of \$75,188 in the Executive Director's Office, including a reduction of \$24,360 General Fund, for adjustments to fleet vehicle expenses.

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**APPROPRIATION TO THE SCHOOL SAFETY RESOURCE CENTER CASH FUND:** The appropriation includes a \$35.0 million General Fund appropriation to the School Safety Resource Center Cash Fund.

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

**SOMB DATA COLLECTION AND EVALUATION:** The appropriation includes an increase of \$361,424 total funds, including \$161,424 General Fund, for the development and implementation of data collection system by the Sex Offender Management Board (SOMB). Related costs and FTE are appropriated to the Division of Criminal Justice.

**PLANNING AND COMMUNICATIONS OFFICE CAPACITY BUILDING:** The appropriation includes \$195,488 total funds, including \$29,788 General Fund, and 1.0 FTE to increase capacity within the newly created Planning and Communications Office, housed in the Executive Director's Office.

**ADDITIONAL TROOPERS AND SUPPORT STAFF:** The appropriation includes \$63,319 reappropriated funds for an additional 1.0 FTE support staff in FY 2018-19.

**ADDITIONAL LEASED SPACE:** The appropriation includes \$56,469 General Fund to pay for existing leased space for the Center of Excellence (CoE) in Rifle. Garfield County provided the current space at no cost for three years beginning in 2015, when the Division of Fire Prevention and Control selected Rifle as the permanent location for the CoE.

**BLACK MARKET MARIJUANA INTERDICTION:** The appropriation includes \$20,000 cash funds from the Marijuana Tax Cash Fund to establish an 8-person unit within the Colorado Bureau of Investigation to investigate black market marijuana operations. This unit will provide rural law enforcement agencies with the experienced personnel necessary to gather actionable intelligence and effect arrests of organized criminal enterprises operating across multiple jurisdictions.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net zero adjustment to the division's indirect cost assessment.

**TECHNICAL CHANGES:** The appropriation includes net zero technical adjustments.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 17-18 Fleet adjustment	\$75,188	\$24,360	\$26,364	\$24,464	\$0	0.0
FY 17-18 Trooper increase	55,551	0	36,960	18,591	0	0.5
FY 17-18 Salary survey	(3,931,833)	(494,940)	(3,136,850)	(201,987)	(98,056)	0.0
FY 17-18 Merit pay	(884,065)	(192,634)	(624,206)	(36,612)	(30,613)	0.0
<b>TOTAL</b>	<b>(\$4,685,159)</b>	<b>(\$663,214)</b>	<b>(\$3,697,732)</b>	<b>(\$195,544)</b>	<b>(\$128,669)</b>	<b>0.5</b>

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes a decrease of \$35,367 General Fund for the out year impact of S.B. 13-007 (Commission on Criminal and Juvenile Justice Repeal).

## COLORADO STATE PATROL

This division is responsible for the safe and efficient movement of motor vehicle traffic on federal, state, and county roads in Colorado. The State Patrol enforces motor vehicle laws, assists motorists in need, conducts automotive and motor carrier safety checks, investigates traffic accidents, and oversees the transportation of hazardous materials. The primary cash fund and reappropriated fund sources include: the Highway Users Tax Fund, limited gaming funds transferred from the Department of Revenue, funds transferred from the Department of Transportation, the Vehicle Identification Number Inspection Fund, the Auto Theft Prevention Fund, and user fees from state and non-state agencies.

COLORADO STATE PATROL						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$156,240,216	\$6,343,233	\$134,272,382	\$9,988,930	\$5,635,671	1,120.3
HB 18-1165	300,060	20,919	338,625	(89,688)	30,204	0.0
<b>TOTAL</b>	<b>\$156,540,276</b>	<b>\$6,364,152</b>	<b>\$134,611,007</b>	<b>\$9,899,242</b>	<b>\$5,665,875</b>	<b>1,120.3</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$156,540,276	\$6,364,152	\$134,611,007	\$9,899,242	\$5,665,875	1,120.3
Annualize prior year budget actions	3,729,425	142,488	3,283,733	277,006	26,198	4.5
Additional troopers and support staff	1,691,684	0	1,691,684	0	0	13.5
Indirect cost assessment	1,121,825	0	846,925	73,550	201,350	0.0
Officer safety equipment	1,098,589	0	1,098,589	0	0	0.0
Technical changes	0	0	126,269	(126,314)	45	0.0
Centrally appropriated line items	(281,143)	94,771	(350,341)	(113,688)	88,115	0.0
Planning and communications office capacity building	(5,124)	(5,124)	0	0	0	0.0
<b>HB 18-1322</b>	<b>\$163,895,532</b>	<b>\$6,596,287</b>	<b>\$141,307,866</b>	<b>\$10,009,796</b>	<b>\$5,981,583</b>	<b>1,138.3</b>
<b>TOTAL</b>	<b>\$163,895,532</b>	<b>\$6,596,287</b>	<b>\$141,307,866</b>	<b>\$10,009,796</b>	<b>\$5,981,583</b>	<b>1,138.3</b>
<b>INCREASE/(DECREASE)</b>						
Percentage Change	4.7%	3.6%	5.0%	1.1%	5.6%	1.6%

## FY 2017-18 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 18-1165 includes an increase of \$300,060 total funds in the Colorado State Patrol, including \$20,919 General Fund, for adjustments to fleet vehicle expenses and the purchase of officer safety equipment.

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 17-18 Salary survey	\$3,297,422	\$125,047	\$2,954,065	\$164,424	\$53,886	0.0
FY 17-18 Merit pay	586,486	38,360	522,716	22,894	2,516	0.0
FY 17-18 Trooper increase	185,275	0	185,275	0	0	4.5
FY 17-18 Vehicle lease adjustment	79,940	(20,919)	41,375	89,688	(30,204)	0.0
FY 17-18 Officer safety equipment	(380,000)	0	(380,000)	0	0	0.0
FY 17-18 Patrol managed lanes	(39,698)	0	(39,698)	0	0	0.0
<b>TOTAL</b>	<b>\$3,729,425</b>	<b>\$142,488</b>	<b>\$3,283,733</b>	<b>\$277,006</b>	<b>\$26,198</b>	<b>4.5</b>

**ADDITIONAL TROOPERS AND SUPPORT STAFF:** The appropriation includes an increase of \$1.7 million cash funds from the Highway Users Tax Fund, for an additional 13.5 FTE to increase the number of Colorado State Troopers.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net increase in the division's indirect cost assessment.

**OFFICER SAFETY EQUIPMENT:** The appropriation includes \$1.1 million of off-the-top cash funds from the Highway Users Tax Fund to upgrade, expand, and maintain the Officer Safety Equipment Package provided to Colorado State Troopers. Additions include patrol rifles and ammunition, hard body armor, helmets, and naxolone.

**TECHNICAL CHANGES:** The appropriation includes a net zero adjustment to align dispatch billing within the Colorado State Patrol.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to vehicle lease payments and payments to the Governor's Office of Information Technology (OIT) for the division.

**PLANNING AND COMMUNICATIONS OFFICE CAPACITY BUILDING:** The appropriation includes a decrease of \$5,124 General Fund to shift resources from the division level to the Planning and Communications Office, housed in the Executive Director's Office.

## DIVISION OF FIRE PREVENTION AND CONTROL

The Division of Fire Prevention and Control is tasked with fire code enforcement, training, certification, and wildfire preparedness, response, suppression, coordination, and management. The primary sources of cash funds for this division include: proceeds of insurance premium taxes into the Wildfire Preparedness Fund; the Public School Construction and Inspection Cash Fund; the Emergency Fire Fund; the Wildland Fire Equipment Repair Cash Fund; the Firefighter, First Responder, and Hazardous Materials Responder Certification Fund; the Fire Suppression Cash Fund; and the Wildfire Emergency Response Fund.

DIVISION OF FIRE PREVENTION AND CONTROL						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$25,564,940	\$11,080,481	\$9,331,121	\$4,803,763	\$349,575	106.4
<b>TOTAL</b>	<b>\$25,564,940</b>	<b>\$11,080,481</b>	<b>\$9,331,121</b>	<b>\$4,803,763</b>	<b>\$349,575</b>	<b>106.4</b>

DIVISION OF FIRE PREVENTION AND CONTROL						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$25,564,940	\$11,080,481	\$9,331,121	\$4,803,763	\$349,575	106.4
Increase funding for wildfire preparedness	3,000,000	3,000,000	0	0	0	0.0
Training simulator resources	450,000	450,000	0	0	0	4.0
Annualize prior year budget actions	143,822	69,709	55,887	18,226	0	0.0
Indirect cost assessment	(137,914)	0	(172,500)	12,252	22,334	0.0
Centrally appropriated line items	(23,186)	(4,637)	(11,593)	(6,956)	0	0.0
Planning and communications office capacity building	(3,066)	(3,066)	0	0	0	0.0
<b>HB 18-1322</b>	<b>\$28,994,596</b>	<b>\$14,592,487</b>	<b>\$9,202,915</b>	<b>\$4,827,285</b>	<b>\$371,909</b>	<b>110.4</b>
<b>TOTAL</b>	<b>\$28,994,596</b>	<b>\$14,592,487</b>	<b>\$9,202,915</b>	<b>\$4,827,285</b>	<b>\$371,909</b>	<b>110.4</b>
<b>INCREASE/(DECREASE)</b>	<b>\$3,429,656</b>	<b>\$3,512,006</b>	<b>(\$128,206)</b>	<b>\$23,522</b>	<b>\$22,334</b>	<b>4.0</b>
Percentage Change	13.4%	31.7%	(1.4%)	0.5%	6.4%	3.8%

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**INCREASE FUNDING FOR WILDFIRE PREPAREDNESS:** The appropriation includes \$3.0 million General Fund for wildfire preparedness programs in the Division of Fire Prevention and Control.

**TRAINING SIMULATOR RESOURCES:** The appropriation includes \$450,000 General Fund and 4.0 FTE to create two teams dedicated to increasing statewide access to the Division of Fire Prevention and Control's portable training units. The teams will consist of a driver and a trainer, who will transport the equipment and provide training to local agencies.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for FY 2017-18 salary survey and merit pay.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net decrease in the division's indirect cost assessment.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to payments to the Governor's Office of Information Technology (OIT) for the division.

**PLANNING AND COMMUNICATIONS OFFICE CAPACITY BUILDING:** The appropriation includes a decrease of \$3,066 General Fund to shift resources from the division level to the Planning and Communications Office, housed in the Executive Director's Office.

## 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 Victim's Rights Act Compliance Program, and provides 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, grants, and technical assistance programs.

The primary sources of cash funds are the Victims Assistance and Law Enforcement Fund (the State VALE Fund), the Child Abuse Investigation Surcharge Fund, the Sex Offender Surcharge Fund, and the Marijuana Tax Cash Fund. The primary sources of reappropriated funds are transfers of money appropriated to the Correctional Treatment Cash Fund in the Judicial Department and departmental indirect cost recoveries. Sources of federal funds include Federal Victims Assistance and Compensation Grants and State and Local Crime Control and System Improvement Grants.

DIVISION OF CRIMINAL JUSTICE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$100,785,344	\$69,444,567	\$3,369,646	\$5,722,524	\$22,248,607	72.7
HB 17-1315	20,352	0	20,352	0	0	0.0
HB 18-1322	1,118,808	1,118,808	0	0	0	0.0
<b>TOTAL</b>	<b>\$101,924,504</b>	<b>\$70,563,375</b>	<b>\$3,389,998</b>	<b>\$5,722,524</b>	<b>\$22,248,607</b>	<b>72.7</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$101,924,504	\$70,563,375	\$3,389,998	\$5,722,524	\$22,248,607	72.7
Informational funds adjustment	12,182,386	0	(75,000)	0	12,257,386	3.3
Community corrections bed adjustment	3,985,142	3,985,142	0	0	0	0.0
Community provider rate	661,209	608,503	0	52,706	0	0.0
Community corrections provider evaluations	350,180	350,180	0	0	0	3.6
Child abuse investigations	300,000	300,000	0	0	0	0.0
Subsistence grace period	275,000	275,000	0	0	0	0.0
Community correction boards administration	155,350	155,350	0	0	0	0.0
SOMB data collection and evaluation	83,262	83,262	0	0	0	0.9
Indirect cost assessment	78,376	0	15,460	0	62,916	0.0
Technical changes	0	0	0	0	0	0.0
Annualize prior year budget actions	(977,129)	(1,046,820)	21,222	5,855	42,614	0.0
Annualize prior year legislation	(224,007)	(220,076)	(3,931)	0	0	(2.5)
Statutory program repeal	(20,000)	0	(20,000)	0	0	0.0
Centrally appropriated line items	(15,898)	(15,898)	0	0	0	0.0
Sex offender surcharge fund correction	(15,462)	0	(15,462)	0	0	0.0
Planning and communications office capacity building	(5,691)	(5,691)	0	0	0	0.0
<b>HB 18-1322</b>	<b>\$118,737,222</b>	<b>\$75,032,327</b>	<b>\$3,312,287</b>	<b>\$5,781,085</b>	<b>\$34,611,523</b>	<b>78.0</b>
SB 18-071	3,000	0	3,000	0	0	0.0
HB 18-1020	1,487,821	0	1,487,821	0	0	0.8
HB 18-1251	264,070	264,070	0	0	0	0.8
HB 18-1287	220,076	220,076	0	0	0	2.5
<b>TOTAL</b>	<b>\$120,712,189</b>	<b>\$75,516,473</b>	<b>\$4,803,108</b>	<b>\$5,781,085</b>	<b>\$34,611,523</b>	<b>82.1</b>
<b>INCREASE/(DECREASE)</b>	<b>\$18,787,685</b>	<b>\$4,953,098</b>	<b>\$1,413,110</b>	<b>\$58,561</b>	<b>\$12,362,916</b>	<b>9.4</b>
Percentage Change	18.4%	7.0%	41.7%	1.0%	55.6%	12.9%

## FY 2017-18 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 18-1322 modifies FY 2017-18 appropriations by adding \$1,118,808 General Fund to adjust the appropriation for community corrections beds based on utilization through the end of February 2018.

SUMMARY OF LONG BILL SUPPLEMENTAL CHANGES TO COMMUNITY CORRECTIONS BEDS			
	BEDS OVER/(UNDER) FY 2017-18 LONG BILL APPROPRIATION	COST PER DAY	COST FOR 6 MONTHS
Standard Residential Beds	123	\$42.68	\$955,723
Cognitive Behavioral Treatment Pilot Program Beds	(22)	95.32	(\$375,751)
Intensive Residential Treatment Beds	47	90.04	\$775,605
Inpatient Therapeutic Community Beds	(19)	70.80	(\$246,791)
Residential Dual Diagnosis Treatment Beds	(18)	78.46	(\$254,877)
Sex Offender Beds	19	78.46	\$264,901
<b>TOTAL</b>	<b>130</b>		<b>\$1,118,808</b>

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**INFORMATIONAL FUNDS ADJUSTMENT:** The appropriation includes an increase of \$12.2 million total funds and 3.3 FTE that is reflected in the Long Bill for informational purposes only. The increase of federal funds is due to additional federal funds appropriated in the federal budget for the Office of Victims Programs.

**COMMUNITY CORRECTIONS BED ADJUSTMENT:** The appropriation includes an increase of \$4.0 million General Fund to add a net of 318 community corrections beds for FY 2018-19.

COMMUNITY CORRECTION BEDS FY 2018-19 RECOMMENDATION						
BED TYPE	CHANGES FROM FY 2017-18			FY 2018-19 BEDS		
	DIVERSION	TRANSITION	PAROLE	DIVERSION	TRANSITION	PAROLE
Standard residential	0	353	0	1,183	1,464	109
Cognitive behavioral treatment pilot program	(24)	24	0	24	24	0
Intensive residential treatment	0	0	(6)	39	43	68
Inpatient therapeutic community	(20)	0	0	58	49	15
Residential dual diagnosis treatment	(7)	0	0	64	46	14
Sex offender	0	0	0	57	20	13
<i>Subtotal Inpatient/Residential</i>	<i>(51)</i>	<i>377</i>	<i>(6)</i>	<i>1,425</i>	<i>1,646</i>	<i>219</i>
Standard non-residential	0	0	0	574	5	5
Outpatient day treatment	(2)	0	0	0	0	0
Outpatient therapeutic community	0	0	0	55	25	6
<i>Subtotal Outpatient/Non-residential</i>	<i>(2)</i>	<i>0</i>	<i>0</i>	<i>629</i>	<i>30</i>	<i>11</i>
<b>TOTAL BEDS</b>	<b>(53)</b>	<b>377</b>	<b>(6)</b>	<b>2,054</b>	<b>1,676</b>	<b>230</b>

**COMMUNITY PROVIDER RATE:** The appropriation includes an increase of \$661,209 total funds, of which \$608,503 is General Fund, for a 1.0 percent community provider rate increase.

**COMMUNITY CORRECTIONS PROVIDER EVALUATIONS:** The appropriation includes an increase of \$350,180 General Fund and 3.6 FTE to add four community corrections program evaluators who will assess all community corrections providers with the Program Assessment for Correctional Excellence tool by the end of calendar year 2019.

**CHILD ABUSE INVESTIGATIONS:** The appropriation adds \$300,000 General Fund for child abuse investigations conducted by Children's Advocacy Centers.

**SUBSISTENCE GRACE PERIOD:** The appropriation adds \$275,000 General Fund for a program under which offenders newly arrived in community corrections facilities will not have to pay the normal \$17 per day "subsistence" fee for their first 10 days in residence or until they receive their first pay check, whichever comes first.

**COMMUNITY CORRECTION BOARDS ADMINISTRATION:** The appropriation includes an increase of \$155,350 General Fund for administrative costs of community corrections boards.

**SOMB DATA COLLECTION AND EVALUATION:** The appropriation includes an increase of \$83,262 General Fund and 0.9 FTE, which is part of the cost of developing and implementing a data collection system for the Sex Offender Management Board (SOMB). Related costs are appropriated to the Executive Director's Office.

**INDIRECT COST ASSESSMENT:** The appropriation includes an increase in the division's indirect cost assessment.

**TECHNICAL CHANGES:** The appropriation includes a net zero technical adjustment to fund sources.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation annualizes prior year salary survey, prior year merit base pay, and includes a \$1,118,808 FY 2017-18 General Fund reduction to reverse a FY 2017-18 supplemental General Fund increase for additional community corrections beds.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes a decrease of \$224,007 total funds and 2.5 FTE, including a reduction of \$220,076 General Fund, to reflect the FY 2018-19 impact of legislation enacted in previous legislative sessions.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 13-007 CCCJJ Repeal	(\$220,076)	(\$220,076)	\$0	\$0	\$0	(2.5)
HB 17-1315 Require DCJ to Report DUI Data	(3,931)	0	(3,931)	0	0	0.0
<b>TOTAL</b>	<b>(\$224,007)</b>	<b>(\$220,076)</b>	<b>(\$3,931)</b>	<b>\$0</b>	<b>\$0</b>	<b>(2.5)</b>

**STATUTORY PROGRAM REPEAL:** The appropriation includes a reduction of \$20,000 cash funds due to the repeal of the Substance Abuse Trend and Response Task Force. Senate Bill 18-071 continues the Task Force until 2028 and contains an appropriation.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes a reduction of \$15,898 General Fund due to the centralized purchasing of computer operating system suites.

**SEX OFFENDER SURCHARGE FUND CORRECTION:** The appropriation aligns the appropriation with the funds available from the Sex Offender Surcharge Fund.

**PLANNING AND COMMUNICATIONS OFFICE CAPACITY BUILDING:** The appropriation expands the Planning and Communications Office, which is housed in the Executive Director's Office, and shifts funding to the expanded office from this and other divisions.

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

## COLORADO BUREAU OF INVESTIGATION

The Colorado Bureau of Investigation (CBI) provides information technology, laboratory, and investigative services to local, state, and federal law enforcement agencies upon request. The Colorado Crime Information Center (CCIC) provides information around the clock to law enforcement agencies on warrants, case status, stolen property, vehicle registration, known offenders, and drivers' licenses. The CBI also operates the State's instacheck criminal background check program for firearms. The laboratory analyzes DNA, fingerprint, firearms and tool marks, physiological fluids, toxicology, chemical, document, and digital evidence, as well as trace evidence and shoe and tire track evidence. Major cash fund sources include the CBI Identification Unit Fund, the Instant Criminal Background Check Cash Fund, the Offender Identification Fund, the State Toxicology Laboratory Fund, and the Colorado Identity Theft and Financial Fraud Cash Fund.

COLORADO BUREAU OF INVESTIGATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$37,355,750	\$18,818,879	\$13,638,899	\$3,994,374	\$903,598	292.5
SB 17-187	1,159	0	0	1,159	0	0.0
SB 17-240	162,983	0	162,983	0	0	0.8
HB 17-1204	12,294	12,294	0	0	0	0.4
SB 18-027	233,702	0	233,702	0	0	0.5
HB 18-1165	123,009	124,212	(2,153)	694	256	0.0
<b>TOTAL</b>	<b>\$37,888,897</b>	<b>\$18,955,385</b>	<b>\$14,033,431</b>	<b>\$3,996,227</b>	<b>\$903,854</b>	<b>294.2</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$37,888,897	\$18,955,385	\$14,033,431	\$3,996,227	\$903,854	294.2
Black market marijuana interdiction	1,073,470	0	1,073,470	0	0	8.0
Indirect cost assessment	400,559	0	298,474	64,630	37,455	0.0
Annualize prior year budget actions	235,652	143,391	58,795	23,095	10,371	0.0
Reduce salary disparities for criminal investigators	148,575	119,117	28,078	1,380	0	0.0
Criminal history backlog and updates	0	0	0	0	0	0.0
Annualize prior year legislation	(248,690)	7,627	(256,317)	0	0	(0.4)
Planning and communications office capacity building	(13,668)	(13,668)	0	0	0	0.0
Centrally appropriated line items	(12,942)	21,826	(32,572)	(2,445)	249	0.0
Technical changes	(1,380)	0	0	(1,380)	0	0.0
<b>HB 18-1322</b>	<b>\$39,470,473</b>	<b>\$19,233,678</b>	<b>\$15,203,359</b>	<b>\$4,081,507</b>	<b>\$951,929</b>	<b>301.8</b>
SB 18-027	336,009	0	336,009	0	0	2.0
SB 18-229	34,065	0	34,065	0	0	0.2
HB 18-1339	121,748	0	0	121,748	0	0.6
<b>TOTAL</b>	<b>\$39,962,295</b>	<b>\$19,233,678</b>	<b>\$15,573,433</b>	<b>\$4,203,255</b>	<b>\$951,929</b>	<b>304.6</b>
<b>INCREASE/(DECREASE)</b>	<b>\$2,073,398</b>	<b>\$278,293</b>	<b>\$1,540,002</b>	<b>\$207,028</b>	<b>\$48,075</b>	<b>10.4</b>
Percentage Change	5.5%	1.5%	11.0%	5.2%	5.3%	3.5%

## FY 2017-18 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 18-027 modifies the appropriation to add \$233,702 cash funds and 0.5 FTE in FY 2017-18 for fingerprint-based criminal history checks required by the Enhanced Nurse Licensure Compact.

House Bill 18-1165 modifies the FY 2017-18 appropriation to:

- Add \$123,009 total funds, including \$124,212 General Fund, for adjustments to fleet vehicle expenses; and
- Make a net neutral transfer of \$256,256 cash funds spending authority between two line items to hire 22.0 temporary FTE to process 375,926 criminal records unexpectedly received in the fall of 2017.



## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**BLACK MARKET MARIJUANA INTERDICTION:** The appropriation includes \$1.1 million cash funds from the Marijuana Tax Cash Fund and 8.0 FTE to establish an 8-person unit within the Colorado Bureau of Investigation to investigate black market marijuana operations. This unit will provide rural law enforcement agencies with the experienced personnel necessary to gather actionable intelligence and affect arrests of organized criminal enterprises operating across multiple jurisdictions.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net increase in the division's indirect cost assessment.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 17-18 Salary survey	\$321,015	\$190,711	\$104,637	\$19,197	\$6,470	0.0
FY 17-18 Merit pay	139,405	76,892	53,764	4,592	4,157	0.0
FY 17-18 Fleet adjustment	(123,009)	(124,212)	2,153	(694)	(256)	0.0
FY 17-18 Expedited record seal	(101,759)	0	(101,759)	0	0	0.0
<b>TOTAL</b>	<b>\$235,652</b>	<b>\$143,391</b>	<b>\$58,795</b>	<b>\$23,095</b>	<b>\$10,371</b>	<b>0.0</b>

**REDUCE SALARY DISPARITIES FOR CRIMINAL INVESTIGATORS:** The bill includes \$148,575 total funds, of which \$119,117 is General Fund, to increase base salaries to the mid-point for Criminal Investigator III positions within the Colorado Bureau of Investigation (CBI) in order to reduce pay disparities.

**CRIMINAL HISTORY BACKLOG AND UPDATES:** The appropriation includes a net neutral transfer of \$256,256 cash funds spending authority between two line items to hire 22.0 temporary FTE to process 375,926 criminal records unexpectedly received in the fall of 2017.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments for the second-year impact of prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 17-1204 Juvenile record expungement	\$7,627	\$7,627	\$0	\$0	\$0	0.1
SB 16-197 Liquor-licensed drugstores	4,038	0	4,038	0	0	0.0
SB 18-027 Enhanced nurse licensure compact	(233,702)	0	(233,702)	0	0	(0.5)
HB 17-240 Sunset motor vehicle dealers	(26,653)	0	(26,653)	0	0	0.0
<b>TOTAL</b>	<b>(\$248,690)</b>	<b>\$7,627</b>	<b>(\$256,317)</b>	<b>\$0</b>	<b>\$0</b>	<b>(0.4)</b>

**PLANNING AND COMMUNICATIONS OFFICE CAPACITY BUILDING:** The appropriation includes a decrease of \$13,668 General Fund to shift resources from the division level to the Planning and Communications Office, housed in the Executive Director's Office.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to vehicle lease payments and payments to the Governor's Office of Information Technology (OIT) for the division.

**TECHNICAL CHANGES:** The appropriation includes a technical adjustment from the Limited Gaming Cash Fund.

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

## DIVISION OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT

The Division of Homeland Security and Emergency Management consists of three offices: the Office of Emergency Management, the Office of Prevention and Security, and the Office of Preparedness. The Division is tasked with consolidating and restructuring the State's homeland security and disaster preparedness and response functions by better coordination of emergency management, homeland security, and public health entities in the state. This division is primarily federally funded. The primary cash fund source is the Disaster Emergency Fund.

DIVISION OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$33,106,715	\$2,622,741	\$4,015,755	\$700,390	\$25,767,829	86.9
SB 17-096	814,834	0	814,834	0	0	0.3
<b>TOTAL</b>	<b>\$33,921,549</b>	<b>\$2,622,741</b>	<b>\$4,830,589</b>	<b>\$700,390</b>	<b>\$25,767,829</b>	<b>87.2</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$33,921,549	\$2,622,741	\$4,830,589	\$700,390	\$25,767,829	87.2
2013 Flood recovery transfer	12,500,000	12,500,000	0	0	0	0.0
Indirect cost assessment	725,848	0	0	0	725,848	0.0
Access and functional needs planning	500,000	500,000	0	0	0	0.0
Safe2Tell communications officers	295,517	295,517	0	0	0	5.2
Annualize prior year budget actions	140,045	103,697	18,776	0	17,572	0.0
Annualize prior year legislation	(798,651)	0	(798,651)	0	0	0.0
Office of Prevention spending authority reduction	(634,549)	0	0	(634,549)	0	0.0
Centrally appropriated line items	(21,534)	(21,534)	0	0	0	0.0
Planning and communications office capacity building	(2,239)	(2,239)	0	0	0	0.0
<b>HB 18-1322</b>	<b>\$46,625,986</b>	<b>\$15,998,182</b>	<b>\$4,050,714</b>	<b>\$65,841</b>	<b>\$26,511,249</b>	<b>92.4</b>
SB 18-158	5,000,000	0	5,000,000	0	0	2.3
HB 18-1413	500,000	0	500,000	0	0	0.0
<b>TOTAL</b>	<b>\$52,125,986</b>	<b>\$15,998,182</b>	<b>\$9,550,714</b>	<b>\$65,841</b>	<b>\$26,511,249</b>	<b>94.7</b>
<b>INCREASE/(DECREASE)</b>	<b>\$18,204,437</b>	<b>\$13,375,441</b>	<b>\$4,720,125</b>	<b>(\$634,549)</b>	<b>\$743,420</b>	<b>7.5</b>
Percentage Change	53.7%	510.0%	97.7%	(90.6%)	2.9%	8.6%

### FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**2013 FLOOD RECOVERY TRANSFER:** The appropriation includes \$12.5 million General Fund for ongoing recovery from the September 2013 floods.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net increase in the division's indirect cost assessment.

**ACCESS AND FUNCTIONAL NEEDS PLANNING:** The appropriation includes \$500,000 General Fund to develop a statewide network of local disability service emergency coordinators and further develop emergency preparedness plans for people with disabilities.

**SAFE2TELL COMMUNICATIONS OFFICERS:** The appropriation includes \$295,517 General Fund and 5.2 FTE to expand dispatch capacity and create a dedicated unit to field calls, tips, and reports made to the Safe2Tell program, which is experiencing growing call volume. This unit will be placed in a newly created “Watch Center,” which will consolidate 24/7 response functions within the Department. In addition to providing dispatch services for Safe2Tell, dispatchers will staff the Watch Center.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for FY 2017-18 salary survey and merit pay.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes a reduction of \$798,651 cash funds from the Marijuana Tax Cash Fund for the second year impact of S.B. 17-096 (Reserve Peace Officer Academy).

**OFFICE OF PREVENTION SPENDING AUTHORITY REDUCTION:** The appropriation includes a reduction of \$634,549 reappropriated funds to reflect actual spending. This spending authority was included in H.B. 12-1283 (Consolidate Homeland Security Functions Under CDPS), but has never been utilized.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to payments to the Governor's Office of Information Technology (OIT) for the division.

**PLANNING AND COMMUNICATIONS OFFICE CAPACITY BUILDING:** The appropriation includes a decrease of \$2,239 General Fund to shift resources from the division level to the Planning and Communications Office, housed in the Executive Director's Office.

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

## RECENT LEGISLATION

### 2017 SESSION BILLS

**S.B. 17-096 (RESERVE PEACE OFFICER ACADEMY GRANT PROGRAM):** Creates the reserve academy grant program and reserve peace officer training academy in the Division of Homeland Security and Emergency Management. Appropriates \$814,834 cash funds from the Marijuana Tax Cash Fund and 0.3 FTE to train and certify a reserve peace officer auxiliary group.

**S.B. 17-168 (SUPPLEMENTAL BILL):** Modifies FY 2016-17 appropriations to the Department.

**S.B. 17-187 (RESIDENCY EXEMPTION FOR MARIJUANA EDUCATION-BASED OCCUPATION):** Authorizes the Marijuana Enforcement Division (MED) in the Department of Revenue to exempt from the medical or retail marijuana occupational license residency requirement for someone participating in a marijuana-based education program designed to train individuals to work in the legal marijuana industry for up to two years. Requires applicants to provide an affirmation under penalty of perjury that they are enrolled in a marijuana-based workforce development or training program in Colorado that will require access or employment within a licensed medical or retail marijuana business. In FY 2017-18, appropriates \$1,159 from the Marijuana Cash Fund to the MED and reappropriates \$1,159 from the Department of Revenue to the Department of Public Safety to perform the required background checks.

**S.B. 17-240 (SUNSET MOTOR VEHICLE DEALERS SALES):** Continues the Motor Vehicle Dealer Board and the regulation of power sports vehicle sales through September 1, 2027. Implements some of the recommendations from the Department of Regulatory Agencies' (DORA) sunset report, including:

- requiring a fingerprint-based criminal history background check for all licensees;
- requiring an additional license for any new ownership interest in a licensed entity;
- subjecting a principle dealer license to discipline when he or she violates the laws governing salespeople by acting as a salesperson;

- requiring people who have had licenses revoked to wait one year before applying for a new license; and
- codifying the Auto Industry Division (AID) as a Type 2 transfer under the Department of Revenue (DOR) and making administrative updates.

For FY 2017-18, appropriates \$175,551 cash funds to the Departments of Public Safety and Revenue. Of this amount, \$162,983 is from the Colorado Bureau of Investigation Identification Unit Fund and appropriated to the Department of Public Safety, and \$12,568 is from the Auto Dealers License Fund and appropriated to the Department of Revenue.

**S.B. 17-254 (LONG BILL):** General appropriations act for FY 2017-18.

**S.B. 17-261 (2013 FLOOD RECOVERY TRANSFER):** Creates the 2013 Flood Recovery Account in the Disaster Emergency Fund in the Department of Public Safety. Transfers \$12.5 million General Fund to the account on July 1, 2017 for use by the Department for costs associated with the ongoing response and recovery from the 2013 floods.

**H.B. 17-1204 (JUVENILE DELINQUENCY RECORD EXPUNGEMENT):** Makes a number of changes relating to access to juvenile delinquency records and the eligibility and process for expunging these records. Appropriates \$12,294 General Fund to the Biometric Identification and Records Unit in the Colorado Bureau of Investigation for the sealing of records. For additional information, see the "Recent Legislation" section at the end of the Department of Human Services.

**H.B. 17-1315 (DIVISION OF CRIMINAL JUSTICE TO REPORT DUI DATA):** Requires the Division of Criminal Justice (DCJ) to submit an annual report to the General Assembly containing information about substance-affected driving violations based on information collected from the Judicial Branch, the Department of Public Health and Environment (DPHE), and forensic toxicology labs. Requires anyone convicted of driving under the influence, driving while ability impaired, vehicular assault, or vehicular homicide to pay a \$2 data-analysis surcharge that is deposited in the Substance-Affected Driving Data-Analysis Cash Fund. Appropriates \$20,352 from this cash fund to the DCJ for FY 2017-18 and appropriates \$5,352 to the DPHE from reappropriated funds, which is based on the assumption that the DPHE will require 0.1 FTE. For more information, see the corresponding bill description in the "Recent Legislation" section at the end of Part III of the DPHE.

## 2018 SESSION BILLS

**S.B. 18-016 (CONTINUE TRANSFER OF COMMUNITY CORRECTIONS REVERSIONS):** Continues indefinitely the annual transfer of any unspent General Fund appropriations for the Department of Public Safety's Division of Criminal Justice community corrections programs to the Housing Assistance for Persons Transitioning from the Criminal or Juvenile Justice System Cash Fund in the Department of Local Affairs. For more information, see the corresponding bill description in the "Recent Legislation" section at the end of Part III of the Department of Local Affairs

**S.B. 18-027 (ENHANCED NURSE LICENSURE COMPACT):** Adopts the Enhanced Nurse Licensure Compact and repeals the existing Nurse Licensure Compact. The enhanced compact requires that all registered and licensed practical nurses licensed after July 20, 2017, complete a fingerprint-based criminal history check in order to participate in the compact. Nurses holding a multi-state license prior to July 20, 2017, will be grandfathered into the enhanced compact. For FY 2017-18 and FY 2018-19, appropriates \$233,702 and \$336,009 cash funds, respectively, to the Colorado Bureau of Investigation for the completion of criminal history record checks.

**S.B. 18-071 (REAUTHORIZE SUBSTANCE ABUSE AND TREND RESPONSE TASK FORCE):** Reauthorizes until 2028 the Substance Abuse and Trend Response Task Force, which helps local communities implement effective substance abuse prevention, intervention, and treatment practices and effective criminal-justice-system responses. For FY 2018-19, appropriates \$3,000 to the Department from the Substance Abuse, Prevention, Intervention, and Treatment Cash Fund, which is funded with gifts, grants, and donations.

**S.B. 18-158 (SCHOOL ACCESS TO INTEROPERABLE COMMUNICATION TECH):** Creates a grant program to provide funding to schools or public safety network owners for costs related to improving interoperable communications between schools and first responders. The bill sets a six-year annual transfer of \$5.0 million for the program, with a corresponding expenditure increase in the Department of Public Safety through FY 2023-24.

**S.B. 18-202 (CO FIREFIGHTING AIR CORPS FUND RESERVE EXEMPTION):** Exempts the Colorado Firefighting Air Corps (CFAC) Cash Fund from the statutory limit on uncommitted reserves.

**S.B. 18-229 (CDE STUDENT TEACHER CRIMINAL HISTORY RECORD CHECKS):** Permits a student in an educator preparation program to obtain a fingerprint-based criminal history record check from the Colorado Bureau of Investigation (CBI). The CBI must provide the results of the background checks to the educator preparation program in which the student is enrolled and make the results available to schools and school districts. Appropriates \$34,065 cash funds from the CBI Identification Unit Fund and 0.2 FTE in FY 2018-19.

**S.B. 18-269 (SCHOOL SECURITY DISBURSEMENT PROGRAM):** Creates a program in the Department of Public Safety to disburse funds to local education providers to make school security-related improvements. Increases state expenditures from the School Safety Resource Center Cash Fund by \$30.0 million between FY 2018-19 and FY 2020-21.

**H.B. 18-1020 (CIVIL FORFEITURE REFORMS):** Makes changes to civil asset forfeiture reporting requirements and establishes two law enforcement grant programs. For FY 2018-19, appropriates \$1,487,821 from the Marijuana Tax Cash Fund and 0.8 FTE to the Department.

**H.B. 18-1165 (SUPPLEMENTAL BILL):** Modifies FY 2017-18 appropriations to the Department.

**H.B. 18-1251 (COMMUNITY CORRECTIONS TRANSITION PLACEMENTS):** Modifies the procedures for community corrections transition placement referrals involving the State Board of Parole, the Department of Corrections, community corrections boards, and community corrections programs. For FY 2018-19 appropriates \$264,070 General Fund and 0.8 FTE to the Department.

**H.B. 18-1287 (REAUTHORIZE COMMISSION ON CRIMINAL AND JUVENILE JUSTICE):** Reauthorizes until 2023 the Commission on Criminal and Juvenile Justice, which engages in evidence-based analysis of the Colorado criminal justice system and annually reports to the Governor, the General Assembly, and the Chief Justice of the Colorado Supreme Court. For FY 2018-19, appropriates \$255,443 General Fund and 2.5 FTE to the Department, which continues the Commission's current funding level.

**H.B. 18-1322 (LONG BILL):** General appropriations act for FY 2018-19. Includes provisions modifying FY 2017-18 appropriations to the Department.

**H.B. 18-1339 (BACKGROUND CHECKS FOR EMPLOYEES WITH ACCESS TO FEDERAL TAX INFORMATION):** Requires each applicant, state employee, state contractor, or other individual who has or may have access through a state agency to federal tax information received from the federal government to submit to a fingerprint-based criminal history records check. Specifies that a state agency that shares such federal tax information with a county may authorize and require the county department applicants, employees, contractors, or other individuals to submit

to a fingerprint-based criminal history records check. Requires a state agency to deny access to federal tax information received from the federal government to any individual who does not pass the fingerprint-based criminal history record check. Provides FY 2018-19 appropriations to multiple departments for associated costs, including \$121,748 reappropriated funds and 0.6 FTE to the Department of Public Safety. For additional information, see the “Recent Legislation” section at the end of Part III for the Department of Personnel Revenue.

**H.B. 18-1413 (SCHOOL SAFETY GRANT PROGRAM):** Creates the Enhance School Safety Incident Response Grant Program to provide funding for research, program development, and training to improve school safety incident response. For FY 2018-19, appropriates \$500,000 cash funds from the School Safety Resource Center Cash Fund to the Department of Public Safety.

# Details

## DEPARTMENT OF REGULATORY AGENCIES

### FY 2017-18 AND FY 2018-19 APPROPRIATIONS BY DIVISION AND BILL

DEPARTMENT OF REGULATORY AGENCIES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2017-18 TOTAL APPROPRIATION:</b>	<b>\$99,685,557</b>	<b>\$1,844,627</b>	<b>\$91,673,404</b>	<b>\$5,060,383</b>	<b>\$1,107,143</b>	<b>573.1</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Executive Director's Office and Administrative Services	31,077,111	790,088	26,295,000	3,915,353	76,670	29.5
Division of Banking	4,622,068	0	4,622,068	0	0	40.0
Civil Rights Division	2,098,799	1,054,539	0	551,579	492,681	27.2
Office of Consumer Counsel	968,499	0	968,499	0	0	7.0
Division of Financial Services	1,681,541	0	1,681,541	0	0	15.6
Division of Insurance	7,988,206	0	7,450,414	0	537,792	85.7
Public Utilities Commission	24,048,402	0	24,048,402	0	0	91.3
Division of Real Estate	4,921,309	0	4,921,309	0	0	52.9
Division of Professions and Occupations	18,698,712	0	18,105,261	593,451	0	199.9
Division of Securities	3,580,910	0	3,580,910	0	0	24.0
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
SB 17-254	\$99,104,340	\$1,844,627	\$90,930,685	\$5,060,383	\$1,268,645	572.5
SB 17-088	42,006	0	42,006	0	0	0.5
SB 17-148	10,000	0	10,000	0	0	0.0
SB 17-198	9,505	0	9,505	0	0	0.0
HB 17-1057	12,386	0	12,386	0	0	0.1
HB 17-1165	20,000	0	20,000	0	0	0.0
SB 18-027	114,000	0	114,000	0	0	0.0
HB 18-1166	373,320	0	534,822	0	(161,502)	0.0
<b>FY 2018-19 TOTAL APPROPRIATION:</b>	<b>\$99,618,283</b>	<b>\$1,951,431</b>	<b>\$91,205,734</b>	<b>\$5,211,298</b>	<b>\$1,249,820</b>	<b>574.7</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Executive Director's Office and Administrative Services	32,589,350	868,909	27,456,022	4,057,526	206,893	29.5
Division of Banking	4,714,313	0	4,714,313	0	0	40.0
Civil Rights Division	2,139,332	1,082,522	0	560,321	496,489	27.2
Office of Consumer Counsel	989,645	0	989,645	0	0	7.0
Division of Financial Services	1,716,149	0	1,716,149	0	0	15.6
Division of Insurance	8,141,485	0	7,595,047	0	546,438	85.3
Public Utilities Commission	21,574,961	0	21,574,961	0	0	91.3
Division of Real Estate	5,047,895	0	5,047,895	0	0	52.9
Division of Professions and Occupations	18,988,612	0	18,395,161	593,451	0	201.9
Division of Securities	3,716,541	0	3,716,541	0	0	24.0
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
HB 18-1322	\$99,162,135	\$1,941,431	\$90,759,586	\$5,211,298	\$1,249,820	572.9
SB 18-027	134,746	0	134,746	0	0	0.6
SB 18-132	9,200	0	9,200	0	0	0.0
SB 18-234	17,159	0	17,159	0	0	0.3
HB 18-1017	151,332	0	151,332	0	0	0.5

DEPARTMENT OF REGULATORY AGENCIES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 18-1224	125,356	0	125,356	0	0	0.3
HB 18-1256	10,000	10,000	0	0	0	0.0
HB 18-1357	8,355	0	8,355	0	0	0.1
<b>INCREASE/(DECREASE)</b>	<b>(\$67,274)</b>	<b>\$106,804</b>	<b>(\$467,670)</b>	<b>\$150,915</b>	<b>\$142,677</b>	<b>1.6</b>
Percentage Change	(0.1%)	5.8%	(0.5%)	3.0%	12.9%	0.3%

**INFORMATIONAL FUNDS:** The FY 2018-19 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Regulatory Agencies are annotated with the "(I)". For additional information, see Appendix E.

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2018-19 Appropriations containing an (I) notation	\$9,302,866	\$0	\$8,053,046	\$0	\$1,249,820

## 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
<b>FY 2017-18 APPROPRIATION:</b>						
SB 17-254	\$30,914,286	\$790,088	\$25,970,673	\$3,915,353	\$238,172	29.5
SB 17-198	9,505	0	9,505	0	0	0.0
HB 17-1165	20,000	0	20,000	0	0	0.0
SB 18-027	110,000	0	110,000	0	0	0.0
HB 18-1166	23,320	0	184,822	0	(161,502)	0.0
<b>TOTAL</b>	<b>\$31,077,111</b>	<b>\$790,088</b>	<b>\$26,295,000</b>	<b>\$3,915,353</b>	<b>\$76,670</b>	<b>29.5</b>
<b>FY 2018-19 APPROPRIATION:</b>						
FY 2017-18 Appropriation	\$31,077,111	\$790,088	\$26,295,000	\$3,915,353	\$76,670	29.5
Centrally appropriated line items	2,120,432	132,366	1,897,958	117,826	(27,718)	0.0
Non prioritized changes	106,675	794	104,574	1,056	251	0.0
PUC State safety vehicle lease	3,207	0	3,207	0	0	0.0
Technical changes	0	(27,140)	3,070	24,070	0	0.0
Annualize prior year budget actions and legislation	(1,007,652)	(37,199)	(1,127,364)	(779)	157,690	0.0
<b>HB 18-1322</b>	<b>\$32,299,773</b>	<b>\$858,909</b>	<b>\$27,176,445</b>	<b>\$4,057,526</b>	<b>\$206,893</b>	<b>29.5</b>
SB 18-027	93,773	0	93,773	0	0	0.0
SB 18-234	5,328	0	5,328	0	0	0.0
HB 18-1017	95,984	0	95,984	0	0	0.0
HB 18-1224	84,492	0	84,492	0	0	0.0
HB 18-1256	10,000	10,000	0	0	0	0.0
<b>TOTAL</b>	<b>\$32,589,350</b>	<b>\$868,909</b>	<b>\$27,456,022</b>	<b>\$4,057,526</b>	<b>\$206,893</b>	<b>29.5</b>



EXECUTIVE DIRECTOR'S OFFICE AND ADMINISTRATIVE SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>INCREASE/(DECREASE)</b>	\$1,512,239	\$78,821	\$1,161,022	\$142,173	\$130,223	0.0
Percentage Change	4.9%	10.0%	4.4%	3.6%	169.8%	0.0%

#### FY 2017-18 Appropriation - Mid-year Adjustments

House Bill 18-1166 modifies FY 2017-18 appropriations to adjust the fund split for legal services resulting in a net \$0 total funds change.

#### FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

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

**NON PRIORITIZED CHANGES:** The appropriation includes an increase of \$106,675 total funds, including \$794 General Fund for non prioritized changes.

**PUC STATE SAFETY VEHICLE LEASE:** The appropriation includes an increase of \$3,207 cash funds for vehicle leases within the Public Utilities Commission (PUC).

**TECHNICAL CHANGES:** The appropriation includes a net \$0 total funds change for fund split adjustments.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS AND LEGISLATION:** The appropriation includes a decrease of \$1,007,652 total funds to reflect the FY 2018-19 annualized prior year budget actions and legislation.

**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 2017-18 APPROPRIATION:						
SB 17-254	\$4,622,068	\$0	\$4,622,068	\$0	\$0	40.0
<b>TOTAL</b>	<b>\$4,622,068</b>	<b>\$0</b>	<b>\$4,622,068</b>	<b>\$0</b>	<b>\$0</b>	<b>40.0</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$4,622,068	\$0	\$4,622,068	\$0	\$0	40.0

DIVISION OF BANKING						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Annualize prior year budget actions and legislation	76,232	0	76,232	0	0	0.0
Indirect cost assessment	16,013	0	16,013	0	0	0.0
<b>HB 18-1322</b>	<b>\$4,714,313</b>	<b>\$0</b>	<b>\$4,714,313</b>	<b>\$0</b>	<b>\$0</b>	<b>40.0</b>
<b>TOTAL</b>	<b>\$4,714,313</b>	<b>\$0</b>	<b>\$4,714,313</b>	<b>\$0</b>	<b>\$0</b>	<b>40.0</b>
<b>INCREASE/(DECREASE)</b>	\$92,245	\$0	\$92,245	\$0	\$0	0.0
Percentage Change	2.0%	n/a	2.0%	n/a	n/a	0.0%

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS AND LEGISLATION:** The appropriation includes an increase of \$76,232 cash funds to reflect the FY 2018-19 annualized prior year budget actions and legislation.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net increase in the department's indirect cost assessment.

## CIVIL RIGHTS DIVISION

The Civil Rights Division is the enforcement arm of the Colorado Civil Rights Commission and is responsible for the enforcement of state laws that prohibit discrimination in employment, housing, and public accommodations on the basis of race, gender, national origin, ancestry, a physical or mental disability, religion, color, marital status, or sexual orientation. The Division is primarily funded with General Fund and federal funds from the Equal Employment Opportunity Commission and the U.S. Department of Housing and Urban Development.

CIVIL RIGHTS DIVISION						
	TOTAL FUNDS	GENERAL FUND	REAPPROPRIATED FUNDS	CASH FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$2,098,799	\$1,054,539	\$551,579	\$0	\$492,681	27.2
<b>TOTAL</b>	<b>\$2,098,799</b>	<b>\$1,054,539</b>	<b>\$551,579</b>	<b>\$0</b>	<b>\$492,681</b>	<b>27.2</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$2,098,799	\$1,054,539	\$551,579	\$0	\$492,681	27.2
Annualize prior year budget actions and legislation	40,491	36,725	0	0	3,766	0.0
Indirect cost assessment	19,530	(8,742)	8,742	0	19,530	0.0
Civil Rights Division	(19,488)	0	0	0	(19,488)	(0.0)
<b>HB 18-1322</b>	<b>\$2,139,332</b>	<b>\$1,082,522</b>	<b>\$560,321</b>	<b>\$0</b>	<b>\$496,489</b>	<b>27.2</b>
<b>TOTAL</b>	<b>\$2,139,332</b>	<b>\$1,082,522</b>	<b>\$560,321</b>	<b>\$0</b>	<b>\$496,489</b>	<b>27.2</b>
<b>INCREASE/(DECREASE)</b>	\$40,533	\$27,983	\$8,742	\$0	\$3,808	(0.0)
Percentage Change	1.9%	2.7%	1.6%	n/a	0.8%	(0.0%)

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS AND LEGISLATION:** The appropriation includes an increase of \$40,491 total funds, including \$36,725 General Fund to reflect the FY 2018-19 annualized prior year budget actions and legislation.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net increase in the department's indirect cost assessment.

**CIVIL RIGHTS DIVISION:** The appropriation includes a decrease of \$19,488 federal funds to reflect funding for the Civil Rights Division.

## OFFICE OF CONSUMER COUNSEL

The Office of Consumer Counsel represents the interests of residential, agricultural, and small business consumers at electric, gas, and telephone rate and service proceedings before the Public Utilities Commission, federal agencies, and the courts. This Division is entirely cash funded from the Public Utilities Commission Fixed Utility Fund pursuant to Section 40-2-114, C.R.S.

OFFICE OF CONSUMER COUNSEL						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$968,499	\$0	\$968,499	\$0	\$0	7.0
<b>TOTAL</b>	<b>\$968,499</b>	<b>\$0</b>	<b>\$968,499</b>	<b>\$0</b>	<b>\$0</b>	<b>7.0</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$968,499	\$0	\$968,499	\$0	\$0	7.0
Annualize prior year budget actions and legislation	18,343	0	18,343	0	0	0.0
Indirect cost assessment	2,803	0	2,803	0	0	0.0
<b>HB 18-1322</b>	<b>\$989,645</b>	<b>\$0</b>	<b>\$989,645</b>	<b>\$0</b>	<b>\$0</b>	<b>7.0</b>
<b>TOTAL</b>	<b>\$989,645</b>	<b>\$0</b>	<b>\$989,645</b>	<b>\$0</b>	<b>\$0</b>	<b>7.0</b>
<b>INCREASE/(DECREASE)</b>	\$21,146	\$0	\$21,146	\$0	\$0	0.0
Percentage Change	2.2%	n/a	2.2%	n/a	n/a	0.0%

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS AND LEGISLATION:** The appropriation includes an increase of \$18,343 cash funds to reflect the FY 2018-19 annualized prior year budget actions and legislation.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net increase in the department's indirect cost assessment.

## DIVISION OF FINANCIAL SERVICES

This Division regulates state-chartered credit unions, life care institutions, and savings and loan associations. Division staff conduct examinations of financial service institutions to ensure compliance with regulatory standards. This Division is entirely cash funded from the Division of Financial Services Cash Fund pursuant to Section 11-40-106 (2), C.R.S.

DIVISION OF FINANCIAL SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$1,681,541	\$0	\$1,681,541	\$0	\$0	15.6

DIVISION OF FINANCIAL SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>TOTAL</b>	<b>\$1,681,541</b>	<b>\$0</b>	<b>\$1,681,541</b>	<b>\$0</b>	<b>\$0</b>	<b>15.6</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$1,681,541	\$0	\$1,681,541	\$0	\$0	15.6
Annualize prior year budget actions and legislation	28,363	0	28,363	0	0	0.0
Indirect cost assessment	6,245	0	6,245	0	0	0.0
<b>HB 18-1322</b>	<b>\$1,716,149</b>	<b>\$0</b>	<b>\$1,716,149</b>	<b>\$0</b>	<b>\$0</b>	<b>15.6</b>
<b>TOTAL</b>	<b>\$1,716,149</b>	<b>\$0</b>	<b>\$1,716,149</b>	<b>\$0</b>	<b>\$0</b>	<b>15.6</b>
INCREASE/(DECREASE)						
Percentage Change	2.1%	n/a	2.1%	n/a	n/a	0.0%

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS AND LEGISLATION:** The appropriation includes an increase of \$28,363 cash funds to reflect the FY 2018-19 annualized prior year budget actions and legislation.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net increase in the department's indirect cost assessment.

## DIVISION OF INSURANCE

This Division is responsible for the licensing of insurance agents and adjusters and regulation of insurance companies, non-profit hospitals, prepaid dental plans, health maintenance organizations, workers' compensation self-insurance pools, bail bondsmen, and pre-need funeral contracts. The Division of Insurance Cash Fund, created in Section 10-1-103 (3), C.R.S., is the primary source of cash funds.

DIVISION OF INSURANCE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$7,946,200	\$0	\$7,408,408	\$0	\$537,792	85.2
SB 17-088	42,006	0	42,006	0	0	0.5
<b>TOTAL</b>	<b>\$7,988,206</b>	<b>\$0</b>	<b>\$7,450,414</b>	<b>\$0</b>	<b>\$537,792</b>	<b>85.7</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$7,988,206	\$0	\$7,450,414	\$0	\$537,792	85.7
Annualize prior year budget actions and legislation	93,770	0	93,770	0	0	(0.5)
Indirect cost assessment	41,954	0	33,308	0	8,646	0.0
<b>HB 18-1322</b>	<b>\$8,123,930</b>	<b>\$0</b>	<b>\$7,577,492</b>	<b>\$0</b>	<b>\$546,438</b>	<b>85.2</b>
SB 18-132	9,200	0	9,200	0	0	0.0
HB 18-1357	8,355	0	8,355	0	0	0.1
<b>TOTAL</b>	<b>\$8,141,485</b>	<b>\$0</b>	<b>\$7,595,047</b>	<b>\$0</b>	<b>\$546,438</b>	<b>85.3</b>
INCREASE/(DECREASE)						
Percentage Change	1.9%	n/a	1.9%	n/a	1.6%	(0.6%)

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS AND LEGISLATION:** The appropriation includes an increase of \$93,770 cash funds to reflect the FY 2018-19 annualized prior year budget actions and legislation.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net increase in the department's indirect cost assessment.

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the “Recent Legislation” section at the end of this department.

### 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 Highway Crossing Protection Program, and the Colorado Telephone Users with Disabilities Program. This Division is entirely cash funded, primarily from the Public Utilities Commission Fixed Utility Fund, the Colorado Telephone Users With Disabilities Fund, and the Public Utilities Commission Motor Carrier Fund.

PUBLIC UTILITIES COMMISSION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$23,698,402	\$0	\$23,698,402	\$0	\$0	91.3
HB 18-1166	350,000	0	350,000	0	0	0.0
<b>TOTAL</b>	<b>\$24,048,402</b>	<b>\$0</b>	<b>\$24,048,402</b>	<b>\$0</b>	<b>\$0</b>	<b>91.3</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$24,048,402	\$0	\$24,048,402	\$0	\$0	91.3
Translation services for the deaf and hard of hearing	700,000	0	700,000	0	0	0.0
Annualize prior year budget actions and legislation	(2,968,900)	0	(2,968,900)	0	0	0.0
Base reduction	(189,944)	0	(189,944)	0	0	0.0
Indirect cost assessment	(14,597)	0	(14,597)	0	0	0.0
<b>HB 18-1322</b>	<b>\$21,574,961</b>	<b>\$0</b>	<b>\$21,574,961</b>	<b>\$0</b>	<b>\$0</b>	<b>91.3</b>
<b>TOTAL</b>	<b>\$21,574,961</b>	<b>\$0</b>	<b>\$21,574,961</b>	<b>\$0</b>	<b>\$0</b>	<b>91.3</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$2,473,441)</b>	<b>\$0</b>	<b>(\$2,473,441)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	(10.3%)	n/a	(10.3%)	n/a	n/a	0.0%

### FY 2017-18 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 18-1166 modifies FY 2017-18 appropriations to add \$350,000 cash funds for reading services for the blind.

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**TRANSLATION SERVICES FOR THE DEAF AND HEARING IMPAIRED:** The appropriation includes \$700,000 cash funds for increased services for the deaf and hard of hearing.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS AND LEGISLATION:** The appropriation includes a decrease of \$2,968,900 cash funds to reflect the FY 2018-19 annualized prior year budget actions and legislation.

**BASE REDUCTION:** The appropriation includes a decrease of \$189,944 cash funds for base reduction in the Public Utilities Commission.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net decrease in the department's indirect cost assessment.

## 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.

DIVISION OF REAL ESTATE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$4,921,309	\$0	\$4,921,309	\$0	\$0	52.9
<b>TOTAL</b>	<b>\$4,921,309</b>	<b>\$0</b>	<b>\$4,921,309</b>	<b>\$0</b>	<b>\$0</b>	<b>52.9</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$4,921,309	\$0	\$4,921,309	\$0	\$0	52.9
Annualize prior year budget actions and legislation	91,055	0	91,055	0	0	0.0
Indirect cost assessment	21,178	0	21,178	0	0	0.0
Technical changes	14,353	0	14,353	0	0	0.0
<b>HB 18-1322</b>	<b>\$5,047,895</b>	<b>\$0</b>	<b>\$5,047,895</b>	<b>\$0</b>	<b>\$0</b>	<b>52.9</b>
<b>TOTAL</b>	<b>\$5,047,895</b>	<b>\$0</b>	<b>\$5,047,895</b>	<b>\$0</b>	<b>\$0</b>	<b>52.9</b>
<b>INCREASE/(DECREASE)</b>	<b>\$126,586</b>	<b>\$0</b>	<b>\$126,586</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	2.6%	n/a	2.6%	n/a	n/a	0.0%

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS AND LEGISLATION:** The appropriation includes an increase of \$91,055 cash funds to reflect the FY 2018-19 annualized prior year budget actions and legislation.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net increase in the department's indirect cost assessment.

**TECHNICAL CHANGES:** The appropriation includes an increase of \$14,353 cash funds for technical changes.

## DIVISION OF PROFESSIONS AND OCCUPATIONS

This Division regulates over 443,000 licensees in over fifty professions and occupations. Boards and commissions establish regulatory standards to ensure a minimum level of licensee competency and adopts rules to ensure a safe

environment for professionals and customers. The Division is primarily funded with cash funds from the Division of Professions and Occupations Cash Fund. Reappropriated funds are primarily from Departmental indirect cost recoveries.

DIVISION OF PROFESSIONS AND OCCUPATIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$18,672,326	\$0	\$18,078,875	\$593,451	\$0	199.8
SB 17-148	10,000	0	10,000	0	0	0.0
HB 17-1057	12,386	0	12,386	0	0	0.1
SB 18-027	4,000	0	4,000	0	0	0.0
<b>TOTAL</b>	<b>\$18,698,712</b>	<b>\$0</b>	<b>\$18,105,261</b>	<b>\$593,451</b>	<b>\$0</b>	<b>199.9</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$18,698,712	\$0	\$18,105,261	\$593,451	\$0	199.9
Annualize prior year budget actions and legislation	351,268	0	351,268	0	0	0.3
Indirect cost assessment	83,557	0	83,557	0	0	0.0
Base reduction	(293,941)	0	(293,941)	0	0	0.0
<b>HB 18-1322</b>	<b>\$18,839,596</b>	<b>\$0</b>	<b>\$18,246,145</b>	<b>\$593,451</b>	<b>\$0</b>	<b>200.2</b>
SB 18-027	40,973	0	40,973	0	0	0.6
SB 18-234	11,831	0	11,831	0	0	0.3
HB 18-1017	55,348	0	55,348	0	0	0.5
HB 18-1224	40,864	0	40,864	0	0	0.3
<b>TOTAL</b>	<b>\$18,988,612</b>	<b>\$0</b>	<b>\$18,395,161</b>	<b>\$593,451</b>	<b>\$0</b>	<b>201.9</b>
<b>INCREASE/(DECREASE)</b>	<b>\$289,900</b>	<b>\$0</b>	<b>\$289,900</b>	<b>\$0</b>	<b>\$0</b>	<b>2.0</b>
Percentage Change	1.6%	n/a	1.6%	0.0%	n/a	1.0%

#### FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS AND LEGISLATION:** The appropriation includes an increase of \$351,268 cash funds to reflect the FY 2018-19 annualized prior year budget actions and legislation.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net increase in the department's indirect cost assessment.

**BASE REDUCTION:** The appropriation includes a decrease \$293,941 cash funds in the Division of Professions and Occupations due to base reductions.

**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 2017-18 APPROPRIATION:						
SB 17-254	\$3,580,910	\$0	\$3,580,910	\$0	\$0	24.0
<b>TOTAL</b>	<b>\$3,580,910</b>	<b>\$0</b>	<b>\$3,580,910</b>	<b>\$0</b>	<b>\$0</b>	<b>24.0</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$3,580,910	\$0	\$3,580,910	\$0	\$0	24.0
Technical changes	77,175	0	77,175	0	0	0.0
Annualize prior year budget actions and legislation	48,848	0	48,848	0	0	0.0
Indirect cost assessment	9,608	0	9,608	0	0	0.0
<b>HB 18-1322</b>	<b>\$3,716,541</b>	<b>\$0</b>	<b>\$3,716,541</b>	<b>\$0</b>	<b>\$0</b>	<b>24.0</b>
<b>TOTAL</b>	<b>\$3,716,541</b>	<b>\$0</b>	<b>\$3,716,541</b>	<b>\$0</b>	<b>\$0</b>	<b>24.0</b>
<b>INCREASE/(DECREASE)</b>	\$135,631	\$0	\$135,631	\$0	\$0	0.0
Percentage Change	3.8%	n/a	3.8%	n/a	n/a	0.0%

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**TECHNICAL CHANGES:** The appropriation includes an increase of \$77,175 cash funds for technical changes.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS AND LEGISLATION:** The appropriation includes an increase of \$48,848 cash funds to reflect the FY 2018-19 annualized prior year budget actions and legislation.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net increase in the department's indirect cost assessment.

## RECENT LEGISLATION

### 2017 SESSION BILLS

**SB 17-088 (PARTICIPATING PROVIDER NETWORK SELECTION CRITERIA):** Requires a tiered network health insurer to develop and use standards for selecting and tiering participating providers. The insurer is required to make the standards available to the Commissioner of Insurance, participating healthcare providers, and the public. The bill appropriates \$42,006 cash funds to the Division of Insurance.

**SB 17-148 (SUNSET CONTINUE OFFICE OF BOXING):** Continues the Office of Boxing and the Colorado State Boxing Commission through September 1, 2026, and renames these agencies the Office of Combative Sports and the Colorado Combative Sports Commission respectively. The bill appropriates \$10,000 cash funds to the Division of Professions and Occupations.

**SB 17-198 (PUBLIC PARTICIPATE REVIEW ACQUIRE CONTROL INSURER):** Expands the public notice for the acquisition of either a domestic or foreign insurer that offers health plans in the state by requiring the Commissioner of Insurance to make the entire pre-acquisition notification available for public inspection promptly after filing. The bill appropriates \$9,505 cash funds to the Executive Director's Office, which is reappropriated to the Department of Law for legal services.

**S.B. 17-254 (LONG BILL):** General appropriations act for FY 2017-18.



**HB 17-1057 (INTERSTATE PHYSICAL THERAPY LICENSURE COMPACT):** Enacts the Interstate Physical Therapy Licensure Compact Act and requires the Governor to enter into the compact on behalf of Colorado. Under the compact, physical therapists and physical therapy assistants licensed or certified in a compact member state may obtain an expedited license or certificate allowing them to practice in another compact member state. The bill appropriates \$12,386 cash funds to the Division of Professions and Occupations.

**HB 17-1165 (DORA BOARDS DISCIPLINARY ACTION RESOLUTION PROCESS):** Modifies the disciplinary procedures for six health care boards for health care professionals with prescriptive authority (Colorado Podiatry Board, Colorado Dental Board, Colorado Medical Board, State Board of Nursing, State Board of Optometry, and State Board of Veterinary Medicine) within the Department of Regulatory Agencies. The bill appropriates \$20,000 cash funds to the Executive Director's Office.

## 2018 SESSION BILLS

**S.B. 18-027 (ENHANCED NURSE LICENSURE COMPACT):** Adopts the Enhanced Nurse Licensure Compact and repeals the existing Nurse Licensure Compact. The enhanced compact requires that all registered and licensed practical nurses licensed after July 20, 2017, complete a fingerprint-based criminal history check in order to participate in the compact. Nurses holding a multi-state license prior to July 20, 2017, will be grandfathered into the enhanced compact.

**S.B. 18-132 (STATE WAIVER CATASTROPHIC HEALTH PLANS):** Requires the Commissioner of Insurance to pursue a federal waiver to allow all Coloradans to purchase catastrophic health plans through the state health insurance exchange.

**S.B. 18-234 (HUMAN REMAINS DISPOSITION AND BUSINESSES OWNERSHIP):** Requires nontransplant tissue banks to register with the Department of Regulatory Agencies and creates a misdemeanor crime for law violations by nontransplant tissue banks. Makes it unlawful to own an interest in a funeral establishment or a crematory and also own an interest in a nontransplant tissue bank.

**H.B. 18-1017 (PSYCHOLOGY INTERJURISDICTIONAL COMPACT):** Enters Colorado into the Psychology Interjurisdictional Compact to allow psychologists to practice in other compact states (member states) via telepsychology or short-term, in-person practice. To participate in the compact, a psychologist must have a full and unrestricted psychologist license in a member state and possess appropriate certifications from the Association of State and Provincial Psychology Boards.

**H.B. 18-1166 (SUPPLEMENTAL APPROP - DEPT OF REG AGENCIES):** Adds \$350,000 cash funds for reading services for the blind and makes a fund split adjust for legal services.

**H.B. 18-1224 (LICENSEE DISCIPLINE MEDIATION):** Adds a mediation component to the process related to professional disciplinary actions. Under the bill, during an agency proceeding that concerns an individual who is licensed to practice a profession or occupation either the licensee or agency may request mediation after the licensee has received the notice of hearing, to be ordered by the hearing officer or administrative law judge involved in the proceeding.

**H.B. 18-1256 (SUNSET CIVIL RIGHTS DIVISION & COMMISSION):** Continues the state's Civil Rights Division and Civil Rights Commission in the Department of Regulatory Agencies, which are scheduled to repeal on July 1, 2018.

**H.B. 18-1291 (SUNSET CONSERVATION EASEMENT OVERSIGHT COMMISSION):** Continues the Conservation Easement Oversight Commission in the Division of Real Estate in the Department of Regulatory Agencies, which is scheduled to repeal on July 1, 2018.

**H.B. 18-1322 (LONG BILL):** General appropriations act for FY 2018-19.

**H.B. 18-1357 (OMBUDSMAN FOR BEHAVIORAL HEALTH ACCESS TO CARE):** Creates in the Department of Human Service the independent Office of the Ombudsperson for Behavioral Health Access to Care. Requires the Commissioner of Insurance to submit an annual report to the General Assembly concerning insurance carrier compliance with behavioral health coverage parity requirements. Appropriates \$8,355 cash funds from the Division of Insurance Cash Fund to the Division of Insurance for FY 2018-19, and states the assumption that the Division will require an additional 0.1 FTE. For additional information, see the "Recent Legislation" section at the end of the Department of Human Services.

# Details

## DEPARTMENT OF REVENUE

### FY 2017-18 AND FY 2018-19 APPROPRIATIONS BY DIVISION AND BILL

DEPARTMENT OF REVENUE						
	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2017-18 TOTAL APPROPRIATION:</b>	<b>\$357,248,771</b>	<b>\$108,468,830</b>	<b>\$241,710,307</b>	<b>\$6,245,246</b>	<b>\$824,388</b>	<b>1,437.2</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Executive Director's Office	72,764,454	34,179,294	33,089,264	5,495,896	0	153.7
Information Technology Division	5,392,943	1,209,976	4,182,967	0	0	0.0
Taxation Business Group	73,101,425	68,471,365	3,488,304	317,368	824,388	402.5
Division of Motor Vehicles	51,024,345	4,426,890	46,421,516	175,939	0	490.9
Enforcement Business Group	56,645,136	181,305	56,207,788	256,043	0	273.0
State Lottery Division	98,320,468	0	98,320,468	0	0	117.1
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
SB 17-254	\$355,833,948	\$107,585,406	\$241,178,908	\$6,245,246	\$824,388	1,435.3
SB 17-187	1,159	0	1,159	0	0	0.0
SB 17-192	69,058	9,600	59,458	0	0	0.3
SB 17-240	70,011	0	70,011	0	0	1.1
SB 17-267	0	0	0	0	0	0.0
HB 17-1027	33,750	0	33,750	0	0	0.0
HB 17-1120	22,150	0	22,150	0	0	0.0
HB 17-1162	108,000	0	108,000	0	0	0.0
HB 17-1249	8,000	0	8,000	0	0	0.0
HB 17-1250	2,200	0	2,200	0	0	0.0
HB 17-1367	226,671	0	226,671	0	0	0.5
HB 18-1167	873,824	873,824	0	0	0	0.0
<b>FY 2018-19 TOTAL APPROPRIATION:</b>	<b>\$370,007,602</b>	<b>\$113,271,850</b>	<b>\$249,529,454</b>	<b>\$6,381,910</b>	<b>\$824,388</b>	<b>1,472.0</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Executive Director's Office	71,972,205	34,230,971	32,252,730	5,488,504	0	155.7
Information Technology Division	4,905,255	1,209,976	3,632,279	63,000	0	0.0
Taxation Business Group	77,687,538	73,109,785	3,435,997	317,368	824,388	402.8
Division of Motor Vehicles	55,878,270	4,535,028	51,164,771	178,471	0	520.8
Enforcement Business Group	57,074,921	186,090	56,554,264	334,567	0	275.6
State Lottery Division	102,489,413	0	102,489,413	0	0	117.1
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
HB 18-1322	\$369,581,396	\$113,169,403	\$249,268,695	\$6,318,910	\$824,388	1,469.8
SB 18-036	6,730	0	6,730	0	0	0.0
SB 18-108	108,992	0	108,992	0	0	1.2
SB 18-233	63,000	0	0	63,000	0	0.0
SB 18-243	91,092	0	91,092	0	0	1.0
SB 18-259	15,840	15,840	0	0	0	0.0
SB 18-271	10,656	0	10,656	0	0	0.0
HB 18-1025	3,091	0	3,091	0	0	0.0
HB 18-1042	20,865	20,865	0	0	0	(0.3)
HB 18-1244	2,960	0	2,960	0	0	0.0

DEPARTMENT OF REVENUE						
	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 18-1255	8,288	0	8,288	0	0	0.0
HB 18-1280	28,950	0	28,950	0	0	0.0
HB 18-1285	9,870	9,870	0	0	0	0.0
HB 18-1299	0	0	0	0	0	0.0
HB 18-1339	41,580	41,580	0	0	0	0.0
HB 18-1350	14,292	14,292	0	0	0	0.3
<b>INCREASE/(DECREASE)</b>	<b>\$12,758,831</b>	<b>\$4,803,020</b>	<b>\$7,819,147</b>	<b>\$136,664</b>	<b>\$0</b>	<b>34.8</b>
Percentage Change	3.6%	4.4%	3.2%	2.2%	0.0%	2.4%

<sup>1</sup> Includes \$28,600,000 in FY 2017-18 and \$34,112,656 in FY 2018-19 that is not subject to the statutory restriction on state General Fund appropriations imposed by Section 24-75-201.1, C.R.S.

**INFORMATIONAL FUNDS:** The FY 2018-19 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Revenue are annotated with the "(I)". For additional information, see Appendix E.

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2018-19 Appropriations containing an (I) notation	\$71,766,336	\$34,112,656	\$36,829,292	\$0	\$824,388

## DETAIL OF APPROPRIATION BY ADMINISTRATIVE SECTION

### EXECUTIVE DIRECTOR'S OFFICE

The Executive Director's Office includes a citizens' advocate, a public information officer, and the following units: Central Budget Office, Accounting and Financial Services, Internal Audit, Office of Human Resources, and Office of Research and Analysis. The Executive Director's Office section of the Long Bill includes centrally appropriated direct and indirect costs. Cash funds sources include various other division cash funds. The sources of reappropriated funds are primarily from indirect costs.

EXECUTIVE DIRECTOR'S OFFICE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$72,669,404	\$34,179,294	\$32,994,214	\$5,495,896	\$0	153.7
HB 17-1367	95,050	0	95,050	0	0	0.0
<b>TOTAL</b>	<b>\$72,764,454</b>	<b>\$34,179,294</b>	<b>\$33,089,264</b>	<b>\$5,495,896</b>	<b>\$0</b>	<b>153.7</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$72,764,454	\$34,179,294	\$33,089,264	\$5,495,896	\$0	153.7
Centrally appropriated line items	1,087,682	811,027	278,129	(1,474)	0	0.0
Technical items	175,934	62,684	113,250	0	0	0.0
Armored car appropriation increase	1,177	1,177	0	0	0	0.0
Division of Motor Vehicles staffing	0	0	0	0	0	0.0
Annualize prior year budget actions	(1,858,210)	(702,726)	(1,152,910)	(2,574)	0	0.0
Gross conservation easement reduction	(181,425)	(181,425)	0	0	0	0.0
DRIVES production support	(114,730)	0	(114,730)	0	0	2.0
Indirect cost adjustment	(1,133)	3,344	(1,133)	(3,344)	0	0.0
<b>HB 18-1322</b>	<b>\$71,873,749</b>	<b>\$34,173,375</b>	<b>\$32,211,870</b>	<b>\$5,488,504</b>	<b>\$0</b>	<b>155.7</b>
SB 18-036	4,630	0	4,630	0	0	0.0
SB 18-243	10,656	0	10,656	0	0	0.0
SB 18-271	10,656	0	10,656	0	0	0.0

EXECUTIVE DIRECTOR'S OFFICE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 18-1042	16,016	16,016	0	0	0	0.0
HB 18-1280	14,918	0	14,918	0	0	0.0
HB 18-1299	0	0	0	0	0	0.0
HB 18-1339	41,580	41,580	0	0	0	0.0
<b>TOTAL</b>	<b>\$71,972,205</b>	<b>\$34,230,971</b>	<b>\$32,252,730</b>	<b>\$5,488,504</b>	<b>\$0</b>	<b>155.7</b>
<b>INCREASE/(DECREASE)</b>	(\$792,249)	\$51,677	(\$836,534)	(\$7,392)	\$0	2.0
Percentage Change	(1.1%)	0.2%	(2.5%)	(0.1%)	n/a	1.3%

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (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; salary survey; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; vehicle lease payments; Capitol complex leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

**TECHNICAL ITEMS:** The appropriation includes adjustments related to budget requests made by other departments that impact the Department of Revenue in FY 2018-19, which are summarized below.

TECHNICAL ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Operating system suite	\$167,054	\$59,168	\$107,886	\$0	\$0	0.0
Cybersecurity liability insurance	8,880	3,516	5,364	0	0	0.0
<b>TOTAL</b>	<b>\$175,934</b>	<b>\$62,684</b>	<b>\$113,250</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**ARMORED CAR INCREASE:** The appropriation includes an increase of \$1,177 General Fund to pay for increased rates for third-party armored car services.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 17-18 Salary survey	(\$1,283,332)	(\$490,121)	(\$791,505)	(\$1,706)	\$0	0.0
FY 17-18 Merit pay	(574,878)	(212,605)	(361,405)	(868)	0	0.0
<b>TOTAL</b>	<b>(\$1,858,210)</b>	<b>(\$702,726)</b>	<b>(\$1,152,910)</b>	<b>(\$2,574)</b>	<b>\$0</b>	<b>0.0</b>

**GROSS CONSERVATION EASEMENT REDUCTION:** The appropriation includes a decrease of \$181,425 General Fund. This appropriation was included in H.B. 11-1300 (Conservation Easement Tax Credit Dispute Resolution) for consultant work. The majority of the work has been completed and the appropriation for the consultant is no longer needed.

**DRIVES PRODUCTION SUPPORT:** The appropriation includes a decrease of \$114,730 cash funds from the Colorado State Titling and Registration (CSTARS) account/Colorado DRIVES Vehicle Services account as part of DRIVES system support.

**INDIRECT COST ADJUSTMENT:** The appropriation includes a net decrease in the Department's indirect cost assessment, which includes an increase in General Fund offset by a decrease in its indirect cost recoveries.

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

## INFORMATION TECHNOLOGY DIVISION

The appropriations in this Division provide funding for contract services and maintenance for information technology systems not maintained by the Governor's Office of Information Technology and the Driver License, Record, Identification, and Vehicle Enterprise Solution (DRIVES) System, formerly known as the Colorado State Titling and Registration System (CSTARS). All FTE in the Division were transferred to OIT as part of the Statewide consolidation in FY 2010-11. The services of those personnel are included in the Executive Director's Office centrally appropriated line items.

Major sources of cash funds include the Racing Cash Fund, the Liquor Enforcement Division and State Licensing Authority Cash Fund, the Auto Dealers License Fund, the Aviation Fund, the Highway Users Tax Fund, the Colorado State Titling and Registration Account, the Limited Gaming Fund, the Driver's License Administrative Revocation Account, the AIR Account, and the Outstanding Judgments and Warrants Account. Sources of reappropriated funds are the State Lottery Fund and the Limited Gaming Fund.

INFORMATION TECHNOLOGY DIVISION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$5,284,943	\$1,209,976	\$4,074,967	\$0	\$0	0.0
HB 17-1162	108,000	0	108,000	0	0	0.0
<b>TOTAL</b>	<b>\$5,392,943</b>	<b>\$1,209,976</b>	<b>\$4,182,967</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$5,392,943	\$1,209,976	\$4,182,967	\$0	\$0	0.0
DRIVES production support	(442,688)	0	(442,688)	0	0	0.0
Annualize prior year legislation	(108,000)	0	(108,000)	0	0	0.0
<b>HB 18-1322</b>	<b>\$4,842,255</b>	<b>\$1,209,976</b>	<b>\$3,632,279</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
SB 18-233	63,000	0	0	63,000	0	0.0
<b>TOTAL</b>	<b>\$4,905,255</b>	<b>\$1,209,976</b>	<b>\$3,632,279</b>	<b>\$63,000</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$487,688)</b>	<b>\$0</b>	<b>(\$550,688)</b>	<b>\$63,000</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	(9.0%)	0.0%	(13.2%)	0.0%	n/a	n/a

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**DRIVES PRODUCTION SUPPORT:** The appropriation includes a decrease of \$442,688 cash funds from the Colorado State Titling and Registration (CSTARS) account/Colorado DRIVES Vehicle Services account as part of DRIVES system support.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments for the second-year impact of prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB17-1162 Outstanding Judgments and Drivers	(\$108,000)	\$0	(\$108,000)	\$0	\$0	0.0
<b>TOTAL</b>	<b>(\$108,000)</b>	<b>\$0</b>	<b>(\$108,000)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**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 the Interior's Minerals Management Service under a cooperative agreement for delegated authority to audit federal minerals production in Colorado.

The Taxation Business Group manages the State's subsystem of the International Fuel Tracking System, which licenses fuel distributors, suppliers, importers, exporters and transporters, and collects fuel taxes for the Highway Users Tax Fund. This group also administers the old age heat and fuel and property tax assistance grants, the cigarette tax rebate to local governments, and the Amendment 35 tobacco tax distribution to local governments of proceeds from the tobacco tax fund.

TAXATION BUSINESS GROUP						
	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$72,154,051	\$67,587,941	\$3,424,354	\$317,368	\$824,388	402.5
SB 17-192	9,600	9,600	0	0	0	0.0
SB 17-240	10,000	0	10,000	0	0	0.0
SB 17-267	0	0	0	0	0	0.0
HB 17-1027	33,750	0	33,750	0	0	0.0
HB 17-1249	8,000	0	8,000	0	0	0.0
HB 17-1250	2,200	0	2,200	0	0	0.0
HB 17-1367	10,000	0	10,000	0	0	0.0
HB 18-1167	873,824	873,824	0	0	0	0.0
<b>TOTAL</b>	<b>\$73,101,425</b>	<b>\$68,471,365</b>	<b>\$3,488,304</b>	<b>\$317,368</b>	<b>\$824,388</b>	<b>402.5</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$73,101,425	\$68,471,365	\$3,488,304	\$317,368	\$824,388	402.5
Revenue forecast adjustments	5,481,363	5,512,656	(31,293)	0	0	0.0
Technical items	1,199,448	1,202,166	(2,718)	0	0	0.0
Annualize prior year budget actions	606,196	574,549	31,647	0	0	0.0
Annualize prior year legislation	(1,109,982)	(1,046,032)	(63,950)	0	0	0.0
Gross conservation easement reduction	(1,035,000)	(1,035,000)	0	0	0	0.0
GenTax fraud manager reduction	(600,000)	(600,000)	0	0	0	0.0

TAXATION BUSINESS GROUP						
	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Indirect cost adjustment	(76)	(51)	(25)	0	0	0.0
<b>HB 18-1322</b>	<b>\$77,643,374</b>	<b>\$73,079,653</b>	<b>\$3,421,965</b>	<b>\$317,368</b>	<b>\$824,388</b>	<b>402.5</b>
SB 18-259	15,840	15,840	0	0	0	0.0
HB 18-1280	14,032	0	14,032	0	0	0.0
HB 18-1350	14,292	14,292	0	0	0	0.3
<b>TOTAL</b>	<b>\$77,687,538</b>	<b>\$73,109,785</b>	<b>\$3,435,997</b>	<b>\$317,368</b>	<b>\$824,388</b>	<b>402.8</b>
<b>INCREASE/(DECREASE)</b>	<b>\$4,586,113</b>	<b>\$4,638,420</b>	<b>(\$52,307)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.3</b>
Percentage Change	6.3%	6.8%	(1.5%)	0.0%	0.0%	0.1%

<sup>1</sup> Includes \$28,600,000 in FY 2017-18 and \$34,112,656 in FY 2018-19 that is not subject to the statutory restriction on state General Fund appropriations imposed by Section 24-75-201.1, C.R.S.

## FY 2017-18 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 18-1167 (Supplemental Bill) modifies the FY 2017-18 appropriation to add \$873,824 General Fund to reflect increased costs for document services purchased from the Department of Personnel's Integrated Document Solutions unit for tax processing, transportation, imaging, and storage.

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**REVENUE FORECAST ADJUSTMENTS:** The appropriation includes adjustments resulting from the revenue forecast for Tobacco and Marijuana tax dollars distributed to local governments via statutory or constitutional formula.

**TECHNICAL ITEMS:** The appropriation includes adjustments related to budget requests made by other departments that impact the Department of Revenue in FY 2018-19, which are summarized below.

TECHNICAL ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 17-18 DPA Pipeline Adjustment	\$873,824	\$873,824	\$0	\$0	\$0	0.0
FY 17-18 IDS Rate Methodology	371,756	371,756	0	0	0	0.0
Operating system suite	(46,132)	(43,414)	(2,718)	0	0	0.0
<b>TOTAL</b>	<b>\$1,199,448</b>	<b>\$1,202,166</b>	<b>(\$2,718)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the out-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 17-18 Salary survey	\$421,818	\$400,118	\$21,700	\$0	\$0	0.0
FY 17-18 Merit pay	184,378	174,431	9,947	0	0	0.0
<b>TOTAL</b>	<b>\$606,196</b>	<b>\$574,549</b>	<b>\$31,647</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments for the second- [and third-] year impact of prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB18-1167 Supplemental Appropriation	(\$873,824)	(\$873,824)	\$0	\$0	\$0	0.0
HB16-1467 First Time Homebuyer Savings Acct	(84,493)	(84,493)	0	0	0	0.0



ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB16-1142 Rural Care Preceptors Tax Credit	(45,038)	(45,038)	0	0	0	0.0
HB17-1027 Remove Fund Repeal and Clarify Organ Donor Process	(33,750)	0	(33,750)	0	0	0.0
HB16-1194 First Time Farmer IT Deduction	(33,077)	(33,077)	0	0	0	0.0
SB17-240 Sunset Motor Vehicle Dealer Sales	(10,000)	0	(10,000)	0	0	0.0
HB17-1367 Authorize Marijuana Clinical Research	(10,000)	0	(10,000)	0	0	0.0
SB17-192 Marijuana Business Efficiency Measures	(9,600)	(9,600)	0	0	0	0.0
HB17-1249 Penalties for Unlicensed MV Sales	(8,000)	0	(8,000)	0	0	0.0
HB17-1250 Renew and Expand Tax Checkoff	(2,200)	0	(2,200)	0	0	0.0
<b>TOTAL</b>	<b>(\$1,109,982)</b>	<b>(\$1,046,032)</b>	<b>(\$63,950)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**GROSS CONSERVATION EASEMENT REDUCTION:** The appropriation includes a decrease of \$1.0 million General Fund. This appropriation was included in H.B. 11-1300 (Conservation Easement Tax Credit Dispute Resolution) for consultant work. The majority of the work has been completed and the appropriation for the consultant is no longer needed.

**GEN TAX FRAUD MANAGER REDUCTION:** The appropriation includes a decrease of \$600,000 General Fund. This item was first appropriated in a FY 2015-16 supplemental to implement a functional service in the GenTax system. The Department and vendor were unable to reach agreement so the service was not implemented.

**INDIRECT COST ADJUSTMENT:** The appropriation includes a net decrease in the Department's indirect cost assessment.

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

## DIVISION OF MOTOR VEHICLES

This division is responsible for licensing drivers and issuing driver's licenses and state identification cards; maintaining driver records and administering driver sanctions; titling and registering motor vehicles; regulating commercial driving schools; enforcing the state's emissions program; administering the Motorist Insurance Identification Database Program; and assisting first time drunk driving offenders obtain ignition interlock devices required for those offenders to drive motor vehicles.

Major sources of cash funds are the Licensing Services Cash Fund and the License Plate Cash Fund. Other cash funds sources include the Highway Users Tax Fund, and subaccounts of the Highway Users Tax Fund including: the Colorado State Titling and Registration System Account, the Automotive Inspections and Readjustment (AIR) Account, and the Driver's License Administrative Revocation Account.

DIVISION OF MOTOR VEHICLES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$51,024,345	\$4,426,890	\$46,421,516	\$175,939	\$0	490.9
<b>TOTAL</b>	<b>\$51,024,345</b>	<b>\$4,426,890</b>	<b>\$46,421,516</b>	<b>\$175,939</b>	<b>\$0</b>	<b>490.9</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$51,024,345	\$4,426,890	\$46,421,516	\$175,939	\$0	490.9
DRIVES system maintenance and support	2,600,000	0	2,600,000	0	0	0.0
DRIVES production support	1,694,003	0	1,694,003	0	0	19.0
Division of Motor Vehicles staffing	649,973	0	649,973	0	0	10.0
Armored car appropriation increase	46,402	0	46,402	0	0	0.0
Annualize prior year legislation	1,825	0	1,825	0	0	0.0
Annualize prior year budget actions	(209,469)	110,341	(322,342)	2,532	0	0.0
Technical items	(57,478)	(8,361)	(49,117)	0	0	0.0
Indirect cost adjustment	(6,290)	(8,561)	2,271	0	0	0.0
<b>HB 18-1322</b>	<b>\$55,743,311</b>	<b>\$4,520,309</b>	<b>\$51,044,531</b>	<b>\$178,471</b>	<b>\$0</b>	<b>519.9</b>
SB 18-108	108,992	0	108,992	0	0	1.2
HB 18-1042	4,849	4,849	0	0	0	(0.3)
HB 18-1244	2,960	0	2,960	0	0	0.0
HB 18-1255	8,288	0	8,288	0	0	0.0
HB 18-1285	9,870	9,870	0	0	0	0.0
HB 18-1299	0	0	0	0	0	0.0
<b>TOTAL</b>	<b>\$55,878,270</b>	<b>\$4,535,028</b>	<b>\$51,164,771</b>	<b>\$178,471</b>	<b>\$0</b>	<b>520.8</b>
<b>INCREASE/(DECREASE)</b>	<b>\$4,853,925</b>	<b>\$108,138</b>	<b>\$4,743,255</b>	<b>\$2,532</b>	<b>\$0</b>	<b>29.9</b>
Percentage Change	9.5%	2.4%	10.2%	1.4%	n/a	6.1%

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**DRIVES SYSTEM MAINTENANCE AND SUPPORT:** The appropriation includes an increase of \$2.6 million cash funds from the Licensing Services Cash Fund (LSCF) and the Colorado State Titling and Registration (CSTARS) account/Colorado DRIVES Vehicle Services account. The appropriation funds annual operating costs for post-implementation hosting, maintenance, and support services for the Driver License, Record, Identification, and Vehicle Enterprise Solution (DRIVES) information technology system.

**DRIVES PRODUCTION SUPPORT:** The appropriation includes an increase of \$1.7 million cash funds from the Licensing Services Cash Fund (LSCF) and the Colorado State Titling and Registration (CSTARS) account/Colorado DRIVES Vehicle Services account and 19.0 FTE to fund staffing to support the DRIVES system.

**DIVISION OF MOTOR VEHICLES STAFFING:** The appropriation includes \$649,973 cash funds from the Licensing Services Cash Fund (LSCF) and 10.0 FTE to fund staffing a secondary Driver License Office (DLO) location in Westminster.

**ARMORED CAR INCREASE:** The appropriation includes an increase of \$46,402 cash funds from various Division of Motor Vehicles cash funds to pay for increased rates for third-party armored car services.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments for the second-year impact of prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB17-1212 Colorado Aviation Special License	\$913	\$0	\$913	\$0	\$0	0.0
HB17-1012 Pueblo Chile License Plate	912	0	912	0	0	0.0
<b>TOTAL</b>	<b>\$1,825</b>	<b>\$0</b>	<b>\$1,825</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 17-18 Salary survey	\$470,062	\$76,843	\$391,543	\$1,676	\$0	0.0
FY 17-18 Merit pay	213,869	33,498	179,515	856	0	0.0
FY 17-18 DMV Leased Space	(893,400)	0	(893,400)	0	0	0.0
<b>TOTAL</b>	<b>(\$209,469)</b>	<b>\$110,341</b>	<b>(\$322,342)</b>	<b>\$2,532</b>	<b>\$0</b>	<b>0.0</b>

**TECHNICAL ITEMS:** The appropriation includes adjustments related to budget requests made by other departments that impact the Department of Revenue in FY 2018-19, which are summarized below.

TECHNICAL ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Operating system suite	(\$57,478)	(\$8,361)	(\$49,117)	\$0	\$0	0.0
<b>TOTAL</b>	<b>(\$57,478)</b>	<b>(\$8,361)</b>	<b>(\$49,117)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**INDIRECT COST ADJUSTMENT:** The appropriation includes a net decrease to the Division's indirect cost assessment.

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

## ENFORCEMENT BUSINESS GROUP

This Division regulates the limited gaming industry; regulates horse and dog racing events; enforces the State's liquor, tobacco, and marijuana regulations; licenses liquor retailers, wholesalers, and manufacturers, and medical marijuana retailers and manufacturing and cultivation facilities; regulates the motor vehicles sales industry; and manages adjudication hearings related to drivers' licenses, certain racing licenses, and some tax disputes. Major sources of cash funds include the Limited Gaming Fund, the Auto Dealers License Fund, the Liquor Enforcement Division and State Licensing Authority Cash Fund, the Medical Marijuana License Cash Fund, the Racing Cash Fund, the Horse Breeders' and Owners' Awards and Supplemental Purse Fund, the Driver's License Administrative Revocation Account, and the Tobacco Education Programs Fund. The source of reappropriated funds is the Limited Gaming Fund.

ENFORCEMENT BUSINESS GROUP						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$56,380,737	\$181,305	\$55,943,389	\$256,043	\$0	271.1
SB 17-187	1,159	0	1,159	0	0	0.0

ENFORCEMENT BUSINESS GROUP						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 17-192	59,458	0	59,458	0	0	0.3
SB 17-240	60,011	0	60,011	0	0	1.1
HB 17-1120	22,150	0	22,150	0	0	0.0
HB 17-1367	121,621	0	121,621	0	0	0.5
<b>TOTAL</b>	<b>\$56,645,136</b>	<b>\$181,305</b>	<b>\$56,207,788</b>	<b>\$256,043</b>	<b>\$0</b>	<b>273.0</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$56,645,136	\$181,305	\$56,207,788	\$256,043	\$0	273.0
Annualize prior year budget actions	340,277	3,113	337,164	0	0	0.0
Liquor Enforcement Division operating increase	43,734	0	43,734	0	0	0.0
Armored car appropriation increase	15,972	0	15,972	0	0	0.0
Indirect cost adjustment	10,251	0	10,251	0	0	0.0
Enforcement Business Group realignment	0	1,908	(80,432)	78,524	0	0.0
Annualize prior year legislation	(34,724)	0	(34,724)	0	0	1.6
Technical items	(31,352)	(236)	(31,116)	0	0	0.0
<b>HB 18-1322</b>	<b>\$56,989,294</b>	<b>\$186,090</b>	<b>\$56,468,637</b>	<b>\$334,567</b>	<b>\$0</b>	<b>274.6</b>
SB 18-036	2,100	0	2,100	0	0	0.0
SB 18-243	80,436	0	80,436	0	0	1.0
HB 18-1025	3,091	0	3,091	0	0	0.0
<b>TOTAL</b>	<b>\$57,074,921</b>	<b>\$186,090</b>	<b>\$56,554,264</b>	<b>\$334,567</b>	<b>\$0</b>	<b>275.6</b>
<b>INCREASE/(DECREASE)</b>	<b>\$429,785</b>	<b>\$4,785</b>	<b>\$346,476</b>	<b>\$78,524</b>	<b>\$0</b>	<b>2.6</b>
Percentage Change	0.8%	2.6%	0.6%	30.7%	n/a	1.0%

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 17-18 Salary survey	\$256,093	\$2,168	\$253,925	\$0	\$0	0.0
FY 17-18 Merit pay	117,366	945	116,421	0	0	0.0
FY 17-18 AID regulatory staff increase	(33,182)	0	(33,182)	0	0	0.0
<b>TOTAL</b>	<b>\$340,277</b>	<b>\$3,113</b>	<b>\$337,164</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**LIQUOR ENFORCEMENT DIVISION OPERATING INCREASE:** The appropriation includes an increase of \$43,734 cash funds from the Liquor Enforcement Division and State Licensing Authority Cash Fund to support travel costs to improve compliance and enforcement operations statewide in remote areas and for equipment replacement.

**ARMORED CAR INCREASE:** The appropriation includes an increase of \$15,972 cash funds from various Enforcement Business Group cash funds for third-party armored car services.

**INDIRECT COST ADJUSTMENT:** The appropriation includes a net increase to the Division's indirect cost assessment.

**ENFORCEMENT BUSINESS GROUP REALIGNMENT:** The appropriation includes a realignment of 2.0 FTE from the Division of Gaming to the Administration section of the Enforcement Business Group. The recommendation is a net-neutral adjustment in total funds, and includes an increase of \$1,908 General Fund, a net increase of \$78,524 reappropriated funds, and a net decrease of \$80,432 cash funds.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments for the second-year impact of prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB16-197 Liquor-licensed Drugstore Multiple	\$72,189	\$0	\$72,189	\$0	\$0	1.5
HB17-1367 Authorize Marijuana Clinical Research	(35,801)	0	(35,801)	0	0	0.0
SB17-192 Marijuana Business Efficiency Measures	(30,109)	0	(30,109)	0	0	0.1
HB17-1120 Alcohol Beverage License Higher Ed	(22,150)	0	(22,150)	0	0	0.0
SB17-240 Sunset Motor Vehicle Dealer Sales	(18,853)	0	(18,853)	0	0	0.0
<b>TOTAL</b>	<b>(\$34,724)</b>	<b>\$0</b>	<b>(\$34,724)</b>	<b>\$0</b>	<b>\$0</b>	<b>1.6</b>

**TECHNICAL ITEMS:** The appropriation includes adjustments related to budget requests made by other departments that impact the Department of Revenue in FY 2018-19, which are summarized below.

TECHNICAL ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Operating system suite	(\$31,352)	(\$236)	(\$31,116)	\$0	\$0	0.0
<b>TOTAL</b>	<b>(\$31,352)</b>	<b>(\$236)</b>	<b>(\$31,116)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

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

## STATE LOTTERY DIVISION

The State Lottery Division regulates and administers the State Lottery. It is an enterprise under the provisions of Section 20 of Article X of the Colorado Constitution (the Taxpayer's Bill of Rights). Expenditures are paid from the State Lottery Fund and appropriated as cash funds. The Lottery's direct costs for centrally appropriated items are shown in consolidated budget lines within the Executive Director's Office. Proceeds from the Lottery are distributed to: the Conservation Trust Fund for parks, recreation, and open space purposes; the Division of Parks and Wildlife in the Department of Natural Resources for the acquisition, development and improvement of state parks, recreation areas and recreational trails; Great Outdoors Colorado; and public school capital improvements.

STATE LOTTERY DIVISION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$98,320,468	\$0	\$98,320,468	\$0	\$0	117.1
<b>TOTAL</b>	<b>\$98,320,468</b>	<b>\$0</b>	<b>\$98,320,468</b>	<b>\$0</b>	<b>\$0</b>	<b>117.1</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$98,320,468	\$0	\$98,320,468	\$0	\$0	117.1
Lottery vendor fees and retail compensation	4,028,785	0	4,028,785	0	0	0.0
Annualize prior year budget actions	160,027	0	160,027	0	0	0.0
Technical items	(13,771)	0	(13,771)	0	0	0.0
Indirect cost adjustment	(6,096)	0	(6,096)	0	0	0.0
<b>HB 18-1322</b>	<b>\$102,489,413</b>	<b>\$0</b>	<b>\$102,489,413</b>	<b>\$0</b>	<b>\$0</b>	<b>117.1</b>
<b>TOTAL</b>	<b>\$102,489,413</b>	<b>\$0</b>	<b>\$102,489,413</b>	<b>\$0</b>	<b>\$0</b>	<b>117.1</b>
<b>INCREASE/(DECREASE)</b>						
	\$4,168,945	\$0	\$4,168,945	\$0	\$0	0.0
Percentage Change	4.2%	n/a	4.2%	n/a	n/a	0.0%

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**LOTTERY VENDOR FEES AND RETAIL COMPENSATION:** The appropriation includes an increase of \$4.0 million cash funds spending authority from the Lottery Fund. Projections identify a need for an additional \$1.7 million in vendor fees and \$2.3 million in retailer compensation to satisfy lottery contract provisions for vendors and retailers related to lottery sales growth.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions for salary survey.

**TECHNICAL ITEMS:** The appropriation includes adjustments related to budget requests made by other departments that impact the Department of Revenue in FY 2018-19, which are summarized below.

TECHNICAL ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Operating system suite	(\$13,771)	\$0	(\$13,771)	\$0	\$0	0.0
<b>TOTAL</b>	<b>(\$13,771)</b>	<b>\$0</b>	<b>(\$13,771)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**INDIRECT COST ADJUSTMENT:** The appropriation includes a net decrease to the Department's indirect cost assessment.

## RECENT LEGISLATION

### 2017 SESSION BILLS

**S.B. 17-187 (RESIDENCY EXEMPTION FOR MARIJUANA EDUCATION-BASED OCCUPATION):** Authorizes the Marijuana Enforcement Division (MED) to exempt from the medical or retail marijuana occupational license residency requirement for up to two years someone who is participating in a marijuana-based education program that is designed to train individuals to work in the legal marijuana industry. Includes penalties for individuals who participate in the program but commit perjury by attesting they work in the field when they do not. In FY 2017-18, appropriates \$1,159 from the Marijuana Cash Fund to the MED and reappropriates \$1,159 from the Department of Revenue to the Department of Public Safety to perform the required background checks.

**S.B. 17-192 (MARIJUANA BUSINESS EFFICIENCY MEASURES):** Allows for a single-instance transfer of retail marijuana and retail marijuana products from a retail marijuana licensee to a medical marijuana licensee, changes the provisions for calculating the average market rate, and creates a contract price to use when calculating excise taxes between unaffiliated retail marijuana businesses. Also clarifies that the Marijuana Enforcement Division in the Department of Revenue can take action against a licensee upon a violation of law whether the license active, expired, or surrendered. For FY 2017-18, appropriates \$69,058 total funds, including \$9,600 General Fund, to the Department of Revenue.

**S.B. 17-240 (SUNSET MOTOR VEHICLE DEALERS SALES):** Continues the Motor Vehicle Dealer Board and the regulation of powersports vehicle sales through September 1, 2027. Implements some of the recommendations from the Department of Regulatory Agencies' sunset report, including:

- Requiring a fingerprint-based criminal history background check for all licensees;
- Requiring an additional license for any new ownership interest in a licensed entity;

- Subjecting a principle dealer license to discipline when he or she violates the laws governing salespeople by acting as a salesperson;
- Requiring people who have had licenses revoked to wait one year before applying for a new license; and
- Codifying the Auto Industry Division (AID) as a Type 2 transfer under the Department of Revenue (DOR) and making administrative updates.

For FY 2017-18, appropriates \$175,551 cash funds to the Departments of Public Safety and Revenue. Of this amount, \$162,983 is from the Colorado Bureau of Investigation Identification Unit Fund and appropriated to the Department of Public Safety, and \$12,568 is from the Auto Dealers License Fund and appropriated to the Department of Revenue.

**S.B. 17-254 (LONG BILL):** General appropriations act for FY 2017-18.

**S.B. 17-267 (SUSTAINABILITY OF RURAL COLORADO):** This summary applies specifically to the Department of Revenue. See Part III of the Department of Health Care Policy and Financing and Appendix J for more detailed information on this bill. The bill:

- Specifies that reimbursements to local governments from the state for property tax exemptions for qualifying seniors and disabled veterans are a TABOR refund mechanism in years when a refund is required;
- Increases the rate of retail marijuana sales tax (currently 10 percent and scheduled to decrease under current law to 8 percent) to 15 percent effective July 1, 2017;
  - Offsets a portion of the state retail marijuana sales tax rate increase by exempting retail sales of marijuana upon which the state retail marijuana sales tax is imposed from the 2.9 percent general state sales tax, but provides that local governments can continue to impose their local general sales taxes on retail sales of marijuana;
  - Holds local governments that currently receive an allocation of 15 percent of state retail marijuana sales tax revenue based on the current tax rate of 10 percent harmless by specifying that on and after July 1, 2017, they receive an allocation of 10 percent of state retail marijuana sales tax revenue based on the new rate of 15 percent;
  - Of the 90 percent of the state retail marijuana sales tax revenue that the state retains for FY 2017-18:
    - 28.15 percent less \$30 million stays in the general fund
    - 71.85 percent is credited to the marijuana tax cash fund
    - \$30 million is credited to the state public school fund and distributed to rural school districts
  - Of the 90 percent of the state retail marijuana sales tax revenue that the state retains for FY 2018-19:
    - 15.56 percent stays in the general fund
    - 71.85 percent is credited to the marijuana tax cash fund
    - 12.59 percent is credited to the state public school fund for the state share of total program
- Requires state departments, other than the departments of Education and Transportation, to submit budget requests to the Office of State Planning and Budgeting (OSPB) that are at least 2.0 percent lower than the FY 2017-18 budget, and requires OSPB to seek to ensure that the budget submitted to the legislature for FY 2018-19 is at least 2.0 percent lower than FY 2017-18
- Replaces an existing temporary income tax credit for business personal property taxes with a more generous permanent income tax credit for business personal property taxes paid on up to \$18,000 of the total actual value of a taxpayer's business personal property

For FY 2016-17, appropriates \$3,750 General Fund to the Department of Revenue for implementation of the tax policy changes.

**H.B. 17-1002 (CHILD CARE EXPENSES INCOME TAX CREDIT EXTENSION):** Extends an expiring refundable tax credit for child care expenses for an additional three years. However, for the tax year beginning January 1, 2017, the tax credit is only available if the revenue forecast developed by Legislative Council Staff in June 2017 projects a General Fund surplus exceeding \$2.9 million. The following table shows the effect of the tax credit on General Fund revenue and its TABOR impact.

FISCAL IMPACT OF H.B. 17-1002 (CHILD CARD EXPENSES INCOME TAX CREDIT EXTENSION)				
	FY 2016-17 <sup>1</sup>	FY 2017-18	FY 2018-19	FY 2019-20
General Fund Revenue	(\$2.9 million)	(\$6.1 million)	(\$6.4 million)	(\$3.4 million)

<sup>1</sup> FY 2016-17 impact occurs only if the June Revenue Forecast prepared by Legislative Council Staff forecasts General Fund revenue will have a surplus exceeding \$2.9 million at the end of the Fiscal Year.

The tax credit is available to taxpayers with federal adjusted gross income totaling \$25,000 or less. The tax credit is equal to 25 percent of eligible child care expenses incurred by the taxpayer up to \$500, for those with one dependent, and \$1,000 for those with two or more. This tax credit is similar but distinct from the nonrefundable child care tax credit available for individuals with federal adjusted gross income exceeding \$25,000, but not exceeding \$60,000.

**H.B. 17-1027 (REMOVE FUND REPEAL & CLARIFY ORGAN DONOR PROCESS):** Removes the July 1, 2018, repeal date for the Emily Maureen Ellen Keyes Organ and Tissue Donation Awareness Fund (the Fund), continuing it indefinitely, and renames the fund the Emily Keyes - John W. Buckner Organ and Tissue Donation Awareness Fund. The bill clarifies that an applicant's self-designation as an organ and tissue donor on a driver license, identification card, or instruction permit remains in effect until revoked by the applicant, codifying that organ donation is an advance directive and a lifetime designation. Under the bill, computer reprogramming costs for the Division of Motor Vehicles (DMV) may be paid from the fund. Finally, the bill requires the Donor Alliance, Inc., to submit an annual report to the Department of Revenue (DOR) detailing the amounts and specific uses of all funds it receives by October 1 of each year, which the DOR must include as part of its SMART Government Act hearing. In FY 2017-18, appropriates \$33,750 cash funds from the Fund.

**H.B. 17-1120 (ALCOHOLIC BEVERAGE LICENSE HIGHER EDUCATION CAMPUS):** Creates a classification of liquor license for campus liquor complexes. An institution of higher education, or a person who contracts with an institution to provide food services, that holds a hotel-restaurant license to serve alcohol beverages for on-premises consumption (licensee) may be designated as a campus liquor complex at the time of initial licensure or license renewal. The licensee must designate a principal licensed premises and additional related facilities. Defines a related facility as an area approved by licensing authorities that is on the campus of a licensed institution of higher education and owned or controlled by the institution. In FY 2017-18, appropriates \$22,150 cash funds from the Liquor Enforcement Division and State Licensing Authority Cash Fund to the Department of Revenue.

**H.B. 17-1162 (OUTSTANDING JUDGEMENTS & DRIVER'S LICENSES):** Changes the penalty for driving with a license that is restricted by an outstanding judgment from an unclassified misdemeanor, with a maximum penalty of six months of imprisonment and a fine of \$500, to a class A traffic infraction, punishable by an assessment of three points to a violator's driver license. Municipal courts are able to enforce violations for driving with an outstanding judgment, but cannot waive the three-point penalty assessment against a driver license. Appropriates \$108,000 cash funds to the Department for FY 2017-18.

**H.B. 17-1249 (PENALTIES FOR UNLICENSED MOTOR VEHICLE SALES):** Creates a new factual basis for unlicensed motor vehicle sales; increases penalties for the existing class 3 misdemeanor offense; credits fine revenue to local law enforcement and the Department of Revenue (DOR); and allows fine revenue to be used for enforcement of unlicensed motor vehicle sales laws. Under the bill, a person or corporation must both willfully violate the law and do so while acting in an official capacity to be charged with the unlicensed sale of a motor



vehicle. For unlicensed motor vehicle sales by new and used motor vehicle dealers, wholesalers, buyers agents, wholesale motor vehicle auction dealers, and motor vehicle salespersons, the penalty is still a class 3 misdemeanor. In FY 2017-18, appropriates \$8,000 cash funds from the Auto Dealers License Fund to the Department of Revenue.

**H.B. 17-1250 (RENEW AND EXPAND TAX CHECK-OFF BENEFIT FOR WILDLIFE):** Extends and modifies the Nongame Wildlife voluntary contribution (income tax checkoff) program. Renames the checkoff program as the Colorado Nongame Conservation and Wildlife Restoration voluntary contribution and establishes the Colorado Nongame Conservation and Wildlife Restoration Cash Fund Authority that is overseen by a board of directors. The bill also creates the Nongame Conservation and Wildlife Restoration Cash Fund. Money in the fund is used by the Colorado Division of Parks and Wildlife to support a variety of activities that aid nongame and endangered species work. In addition, a percentage of the checkoff revenue must be given in the form of grants for wildlife rehabilitation in Colorado. In FY 2017-18, appropriates \$2,200 cash funds from the Nongame Conservation and Wildlife Restoration Cash Fund to the Department of Revenue.

**H.B. 17-1367 (AUTHORIZE MARIJUANA CLINICAL RESEARCH):** Creates two research licenses in the Medical Marijuana Code to be issued by the Marijuana Enforcement Division and local licensing authorities. The marijuana research and development cultivation license allows a person to grow, cultivate, possess, and transfer marijuana by sale or donation, for limited research purposes. A marijuana research and development license allows a person to possess marijuana for limited research purposes. If the research will be conducted with a public institution or with public money, the Scientific Advisory Council in the Colorado Department of Public Health and Environment is required to assess the project based on criteria outlined in the bill. If the council finds the project does not meet the criteria, the application will be denied. If the research will not be conducted with a public institution or with public money, the Marijuana Enforcement Division will assess the project. In FY 2017-18, appropriates \$226,671 cash funds from the Marijuana Cash Fund to the Department of Revenue, of which \$95,050 is reappropriated to the Department of Law.

## 2018 SESSION BILLS

**S.B. 18-036 (RELOCATE TITLE 24 TOBACCO SALES MINORS TO TITLE 44):** Relocates statutes concerning regulation of tobacco sales to minors from Title 24 to the newly created Title 44 of the Colorado Revised Statutes and makes minor technical changes. In FY 2018-19, appropriates \$6,730 cash funds, including \$5,402 from the Liquor Enforcement Division and State Licensing Authority Cash Fund and \$1,328 from the Tobacco Education Programs Fund, to the Department of Revenue, of which \$4,630 is reappropriated to the Governor's Office of Information Technology.

**S.B. 18-108 (ELIGIBILITY COLORADO ROAD AND COMMUNITY SAFETY ACT):** The Colorado Road and Community Safety Act (S.B. 13-251) authorizes issuance of a driver license, identification card, or instruction permit, valid for three years, to an individual who is either temporarily lawfully present in the U.S. or a Colorado resident who is not a U.S. citizen and does not have permanent residency status. The bill clarifies that S.B. 13-251 documents may be renewed or reissued in accordance with the process used for standard documents without the individual having to resubmit the initial requisite documentation if the individual provides a previously issued S.B. 13-251 document and proof of current Colorado residency. The bill also allows an applicant to provide his or her social security number in lieu of an individual taxpayer identification number. In FY 2018-19, appropriates \$108,992 cash funds from the Licensing Services Cash Fund and 1.2 FTE to the Department of Revenue.

**S.B. 18-233 (ELECTIONS CLEAN-UP):** Makes technical modifications to various provisions of the Uniform Election Code of 1992. In FY 2018-19, appropriates \$63,000 reappropriated funds received from the Department of State to the Department of Revenue. For additional information, see the "Recent Legislation" section at the end of Part III for the Department of State.

**S.B. 18-243 (RETAIL SALES ALCOHOL BEVERAGES):** Effective January 1, 2019, the limitation on the maximum alcohol content of fermented malt beverages, also referred to as "3.2% beer", is eliminated, thereby allowing grocery stores, convenience stores, and others licensed to sell fermented malt beverages containing more than 3.2 percent alcohol. Modifies laws governing the retail sale of fermented malt beverages. In FY 2018-19, appropriates \$91,092 cash funds from the Liquor Enforcement Division and State Licensing Authority Cash Fund and 1.0 FTE to the Department of Revenue, of which \$10,656 is reappropriated to the Department of Law.

**S.B. 18-253 (CSTARS ACCOUNT TRANSFER TO DRIVES ACCOUNT EFFECTIVE):** Establishes a uniform date of July 1, 2019, to transition the Department of Revenue's CSTARS account to the new DRIVES Vehicle Services account. The bill also delays corresponding statutory repeal dates for one year.

**S.B. 18-259 (LOCAL GOVERNMENT RETAIL MARIJUANA TAXES):** Makes the following changes to marijuana taxation in Colorado:

- allows a county to continue collecting excise taxes for three years if a marijuana cultivation facility is annexed into a municipality. If this occurs, the municipality is unable to levy its own excise tax until the county's authority to levy an excise tax expires;
- allows counties to use either the wholesale price or the calculated wholesale price to determine excise taxes;
- removes the authority for metropolitan districts to collect a sales tax on retail marijuana; and
- clarifies that the state excise tax is collected when unprocessed marijuana is transferred between marijuana cultivation facilities.

In FY 2018-19, appropriates \$15,840 General Fund to the Department of Revenue.

**S.B. 18-271 (IMPROVE FUNDING FOR MARIJUANA RESEARCH):** Allows a marijuana research and development licensee or a marijuana research and development cultivation licensee to share premises with a commonly owned medical marijuana infused products manufacturer or a retail marijuana product manufacturers under a co-location permit. House Bill 18-1322 (Long Bill) transferred \$3.0 million from the Marijuana Tax Cash Fund to the health research subaccount of the Medical Marijuana Program Cash Fund. This bill continues the subaccount from its current repeal date of July 1, 2019, to July 1, 2023, and authorizes the Department of Public Health and Environment (CDPHE) to use up to \$100,000 from the subaccount for administration of the medical marijuana research grant program. In FY 2018-19, appropriates \$10,656 cash funds from the Marijuana Cash Fund to the Department of Revenue.

**H.B. 18-1025 (RELOCATE TITLE 12 LIQUOR LAWS TO TITLE 44):** Relocates the statutes regulating alcohol beverages from Title 12 to a newly created Title 44 of the Colorado Revised Statutes and makes minor technical changes. In FY 2018-19, appropriates \$3,091 cash funds from the Liquor Enforcement Division and State Licensing Authority Cash Fund to the Department of Revenue.

**H.B. 18-1042 (PRIVATE INTERSTATE COMMERCIAL VEHICLES):** Allows private parties to perform expedited vehicle registrations for commercial trucks. Requires the Department of Revenue (DOR) to promulgate rules in order to allow a private provider to perform expedited vehicle registration for Class A commercial vehicles. The provider may retain a service fee, but will collect and remit the registration taxes and fees to the department.

Private providers of expedited Class A vehicle registrations must:

- be approved by DOR;
- utilize a department-approved software that will calculate taxes and fees and be updated regularly to account for any rate changes;
- file evidence of a surety bond or an alternative to a surety bond; and

- provide for reimbursement of any damages caused to the state, local governments, or owners of Class A vehicles through its acts or omissions.

DOR is required to ensure that the expedited registration program:

- operates efficiently;
- provides additional services or increases the speed or quality of services at an overall cost savings to the state; and
- complies with state law.

DOR may deny, suspend, or revoke approval of a private provider who violates a contract, makes a material misstatement, fails to comply with state law or rules, or fails to provide expedited service. DOR may also accept financial assistance from a private party to implement the expedited registration program to the extent permitted, credited to the Colorado Driver License, Record, Identification and Vehicle Enterprise Solution (DRIVES) Vehicle Services Account.

In FY 2018-19, includes a net appropriation of \$20,865 General Fund and includes a net decrease of 0.3 FTE to the Department of Revenue, of which \$16,016 is reappropriated to the Governor's Office of Information Technology.

**H.B. 18-1060 (INCOME TAX DEDUCTION FOR MILITARY RETIREMENT BENEFITS):** Allows an income tax deduction for military retirement benefits received by individuals under age 55 for tax years 2019 through 2023, including up to \$4,500 in 2019, \$7,500 in 2020, \$10,000 in 2021, and \$15,000 in 2022 and 2023.

**H.B. 18-1167 (SUPPLEMENTAL BILL):** Modifies FY 2017-18 appropriations to the Department.

**H.B. 18-1185 (MARKET SOURCING FOR BUSINESS INCOME TAX APPORTIONMENT):** Changes the apportionment method for corporations that do business in multiple states. Prior to the bill, income from the sale of services and intangible property was apportioned based on where the income-producing activity was performed. The bill changes the sourcing rules so that the income is apportioned based on where the income-producing activity is used or delivered.

**H.B. 18-1208 (EXPAND CHILD CARE EXPENSES INCOME TAX CREDIT):** Beginning in tax year 2019, expands the state income tax credit for child care expenses for taxpayers with adjusted gross income (AGI) of \$60,000 or less who claim a child care expenses credit on their federal income tax return, equal to 50.0 percent of the federal credit. Prior to the bill, taxpayers with AGI of \$25,000 or less were eligible for 50.0 percent of the federal credit, taxpayers with AGI of \$25,001 to \$35,000 were eligible for 30.0 percent of the federal credit, and taxpayers with AGI of \$35,001 to \$60,000 were eligible for 10.0 percent of the federal credit.

**H.B. 18-1244 (HONOR THE SERVICE OF SUBMARINE VETERANS):** Creates the submarine service military license plate. The license plate is available to honorably discharged, retired, reserve, or active members of the submarine service of the U.S. Navy who submit the required forms and pay a one-time special plate fee of \$50. In FY 2018-19, appropriates \$2,960 cash funds from the License Plate Cash Fund to the Department of Revenue.

**H.B. 18-1255 (CHILDHOOD CANCER AWARENESS SPECIAL LICENSE):** Creates the childhood cancer awareness special license plate. This license plate is available to anyone who donates to an organization chosen by the Department of Revenue and pays a one-time special plate fee of \$50. At least once every five years, the DOR will choose an organization to which applicants must donate to qualify for this license plate. In FY 2018-19, appropriates \$8,288 cash funds from the License Plate Cash Fund to the DOR. This organization must:

- have an office in Colorado;
- have been in existence for at least one year; and

- provide financial assistance to families with a minor being treated for cancer or research foundations that provide money for pediatric cancer research.

**H.B. 18-1280 (COURT APPOINTEES FOR MARIJUANA BUSINESSES):** Provides specifications for court-appointed receiverships or similar situations related to a person taking possession of, operating, managing, or controlling a licensed marijuana business. Requires an individual to certify to the appointing court that he or she is not prohibited from holding a marijuana license before being appointed a receiver of a marijuana business. Once appointed, the receiver must notify the Marijuana Enforcement Division (MED) of the appointment. The MED is required to issue a temporary registration to the appointee, which may be subject to administrative action if the appointee fails to comply with state marijuana laws or regulations. In FY 2018-19, appropriates \$28,950 cash funds from the Marijuana Cash Fund to the Department of Revenue, of which \$14,918 is reappropriated to the Department of Law.

**H.B. 18-1285 (REMUNERATION-EXEMPT DISABILITY PARKING PLACARD):** Creates a remuneration-exempt placard that exempts individuals with qualifying disabilities from paying for meter parking. In FY 2018-19, appropriates \$9,870 General Fund to the Department of Revenue.

**H.B. 18-1299 (ELECTRONIC FILING TITLE REGISTRATION MOTOR VEHICLE):** Under current law, the Department of Revenue (DOR) may establish a system to allow the electronic transmission of registration, lien, and titling information for motor vehicles. To implement this system, the bill allows the DOR to adopt rules to: maintain titling information electronically; accept electronic signatures on any documents; eliminate any notarization requirements for document signatures; allow all parties to electronically file and release lien information; and authorize third-party providers to process registration, lien, and titling information on behalf of a business entity. The bill includes an appropriation clause for FY 2018-19; however, the effective date clause in the bill establishes an effective date for the entire bill of July 1, 2019, nullifying the appropriation in FY 2018-19.

**H.B. 18-1322 (LONG BILL):** General appropriations act for FY 2018-19.

**H.B. 18-1339 (BACKGROUND CHECKS FOR EMPLOYEES WITH ACCESS TO FEDERAL TAX INFORMATION):** Requires each applicant, state employee, state contractor, or other individual who has or may have access through a state agency to federal tax information received from the federal government to submit to a fingerprint-based criminal history records check. Specifies that a state agency that shares such federal tax information with a county may authorize and require the county department applicants, employees, contractors, or other individuals to submit to a fingerprint-based criminal history records check. Requires a state agency to deny access to federal tax information received from the federal government to any individual who does not pass the fingerprint-based criminal history record check. Provides FY 2018-19 appropriations as follows:

- \$6,188 General Fund to the Governor's Office of Information Technology;
- \$36,630 General Fund to the Department of Human Services;
- \$7,425 cash funds to the Department of Labor and Employment;
- \$6,683 General Fund to the Department of Local Affairs;
- \$11,633 General Fund to the Department of Personnel;
- \$41,580 General Fund to the Department of Revenue;
- \$121,748 reappropriated funds and 0.6 FTE to the Department of Public Safety from the appropriations made to other departments above.

**H.B. 18-1350 (MACHINE TOOL SALES TAX EXEMPTION FOR SCRAP METAL):** Expands the definition of recovered materials under the machinery and machine tools sales and use tax exemption beginning January 1, 2019. In FY 2018-19, appropriates \$14,292 General Fund and 0.3 FTE to the Department of Revenue.

# Details

## DEPARTMENT OF STATE

### FY 2017-18 AND FY 2018-19 APPROPRIATIONS BY DIVISION AND BILL

DEPARTMENT OF STATE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2017-18 TOTAL APPROPRIATION:</b>	<b>\$22,995,624</b>	<b>\$0</b>	<b>\$22,995,624</b>	<b>\$0</b>	<b>\$0</b>	<b>137.4</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Administration	7,172,854	0	7,172,854	0	0	21.1
Information Technology Services	8,895,504	0	8,895,504	0	0	42.0
Elections Division	3,601,014	0	3,601,014	0	0	34.2
Business and Licensing Division	3,326,252	0	3,326,252	0	0	40.1
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
SB 17-254	\$22,711,371	\$0	\$22,711,371	\$0	\$0	137.4
SB 17-152	4,120	0	4,120	0	0	0.0
SB 17-305	157,796	0	157,796	0	0	0.0
HB 17-1200	30,488	0	30,488	0	0	0.0
HB 18-1168	(208,151)	0	(208,151)	0	0	0.0
HB 18-1322	300,000	0	300,000	0	0	0.0
<b>FY 2018-19 TOTAL APPROPRIATION:</b>	<b>\$25,375,937</b>	<b>\$0</b>	<b>\$25,375,937</b>	<b>\$0</b>	<b>\$0</b>	<b>142.9</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Administration	6,942,829	0	6,942,829	0	0	21.1
Information Technology Services	8,423,743	0	8,423,743	0	0	46.0
Elections Division	6,648,593	0	6,648,593	0	0	35.7
Business and Licensing Division	3,360,772	0	3,360,772	0	0	40.1
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
HB 18-1322	\$25,217,382	\$0	\$25,217,382	\$0	\$0	142.9
SB 18-150	95,555	0	95,555	0	0	0.0
SB 18-233	63,000	0	63,000	0	0	0.0
<b>INCREASE/(DECREASE)</b>	<b>\$2,380,313</b>	<b>\$0</b>	<b>\$2,380,313</b>	<b>\$0</b>	<b>\$0</b>	<b>5.5</b>
Percentage Change	10.4%	n/a	10.4%	n/a	n/a	4.0%

**INFORMATIONAL FUNDS:** The FY 2018-19 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of State are annotated with the "(I)". For additional information, see Appendix E.

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2018-19 Appropriations containing an (I) notation	\$10,000	\$0	\$10,000	\$0	\$0

## DETAIL OF APPROPRIATION BY ADMINISTRATIVE SECTION

### ADMINISTRATION

The Administration Division provides general oversight and administrative support services for all divisions in the Department, including budgeting, human resources services, and public outreach. This division is entirely supported by the Department of State Cash Fund, which primarily consists of revenue from fees collected from businesses and other non-profits when filing required annual reporting documents. The Department of State has been cash funded for more than 30 years and does not receive any General Fund appropriations.

ADMINISTRATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$6,271,005	\$0	\$6,271,005	\$0	\$0	21.1
HB 18-1168	901,849	0	901,849	0	0	0.0
<b>TOTAL</b>	<b>\$7,172,854</b>	<b>\$0</b>	<b>\$7,172,854</b>	<b>\$0</b>	<b>\$0</b>	<b>21.1</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$7,172,854	\$0	\$7,172,854	\$0	\$0	21.1
Centrally appropriated line items	710,388	0	710,388	0	0	0.0
Modernize business system and SCORE	140,523	0	140,523	0	0	0.0
Annualize prior year legislation	11,071	0	11,071	0	0	0.0
Annualize prior year budget actions	(1,085,442)	0	(1,085,442)	0	0	0.0
Indirect cost adjustment	(6,565)	0	(6,565)	0	0	0.0
<b>HB 18-1322</b>	<b>\$6,942,829</b>	<b>\$0</b>	<b>\$6,942,829</b>	<b>\$0</b>	<b>\$0</b>	<b>21.1</b>
<b>TOTAL</b>	<b>\$6,942,829</b>	<b>\$0</b>	<b>\$6,942,829</b>	<b>\$0</b>	<b>\$0</b>	<b>21.1</b>
INCREASE/(DECREASE)						
	(\$230,025)	\$0	(\$230,025)	\$0	\$0	0.0
Percentage Change	(3.2%)	n/a	(3.2%)	n/a	n/a	0.0%

### FY 2017-18 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 18-1168 (Supplemental Bill) modifies the FY 2017-18 appropriation to:

- Reallocate \$901,849 cash funds from the Local Election Reimbursement line item to other line items within the Department. Reallocated funds allow the Department to continue efforts to upgrade and improve its computer systems for both election administration and licensing of business entities in addition to voter outreach to educate unaffiliated voters about the new open primaries. The source of funding is the Department of State Cash Fund.
- Add \$1,849 cash funds from the Department of State Cash Fund for the Department's share of fleet costs.

### FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

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

**MODERNIZE BUSINESS SYSTEM AND SCORE:** The appropriation includes an increase of \$140,523 cash funds, from the Department of State Cash Fund to support ongoing development to increase access, features, and cybersecurity related to the Department's business filing system and the **Statewide Colorado Voter Registration Election System (SCORE)**.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments for the third-year impact of prior year legislation, S.B. 15-288 (Compensation of Public Officials).

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 17-18 Supplemental Bill	(\$901,849)	\$0	(\$901,849)	\$0	\$0	0.0
FY 17-18 Salary survey	(133,263)	0	(133,263)	0	0	0.0
FY 17-18 Merit base pay	(50,330)	0	(50,330)	0	0	0.0
<b>TOTAL</b>	<b>(\$1,085,442)</b>	<b>\$0</b>	<b>(\$1,085,442)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**INDIRECT COST ADJUSTMENT:** The appropriation includes a reduction of \$6,565 for the Department's indirect cost assessment, which funds a portion of centralized services provided by the Department of Personnel but not billed directly to agencies.

## INFORMATION TECHNOLOGY SERVICES

Information Technology (IT) Services provides technical and project management services, systems development, and support for information technology systems in the Department, including: (1) web-based search and filing services used by the Business and Licensing Division to processes over 2,500 web-based transactions daily; and (2) the statewide voter registration and election management system (SCORE). The IT Services division is also responsible for ensuring the Department's compliance with the Colorado Information Security Act. Funding for this division is provided entirely by the Department of State Cash Fund.

INFORMATION TECHNOLOGY SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$7,733,100	\$0	\$7,733,100	\$0	\$0	42.0
SB 17-152	4,120	0	4,120	0	0	0.0
SB 17-305	157,796	0	157,796	0	0	0.0
HB 17-1200	30,488	0	30,488	0	0	0.0
HB 18-1168	970,000	0	970,000	0	0	0.0
<b>TOTAL</b>	<b>\$8,895,504</b>	<b>\$0</b>	<b>\$8,895,504</b>	<b>\$0</b>	<b>\$0</b>	<b>42.0</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$8,895,504	\$0	\$8,895,504	\$0	\$0	42.0
Modernize business system and SCORE	507,604	0	507,604	0	0	4.0
Annualize prior year legislation	16,068	0	16,068	0	0	0.0
Annualize prior year budget actions	(1,090,988)	0	(1,090,988)	0	0	0.0
<b>HB 18-1322</b>	<b>\$8,328,188</b>	<b>\$0</b>	<b>\$8,328,188</b>	<b>\$0</b>	<b>\$0</b>	<b>46.0</b>
SB 18-150	95,555	0	95,555	0	0	0.0
<b>TOTAL</b>	<b>\$8,423,743</b>	<b>\$0</b>	<b>\$8,423,743</b>	<b>\$0</b>	<b>\$0</b>	<b>46.0</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$471,761)</b>	<b>\$0</b>	<b>(\$471,761)</b>	<b>\$0</b>	<b>\$0</b>	<b>4.0</b>

INFORMATION TECHNOLOGY SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Percentage Change	(5.3%)	n/a	(5.3%)	n/a	n/a	9.5%

#### FY 2017-18 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 18-1168 (Supplemental Bill) modifies the FY 2017-18 appropriation to reallocate \$970,000 cash funds from the Local Election Reimbursement line item to other line items within this division. Reallocated funds allow the Department to continue efforts to upgrade and improve its computer systems for both election administration and licensing of business entities in addition to voter outreach to educate unaffiliated voters about the new open primaries. The source of funding is the Department of State Cash Fund.

#### FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**MODERNIZE BUSINESS SYSTEM AND SCORE:** The appropriation includes an increase of \$507,604 cash funds from the Department of State Cash Fund to support continued development to increase access, features, and cybersecurity related to the Department’s business filing system and the **Statewide Colorado Voter Registration Election System (SCORE)**.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments for the second-year impact of prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB17-305 Primary Election Cleanup	\$50,676	\$0	\$50,676	\$0	\$0	0.0
HB17-1200 Update Pub Benefit Corp	(30,488)	0	(30,488)	0	0	0.0
SB17-152 Implement Amendment 71	(4,120)	0	(4,120)	0	0	0.0
<b>TOTAL</b>	<b>\$16,068</b>	<b>\$0</b>	<b>\$16,068</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 17-18 Prior year salary survey	\$63,980	\$0	\$63,980	\$0	\$0	0.0
FY 17-18 Merit base pay	25,032	0	25,032	0	0	0.0
FY 17-18 Supplemental Bill	(970,000)	0	(970,000)	0	0	0.0
FY 17-18 Water cooling loop	(210,000)	0	(210,000)	0	0	0.0
<b>TOTAL</b>	<b>(\$1,090,988)</b>	<b>\$0</b>	<b>(\$1,090,988)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

## ELECTIONS DIVISION

The Elections Division administers statewide statutory and constitutional provisions that relate to elections, including the administration of the initiative and referendum process. This includes supervising primary, general, and congressional vacancy elections; maintaining the statewide voter registration database; authorizing official recounts for federal, state, and district elections; and administering the Fair Campaign Practices Act. The Elections Division also helps the Secretary of State supervise the 64 county clerks in the execution of their statutory responsibilities relating to voter registration and elections. This division is funded by the Department of State Cash



Fund and the continuously-appropriated Federal Elections Assistance Fund, which was established to receive federal Help America Vote Act (HAVA) funding.

ELECTIONS DIVISION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$5,531,014	\$0	\$5,531,014	\$0	\$0	34.2
HB 18-1168	(2,230,000)	0	(2,230,000)	0	0	0.0
HB 18-1322	300,000	0	300,000	0	0	0.0
<b>TOTAL</b>	<b>\$3,601,014</b>	<b>\$0</b>	<b>\$3,601,014</b>	<b>\$0</b>	<b>\$0</b>	<b>34.2</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$3,601,014	\$0	\$3,601,014	\$0	\$0	34.2
Annualize prior year budget actions	2,275,910	0	2,275,910	0	0	0.0
Local election reimbursement funding	500,000	0	500,000	0	0	0.0
Initiative and referendum funding	250,000	0	250,000	0	0	0.0
Modernize business system and SCORE	211,327	0	211,327	0	0	1.0
Voter registration forms costs	24,000	0	24,000	0	0	0.0
Annualize prior year legislation	(276,658)	0	(276,658)	0	0	0.5
<b>HB 18-1322</b>	<b>\$6,585,593</b>	<b>\$0</b>	<b>\$6,585,593</b>	<b>\$0</b>	<b>\$0</b>	<b>35.7</b>
SB 18-233	63,000	0	63,000	0	0	0.0
<b>TOTAL</b>	<b>\$6,648,593</b>	<b>\$0</b>	<b>\$6,648,593</b>	<b>\$0</b>	<b>\$0</b>	<b>35.7</b>
<b>INCREASE/(DECREASE)</b>	<b>\$3,047,579</b>	<b>\$0</b>	<b>\$3,047,579</b>	<b>\$0</b>	<b>\$0</b>	<b>1.5</b>
Percentage Change	84.6%	n/a	84.6%	n/a	n/a	4.4%

#### FY 2017-18 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 18-1168 (Supplemental Bill) modifies the FY 2017-18 appropriation to reallocate \$2,230,000 cash funds from the Local Election Reimbursement line item to other line items within the Department. Reallocated funds allow the Department to continue efforts to upgrade and improve its computer systems for both election administration and licensing of business entities in addition to voter outreach to educate unaffiliated voters about the new open primaries. The source of funding is the Department of State Cash Fund.

House Bill 18-1322 (Long Bill) modifies the FY 2017-18 appropriation to increase the Initiative and Referendum line item by \$300,000 cash funds to fund excessive signature verification due to a high volume of primary candidates.

#### FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 17-18 Supplemental Bill	\$2,230,000	\$0	\$2,230,000	\$0	\$0	0.0
FY 17-18 Salary survey	33,219	0	33,219	0	0	0.0
FY 17-18 Merit base pay	12,691	0	12,691	0	0	0.0
<b>TOTAL</b>	<b>\$2,275,910</b>	<b>\$0</b>	<b>\$2,275,910</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**LOCAL ELECTION REIMBURSEMENT FUNDING:** The appropriation includes an increase to the Local Election Reimbursement line item of \$500,000 cash funds from the Department of State Cash Fund to account for an

increased number of active registered voters that drive the statutory repayment formula. The Department is required to make payments to counties for local election costs related to statewide ballot issues based on said formula.

**INITIATIVE AND REFERENDUM FUNDING:** The appropriation includes \$250,000 cash funds from the Department of State Cash Fund to verify signatures on candidate petitions and fund increased costs of signature verification services provided by the Integrated Document Solutions group at the Department of Personnel.

**MODERNIZE BUSINESS SYSTEM AND SCORE:** The appropriation includes an increase of \$211,327 cash funds, from the Department of State Cash Fund to fund continued development of the Department's business filing system and the **Statewide Colorado Voter Registration Election System (SCORE)** to increase access and features, and bolster its cybersecurity oversight.

**VOTER REGISTRATION FORMS COSTS:** The appropriation includes \$24,000 cash funds from the Department of State Cash Fund to bring the Department of State into compliance with state and federal law requiring voter registration forms to be included with all benefit redetermination mailings.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments for the second-year impact of prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB17-305 Primary Election Cleanup	\$23,342	\$0	\$23,342	\$0	\$0	0.5
HB18-1322 Long Bill add-on	(300,000)	0	(300,000)	0	0	0.0
<b>TOTAL</b>	<b>(\$276,658)</b>	<b>\$0</b>	<b>(\$276,658)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.5</b>

## BUSINESS AND LICENSING DIVISION

The Business and Licensing Division is responsible for processing filings from businesses and non-profits and collecting the associated fees, as well as: overseeing the Business Intelligence Center and the Go Code Colorado statewide app challenge event; administering the lobbyist program; licensing entities involved in charitable gaming; registering charitable organizations; licensing and regulating notaries public; and publishing the Code of Colorado Regulations.

BUSINESS AND LICENSING DIVISION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$3,176,252	\$0	\$3,176,252	\$0	\$0	40.1
HB 18-1168	150,000	0	150,000	0	0	0.0
<b>TOTAL</b>	<b>\$3,326,252</b>	<b>\$0</b>	<b>\$3,326,252</b>	<b>\$0</b>	<b>\$0</b>	<b>40.1</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$3,326,252	\$0	\$3,326,252	\$0	\$0	40.1
Modernize business system and SCORE	135,849	0	135,849	0	0	0.0
Annualize prior year budget actions	(101,329)	0	(101,329)	0	0	0.0
<b>HB 18-1322</b>	<b>\$3,360,772</b>	<b>\$0</b>	<b>\$3,360,772</b>	<b>\$0</b>	<b>\$0</b>	<b>40.1</b>
<b>TOTAL</b>	<b>\$3,360,772</b>	<b>\$0</b>	<b>\$3,360,772</b>	<b>\$0</b>	<b>\$0</b>	<b>40.1</b>
<b>INCREASE/(DECREASE)</b>	<b>\$34,520</b>	<b>\$0</b>	<b>\$34,520</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	1.0%	n/a	1.0%	n/a	n/a	0.0%

## FY 2017-18 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 18-1168 (Supplemental Bill) modifies the FY 2017-18 appropriation to reallocate \$150,000 cash funds from the Local Election Reimbursement line items to other line items within the Department. Reallocated funds allow the Department to continue efforts to upgrade and improve its computer systems for both election administration and licensing of business entities in addition to voter outreach to educate unaffiliated voters about the new open primaries.

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**MODERNIZE BUSINESS SYSTEM AND SCORE:** The appropriation includes an increase of \$135,849 cash funds from the Department of State Cash Fund to support continued development to increase access, features, and cybersecurity related to the Department’s business filing system and the **Statewide Colorado Voter Registration Election System (SCORE)**.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 17-18 Salary survey	\$36,064	\$0	\$36,064	\$0	\$0	0.0
FY 17-18 Merit base pay	12,607	0	12,607	0	0	0.0
FY 17-18 Supplemental Bill	(150,000)	0	(150,000)	0	0	0.0
<b>TOTAL</b>	<b>(\$101,329)</b>	<b>\$0</b>	<b>(\$101,329)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

## RECENT LEGISLATION

### 2017 SESSION BILLS

**S.B. 17-152 (IMPLEMENT AMENDMENT 71 CHANGES):** Appropriates \$4,120 cash fund from the Department of State Cash Fund in FY 2017-18. Updates Colorado statutes to reflect the changes to the Colorado Constitution under Amendment 71, approved by the voters during the 2016 General Election. Changes include:

- The Title Board must determine if a proposed constitutional amendment repeals all or part of a provision in the Constitution. Proponents may appeal to the Title Board for a rehearing on such decisions.
- The signature requirements for citizen-initiated constitutional amendments reflect the new requirement that signatures must be gathered in each state senate district and for district-level verification of all signatures if a minimal statistical threshold is met.
- The Department of State is required to notify the proponents of the current number of state senate districts, boundaries, and the number of registered voters in each at the time a constitutional initiative petition is approved for signature collection.
- The Department of State is required to issue a statement indicating whether the required number of signatures overall from each senate district and a sufficient number of signatures have been submitted when certifying the issue petition for the ballot.
- At least 55.0 percent of votes must be cast to pass an amendment to the state constitution

**S.B. 17-254 (LONG BILL):** General appropriations act for FY 2017-18.

**S.B. 17-305 (PRIMARY ELECTION CLEAN-UP):** Makes statutory modifications concerning the implementation of Propositions 107 and 108 which were approved by voters at the 2016 general election. Proposition 107 restored the presidential primary and authorized unaffiliated voter participation and Proposition 108 created a semi-open primary that allows unaffiliated voters to participate in non-presidential primaries.

**H.B. 17-1200 (UPDATE PUBLIC BENEFIT CORPORATION REQUIREMENTS):** Makes changes to state law related to public benefit corporations. Currently, a domestic cooperative may operate as a public benefit corporation as long as certain criteria are met. The bill allows limited cooperative associations to also operate as public benefit corporations. The bill requires that a public benefit corporation obtain approval from two-thirds of their shareholders for transactions to opt out, through various means, of their status as a public benefit corporation, and clarifies the requirements for the annual report by a public benefit corporation. Finally, the bill loosens requirements that public benefit corporations include the phrase “public benefit corporation” in its name and restricts the use of the same phrase only to actual public benefit corporations.

## 2018 SESSION BILLS

**S.B. 18-150 (JUSTICE SYSTEM VOTER REGISTRATION):** Makes changes to the election code to allow the Department of State to preregister parolees to vote once removed from parole and qualified to vote. It also directs the Division of Adult Parole in the Department of Corrections to provide voter information to persons released from parole. For FY 2018-19, provides one-time appropriations of \$89,600 to the Department of Corrections from the General Fund and \$95,555 to the Department of State from the Department of State Cash Fund.

**S.B. 18-233 (ELECTIONS CLEANUP):** Makes numerous technical changes to the Colorado election code to harmonize statute with Amendment 71 (Distribution and Supermajority Requirements for Initiatives) and Propositions 107 (Open Presidential Primary Elections) and 108 (Unaffiliated Electors Voting in Primaries), adopted by the voters in the 2016 general election.

**H.B. 18-1168 (SUPPLEMENTAL BILL):** Modifies FY 2017-18 appropriations to the Department.

**H.B. 18-1322 (LONG BILL):** General appropriations act for FY 2018-19. Includes provisions modifying FY 2017-18 appropriations to the Department.

# Details

## DEPARTMENT OF TRANSPORTATION

### FY 2017-18 AND FY 2018-19 APPROPRIATIONS BY DIVISION AND BILL

DEPARTMENT OF TRANSPORTATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2017-18 TOTAL APPROPRIATION:</b>	<b>\$1,578,506,823</b>	<b>\$0</b>	<b>\$851,844,882</b>	<b>\$8,552,189</b>	<b>\$718,109,752</b>	<b>3,326.8</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Administration	33,057,657	0	31,194,630	1,863,027	0	183.5
Construction, Maintenance, and Operations	1,419,531,001	0	699,506,587	1,914,662	718,109,752	3,136.3
High Performance Transportation Enterprise	11,162,500	0	6,388,000	4,774,500	0	5.0
First Time Drunk Driving Offenders Account	1,500,000	0	1,500,000	0	0	0.0
Statewide Bridge Enterprise	112,241,665	0	112,241,665	0	0	2.0
Marijuana Impaired Driving Program	950,000	0	950,000	0	0	0.0
Southwest Chief Rail Commission	64,000	0	64,000	0	0	0.0
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
SB 17-254	\$1,578,506,823	\$0	\$851,844,882	\$8,552,189	\$718,109,752	3,326.8
<b>FY 2018-19 TOTAL APPROPRIATION:</b>	<b>\$1,753,538,544</b>	<b>\$0</b>	<b>\$1,134,947,195</b>	<b>\$6,672,645</b>	<b>\$611,918,704</b>	<b>3,326.8</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Administration	35,908,390	0	35,845,118	63,272	0	183.5
Construction, Maintenance, and Operations	1,579,691,304	0	966,357,727	1,414,873	611,918,704	3,132.3
High Performance Transportation Enterprise	19,148,850	0	13,954,350	5,194,500	0	9.0
First Time Drunk Driving Offenders Account	1,500,000	0	1,500,000	0	0	0.0
Statewide Bridge Enterprise	116,240,000	0	116,240,000	0	0	2.0
Marijuana Impaired Driving Program	950,000	0	950,000	0	0	0.0
Southwest Chief Rail Commission	100,000	0	100,000	0	0	0.0
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
HB 18-1322	\$1,753,538,544	\$0	\$1,134,947,195	\$6,672,645	\$611,918,704	3,326.8
<b>Increase/(Decrease)</b>	<b>\$175,031,721</b>	<b>\$0</b>	<b>\$283,102,313</b>	<b>(\$1,879,544)</b>	<b>(\$106,191,048)</b>	<b>0.0</b>
Percentage Change	11.1%	n/a	33.2%	(22.0%)	(14.8%)	0.0%

**INFORMATIONAL FUNDS:** The FY 2018-19 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Transportation are annotated with the "(I)". For additional information, see Appendix J.

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2018-19 Appropriations containing an (I) notation	\$1,715,080,154	\$0	\$1,096,552,077	\$6,609,373	\$611,918,704

## DETAIL OF APPROPRIATION BY ADMINISTRATIVE SECTION

### ADMINISTRATION

The Administration section, created by Section 43-1-113 (2)(III), C.R.S., includes the salaries and expenses for 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 Regional 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., which gives the Department discretion to move funds between personal services and operating expenses and from one functional area to another without seeking approval from the General Assembly. Section 43-1-113 (6)(a), C.R.S. limits expenditures to no more than 5.0 percent of the total CDOT budget. Cash funds from the State Highway Fund provide the primary source of funding.

ADMINISTRATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$33,057,657	\$0	\$31,194,630	\$1,863,027	\$0	183.5
<b>TOTAL</b>	<b>\$33,057,657</b>	<b>\$0</b>	<b>\$31,194,630</b>	<b>\$1,863,027</b>	<b>\$0</b>	<b>183.5</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$33,057,657	\$0	\$31,194,630	\$1,863,027	\$0	183.5
Centrally appropriated line items	4,263,131	0	4,373,097	(109,966)	0	0.0
Annualize prior budget actions	287,602	0	277,391	10,211	0	0.0
Close in-house print shop	(1,700,000)	0	0	(1,700,000)	0	0.0
<b>HB 18-1322</b>	<b>\$35,908,390</b>	<b>\$0</b>	<b>\$35,845,118</b>	<b>\$63,272</b>	<b>\$0</b>	<b>183.5</b>
<b>TOTAL</b>	<b>\$35,908,390</b>	<b>\$0</b>	<b>\$35,845,118</b>	<b>\$63,272</b>	<b>\$0</b>	<b>183.5</b>
<b>INCREASE/(DECREASE)</b>	<b>\$2,850,733</b>	<b>\$0</b>	<b>\$4,650,488</b>	<b>(\$1,799,755)</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	8.6%	n/a	14.9%	(96.6%)	n/a	0.0%

### FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

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

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments to annualize prior year salary survey and merit pay.

**CLOSE IN-HOUSE PRINT SHOP:** The appropriation includes a reduction of \$1.7 million of reappropriated funds due to closure of the Department's in-house printing operation. CDOT is now sending print work to private-sector printers.

## 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.

This division's revenues that are continuously appropriated to the Department for the construction, maintenance, and operations of state highways and transportation systems. Cash funds include the State Highway Fund, miscellaneous permit fees, interest earnings, and local matching funds made available for federal dollars.

CONSTRUCTION, MAINTENANCE, AND OPERATIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$1,419,531,001	\$0	\$699,506,587	\$1,914,662	\$718,109,752	3,136.3
<b>TOTAL</b>	<b>\$1,419,531,001</b>	<b>\$0</b>	<b>\$699,506,587</b>	<b>\$1,914,662</b>	<b>\$718,109,752</b>	<b>3,136.3</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$1,419,531,001	\$0	\$699,506,587	\$1,914,662	\$718,109,752	3,136.3
Updated revenue projections	164,713,120	0	271,403,949	(499,781)	(106,191,048)	(4.0)
Funding adjustment for Construction, Maintenance, and Operations	(4,552,817)	0	(4,552,809)	(8)	0	0.0
<b>HB 18-1322</b>	<b>\$1,579,691,304</b>	<b>\$0</b>	<b>\$966,357,727</b>	<b>\$1,414,873</b>	<b>\$611,918,704</b>	<b>3,132.3</b>
<b>TOTAL</b>	<b>\$1,579,691,304</b>	<b>\$0</b>	<b>\$966,357,727</b>	<b>\$1,414,873</b>	<b>\$611,918,704</b>	<b>3,132.3</b>
<b>INCREASE/(DECREASE)</b>	\$160,160,303	\$0	\$266,851,140	(\$499,789)	(\$106,191,048)	(4.0)
Percentage Change	11.3%	n/a	38.1%	(26.1%)	(14.8%)	(0.1%)

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**UPDATED REVENUE PROJECTIONS:** The appropriation reflects updates to the Department's revenue projections.

**FUNDING ADJUSTMENT FOR CONSTRUCTION, MAINTENANCE, AND OPERATIONS:** The appropriation includes a decrease for the Construction, Maintenance, and Operations Division due to increased central appropriations in the Administration Division. The increased appropriations to Administration translate into less available funding for Construction, Maintenance, and Operations.

## HIGH PERFORMANCE TRANSPORTATION ENTERPRISE

The High-Performance Transportation Enterprise (HPTE) utilizes innovative techniques to finance surface transportation projects, including public-private partnerships, operating concession agreements, design-build contracting, user fee-based project financing, and tolling of existing highway capacity. (The HPTE must receive local approval for tolling projects.) The amounts shown in the Long Bill come from two main sources: user-fee revenue estimates from Express Lanes on I-25 and the I-70 mountain corridor as well as a fee-for-service payments. The HPTE is a TABOR enterprise; its Long Bill appropriation is shown for informational purposes only.

HIGH PERFORMANCE TRANSPORTATION ENTERPRISE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$11,162,500	\$0	\$6,388,000	\$4,774,500	\$0	5.0
<b>TOTAL</b>	<b>\$11,162,500</b>	<b>\$0</b>	<b>\$6,388,000</b>	<b>\$4,774,500</b>	<b>\$0</b>	<b>5.0</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$11,162,500	\$0	\$6,388,000	\$4,774,500	\$0	5.0
Updated revenue projections	7,986,350	0	7,566,350	420,000	0	4.0
<b>HB 18-1322</b>	<b>\$19,148,850</b>	<b>\$0</b>	<b>\$13,954,350</b>	<b>\$5,194,500</b>	<b>\$0</b>	<b>9.0</b>
<b>TOTAL</b>	<b>\$19,148,850</b>	<b>\$0</b>	<b>\$13,954,350</b>	<b>\$5,194,500</b>	<b>\$0</b>	<b>9.0</b>
<b>INCREASE/(DECREASE)</b>	\$7,986,350	\$0	\$7,566,350	\$420,000	\$0	4.0
Percentage Change	71.5%	n/a	118.4%	8.8%	n/a	80.0%

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**UPDATED REVENUE PROJECTIONS:** The appropriation reflects updates to the Department's revenue projections.

## FIRST TIME DRUNK DRIVING OFFENDERS ACCOUNT

This line item uses increased drivers' license reinstatement fees following drunk driving convictions to fund additional high visibility drunk driving enforcement events. The Department partners with the Colorado State Patrol and with local law enforcement agencies for high visibility events. The program funds overtime expenses of local law enforcement agencies to increase enforcement efforts for defined periods of time, for example over holiday weekends. Local agencies apply to CDOT to receive funding and participate, and the Department targets areas with elevated enforcement needs. Program expenses also include advertising to inform the public of upcoming and ongoing enforcement events in an effort to prevent individuals from driving drunk in the first place.

FIRST TIME DRUNK DRIVING OFFENDERS ACCOUNT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$1,500,000	\$0	\$1,500,000	\$0	\$0	0.0
<b>TOTAL</b>	<b>\$1,500,000</b>	<b>\$0</b>	<b>\$1,500,000</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$1,500,000	\$0	\$1,500,000	\$0	\$0	0.0
<b>HB 18-1322</b>	<b>\$1,500,000</b>	<b>\$0</b>	<b>\$1,500,000</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>TOTAL</b>	<b>\$1,500,000</b>	<b>\$0</b>	<b>\$1,500,000</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	n/a	0.0%	n/a	n/a	n/a



## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**NO CHANGES:** The appropriation does not contain changes from the FY 2017-18 appropriation.

### STATEWIDE BRIDGE ENTERPRISE

The purpose of this TABOR enterprise is to finance, repair, reconstruct and replace bridges designated as structurally deficient or functionally obsolete, and rated "poor." The Enterprise has the authority to issue revenue bonds and borrow funds from the Transportation Commission, which serves as the Enterprise's Board. The Enterprise receives revenue from the bridge safety surcharge on vehicle registrations. The amounts shown in the Long Bill are based on revenue estimates and are included for informational purposes only.

STATEWIDE BRIDGE ENTERPRISE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$112,241,665	\$0	\$112,241,665	\$0	\$0	2.0
<b>TOTAL</b>	<b>\$112,241,665</b>	<b>\$0</b>	<b>\$112,241,665</b>	<b>\$0</b>	<b>\$0</b>	<b>2.0</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$112,241,665	\$0	\$112,241,665	\$0	\$0	2.0
Updated revenue projections	3,998,335	0	3,998,335	0	0	0.0
<b>HB 18-1322</b>	<b>\$116,240,000</b>	<b>\$0</b>	<b>\$116,240,000</b>	<b>\$0</b>	<b>\$0</b>	<b>2.0</b>
<b>TOTAL</b>	<b>\$116,240,000</b>	<b>\$0</b>	<b>\$116,240,000</b>	<b>\$0</b>	<b>\$0</b>	<b>2.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$3,998,335</b>	<b>\$0</b>	<b>\$3,998,335</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	3.6%	n/a	3.6%	n/a	n/a	0.0%

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**UPDATED REVENUE PROJECTIONS:** The appropriation reflects updates to the Department's revenue projections.

### MARIJUANA IMPAIRED DRIVING PROGRAM

This division, created in the FY 2015-16 Long Bill, provides funding for the Department to develop and administer a public awareness program directed at marijuana impaired driving. Goals of the campaign include reductions in serious injuries and fatalities on Colorado roads, as well as declines in marijuana impaired driving behavior and citations. This program is funded by the Marijuana Tax Cash Fund.

MARIJUANA IMPAIRED DRIVING PROGRAM						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$950,000	\$0	\$950,000	\$0	\$0	0.0
<b>TOTAL</b>	<b>\$950,000</b>	<b>\$0</b>	<b>\$950,000</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$950,000	\$0	\$950,000	\$0	\$0	0.0
<b>HB 18-1322</b>	<b>\$950,000</b>	<b>\$0</b>	<b>\$950,000</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>TOTAL</b>	<b>\$950,000</b>	<b>\$0</b>	<b>\$950,000</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

MARIJUANA IMPAIRED DRIVING PROGRAM						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>INCREASE/(DECREASE)</b>	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	n/a	0.0%	n/a	n/a	n/a

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**NO CHANGES:** The appropriation does not contain changes from the FY 2017-18 appropriation.

## SOUTHWEST CHIEF RAIL COMMISSION

House Bill 14-1161 created a commission to encourage Amtrak to continue the existing Southwest Chief rail line service and expand the service to include a stop in Pueblo and potentially Walsenberg. Senate Bill 17-153 extended the Commission's life, expanded its duties, and renamed it the Southwest Chief and Front Range Passenger Rail Commission. The expanded duties include facilitating the future of Front Range passenger rail. The cash funds derive from gifts, grants, and donations.

SOUTHWEST CHIEF RAIL COMMISSION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$64,000	\$0	\$64,000	\$0	\$0	0.0
<b>TOTAL</b>	<b>\$64,000</b>	<b>\$0</b>	<b>\$64,000</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$64,000	\$0	\$64,000	\$0	\$0	0.0
Updated revenue projections	36,000	0	36,000	0	0	0.0
<b>HB 18-1322</b>	<b>\$100,000</b>	<b>\$0</b>	<b>\$100,000</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>TOTAL</b>	<b>\$100,000</b>	<b>\$0</b>	<b>\$100,000</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	\$36,000	\$0	\$36,000	\$0	\$0	0.0
Percentage Change	56.3%	n/a	56.3%	n/a	n/a	n/a

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**UPDATED REVENUE PROJECTIONS:** The appropriation reflects updates to the Department's revenue projections.

## RECENT LEGISLATION

### 2017 SESSION BILLS

**S.B. 17-254 (LONG BILL):** General appropriations act for FY 2017-18.

**S.B. 17-262 (HUTF AND CAPITAL CONSTRUCTION FUND TRANSFERS):** Replaces the S.B. 09-228 and H.B. 16-1416 transfers to the Highway Users Tax Fund (HUTF) and the Capital Construction Fund from FY 2016-17 through FY 2019-20. Specifically, makes the following changes:

- In FY 2016-17, reduces the transfer to the HUTF from \$158.0 million to \$79.0 million.

- In the remaining three years, replaces the current formula with specific dollar amounts, to be transferred on June 30 of the fiscal year, as follows:

MODIFIED TRANSFERS				
	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
HUTF	\$79,000,000	\$79,000,000	\$160,000,000	\$160,000,000
Capital Construction	No change	0	60,000,000	60,000,000

- The bill does not change the transfer amount for Capital Construction in FY 2016-17. Additionally, the bill eliminates the transfer for FY 2017-18, which will be replaced by transfers made in the Capital Construction transfer bill (S.B. 17-263).
- Repeals provisions that relate to the conditional transfer.

**S.B. 17-267 (SUSTAINABILITY OF RURAL COLORADO):** Contains provisions affecting several areas of state government. The transportation-related provisions require the state to execute lease-purchase agreements for state buildings for up to \$500 million per year for the four fiscal years 2018-19 through 2021-22 (up to \$2 billion in total). These agreements generate funding for transportation and capital construction projects.

- The first \$120 million in proceeds must be used for controlled maintenance and capital construction projects and the remaining proceeds for tier 1 transportation projects.
- Of the transportation money, 25 percent must be expended for projects in rural counties and 10 percent must be expended for transit.
- The maximum term of the lease-purchase agreements is 20 years and the maximum total annual payment is \$150 million.
- Of the annual payment the first \$9 million is from the General Fund (or other legal sources designated by the General Assembly), the next \$50 million is from funds under the control of the Transportation Commission, and the remaining \$91 million is from the General Fund (or other legal sources designated by the General Assembly).
- Eliminates transfers required by S.B. 17-262 from the General Fund to the Highway Users Tax Fund of \$160 million that were scheduled to occur on June 30, 2019 and June 30, 2020.

For more information, see the corresponding bill description in the "Recent Legislation" section at the end of Part III of the Department of Health Care Policy and Financing.

## 2018 SESSION BILLS

**S.B. 18-001 (TRANSPORTATION INFRASTRUCTURE FUNDING):** Provides additional funding to CDOT and conditionally modifies the lease-purchase provisions of S.B. 17-267. In FY 2018-19 transfers \$495.0 million from the General Fund to state and local transportation projects with 70 percent (\$346.5 million) going to CDOT, 15 percent (\$74.25 million) to a new Multimodal Fund, and 15 percent to counties and municipalities. Of the \$74.25 million transferred to the Multimodal Fund in FY 2018-19, \$2.5 million is subsequently transferred to the Southwest Chief Rail Line Economic Development, Rural Tourism, and Infrastructure Repair and Maintenance Fund. In FY 2019-20 transfers an additional \$105.0 million from the General Fund to CDOT with local governments and the Multimodal Fund each receiving \$22.5 million. Other provisions in the bill depend on the result of November 2018 ballot Initiative 167 (which allows CDOT to issue up to \$3.5 billion of TRANs bonds and requires the General Fund to repay the borrowing costs with no increase in taxes) and Initiative 153 (which allows CDOT to issue up to \$6.0 billion of TRANs bonds and increases the state sales tax from 2.9 percent to 3.52 percent to pay part of the borrowing costs). (1) If Initiative 167 passes, then the 2<sup>nd</sup>, 3<sup>rd</sup>, and 4<sup>th</sup> years of lease-purchase agreements under S.B. 17-267 and the related distribution of revenue to CDOT will be rescinded, leaving only the FY 2018-19 agreement. (2) If Initiative 167 does not become law but Initiative 153 passes, the four SB 17-267 lease-purchase agreements all

take place along with the related distribution of revenue to CDOT. In addition \$50.0 million is transferred from the General Fund to CDOT annually for 20 years. (3) If neither initiative passes in 2018, then the legislature will refer a ballot measure for the 2019 election asking voters to approve \$2.3 billion in TRANs bonds for state and local projects with 85 percent of the resulting bond revenue devoted to roads and 15 percent to multimodal transportation. (4) If none of the ballot measures become law, the four years of lease-purchase agreements under S.B. 17-267 continue without change.

**H.B. 18-1351 (SIGNAGE FOR THE OLD SPANISH NATIONAL HISTORIC TRAIL):** Subject to the availability of gifts, grants, or donations, requires the Colorado Department of Transportation to mark significant route segments and sites associated with the Old Spanish Trail.

**H.B. 18-1349 (DEPARTMENT OF TRANSPORTATION WAIVER VALUATIONS):** Allows the Department to substitute a waiver valuation for a real estate appraisal when disposing of property with a value less than \$25,000. Reduces expenditures on an ongoing basis but requires no appropriation because the expenditures are continuously appropriated.

**H.B. 18-1322 (LONG BILL):** General appropriations act for FY 2018-19.

# Details

## DEPARTMENT OF THE TREASURY

### FY 2017-18 AND FY 2018-19 APPROPRIATIONS BY DIVISION AND BILL

DEPARTMENT OF THE TREASURY						
	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2017-18 TOTAL APPROPRIATION:</b>	<b>\$524,095,035</b>	<b>\$151,447,545</b>	<b>\$354,874,465</b>	<b>\$17,773,025</b>	<b>\$0</b>	<b>32.9</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Administration	2,581,747	1,225,717	1,356,030	0	0	17.4
Unclaimed Property Program	2,287,911	0	2,287,911	0	0	15.5
Special Purpose	519,225,377	150,221,828	351,230,524	17,773,025	0	0.0
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
SB 17-254	\$524,067,755	\$151,447,545	\$354,847,185	\$17,773,025	\$0	32.9
HB 18-1169	27,280	0	27,280	0	0	0.0
<b>FY 2018-19 TOTAL APPROPRIATION:</b>	<b>\$814,099,929</b>	<b>\$400,329,817</b>	<b>\$396,084,849</b>	<b>\$17,685,263</b>	<b>\$0</b>	<b>32.9</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Administration	2,676,069	1,301,528	1,374,541	0	0	17.4
Unclaimed Property Program	2,284,163	0	2,284,163	0	0	15.5
Special Purpose	809,139,697	399,028,289	392,426,145	17,685,263	0	0.0
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
HB 18-1322	\$589,099,929	\$175,329,817	\$396,084,849	\$17,685,263	\$0	32.9
SB 18-200	225,000,000	225,000,000	0	0	0	0.0
<b>INCREASE/(DECREASE)</b>	<b>\$290,004,894</b>	<b>\$248,882,272</b>	<b>\$41,210,384</b>	<b>(\$87,762)</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	55.3%	164.3%	11.6%	(0.5%)	n/a	0.0%

<sup>1</sup> Includes \$162,806,461 in FY 2018-19 that is not subject to the statutory restriction on state General Fund appropriations imposed by Section 24-75-201.1, C.R.S.

**INFORMATIONAL FUNDS:** The FY 2018-19 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of the Treasury are annotated with the "(I)". For additional information, see Appendix E.

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2018-19 Appropriations containing an (I) notation	\$770,222,869	\$387,806,461	\$364,731,145	\$17,685,263	\$0

## DETAIL OF APPROPRIATION BY ADMINISTRATIVE SECTION

### ADMINISTRATION

This division is responsible for the operation and oversight of the Department and provides accounting, cash management, and investment services for the State. The Division's cash funds derive from the Treasury transaction fee imposed pursuant to Section 24-36-120 (1), C.R.S., and from the Unclaimed Property Trust Fund.

ADMINISTRATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$2,581,747	\$1,225,717	\$1,356,030	\$0	\$0	17.4
<b>TOTAL</b>	<b>\$2,581,747</b>	<b>\$1,225,717</b>	<b>\$1,356,030</b>	<b>\$0</b>	<b>\$0</b>	<b>17.4</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$2,581,747	\$1,225,717	\$1,356,030	\$0	\$0	17.4
Centrally appropriated line items	102,829	62,519	40,310	0	0	0.0
Non-prioritized changes	37,070	37,070	0	0	0	0.0
Technical changes	(36,772)	(36,772)	0	0	0	0.0
Annualize prior year budget actions and legislation	(8,805)	12,994	(21,799)	0	0	0.0
<b>HB 18-1322</b>	<b>\$2,676,069</b>	<b>\$1,301,528</b>	<b>\$1,374,541</b>	<b>\$0</b>	<b>\$0</b>	<b>17.4</b>
<b>TOTAL</b>	<b>\$2,676,069</b>	<b>\$1,301,528</b>	<b>\$1,374,541</b>	<b>\$0</b>	<b>\$0</b>	<b>17.4</b>
<b>INCREASE/(DECREASE)</b>	<b>\$94,322</b>	<b>\$75,811</b>	<b>\$18,511</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	3.7%	6.2%	1.4%	n/a	n/a	0.0%

### FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

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

**NON-PRIORITIZED CHANGES:** The appropriation includes an increase of \$37,070 General Fund for non-prioritized changes.

**TECHNICAL CHANGES:** The appropriation includes a decrease of \$36,772 General Fund for adjustments to budgetary calculations.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS AND LEGISLATION:** The appropriation includes adjustments for the out year impact of prior year's legislation, including S.B. 15-288 (Compensation of State & County Public Officials), merit pay, and salary survey.

### 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

money in the Unclaimed Property Trust Fund (UPTF), using the principal and interest to pay claims as well as the costs of operating the program. The remaining principal and interest earnings in the fund support the Medicaid Adult Dental Program and provide a reserve against future unclaimed property claims. The Department holds recovered securities for at least a year and then sells those that have not been returned, depositing sales proceeds in the Unclaimed Property Tourism Promotion Trust Fund (UPTPTF). The State uses the interest earned on the UPTPTF fund to promote economic development, agritourism, 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 2017-18 APPROPRIATION:						
SB 17-254	\$2,260,631	\$0	\$2,260,631	\$0	\$0	15.5
HB 18-1169	27,280	0	27,280	0	0	0.0
<b>TOTAL</b>	<b>\$2,287,911</b>	<b>\$0</b>	<b>\$2,287,911</b>	<b>\$0</b>	<b>\$0</b>	<b>15.5</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$2,287,911	\$0	\$2,287,911	\$0	\$0	15.5
Centrally appropriated line items	1,733	0	1,733	0	0	0.0
Annualize prior year budget actions and legislation	(5,481)	0	(5,481)	0	0	0.0
<b>HB 18-1322</b>	<b>\$2,284,163</b>	<b>\$0</b>	<b>\$2,284,163</b>	<b>\$0</b>	<b>\$0</b>	<b>15.5</b>
<b>TOTAL</b>	<b>\$2,284,163</b>	<b>\$0</b>	<b>\$2,284,163</b>	<b>\$0</b>	<b>\$0</b>	<b>15.5</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$3,748)</b>	<b>\$0</b>	<b>(\$3,748)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	(0.2%)	n/a	(0.2%)	n/a	n/a	0.0%

## FY 2017-18 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 18-1169 modifies the FY 2016-17 appropriations to increase cash fund appropriations by \$27,280 from the Unclaimed Property Trust Fund to pay sick leave and annual leave for a retiring employee in the Unclaimed Property Program.

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

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

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS AND LEGISLATION:** The appropriation includes adjustments for the out-year impact of prior year's budget action, including merit pay and salary survey.

## SPECIAL PURPOSE

This section of the Long Bill reflects various disbursements and transfers the Treasurer is required to make, including the following: (1) reimbursements to local governments for property tax revenues foregone due to the senior citizen and disabled veteran property tax exemption; (2) allocations of Highway Users Tax Fund (HUTF) revenues to local governments; and (3) property tax reimbursements for real or business property listed on a single schedule that was destroyed by a natural cause, pursuant to H.B. 14-1001. The General Fund appropriation for the

senior citizen property tax exemption is not subject to the statutory restrictions on General Fund appropriations. The source of cash funds is the Highway Users Tax Fund.

SPECIAL PURPOSE						
	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254	\$519,225,377	\$150,221,828	\$351,230,524	\$17,773,025	\$0	0.0
<b>TOTAL</b>	<b>\$519,225,377</b>	<b>\$150,221,828</b>	<b>\$351,230,524</b>	<b>\$17,773,025</b>	<b>\$0</b>	<b>0.0</b>
FY 2018-19 APPROPRIATION:						
FY 2017-18 Appropriation	\$519,225,377	\$150,221,828	\$351,230,524	\$17,773,025	\$0	0.0
S.B. 17-267 Lease Purchase Line Item Addition	37,500,000	9,000,000	28,500,000	0	0	0.0
Property tax exemption adjustment	14,806,461	14,806,461	0	0	0	0.0
HUTF county adjustment	7,147,119	0	7,147,119	0	0	0.0
HUTF municipality adjustment	5,548,502	0	5,548,502	0	0	0.0
Centrally appropriated line items	(87,762)	0	0	(87,762)	0	0.0
<b>HB 18-1322</b>	<b>\$584,139,697</b>	<b>\$174,028,289</b>	<b>\$392,426,145</b>	<b>\$17,685,263</b>	<b>\$0</b>	<b>0.0</b>
SB 18-200	225,000,000	225,000,000	0	0	0	0.0
<b>TOTAL</b>	<b>\$809,139,697</b>	<b>\$399,028,289</b>	<b>\$392,426,145</b>	<b>\$17,685,263</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$289,914,320</b>	<b>\$248,806,461</b>	<b>\$41,195,621</b>	<b>(\$87,762)</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	55.8%	165.6%	11.7%	(0.5%)	n/a	n/a

<sup>1</sup> Includes \$162,806,461 in FY 2018-19 that is not subject to the statutory restriction on state General Fund appropriations imposed by Section 24-75-201.1, C.R.S.

## FY 2018-19 APPROPRIATION – H.B. 18-1322 (LONG BILL) ISSUE DESCRIPTIONS

**S.B. 17-267 LEASE PURCHASE LINE ITEM ADDITION:** The appropriation includes \$37.5 million total funds, including \$9.0 million General Fund for the lease purchase payments due to S.B. 17-267.

**PROPERTY TAX EXEMPTION ADJUSTMENT:** The appropriation includes an increase of \$14.8 million General Fund for reimbursement to local governments for lost property tax revenues. This line item is for informational purposes.

**HUTF COUNTY ADJUSTMENT:** The appropriation includes an increase of \$7.1 million cash funds for adjustments to the county HUTF disbursement. This line item is for informational purposes.

**HUTF MUNICIPALITY ADJUSTMENT:** The appropriation includes an increase of \$5.5 million cash funds for adjustments to the municipality HUTF disbursement. This line item is for informational purposes.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes a reduced appropriation for leased space.

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the “Recent Legislation” section at the end of this department.

## RECENT LEGISLATION

### 2017 SESSION BILLS

**S.B. 17-254 (LONG BILL):** General appropriations act for FY 2017-18. Includes provisions modifying FY 2016-17 appropriations to the Department.



**S.B. 17-267 (SUSTAINABILITY OF RURAL COLORADO):** Identifies the amount of reimbursement made by the State to local governments for exempted property taxes pursuant to Section 3.5 of Article X of the State Constitution (Senior Citizen and Disabled Veterans Property Tax Exemption) as a reasonable method to make required refunds of excess state revenues pursuant to Section 20 of Article X of the State Constitution (TABOR). For any state fiscal year commencing on or after July 1, 2017, for which state revenues, as defined in Section 24-77-103.6 (6)(c), C.R.S., exceed the excess state revenues cap as defined in Section 24-77-103.6 (6)(b)(I)(C) or (6)(b)(I)(D), C.R.S., and are required to be refunded in accordance with Section 20 of Article X of the State Constitution, the lesser of all reimbursement paid by the state treasurer to each county treasurer as required by Section 39-3-207 (4), C.R.S. for the property tax year that commenced during the state fiscal year, or an amount of such reimbursement equal to the amount of excess state revenues for the state fiscal year that are required to be refunded, is a refund of such excess state revenues. The bill also requires the Treasurer to make lease purchase payments, which can be found in the Special Purpose Division above. For more information, see the corresponding bill description in the "Recent Legislation" section at the end of Part III of the Department of Health Care Policy and Financing.

## 2018 SESSION BILLS

**S.B. 18-200 (ELIMINATE UNFUNDED LIABILITY IN PERA):** Modifies the hybrid defined benefit plan administered by the Colorado Public Employees' Retirement Association (PERA) with the goal of eliminating the unfunded actuarial accrued liability of each of PERA's divisions within 30 years. The bill creates ongoing state revenue reductions; ongoing state and local expenditure increases; and ongoing PERA revenue increases. Changes to the defined benefit plan include the following:

- *DIRECT DISTRIBUTION:* On July 1, 2018, and on July 1 each year thereafter until each PERA division that receives a direct distribution is fully funded, the State Treasurer is required to issue a warrant to PERA in an amount equal to \$225.0 million to be paid from the General Fund or any other fund; the Governor's Office of State Planning and Budgeting may include funding sources other than the General Fund in the Governor's annual budget request. PERA is required to allocate the direct distribution to the trust funds of each division of PERA, except for the Local Government Division, as it would an employer contribution, in a manner that is proportionate to the annual payroll of each division.
- *INCREASE IN MEMBER CONTRIBUTIONS:* On July 1, 2019, and on July 1, 2020, the monthly member contribution to PERA will increase by 0.75 percent of salary. On July 1, 2021, the monthly member contribution to PERA will increase by 0.5 percent of salary. When all increases are fully implemented, the total contribution will be 10.0 percent of salary each month for PERA members who are not state troopers and 12.0 percent each month for PERA members who are state troopers.
- *INCREASE IN EMPLOYER CONTRIBUTIONS:* On July 1, 2019, the monthly employer contribution to PERA on behalf of members will increase by 0.25 percent of salary; except that the increase does not apply to employers in the Local Government Division. The total increased contribution will be equal to 10.4 percent of salary each month for most PERA employers, 13.1 percent each month for PERA employers who employ state troopers, and 13.91 percent for PERA employers in the Judicial Division.
- *COST OF LIVING ADJUSTMENT (COLA) FOR ALL RETIREES, MEMBERS, AND INACTIVE MEMBERS:* For the years 2018 and 2019, the COLA is reduced from 2.0 percent to 0.0 percent. For each year thereafter, the COLA is 1.5 percent, unless it is adjusted pursuant to the automatic adjustment provision. In addition, benefit recipients whose effective date of retirement is on or after January 1, 2011, and who have not received a COLA on or before May 1, 2018, receive benefits for at least a 36-month period following retirement before receiving a COLA adjustment.
- *AUTOMATIC CONTRIBUTION, ANNUAL INCREASE, AND DIRECT DISTRIBUTION AMOUNT CHANGES:* When the blended total contribution (BTC) amount is less than 98.0 percent of the blended total actuarially required contribution (BRTARC), provides automatic yearly adjustments to the following components so the fund remains on a path to pay off the unfunded liability within 30 years:

- Up to 0.5 percent and up to 2.0 percent total on the employer contribution rate;
- Up to 0.5 percent and up to 2.0 percent total on the member contribution rate;
- Up to 0.25 percent yearly and 0.5 percent total on the annual increase percentage (also known as the cost-of-living adjustment or COLA) for retirement benefits; and
- Up to \$25.0 million for the direct distribution to PERA.

The automatic adjustment provision similarly requires decrease adjustments when the BTC amount is greater than or equal to 110.0 percent of the BTARC. The BTC represents the total contribution or its equivalent provided by the automatic adjustment components. The BTARC represents the total actuarial required contribution or ARC, which represents a full annual payment to enable the unfunded liability to be paid within 30 years, as provided by the automatic adjustment components.

- *HIGHEST AVERAGE SALARY (HAS)*: For PERA members not in the Judicial Division hired on or after January 1, 2020, or who do not have 5 years of service credit as of January 1, 2020, the HAS calculation is modified to be based on an average of the highest annual salaries associated with 5 periods of 12 consecutive months of service with a base year, rather than 3 periods of 12 consecutive months of services with a base year. For Judicial Division members the HAS calculation is modified to be based on an average of the highest annual salaries associated with 3 periods of 12 consecutive months of service with a base year, rather than 12 consecutive months of service.
- *SERVICE RETIREMENT ELIGIBILITY FOR NEW MEMBERS*: For PERA members hired on or after January 1, 2020, the age and service requirements for full-service retirement benefits for most divisions is increased to age 64 with a minimum of 30 years of service credit, or for state troopers age 55 with a minimum of 25 years of service credit or any age with a minimum of 35 years of service credit. For PERA members who begin employment on or after January 1, 2020, a reduced service retirement benefit increase to 55 years with a minimum of 25 years of service credit; except that, for state troopers, the requirements are increased to 55 years with a minimum of 20 years of service credit.
- *DEFINITION OF SALARY*: For PERA members hired on or after July 1, 2019, amounts deducted from pay pursuant to a cafeteria plan or a qualified transportation plan are included in the definition of salary. For all PERA members, unused sick leave converted to cash payments is included in the definition of salary and insurance premiums paid by employers are not included in the definition of salary.
- *DEFINITION OF STATE TROOPER*: The definition of state trooper is expanded to include a county sheriff, undersheriff, deputy sheriff, noncertified deputy sheriff, or detention officer hired by a local government division employer, and a corrections officer classified as I through IV hired by a state division employer, on or after January 1, 2020.
- *SENSITIVITY ANALYSIS*: The PERA Board is required to perform an annual sensitivity analysis to determine when model assumptions are meeting targets and achieving sustainability. The Board is required to deliver an annual report detailing the findings of the analysis to the Office of the Governor, the Joint Budget Committee, the Legislative Audit Committee, and the Finance Committees of the Senate and the House of Representatives.
- *TERMINATION OF AFFILIATION*: An employer in the Local Government Division that ceases operations or ceases to participate in PERA for any reason is deemed to have terminated its affiliation with PERA. Any such employer is required to fully fund its share of the unfunded liability of the defined benefit plan and its share of the unfunded liability of the Health Care Trust Fund. Such members may elect to have their member contributions credited to an alternative pension plan or refunded. In the absence of such election, the member contributions will remain with PERA.

Changes to the defined contribution plan include the following:

- *ELIGIBILITY TO PARTICIPATE IN DEFINED CONTRIBUTION PLAN*: Beginning January 1, 2019, the defined contribution plan is expanded to include members of the Local Government Division and State Division members in the state personnel system employed by a state college or university. A new member's participant

account will receive the same employer contribution as received by current members of the defined contribution plan.

- *DEFINED CONTRIBUTION SUPPLEMENT:* Beginning January 1, 2021, employer contribution rates will be adjusted to include a defined contribution supplement. The defined contribution supplement for each division will be the employer contribution amount paid to defined contribution plan participant accounts that would have otherwise gone to the defined benefit trusts to pay down the unfunded liability, plus any defined benefit investment earnings thereon, expressed as a percentage of salary on which employer contributions have been made. The employer contribution amounts only include contributions made on behalf of eligible employees who commence employment on or after January 1, 2019.

In addition to the changes to the defined benefit and defined contribution plans administered by PERA, the Police Officers' and Firefighters' Pension Reform Commission is changed to the Pension Review Commission. The number of legislators on the Commission and the manner in which they are appointed is modified beginning in January 2019, and the Commission has oversight over both the Fire and Police Pension Association and PERA. A subcommittee of the Pension Review Commission consisting of legislative and non-legislative members is also created to study specified issues and to make recommendations to the commission.

**H.B. 18-1169 (SUPPLEMENTAL BILL):** Modifies FY 2017-18 appropriations to the Department.

**H.B. 18-1322 (LONG BILL):** General appropriations act for FY 2018-19.

# Details

## CAPITAL CONSTRUCTION

### FY 2017-18 AND FY 2018-19 APPROPRIATIONS BY DEPARTMENT AND BILL

CAPITAL CONSTRUCTION						
	TOTAL FUNDS	CAPITAL CONSTRUCTION FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2017-18 TOTAL APPROPRIATION:</b>	<b>\$192,040,087</b>	<b>\$94,800,857</b>	<b>\$71,680,140</b>	<b>\$10,000,000</b>	<b>\$15,559,090</b>	<b>0.0</b>
BREAKDOWN OF TOTAL APPROPRIATION BY DEPARTMENT						
Agriculture	18,651,913	0	8,651,913	10,000,000	0	0.0
Corrections	21,324,089	20,664,089	660,000	0	0	0.0
Education	1,322,910	1,322,910	0	0	0	0.0
Governor	13,204,901	13,204,901	0	0	0	0.0
Higher Education	24,853,723	21,538,889	3,314,834	0	0	0.0
Human Services	36,572,863	20,576,113	1,002,925	0	14,993,825	0.0
Labor and Employment	26,213,480	0	26,213,480	0	0	0.0
Military and Veterans Affairs	4,440,180	3,974,915	0	0	465,265	0.0
Natural Resources	30,940,400	0	30,940,400	0	0	0.0
Personnel	11,484,010	11,484,010	0	0	0	0.0
Public Health and Environment	996,588	0	896,588	0	100,000	0.0
Public Safety	1,535,030	1,535,030	0	0	0	0.0
Transportation	500,000	500,000	0	0	0	0.0
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
SB 17-254	\$183,391,498	\$91,912,328	\$69,179,429	\$10,000,000	\$12,299,741	0.0
HB 18-1170	6,147,878	2,888,529	0	0	3,259,349	0.0
HB 18-1322	2,500,711	0	2,500,711	0	0	0.0
<b>FY 2018-19 TOTAL APPROPRIATION:</b>	<b>\$372,928,085</b>	<b>\$154,545,526</b>	<b>\$194,459,733</b>	<b>\$18,743,326</b>	<b>\$5,179,500</b>	<b>0.0</b>
BREAKDOWN OF TOTAL APPROPRIATION BY DEPARTMENT						
Agriculture	888,932	888,932	0	0	0	0.0
Corrections	6,078,041	6,078,041	0	0	0	0.0
Education	0	0	0	0	0	0.0
Governor	51,651,650	33,283,324	0	18,368,326	0	0.0
Health Care Policy and Financing	6,605,000	1,875,500	0	0	4,729,500	0.0
Higher Education	229,258,929	72,326,012	156,932,917	0	0	0.0
Human Services	37,103,367	34,696,717	1,956,650	0	450,000	0.0
Labor and Employment	6,300,000	0	6,300,000	0	0	0.0
Natural Resources	26,187,666	0	26,187,666	0	0	0.0
Personnel	3,150,000	3,150,000	0	0	0	0.0
Public Health and Environment	4,302,500	1,445,000	2,857,500	0	0	0.0
Public Safety	0	0	0	0	0	0.0
Transportation	1,402,000	802,000	225,000	375,000	0	0.0
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
HB 18-1322	\$371,065,585	\$153,845,526	\$193,297,233	\$18,743,326	\$5,179,500	0.0
HB 18-1006	1,862,500	700,000	1,162,500	0	0	0.0
<b>INCREASE/(DECREASE)</b>	<b>\$180,887,998</b>	<b>\$59,744,669</b>	<b>\$122,779,593</b>	<b>\$8,743,326</b>	<b>(\$10,379,590)</b>	<b>0.0</b>
Percentage Change	94.2%	63.0%	171.3%	87.4%	(66.7%)	n/a

**INFORMATIONAL FUNDS:** The FY 2018-19 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the capital construction section are annotated with the "(I)". For additional information, see Appendix E.

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2018-19 Appropriations containing an (I) notation	\$25,284,525	\$0	\$20,105,025	\$0	\$5,179,500

## APPROPRIATIONS AND TRANSFERS TO THE CAPITAL CONSTRUCTION FUND

The following table summarizes appropriations, adjustments, and transfers to or from the Capital Construction Fund that increase or decrease the balance available for projects.

FY 2018-19 Capital Construction Fund (CCF) Balance	
CCF Preliminary Begin Balance - July 1, 2017	\$1,813,916
CCF Interest - FY 2017-18	2,200,000
<b>CCF Beginning Balance - FY 2018-19</b>	<b>\$4,013,916</b>
<b>Transfers to the CCF</b>	
FY 2018-19 S.B. 17-262 (Capital-related Transfers of Money) from GF	\$60,000,000
FY 2018-19 S.B. 18-1340 (Transfer of Money for State's Infrastructure)	
Building capital items appropriated in H.B. 18-1322 (Long Bill) from GF	73,974,850
IT capital items appropriated in H.B. 18-1322 (Long Bill) from GF	15,206,760
Transportation appropriated in H.B. 18-1322 (Long Bill) from General Fund Exempt (GFE)	500,000
Historical Property Rehabilitation in H.B. 18-1322 (Long Bill) from the State Historical Fund	<u>150,000</u>
Subtotal - S.B. 18-1340 Transfers to the CCF	89,831,610
FY18-19 H.B. 18-1006 (Infant Newborn Screening) for IT capital from GF	700,000
<b>Subtotal - FY 2018-19 transfers to the CCF</b>	<b>\$150,531,610</b>
<b>CCF Available for FY 2018-19</b>	<b>\$154,545,526</b>
<b>Appropriations from the CCF</b>	
Controlled Maintenance and Capital Construction in H.B. 18-1322 (Long Bill)	\$138,638,766
IT Capital projects in H.B. 18-1322 (Long Bill)	15,206,760
IT Capital project in H.B. 18-1006 (Infant Newborn Screening)	700,000
<b>Subtotal - FY 2018-19 appropriations from the CCF</b>	<b>\$154,545,526</b>
<b>General Fund and General Fund Exempt transferred to the CCF</b>	<b>\$150,381,610</b>

## GENERAL FUND EXEMPT

Referendum C, passed by Colorado voters in November 2005, allows the State to retain and spend all revenue that is collected in excess of the TABOR limit for FY 2005-06 through FY 2009-10. For FY 2010-11 and subsequent fiscal years, Referendum C allows the State to retain all revenues that are in excess of the TABOR limit, but less than the excess state revenues cap, for that fiscal year. This revenue must be placed in the General Fund Exempt Account. The following table shows the amount of General Fund Exempt that is appropriated for FY 2017-18 and FY 2018-19 from the General Fund Exempt Account for strategic transportation projects pursuant to Section 24-77-103.6 (2)(d), C.R.S.

GENERAL FUND SUMMARY	TOTAL GENERAL FUND	GENERAL FUND	GENERAL FUND EXEMPT
FY 2017-18	\$91,912,328	\$91,412,328	\$500,000
FY 2018-19	\$150,381,610	\$149,881,610	\$500,000

## RECENT LEGISLATION

### 2017 SESSION BILLS

**S.B. 17-172 (SUPPLEMENTAL BILL):** Modifies FY 2016-17 appropriations for capital construction.

**S.B. 17-254 (LONG BILL):** General appropriations act for FY 2017-18. Includes provisions modifying FY 2011-12, FY 2014-15, and FY 2016-17 appropriations for capital construction.

**S.B. 17-262 (HUTF AND CAPITAL CONSTRUCTION FUND TRANSFERS):** Replaces the S.B. 09-228 and H.B. 16-1416 transfers to the Highway Users Tax Fund (HUTF) and the Capital Construction Fund from FY 2016-17 through FY 2019-20. Specifically, makes the following changes:

- In FY 2016-17, reduces the transfer to the HUTF from \$158.0 million to \$79.0 million.
- In the remaining three years, replaces the current formula with specific dollar amounts, to be transferred on June 30 of the fiscal year, as follows:

MODIFIED TRANSFERS				
	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
HUTF	\$79,000,000	\$79,000,000	\$160,000,000	\$160,000,000
Capital Construction	No change	0	60,000,000	60,000,000

- The bill does not change the transfer amount for Capital Construction in FY 2016-17. Additionally, the bill eliminates the transfer for FY 2017-18, which will be replaced by transfers made in the Capital Construction transfer bill (S.B. 17-263).
- Repeals provisions that relate to the conditional transfer.

**S.B. 17-263 (CAPITAL-RELATED TRANSFERS OF MONEY):** Makes a number of FY 2017-18 transfers to the Capital Construction Fund (CCF) and the Controlled Maintenance Trust Fund (CMTF).

Transfers include:

- \$88,695,961 from the General Fund;
- \$500,000 from the General Fund Exempt account; and
- \$1,000,000 from the State Historical Fund.

Of the \$88,695,961 transferred from the General Fund, \$19,855,515 million is transferred to the IT Capital Account in the CCF to pay costs associated with capital IT projects.

Also transfers \$20,000,000 from the General Fund to the CMTF to replace funds transferred out in FY 2016-17 for executive orders.

**S.B. 17-267 (SUSTAINABILITY OF RURAL COLORADO):** Among other provisions, the bill requires the state to execute lease-purchase agreements for state buildings in increments of up to \$500 million per year in FYs 2018-19 through 2021-22 (up to \$2 billion in total) to generate funding for transportation and capital construction projects.

- The first \$120 million in proceeds must be used for controlled maintenance and capital construction projects and the remaining proceeds for tier 1 transportation projects.
- Of the \$120 million for capital construction-related projects, \$113.3 million is specified as funding for FY 2017-18 level 1 out-year project costs and levels 2 and 3 controlled maintenance complete project costs.
- The maximum term of the lease-purchase agreements is 20 years and the maximum total annual payment is \$150 million.
- Of the annual payment the first \$9 million is from the General Fund (or other legal sources designated by the General Assembly), the next \$50 million is from funds under the control of the Transportation Commission, and the remaining \$91 million is from the General Fund (or other legal sources designated by the General Assembly).

The bill also eliminates state-provided controlled maintenance funding for institution of higher education academic buildings which are solely funded by cash funds (any non-state funds).

For more information, see the corresponding bill description in the "Recent Legislation" section at the end of Part III of the Department of Health Care Policy and Financing.

## 2018 SESSION BILLS

**S.B. 18-208 (CREATE GOVERNOR'S MANSION MAINTENANCE FUND):** Creates the Governor's Mansion Maintenance Fund, which may be used to fund rental operations, routine maintenance, and controlled maintenance at the mansion. The fund is comprised of monies earned from mansion operations and is subject to annual appropriation. The fund balance may not exceed \$500,000 at the close of any fiscal year. The Governor's Office may expend money from the fund for operating costs and routine maintenance and the Department of Personnel may expend money from the fund for controlled maintenance projects.

**S.B. 18-232 (CALCULATION FOR ART IN PUBLIC PLACES REQUIREMENT):** Changes how the art in public places contribution amount is calculated for projects financed through lease-purchase arrangements. Under current law, the calculation is based on 1.0 percent of the estimated construction cost. This bill changes the calculation to 1.0 percent of the state share of the estimated construction cost, which conforms to how the calculation is made for projects financed through a regular appropriation, rather than a lease-purchase arrangement.

**S.B. 18-276 (INCREASE GENERAL FUND RESERVE):** Increases the statutory General Fund reserve requirement to 7.25 percent of appropriations for FY 2018-19 and subsequent years from 6.5 percent. Repeals exclusions from the calculation of the reserve for appropriations for lease-purchase agreements and appropriations for depreciation-lease equivalent payments into the Capital Construction Fund (CCF) and Controlled Maintenance Trust Fund (CMTF).

**H.B. 18-1006 (INFANT NEWBORN SCREENING):** Expands newborn screening for genetic and metabolic diseases, increases access to follow-up services, and creates a funding source for newborn hearing loss screening. In FY 2018-19, appropriates \$1,951,722 total funds to the Department of Public Health and Environment, including \$1,862,500 in capital construction appropriations as follow:

- \$1,162,500 cash funds from the Newborn Screening and Genetic Counseling Cash Fund for capital construction related to laboratory space expansion and equipment purchase; and
- \$700,000 Capital Construction Fund from the Information Technology Capital Account for capital construction related to an information technology system for hearing loss screening. The bill includes an associated transfer of \$700,000 General Fund to the Information Technology Capital Account.

**H.B. 18-1170 (SUPPLEMENTAL BILL):** Modifies FY 2017-18 appropriations for capital construction.

**H.B. 18-1322 (LONG BILL):** General appropriations act for FY 2018-19.

**H.B. 18-1340 (TRANSFERS OF MONEY FOR STATE'S INFRASTRUCTURE):** Makes a number of FY 2018-19 transfers to the Capital Construction Fund (CCF) and the Controlled Maintenance Trust Fund (CMTF). Transfers to the CCF total \$89,831,610 and include:

- \$89,181,610 from the General Fund;
- \$500,000 from the General Fund Exempt account; and
- \$150,000 from the State Historical Fund.

Of the \$89,181,610 transferred from the General Fund, \$15,206,760 is transferred to the IT Capital Account in the CCF to pay costs associated with capital IT projects.

Transfers to the CMTF total \$30,000,000 to replace funds transferred out in FY 2017-18 for executive orders.

**H.B. 18-1371 (CAPITAL CONSTRUCTION BUDGET ITEMS):** Relocates spending and encumbrance guidelines from the Long Bill capital construction headnotes to the Colorado Revised Statutes. It also codifies spending and encumbrance guidelines for capital projects approved or modified through a supplemental appropriations bill. Prior to the 2017 legislative session, there was a common understanding that a capital project approved or modified through a supplemental appropriations bill was authorized to spend the appropriation for three full fiscal years. However, three years of spending authority is only explicitly included in the Long Bill capital construction headnotes and not in a supplemental appropriations bill. This bill codifies the three-year extension of spending authority for capital projects included in a supplemental appropriations bill.

**H.B. 18-1372 (EXEMPT FUND FROM CAPITAL CONSTRUCTION FUNDING MECHANISM):** Exempts the Regional Center Depreciation Account in the Capital Construction Fund from the set-aside and appropriation requirements established under S.B. 15-211 and H.B. 17-1144. Senate Bill 15-211 created a process to annually set aside an amount equal to the calculated depreciation of a capital asset funded through the capital construction section of the Long Bill. Under current law, if a state department project is paid in whole or part from a cash fund source, the state department is required to calculate the depreciable cost of the project, and, once the depreciation period begins, an amount equal to the calculated depreciation is appropriated to a capital reserve account created within the cash fund through the Long Bill.

**H.B. 18-1374 (CONTROLLED MAINTENANCE FINANCED ACQUIRED PROPERTY):** Eliminates the eligibility of buildings financed through lease-purchase agreements, such as certificates of participation (COPs), to receive future state funding for controlled maintenance. The bill requires any future legislation authorizing the issuance of COPs to acquire, construct, or renovate state buildings to include a requirement that a state agency or institution of higher education present a plan for funding future controlled maintenance to the Capital Development Committee. The plan must be presented the December or January before the 16th year after the acquisition or substantial completion of a project financed through a lease-purchase agreement. The plan should assess the controlled maintenance needs of the facility for the next 25 years and may include a request for an additional lease-purchase agreement or a request for state funding. An approved plan must be enacted through a bill, other than the Long Bill or a supplemental bill, unless the plan is from a higher education institution to pay for controlled maintenance from cash funds.



# APPENDICES

# A. GLOSSARY OF TERMS

## **APPROPRIATION**

An appropriation is legal authority for a department to expend a specified sum of money for a specified purpose. A state department may only expend money from the State treasury if the agency has a legislative appropriation for such purpose or if the expenditure is otherwise authorized by law. Most appropriations for government operations are for a single state fiscal year. However, appropriations related to capital construction projects and certain major information technology projects generally remain available until completion of the project or for a period of three years, whichever comes first.

## **CAPITAL CONSTRUCTION FUND**

The Capital Construction Fund is a fund that receives transfers from the General Fund for capital construction purposes. Money in this fund is appropriated to: construct, repair, and renovate state facilities; purchase major equipment; and acquire land. Appropriations from this fund are exempt from the fiscal year spending limit imposed by Section 20 of Article X of the State 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 Colorado Telephone Users with Disabilities 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 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 and are typically included for informational purposes only.

## **FTE**

Full-time equivalent (FTE) means the budgetary equivalent of one permanent position continuously filled full-time for an entire fiscal year by elected officials or by state employees who are paid for at least 2,080 hours. For example, two employees in two different positions whose combined hours equal 2,080 for a fiscal year equal 1.0 FTE.

## **GENERAL FUND**

A fund that consists of general tax revenues, such as state sales and income tax revenues, as well as any other revenues and money not legally required to be credited to a specific fund. The General Fund is used to pay for a variety of state programs and services. General Fund revenue and expenditures are restricted by both TABOR and a statutory provision that restricts annual state General Fund appropriations to an amount equal to 5.0 percent of Colorado personal income.

## **GENERAL FUND APPROPRIATIONS EXEMPT FROM THE STATUTORY RESTRICTION ON GENERAL FUND APPROPRIATIONS**

The total annual State General Fund appropriation is statutorily restricted to an amount equal to 5.0 percent of Colorado personal income. There are three specific exemptions to the statutory restriction on General Fund appropriations:

- appropriations due to federal law requiring a new program or service or an increase in the level of service for an existing program;
- appropriations due to a state or federal court order requiring a new program or service or an increase in the level of service for an existing program; and
- appropriations funded from an increase in taxes or fees approved by voters.

For more information, see Appendix D and Section 24-75-201.1 (1)(a), C.R.S.

## **GENERAL FUND EXEMPT**

TABOR restricts the amount of General Fund and cash fund revenues that can be collected and spent by the State. Two categories of General Fund revenues are exempt from these provisions: (1) tobacco tax revenues received pursuant to Amendment 35, which contained a voter-approved tax increase that specified that some of the resulting tax revenue be deposited in the General Fund; and (2) General Fund revenues that exceed the TABOR limit but are less than the revenue cap established by Referendum C. The latter source of funds must be deposited in the General Fund Exempt Account and can be appropriated only for health care, education, retirement plans for firefighters and police officers, and strategic transportation projects. For more information, see Appendix D.

## **INFORMATIONAL FUNDS**

The Long Bill and other legislation indicate when an amount is shown for informational purposes with an “(I)” notation. As defined in the Long Bill headnotes, these amounts do not reflect appropriations made by the General Assembly, or an expenditure limit, of such money. For more information, see Appendix E.

## **INDIRECT COSTS**

Indirect costs are the overhead costs associated with the operation of general state government functions and departmental administrative duties. Indirect cost recoveries are intended to offset the costs of providing central services for cash-funded and federally-funded programs that otherwise would be supported by the General Fund.

## **LONG BILL**

Colorado's annual general appropriation bill, which provides most of the appropriations for the expenses of the State's executive, legislative, and judicial departments, is called the Long Bill. Appropriations in the annual Long Bill are organized into two sections. The first section includes appropriations that provide for the payment of agencies' ordinary, ongoing operating expenses; the second section includes appropriations related to capital construction projects and certain major information technology projects.

## **OPERATING BUDGET**

This term refers to the sum of appropriations in the Long Bill and other bills that support the ordinary, ongoing operating expenses of executive, legislative, and judicial departments. The operating budget excludes appropriations related to capital construction projects and certain major information technology projects.

**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, General Fund is appropriated to the Department of Education for the purchase of legal services, and the same amount is appropriated to the Department of Law to provide such services. The appropriation to the Department of Law is identified as reappropriated funds with an associated letternote indicating the origin of the funds.

**REFERENDUM C**

Colorado voters adopted a measure, popularly known as Referendum C, in the general election of 2005. This measure allowed the State to retain all General Fund revenues in excess of the fiscal year spending limit imposed by TABOR from July 1, 2005, through June 30, 2010. For FY 2010-11 and subsequent fiscal years, Referendum C allows the State to retain all revenues that are in excess of the TABOR fiscal year spending limit, but less than the “excess state revenues cap” for that fiscal year. The excess state revenues cap is equal to the highest total state revenues for a fiscal year from FY 2005-06 through FY 2009-10, adjusted for each subsequent fiscal year for inflation, the percentage change in state population, enterprises, and debt service changes. These “excess” revenues must be deposited in the General Fund Exempt Account and appropriated by the General Assembly for the following purposes: (a) health care; (b) education, including capital construction projects related thereto; (c) retirement plans for firefighters and police officers, if the General Assembly determines funding is needed; and (d) strategic transportation projects.

**SUPPLEMENTAL APPROPRIATION**

Legislation authorizing changes in appropriations for the current fiscal year or a previous fiscal year.

**TAXPAYER'S BILL OF RIGHTS (TABOR)**

Colorado voters adopted a citizen-initiated amendment to the State Constitution known as the Taxpayer's Bill of Rights or TABOR (Section 20 of Article X) in 1992. The amendment restricts state and local governments' abilities to collect and spend revenues without voter approval. Under TABOR, a vote of the people is required for the State or local governments to: (a) increase tax rates; (b) increase retained revenues by more than the sum of inflation and the percentage population growth; (c) incur multi-year debt; or (d) weaken other limits on revenue. The amendment requires that collected revenue in excess of the inflation plus population growth limit be refunded in the following fiscal year. In November 2005 voters passed Referendum C, which allows the State to retain certain revenues in excess of the TABOR fiscal year spending limit.

## B. COMMON POLICIES

A number of line item appropriations are determined by general policies (called common policies) that are applied consistently to all departments. For many line items affected by a common policy, amounts are initially appropriated in individual departments and then transferred to another department such as the Department of Personnel, the Governor's Office of Information Technology, or the Department of Law, where they appear a second time as reappropriated funds. A brief explanation for each common policy and the associated line items is provided below. Most of the line item appropriations described below appear in the Executive Director's Office section (or its equivalent) of a department's budget.

### **ADMINISTRATIVE LAW JUDGE SERVICES**

Funds for Administrative Law Judge (ALJ) services, which are provided by the Department of Personnel, are included for the 13 departments that use these services. The billing is calculated by identifying the budget year's base costs (personal services, operating expenses, and indirect costs) plus the ALJ program's share of the Department of Personnel's prior-fiscal-year benefits and common policy costs. These costs are then allocated to departments for the upcoming fiscal year according to actual percentage of service hours each agency utilized in the prior fiscal year. For FY 2018-19, statewide spending authority for ALJ services totals approximately \$5.6 million, compared to \$5.7 million for FY 2017-18.

### **CAPITOL COMPLEX LEASED SPACE**

This line item appropriation covers payment to the Department of Personnel for property management for departments occupying state-owned space in the Capitol Complex, the North Campus facility, the Pierce Street Building, the Grand Junction State Office Building, and Camp George West. Each campus has a distinct rental rate per square foot calculated on the pooled expenses of the campus. For FY 2018-19, statewide agency allocations total approximately \$15.6 million in comparison to \$17.0 million for FY 2017-18.

### **COMMUNITY PROVIDER RATES**

Community provider rate adjustments are 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 2018-19, the common policy is to increase rates by 1.0 percent at a cost of approximately \$54.0 million, including \$21.8 million General Fund.

### **HEALTH, LIFE, AND DENTAL**

The appropriation adjusts the state contribution to health, life, and dental insurance premiums to match prevailing compensation. The state contribution is set at 80.0 percent for FY 2018-19, consistent with the state contribution rate for FY 2017-18. Statewide health, life, and dental appropriations for FY 2018-19 total \$261.3 million total funds (including \$149.6 million General Fund) compared to \$238.2 million total funds (including \$139.6 million General Fund).

### **LEASE PURCHASE**

This line item appropriation covers expenses for existing lease purchase agreements. Requests for additional lease purchase funds are examined on an individual department basis and funded where appropriate. Money may not be expended for lease purchase unless specifically appropriated for that purpose.

## **LEASED SPACE**

This line item appropriation covers leased space expenses including rent, facility operating costs, and leased space escalators for properties not owned by the State.

## **LEGAL SERVICES**

This line item appropriation allows departments to purchase necessary legal services from the Department of Law, similar to how legal services are purchased from a private-sector law firm. For FY 2018-19, agencies will pay a blended legal rate of \$103.63 per hour for legal services, which are provided by both attorneys and legal assistants. This compares to a rate of \$106.56 per hour for FY 2017-18. 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 381,240 hours of legal services to client agencies in FY 2018-19.

## **OPERATING EXPENSES**

The budget funds operating expenses at a continuation level of funding, with some individual exceptions. The General Assembly has periodically provided inflationary increases for operating expenses related to food, medical, and laboratory services in departments for which these costs are not incidental. The appropriation does not include inflationary increases for any operating expenses for FY 2018-19.

## **PAYMENTS TO OIT**

This line item appropriation represents each department's share of the information technology services provided by the Governor's Office of Information Technology (OIT). For FY 2018-19, the budget includes recoverable costs totaling \$160.4 million total funds, including \$70.6 million General Fund.

## **PAYMENT TO RISK MANAGEMENT AND PROPERTY FUNDS**

This line item appears appropriation 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. The Department of Personnel has continuous spending authority for the property and liability programs claims, premiums, and legal expenses, but not for administrative costs. For FY 2018-19, the appropriation for the risk management and property program is \$21.7 million total funds, comprised of \$11.5 million for property and \$10.3 million for liability. This compares to \$24.7 million total funds for FY 2017-18, comprised of \$12.0 million for property and \$12.7 million for liability.

## **PERSONAL SERVICES**

Line item appropriations for "Personal Services" cover state employee-related costs, including: salaries and wages; the State's contribution to the Public Employees' Retirement Association (PERA); and the State's share of federal Medicare taxes. These line items also cover payments for professional services, temporary services, and unemployment claims.

## **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 PERA's unfunded liability. The appropriation amount is calculated on base salary plus salary increases and shift differential pay. The contribution rate increased by 0.4 percent each calendar year until it reached the maximum contribution rate of 5.0 percent in calendar year 2017; except for judges where the state contribution remained constant at 2.2 percent until

H.B. 17-1265 (*PERA Judicial Division Total Employer Contribution*) enacted increases to 3.4, 3.8, 4.2, 4.6, and 5.0 percent in each succeeding year beginning in calendar year 2019. The appropriations for FY 2018-19 are estimated to total \$89.8 million total funds (including \$48.8 million General Fund) compared to \$84.6 million total funds (including \$46.4 million General Fund) in FY 2017-18.

#### **S.B. 06-235 SUPPLEMENTAL AMORTIZATION EQUALIZATION DISBURSEMENT (SAED)**

In addition to the AED contribution amounts described above, S.B. 06-235 provides a supplemental PERA contribution. The intended fund source is money that would otherwise be available for, but which has not been awarded as employee salary increases. While this payment is effectively made by the State, these funds represent foregone employee salary increases that would otherwise appear in the salary base as employee compensation. The appropriation amount is calculated on base salary plus salary increases and shift differential pay. The contribution rate increased by 0.5 percent each calendar year until it reached its maximum contribution rate of 5.0 percent in 2017; except for judges where the state contribution remained constant at 2.2 percent until H.B. 17-1265 (*PERA Judicial Division Total Employer Contribution*) enacted increases to 3.4, 3.8, 4.2, 4.6, and 5.0 percent in each succeeding year beginning in calendar year 2019. The appropriation for FY 2018-19 are estimated to total \$89.6 million total funds (including \$48.6 million General Fund) compared to \$84.2 million total funds (including \$46.0 million General Fund) in FY 2017-18.

#### **SALARY SURVEY AND MERIT PAY AWARDS**

Salary survey appropriations total \$59.7 million total funds, including \$33.2 million General Fund, for a 3.0 percent across-the-board state employee salary increase for FY 2018-19. This compares to the \$34.6 million total funds (including \$18.3 million General Fund) for a 1.75 percent across-the-board increase in FY 2017-18.

There is no merit pay component for FY 2018-19. This compares to the 0.75 percent average merit pay increase for FY 2017-18, which totaled \$13.9 million total funds (including \$8.0 million General Fund) for FY 2017-18.

#### **SHIFT DIFFERENTIAL**

Shift differential payments provide higher wages for evening, night, and weekend shifts. The appropriations for FY 2018-19 total \$15.8 million total funds (including \$12.0 million General Fund) primarily for the Departments of Corrections and Human Services, compared to \$14.6 million (including \$11.4 million General Fund) in FY 2017-18. Shift differential is set at 100.0 percent of the prior fiscal year's (FY 2016-17) actual expenditures.

#### **SHORT-TERM DISABILITY**

All state employees are eligible for employer-paid, short-term disability insurance. The appropriations are calculated based on 0.17 percent of base salary plus salary increases and shift differential pay for FY 2018-19. This is a decrease from 0.19 percent of base salary for FY 2017-18. Statewide short-term disability appropriations for FY 2018-19 total \$2.9 million (including \$1.6 million General Fund) which compares to \$3.1 million total funds (including \$1.7 million General Fund) in FY 2017-18.

#### **STATEWIDE INDIRECT COSTS**

Indirect costs are the overhead costs associated with the operation of general government functions and departmental administrative duties. Indirect cost recoveries are intended to offset the costs of providing central services for cash-funded and federally-funded programs that would otherwise be supported by General Fund. In practice, each cash-funded or federal-funded program in a department is charged a proportional indirect cost assessment that includes statewide and departmental indirect costs. These indirect cost recoveries are used to offset

General Fund appropriations in the department's Executive Director's Office. For FY 2018-19, the statewide indirect cost recovery plan is estimated to recover \$18.4 million in comparison to \$17.1 million for FY 2017-18.

#### **VEHICLE LEASE PAYMENTS**

Pursuant to Section 24-30-1117, C.R.S., state agency motor vehicles may only be purchased through the Fleet Management Program in the Department of Personnel. The appropriations are based on the amounts necessary for each department's vehicle lease payments, which vary according to vehicle model and type. For FY 2018-19, the appropriation includes funding to replace 413 vehicles, including up to 306 alternative fuel vehicles, compared to FY 2017-18, which replaced 715 vehicles, including up to 85 compressed natural gas vehicles. The statewide appropriation for Vehicle Lease Payments line items for FY 2018-19 total \$19.8 million total funds, in comparison to \$21.8 million total funds for FY 2017-18. The appropriation for the Department of Personnel's Fleet Management Vehicle Replacement Lease/Purchase line item for FY 2018-19 is \$21.6 million reappropriated funds, in comparison to \$19.9 million reappropriated funds for FY 2017-18.

#### **WORKERS' COMPENSATION**

This line item 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. The State is self-insured and provides coverage for employees in all departments except for institutions of higher education, which operate separate self-insured programs. For FY 2018-19, the appropriation for the workers' compensation program totals \$38.8 million total funds, in comparison to \$34.8 million total funds for FY 2017-18.



# C. 2018 SUPPLEMENTAL ADJUSTMENTS TO APPROPRIATIONS FOR FY 2016-17 AND PRIOR FISCAL YEARS

OPERATING APPROPRIATIONS					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
<u>FY 2016-17</u>					
Corrections					
HB 18-1158	\$1,406,572	\$0	\$1,406,572	\$0	\$0
Education					
HB 18-1322	0	0	0	0	0
Health Care Policy and Financing					
HB 18-1161	19,746,159	761,291	8,038,388	401,424	10,545,056
HB 18-1322	0	0	0	0	0
Higher Education					
HB 18-1322	0	0	0	0	0
Human Services					
HB 18-1162	708,131	708,131	0	0	0
State					
HB 18-1168	210,000	0	210,000	0	0
<b>TOTAL FY 2016-17</b>	<b>\$22,070,862</b>	<b>\$1,469,422</b>	<b>\$9,654,960</b>	<b>\$401,424</b>	<b>\$10,545,056</b>

CAPITAL APPROPRIATIONS					
	TOTAL FUNDS	CAPITAL CONSTRUCTION FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
<u>FY 2015-16</u>					
Governor					
HB 18-1170	(\$11,811,135)	\$0	\$0	(\$11,811,135)	\$0
Higher Ed					
HB 18-1170	10,903,505	0	10,903,505	0	0
Personnel					
HB 18-1170	(11,811,135)	0	(11,811,135)	0	0
<b>TOTAL FY 2015-16</b>	<b>(\$12,718,685)</b>	<b>\$0</b>	<b>(\$907,550)</b>	<b>(\$11,811,135)</b>	<b>\$0</b>
<u>FY 2016-17</u>					
Natural Resources					
HB 18-1170	\$1,796,117	\$0	\$1,796,117	\$0	\$0
<b>TOTAL FY 2016-17</b>	<b>\$1,796,117</b>	<b>\$0</b>	<b>\$1,796,117</b>	<b>\$0</b>	<b>\$0</b>

# D. GENERAL FUND APPROPRIATIONS EXEMPT FROM STATUTORY AND CONSTITUTIONAL RESTRICTIONS

This appendix provides information concerning General Fund amounts that are described or categorized as "exempt" in this document.

## 1. APPROPRIATIONS EXEMPT FROM THE CONSTITUTIONAL RESTRICTION

The annual General Appropriation Act includes two categories of General Fund appropriations: General Fund and General Fund Exempt. Items that appear in the "General Fund Exempt" column are exempt from the state fiscal year spending limit in Section 20 of Article X of the State Constitution (the Taxpayer's Bill of Rights or TABOR). There are currently two types of appropriations that are categorized as General Fund Exempt:

- **Appropriations from the General Fund Exempt Account:** Referendum C, which was referred to and passed by voters in November 2005, authorizes the State to retain and spend state revenues in excess of the TABOR state fiscal year spending limit, but less than the excess state revenues cap. This measure also established the General Fund Exempt Account, which consists of the amount of state revenues in excess of the TABOR state fiscal year spending limit that would have been refunded had Referendum C not passed. Money in the General Fund Exempt Account may only be appropriated or transferred for four purposes: health care; education; retirement plans for firefighters and police officers; and strategic transportation projects. For more information about Referendum C, see the section concerning Statutory and Constitutional Restrictions in Part I-A.
- **Appropriations from Tobacco Tax Revenues:** Amendment 35, which was approved by voters in November 2004, imposed new cigarette and tobacco taxes through the addition of Section 21 in Article X of the State Constitution. The new tobacco tax revenues authorized by Amendment 35 are exempt from the TABOR state fiscal year spending limit, and General Fund appropriations from these revenues are also exempt from the statutory restriction on General Fund appropriations (this exemption is discussed later in this section). Amendment 35 requires that a portion of the new tobacco tax revenues be appropriated to the General Fund and made available to the Department of Public Health and Environment for immunization services and to the Department of Health Care Policy and Financing for the Children's Basic Health Plan. For more information about Amendment 35, see Appendix I.

The following table details General Fund Exempt appropriations for FY 2017-18 and FY 2018-19.

GENERAL FUND APPROPRIATIONS EXEMPT FROM CONSTITUTIONAL RESTRICTIONS			
DEPARTMENT	FY 2017-18	FY 2018-19	EXPLANATION
APPROPRIATIONS FROM THE GENERAL FUND EXEMPT ACCOUNT (REFERENDUM C):			
Education	\$820,701,667	\$793,100,000	Appropriations for preschool through twelfth grade education pursuant to Sections 24-77-103.6 (2)(b) and 24-77-104.5 (3), C.R.S.
Health Care Policy and Financing	820,701,666	793,100,000	Appropriations for health care funding for Colorado's elderly, low-income, and disabled populations pursuant to Sections 24-77-103.6 (2)(a) and 24-77-104.5 (2), C.R.S.

GENERAL FUND APPROPRIATIONS EXEMPT FROM CONSTITUTIONAL RESTRICTIONS			
DEPARTMENT	FY 2017-18	FY 2018-19	EXPLANATION
Higher Education	760,566,666	733,000,000	Appropriations for higher education pursuant to Sections 24-77-103.6 (2)(b) and 24-77-104.5 (4), C.R.S.
Local Affairs	4,230,000	4,300,000	Appropriations for volunteer firefighter retirement plans and death and disability insurance, pursuant to Section 24-77-103.6 (2)(c), C.R.S.
Transportation	500,000	500,000	General Fund transfer to the Capital Construction Fund for strategic transportation projects pursuant to Section 24-77-103.6 (2)(d), C.R.S.
<b>SUBTOTAL</b>	<b>\$2,406,699,999</b>	<b>\$2,324,000,000</b>	
APPROPRIATIONS FROM TOBACCO TAX REVENUES (AMENDMENT 35):			
Health Care Policy and Financing	\$440,340	\$429,909	Appropriations for the Children's Basic Health Plan pursuant to Section 24-22-117 (1)(c)(I)(B.5), C.R.S.
Public Health and Environment	440,340	429,909	Appropriations for immunizations performed by county or district public health agencies pursuant to Section 24-22-117 (1)(c)(I)(B.5), C.R.S.
<b>SUBTOTAL</b>	<b>\$880,680</b>	<b>\$859,818</b>	
<b>TOTAL</b>	<b>\$2,407,580,679</b>	<b>\$2,324,859,818</b>	

## 2. APPROPRIATIONS EXEMPT FROM THE STATUTORY RESTRICTION

From FY 1991-92 through FY 2008-09, Section 24-75-201.1, C.R.S., restricted annual state General Fund appropriations to the lesser of: (1) an amount equal to 5.0 percent of Colorado personal income, or (2) 6.0 percent over the total General Fund appropriations for the previous fiscal year. During this time period, the lesser amount was 6.0 percent over the previous year's General Fund appropriations, so this restriction was commonly called the "6.0 percent limit". Senate Bill 09-228 amended Section 24-75-201.1, C.R.S., to simply restrict annual state General Fund appropriations to an amount equal to 5.0 percent of Colorado personal income. Therefore, beginning in FY 2009-10, the 6.0 percent limit is no longer applicable.

Section 24-75-201.1 (1)(a)(III), C.R.S., specifies that the statutory restriction on General Fund appropriations shall not apply to:

- A. Any General Fund appropriation which, as a result of any requirement of *federal law*, is made for any new program or service or for any increase in the level of service for an existing program beyond the existing level of service;
- B. Any General Fund appropriation which, as a result of any requirement of a final state or federal *court order*, is made for any new program or service or for any increase in the level of service for an existing program beyond the existing level of service; or
- C. Any General Fund appropriation of any revenue derived from any increase in the rate or amount of any *tax or fee* which is approved by a majority of the registered electors of the state voting at any general election.

In addition, some other General Fund transfers and appropriations are not subject to the statutory restriction for reasons other than the exceptions listed above. For example, pursuant to Section 24-75-302 (2), C.R.S., General Fund transfers to the Capital Construction Fund are not subject to the statutory restriction; and the General Fund appropriation related to the senior citizen and disabled veteran property tax exemption is not subject to the

statutory restriction because the enactment of Section 3.5 (3) of Article X of the Colorado Constitution constitutes voter approval of a weakening of the restriction. These other exceptions are noted in the relevant department sections of this report.

The following table lists the General Fund appropriations that are exempt from or are not subject to the statutory restriction on General Fund appropriations for FY 2017-18 and FY 2018-19. These amounts are organized into three sections, which are described following the table.

GENERAL FUND APPROPRIATIONS DEEMED EXEMPT FROM STATUTORY RESTRICTIONS			
	DEPARTMENT	AMOUNT	REASON
<b>FY 2017-18</b>			
SECTION 1 - REBATES AND EXPENDITURES			
Children's Basic Health Plan (Amendment 35) <sup>1</sup>	Health Care Policy and Financing	\$440,340	Voter Approved
Volunteer Firefighter Benefit Plans <sup>1</sup>	Local Affairs	4,230,000	Other
Immunizations (Amendment 35) <sup>1</sup>	Public Health and Environment	440,340	Voter Approved
Cigarette Tax Rebate <sup>1</sup>	Revenue	10,800,000	Other
Old Age Heat and Fuel and Property Tax Assistance Grant <sup>1</sup>	Revenue	5,300,000	Other
Retail Marijuana Sales Tax Distribution <sup>1</sup>	Revenue	12,500,000	Other
SUBTOTAL: REBATES AND EXPENDITURES		\$33,710,680	
SECTION 2 - HOMESTEAD EXEMPTION			
Senior Citizen and Disabled Veteran Property Tax Exemption <sup>2</sup>	Treasury	\$148,000,000	Voter Approved
SECTION 3 - AMOUNTS DEEMED EXEMPT			
Total Amounts Deemed Exempt		\$0	
<b>FY 2017-18 TOTAL</b>		<b>\$181,710,680</b>	
<b>FY 2018-19</b>			
SECTION 1 - REBATES AND EXPENDITURES			
Children's Basic Health Plan (Amendment 35) <sup>2</sup>	Health Care Policy and Financing	\$429,909	Voter Approved
Volunteer Firefighter Benefit Plans <sup>2</sup>	Local Affairs	4,300,000	Other
Immunizations (Amendment 35) <sup>2</sup>	Public Health and Environment	429,909	Voter Approved
Cigarette Tax Rebate <sup>2</sup>	Revenue	8,141,834	Other
Old Age Heat and Fuel and Property Tax Assistance Grant <sup>2</sup>	Revenue	5,634,000	Other
Retail Marijuana Sales Tax Distribution <sup>2</sup>	Revenue	20,336,822	Other
SUBTOTAL: REBATES AND EXPENDITURES		\$39,272,474	
SECTION 2 - HOMESTEAD EXEMPTION			
Senior Citizen and Disabled Veteran Property Tax Exemption <sup>2</sup>	Treasury	\$162,806,461	Voter Approved
SECTION 3 - AMOUNTS DEEMED EXEMPT			
Total Amounts Deemed Exempt		\$0	
<b>FY 2018-19 TOTAL</b>		<b>\$202,078,935</b>	

<sup>1</sup> These amounts are included in S.B. 17-254 (the 2017 General Appropriation Act).

<sup>2</sup> These amounts are included in H.B. 18-1322 (the 2018 General Appropriation Act).

## SECTION 1 – REBATES AND EXPENDITURES

The quarterly revenue forecasts prepared by the Legislative Council Staff and the Office of State Planning and Budgeting include dollar amounts referred to as "rebates and expenditures." These amounts reflect various expenditures or diversions of funds from the General Fund, which are exempt from or are not subject to the statutory restriction on General Fund appropriations pursuant to statutory or constitutional provisions. These statutory and constitutional obligations are listed below. Please note that some of these items are not reflected in General Fund appropriations, and the amounts that are reflected in General Fund appropriations are not routinely adjusted to reflect changes in the quarterly revenue forecasts. For purposes of developing and adjusting the overall General Fund budget, the most recent projected amounts are utilized rather than the appropriated amounts. The above table reflects the actual appropriations for rebates and expenditures.

*Items that are included in annual General Fund appropriations include:*

- fire and police pension payments for local governments [Section 31-30-1112 (2), C.R.S.];
- cigarette tax rebates to local governments [Section 39-22-623 (1)(a)(II)(A), C.R.S.];
- retail marijuana sales tax distributions to local governments [Section 39-28.8-203 (1)(a), C.R.S.];
- Old Age Heat and Fuel and Property Tax Assistance Grants [Section 39-31-102 (1), C.R.S.]; and
- General Fund appropriations related to certain tobacco tax revenues [Section 21 of Article X of the State Constitution, often referred to as "Amendment 35"].

*Items that are not included in annual General Fund appropriations include:*

- sales and use taxes that are credited to the Old Age Pension Fund [Article XXIV of the State Constitution and Section 39-26-123 (3), C.R.S.];
- sales and use taxes that are credited to the Older Coloradans Cash Fund [Section 39-26-123 (3), C.R.S.]; and
- earnings related to cash flow loans to school districts [Sections 22-54-110 and 29-15-112, C.R.S.].

## SECTION 2 – SENIOR AND DISABLED VETERAN PROPERTY TAX HOMESTEAD EXEMPTION

In the 2000 general election, Colorado voters approved a constitutional amendment (Section 3.5 of Article X) that reduces property taxes for qualifying senior citizens and disabled veterans. The property tax reduction, or "homestead exemption," is available to senior citizens 65 years of age or older who have owned and lived in their homes for at least ten years. In the 2006 general election, Colorado voters approved a constitutional amendment extending the homestead exemption to honorably discharged veterans who are 100 percent disabled as a result of a service-connected disability. The cost of the exemption is borne by the State rather than by local governments or other property owners.

## SECTION 3 – AMOUNTS DEEMED EXEMPT

These amounts are appropriated for purposes that are exempt from the statutory restriction on General Fund appropriations as reflected in Section 24-75-201.1, C.R.S.

## E. INFORMATIONAL "(I)" NOTATIONS

The Long Bill and other legislation indicate when an amount is shown for informational purposes through an "(I)" notation. As defined in the Long Bill headnotes:

Where the letter "(I)" appears directly to the right of a figure or in a letternote referencing a figure, that amount is not an appropriation, nor does it limit the expenditure of such money. The figure 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 amounts that are annotated with an (I) in the FY 2018-19 Long Bill and other legislation are described below, followed by a table detailing these amounts by department and fund source.

**GENERAL FUND:** The (I) notation applies to a General Fund or General Fund Exempt amount when the amount is continuously appropriated to a state agency, or the agency is otherwise authorized by law to spend the money. This includes General Fund amounts annotated with the (I) in three departments:

- Treasury: Senior Citizen and Disabled Veteran Property Tax Exemption and transfers to the Public Employees Retirement Association pursuant to S.B. 18-200;
- Revenue: Old Age Heat and Fuel and Property Tax Assistance, and Cigarette Tax Rebate and Retail Marijuana Sales Tax Distributions to Local Governments; and
- Local Affairs: Payments for Volunteer Firefighter Retirement Plans.

**CASH FUNDS:** The (I) notation applies to a cash funds amount when the amount is continuously appropriated to a state agency, or the agency is otherwise authorized by law to spend the money. The most significant amounts that are annotated with the (I) include:

- Cash funds overseen by the State Transportation Commission;
- Fees collected by state institutions of the higher education;
- Local Government Mineral and Energy Impact Grants and Disbursements in the Department of Local Affairs;
- Highway Users Tax Funds distributed to local governments through the Department of Treasury; and
- Old Age Pension allocations and the local share of funding for various social services programs in the Department of Human Services.

**REAPPROPRIATED FUNDS:** The (I) notation applies to a reappropriated funds amount when it is continuously appropriated to a state agency, the agency is otherwise authorized by law to spend the money, or when the underlying federal funds source is informational. The largest amount that is annotated with the (I) is for workers compensation claims in the Department of Personnel.

**FEDERAL FUNDS:** Most federal funds in the Long Bill are annotated with an (I). However, some federal grants that are administered by the Departments of Human Services and Public Health and Environment are appropriated by the General Assembly pursuant to federal law. In addition, there are federal funds that require state matching funds (e.g., the Medicaid program), and the associated General Fund or cash funds amounts are annotated with an "(M)" or "(H)" in the Long Bill. These annotations require the associated state funding to be reduced if the amount of available federal funding changes. Thus, these federal amounts are not considered informational.

The table below summarizes, by department and bill, those appropriations annotated with the (I).

FY 2018-19 INFORMATIONAL "(I)" NOTATIONS BY DEPARTMENT							
	BILL	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	% OF TOTAL OPERATING BUDGET (I) NOTATIONS
<b>FY 2018-19 OPERATING BUDGET (I) NOTATIONS</b>							
Agriculture	HB 18-1322	\$5,812,528	\$0	\$1,903,666	\$0	\$3,908,862	0.1%
Corrections	HB 18-1322	18,641,133	0	15,125,066	0	3,516,067	0.3%
Education	HB 18-1322	641,341,590	0	4,046,629	20,100,000	617,194,961	11.3%
Governor	HB 18-1322	27,608,041	0	20,840,766	0	6,767,275	0.5%
Health Care Policy	HB 18-1322	267,195,785	0	9,946,973	0	257,248,812	
	SB 18-266	2,106,513	0	0	0	2,106,513	
	HB 18-1136	236,828	0	0	0	236,828	
	HB 18-1321	28,420	0	0	0	28,420	
	HB 18-1327	45,395	0	0	0	45,395	
	HB 18-1328	98,640	0	0	0	98,640	
	HB 18-1407	133,899	0	0	0	133,899	
<b>Subtotal - HCPF</b>		<b>269,845,480</b>	<b>0</b>	<b>9,946,973</b>	<b>0</b>	<b>259,898,507</b>	<b>4.8%</b>
Higher Education	HB 18-1322	467,748,321	0	444,912,110	50,592	22,785,619	8.2%
Human Services	HB 18-1322	570,296,686	0	285,626,557	1,340,200	283,329,929	
	SB 18-254	(10,838,537)		(1,208,177)		(9,630,360)	
	HB 18-1306	550,066		550,066		0	
<b>Subtotal - HUM</b>		<b>560,008,215</b>	<b>0</b>	<b>284,968,446</b>	<b>1,340,200</b>	<b>273,699,569</b>	<b>9.9%</b>
Judicial	HB 18-1322	45,742,538	0	41,259,534	58,004	4,425,000	0.8%
Labor and Employment	HB 18-1322	140,779,581	0	8,241,559	5,393,436	127,144,586	2.5%
Law	HB 18-1322	4,177,241	0	1,799,180	375,739	2,002,322	0.0%
Legislature	HB 18-1322	0	0	0	0	0	0.0%
Local Affairs	HB 18-1322	240,013,401	4,300,000	154,900,000	0	80,813,401	4.2%
Military and Veterans Affairs	HB 18-1322	219,710,038	0	0	0	219,710,038	3.9%
Natural Resources	HB 18-1322	51,317,729	0	24,749,255	0	26,568,474	0.9%
Personnel	HB 18-1322	60,719,964	0	1,848,701	58,871,263	0	1.1%
Public Health	HB 18-1322	279,873,828	0	600,000	0	279,273,828	4.9%
Public Safety	HB 18-1322	80,107,942	0	6,289,163	3,980,163	69,838,616	1.4%
Regulatory Agencies	HB 18-1322	9,302,866	0	8,053,046	0	1,249,820	0.2%
Revenue	HB 18-1322	71,766,336	34,112,656	36,829,292	0	824,388	1.3%
State	HB 18-1322	10,000	0	10,000	0	0	0.0%
Transportation	HB 18-1322	1,715,050,154	0	1,096,522,077	6,609,373	611,918,704	30.2%
Treasury	HB 18-1322	545,222,869	162,806,461	364,731,145	17,685,263	0	
	S.B. 18-200	225,000,000	225,000,000	0	0	0	
<b>Subtotal - TRE</b>		<b>\$770,222,869</b>	<b>387,806,461</b>	<b>364,731,145</b>	<b>17,685,263</b>	<b>0</b>	<b>13.6%</b>
<b>OPERATING BUDGET TOTAL</b>		<b>\$5,679,829,795</b>	<b>\$426,219,117</b>	<b>\$2,527,606,608</b>	<b>\$114,464,033</b>	<b>\$2,611,540,037</b>	<b>100.0%</b>
<b>FY 2018-19 CAPITAL CONSTRUCTION BUDGET (I) NOTATIONS</b>							
<b>CAPITAL TOTAL</b>	HB 18-1322	<b>\$25,284,525</b>	<b>\$0</b>	<b>\$20,105,025</b>	<b>\$0</b>	<b>\$5,179,500</b>	
<b>GRAND TOTAL (I) NOTATIONS: OPERATING AND CAPITAL CONSTRUCTION BUDGETS</b>							
<b>GRAND TOTAL</b>		<b>\$5,705,114,320</b>	<b>\$426,219,117</b>	<b>\$2,547,711,633</b>	<b>\$114,464,033</b>	<b>\$2,616,719,537</b>	

<sup>1</sup> Includes General Fund Exempt.

The table below reflects operating budget appropriations with (I) notations as a percentage of the total state operating budget for FY 2018-19. For FY 2018-19, informational funds represent 18.5 percent of all operating appropriations, consisting primarily of cash funds and federal funds.

# FY 2018-19 OPERATING BUDGET APPROPRIATIONS AND INFORMATIONAL "(I)" NOTATIONS

	OPERATING BUDGET APPROPRIATIONS	(I) NOTATION OPERATING BUDGET TOTALS	(I) NOTATION AMOUNTS AS PERCENT OF OPERATING APPROPRIATIONS
General Fund and General Fund Exempt	\$11,419,781,549	\$426,219,117	3.7%
Cash Funds	8,741,381,730	2,527,606,608	28.9%
Reappropriated Funds	1,857,532,859	114,464,033	6.2%
Federal Funds	8,610,126,961	2,611,540,037	30.3%
<b>TOTAL</b>	<b>\$30,628,823,099</b>	<b>\$5,679,829,795</b>	<b>18.5%</b>



# F. STATE EDUCATION FUND APPROPRIATIONS

This appendix describes appropriations from the State Education Fund.

## STATE EDUCATION FUND REVENUES AND APPROPRIATIONS

In November 2000, Colorado voters approved Amendment 23, which added Section 17 to Article IX of the Colorado Constitution. This provision links funding for kindergarten through twelfth grade education to the rate of inflation. This provision also creates the State Education Fund (SEF), consisting of all state revenues collected from a tax equal to one-third of 1.0 percent on federal taxable income of every individual, estate, trust, and corporation<sup>1</sup>, 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 money from the SEF for the following education-related purposes:

- Compliance with the requirement to annually increase base per pupil funding for public school finance;
- Compliance with the requirement to annually increase funding for categorical programs;
- Accountable education reform;
- Class size reduction;
- Expanding technology education;
- Improving student safety;
- Expanding the availability of preschool and kindergarten programs;
- Performance incentives for teachers;
- Accountability reporting; or
- Public school building capital construction.

Table 1, on the next page, summarizes appropriations and transfers from the SEF for FY 2001-02 through FY 2015-16 and details appropriations and transfers from the SEF for FY 2016-17 through FY 2018-19. To date, over \$6.6 billion has been appropriated from the SEF specifically for the state share of districts' total program funding (which is distributed based on the school finance formula), representing 70.3 percent of all SEF appropriations. To date, appropriations for categorical programs (\$1.5 billion) comprise another 15.7 percent of SEF appropriations.

Appropriations and transfers from the SEF increased from \$740.4 million in FY 2013-14 to \$966.2 million in FY 2014-15 and \$943.7 million in FY 2015-16, largely as a result of \$1.1 billion in one-time funding transferred from the General Fund to the SEF pursuant to H.B. 12-1338. However, the one-time funds were depleted by the end of FY 2016-17. Based on estimates of available resources, the FY 2018-19 appropriation includes a total of \$773.4 million in appropriations and transfers from the SEF (including \$0.8 million in appropriations for centrally appropriated line items not reflected in Table 1), with a projected balance of \$94.1 million at the end of FY 2018-19. Please note that \$773.4 million in appropriations and transfers out of the SEF in FY 2018-19 exceeds projected revenues for FY 2018-19 (\$667.3 million in the Office of State Planning and Budgeting March 2018 Revenue Forecast) by \$106.1 million. Thus, barring additional infusions of revenue, that level of spending will not be sustainable in subsequent years.

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<sup>1</sup> Given the current state income tax rate of 4.63 percent, this equates to 7.13 percent of state income tax revenues (0.0033/0.0463). However, due to certain state tax credits that reduce income tax revenue, deposits to the State Education Fund actually represent a slightly higher percentage of state income tax revenues (e.g., 7.43 percent in FY 2016-17).

TABLE 1: HISTORY OF APPROPRIATIONS FROM THE STATE EDUCATION FUND

DESCRIPTION	CUMULATIVE FY 2001-02 THRU FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
<b>PUBLIC SCHOOL FINANCE</b>				
Funding for the State Share of Districts' Total Program Funding (including Colorado Preschool Program and full-day kindergarten funding)	\$5,541,750,741	\$467,218,161	\$228,639,156	\$416,891,296
Facility school funding (HB 08-1388)	132,621,025	16,604,845	14,508,589	15,987,271
Hold-harmless full-day kindergarten funding (HB 08-1388)	58,563,575	7,926,436	8,179,097	8,689,619
District per pupil reimbursements for juveniles held in jail (SB 10-054)	175,000	10,000	10,000	10,000
Public school finance administration	206,968	83,329	83,329	84,387
Additional funding for rural school districts and institute charter schools	0	0	0	30,000,000
Small rural districts additional funding	10,000,000	0	0	0
Declining enrollment study (HB 08-1388)	200,000	0	0	0
Mid-year appropriation adjustments	12,919,562	0	(503,816)	0
<b>SUBTOTAL: SCHOOL FINANCE</b>	<b>\$5,756,436,871</b>	<b>\$491,842,771</b>	<b>\$250,916,355</b>	<b>\$471,662,573</b>
<i>Percent of Total Appropriations</i>	<i>78.0%</i>	<i>63.6%</i>	<i>46.4%</i>	<i>61.1%</i>
<b>CATEGORICAL PROGRAMS</b>				
	<b>\$1,013,318,053</b>	<b>\$147,750,329</b>	<b>\$155,856,771</b>	<b>\$165,975,928</b>
<i>Percent of Total Appropriations</i>	<i>13.7%</i>	<i>19.1%</i>	<i>28.8%</i>	<i>21.5%</i>
<b>SCHOOL CAPITAL CONSTRUCTION</b>				
Charter school capital construction	\$108,719,995	\$20,000,000	\$20,000,000	\$20,000,000
School capital construction expenditures reserve	25,471,112	0	0	0
School construction and renovation fund	7,500,000	0	0	0
Charter school debt reserve fund	7,500,000	0	0	0
<b>SUBTOTAL: CAPITAL CONSTRUCTION</b>	<b>\$149,191,107</b>	<b>\$20,000,000</b>	<b>\$20,000,000</b>	<b>\$20,000,000</b>
<i>Percent of Total Appropriations</i>	<i>2.0%</i>	<i>2.6%</i>	<i>3.7%</i>	<i>2.6%</i>
<b>PROFESSIONAL DEVELOPMENT AND INSTRUCTIONAL SUPPORT</b>				
ELL professional development and student support (HB 14-1298)	\$54,000,000	\$27,000,000	\$27,000,000	\$27,000,000
Quality teacher recruitment program (SB 13-260)	9,000,000	3,000,000	3,000,000	3,000,000
School turnaround leaders development (SB 14-124)	4,000,000	2,000,991	2,000,991	2,001,900
Stipends for nationally board certified teachers (HB 08-1384)	5,384,000	1,384,000	1,384,000	1,384,000
Content specialists	3,547,827	469,900	810,740	479,495
English language proficiency excellence award program (HB 14-1298)	1,000,000	500,000	500,000	500,000
Computer science education grants for teachers (SB 17-296)	0	0	500,000	1,048,375
A.P. Incentives pilot program (HB 14-1118)	522,080	260,931	260,931	260,937
Transfer to Department of Higher Education for rural teacher recruitment, retention, and professional development (SB 18-085)	0	0	0	240,000
English language learners technical assistance (HB 14-1298)	104,104	51,797	51,797	52,902
Teaching and learning conditions survey (HB 08-1384)	85,000	0	0	0
Closing the achievement gap	5,301,000	0	0	0
Teacher pay incentive program	12,630,000	0	0	0
Science and technology education center grant program	1,400,000	0	0	0
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 (HB 08-1386)	162,983	0	0	0
Colorado history day	60,000	0	0	0
<b>SUBTOTAL: PROFESSIONAL DEVELOPMENT AND INSTRUCTIONAL SUPPORT</b>	<b>\$98,494,056</b>	<b>\$34,667,619</b>	<b>\$35,508,459</b>	<b>\$35,967,609</b>
<i>Percent of Total Appropriations</i>	<i>1.3%</i>	<i>4.3%</i>	<i>6.6%</i>	<i>4.7%</i>
<b>OTHER GRANTS, DISTRIBUTIONS, AND ASSISTANCE</b>				
Transfer to Early Literacy Fund (SB 13-260)	\$84,000,000	\$34,000,000	\$34,000,000	\$34,000,000
School counselor corps grant program (HB 08-1370)	47,999,370	10,000,000	10,000,000	10,002,802
Assistance to BOCES (HB 12-1345)	9,209,045	3,308,255	3,308,255	3,310,782
Child nutrition school lunch protection program (SB 08-123)	6,800,000	850,000	850,000	850,731

TABLE 1: HISTORY OF APPROPRIATIONS FROM THE STATE EDUCATION FUND

DESCRIPTION	CUMULATIVE FY 2001-02 THRU FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Colorado student leaders institute pilot program	218,825	218,825	218,825	218,825
Transfer to Colorado Teacher of the Year Fund (HB 14-1298)	49,600	24,800	24,800	24,800
Interstate compact on educational opportunities for military children	208,506	20,619	20,619	19,182
Funding for new textbooks	14,144,066	0	0	0
Summer school grant program	2,988,563	0	0	0
Regional service cooperatives (SB 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 (HB 08-1388)	587,504	0	0	0
Family literacy education grant program	400,000	0	0	0
First responder school mapping (HB 08-1267)	150,000	0	0	0
<b>SUBTOTAL: OTHER GRANTS, DISTRIBUTIONS, AND ASSISTANCE</b>	<b>\$169,980,356</b>	<b>\$48,422,499</b>	<b>\$48,422,499</b>	<b>\$48,427,122</b>
<i>Percent of Total Appropriations</i>	<i>2.3%</i>	<i>6.3%</i>	<i>9.0%</i>	<i>6.3%</i>
<b>ACCOUNTABILITY/REFORM</b>				
Colorado student assessment program	\$159,870,478	\$26,268,932	\$25,586,546	\$26,081,831
Early literacy assessment tool (HB 12-1345)	8,475,251	2,987,226	2,997,072	2,997,072
Preschool to postsecondary alignment (SB 08-212)	4,978,852	594,753	594,753	603,594
Division of on-line learning (SB 07-215)	2,173,627	359,549	359,549	365,701
Basic skills placement or assessment tests (HB 12-1345)	1,691,834	50,000	50,000	50,000
Longitudinal assessment data analyses	984,000	298,000	298,000	298,000
Educator effectiveness unit administration (HB 13-1257)	361,445	129,253	129,253	129,523
Transfer to Financial Reporting Fund (HB 14-1292)	3,000,000	0	0	0
Transfer to Great Teachers and Leaders Fund (SB 13-260)	200,000	0	0	0
Educator effectiveness implementation (SB 10-191)	6,426,830	0	0	0
School improvement grant program	5,350,000	0	0	0
Facility schools unit and facility schools board (HB 08-1204)	523,568	0	0	0
Review and update of non-English assessments	411,953	0	0	0
Modifications to accountability reports	75,000	0	0	0
Study non-English assessments	50,000	0	0	0
Study administration of ACT	50,000	0	0	0
<b>SUBTOTAL: ACCOUNTABILITY/REFORM</b>	<b>\$194,622,838</b>	<b>\$30,687,713</b>	<b>\$30,015,173</b>	<b>\$30,525,721</b>
<i>Percent of Total Appropriations</i>	<i>2.6%</i>	<i>4.0%</i>	<i>5.6%</i>	<i>4.0%</i>
<b>TOTAL</b>	<b>\$7,382,043,281</b>	<b>\$773,370,931</b>	<b>\$540,719,257</b>	<b>\$772,558,953</b>
<i>Annual Dollar Change</i>		<i>(\$170,349,523)</i>	<i>(\$232,651,674)</i>	<i>\$231,839,696</i>
<i>Percent Annual Change</i>		<i>(18.1%)</i>	<i>(30.1%)</i>	<i>42.9%</i>

Table 2 summarizes SEF revenues and expenditures/appropriations for FY 2016-17 through FY 2018-19, including the ending fund balances for each year.

TABLE 2: COMPARISON OF STATE EDUCATION FUND REVENUES AND EXPENDITURES/APPROPRIATIONS  
(\$ MILLIONS)

DESCRIPTION	FY 2016-17	FY 2017-18	FY 2018-19
Beginning fund balance	\$302.3	\$102.2	\$206.3
Actual/projected revenues <sup>1</sup>	544.2	620.2	636.2
Appropriations/transfers to the SEF <sup>2</sup>	25.3	25.3	25.0
Actual expenditures/appropriation /transfers to other cash funds <sup>3</sup>	(769.7)	(541.4)	(773.4)
<b>Ending Fund Balance<sup>4</sup></b>	<b>\$102.2</b>	<b>\$206.3</b>	<b>\$94.1</b>

<sup>1</sup> Projected State Education Fund revenues for FY 2017-18 and FY 2018-19 are based on the amount of General Fund revenues anticipated to be directed or transferred to the Fund pursuant to the *March 2018* 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.

<sup>2</sup> Transfers from the General Fund to the State Education Fund for are based on S.B. 13-234.

<sup>3</sup> Actual expenditures are reflected for FY 2016-17; appropriations are reflected for FY 2017-18 and FY 2018-19. Amounts include the following transfers to other cash funds: \$34.0 million per year to the Early Literacy Fund pursuant to H.B. 14-1292; and \$24,800 per year to the Colorado Teacher of the Year Fund pursuant to H.B. 14-1298.

<sup>4</sup> Totals may not sum due to rounding.

# G. 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. Section 18 of Article X of the Colorado Constitution limits expenditures from gas taxes and license and registration fees exclusively to the construction, maintenance, and supervision of state highways. HUTF "off-the-top" refers to the portion of the HUTF that is appropriated to the Colorado State Patrol for highway supervision. This amount is deducted prior to the formula allocation of HUTF to the State Highway Fund, counties, and cities.

Section 43-4-201 (3)(a)(I)(C), C.R.S., limits the annual growth of HUTF off-the-top appropriations to no more than 6.0 percent of the off-the-top appropriation from the previous fiscal year, regardless of any increase or decrease in overall highway-related revenues. The following table shows the HUTF off-the-top appropriations subject to the limit for FY 2018-19 compared to FY 2017-18 appropriations, and the limit for FY 2018-19.

HUTF OFF-THE-TOP APPROPRIATIONS COMPARISON		
	APPROPRIATIONS COMPARISON	ANNUAL PERCENT CHANGE
FY 2017-18 HUTF Off-the-Top Appropriations Base	\$147,957,298	
6.0 Percent Allowable Growth	8,877,438	
FY 2018-19 HUTF Off-the-Top Appropriations Limit	\$156,834,736	6.0%
FY 2018-19 HUTF Off-the-Top Appropriations:		
Department of Public Safety, Colorado State Patrol (Long Bill Operating Budget)	\$155,541,518	
<b>TOTAL FY 2018-19 HUTF OFF-THE-TOP APPROPRIATIONS</b>	<b>\$155,541,518</b>	<b>5.1%</b>
Over / (Under) FY 2018-19 Off-the-Top Appropriations Limit	(\$1,293,218)	

# H. SEVERANCE TAX TRUST FUND OPERATIONAL FUND OVERVIEW

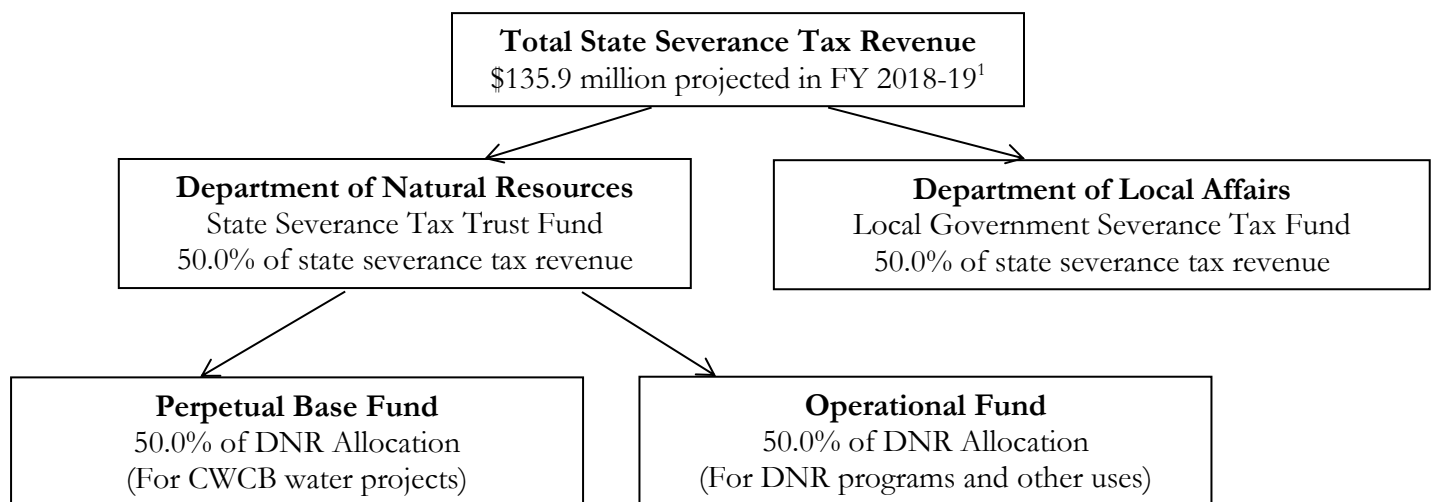
This appendix describes the allocation of state severance tax revenues and anticipated expenditures from the Severance Tax Operational Fund.

## SEVERANCE TAX REVENUE ALLOCATION

Pursuant to Section 39-29-108 (2), C.R.S., 50.0 percent of severance tax revenue is credited to the State Severance Tax Trust Fund, primarily for programs in the Department of Natural Resources (DNR), and the remaining 50.0 percent is credited to the Local Government Severance Tax Fund to be used by the Department of Local Affairs (DOLA) for grants and distributions to local governments affected by mining activities. Revenue in the State Severance Tax Trust Fund is further distributed as follows:

- Section 39-29-109 (2)(a)(II), C.R.S., provides that 50.0 percent of revenue deposited into the State Severance Tax Trust Fund (or 25.0 percent of total severance tax revenue) shall be allocated to the Severance Tax Perpetual Base Fund and used by the Colorado Water Conservation Board (CWCB) for water construction projects.
- Section 39-29-109 (2)(b), C.R.S., provides that the remaining 50.0 percent of State Severance Tax Trust Fund revenue (or 25.0 percent of total severance tax revenue) shall be allocated to the Severance Tax Operational Fund (Operational Fund) for programs that "...promote and encourage sound natural resource planning, management, and development related to minerals, energy, geology, and water..." and "...programs to reduce the burden of increasing home energy costs on low-income households..." (see also Section 39-29-109 (1), C.R.S.).

The following figure illustrates the statutory distribution of severance tax revenue:



<sup>1</sup> Based on the March 2018 Legislative Council Staff revenue forecast but does not include interest earnings on individual funds.

## SUMMARY OF THE SEVERANCE TAX OPERATIONAL FUND

The Operational Fund expenditures are divided into two tiers of programs. Tier 1 expenditures support the day-to-day operations of divisions within the DNR, including salaries and benefits for employees. Tier 2 programs support grants, loans, research, and construction. The required reserve for Tier 1 programs is equal to the total annual

appropriation for Tier 1 programs, while the required reserve for Tier 2 programs is equal to 15.0 percent of the annual authorized expenditures for those programs. Senate Bill 16-167 (Severance Tax Operational Fund Reserve Reduction) made a one-time exclusion of \$2.98 million from the Tier I reserve requirement for FY 2016-17.

The distribution of funding for all Tier 2 programs is staggered with 40.0 percent released on July 1, 30.0 percent released on January 1, and the remaining 30.0 percent released on April 1 of each fiscal year. Tier 2 programs are subject to proportional reductions if revenue projections indicate there will be insufficient revenue to support appropriations and authorized expenditures within a given fiscal year. In FY 2016-17 and FY 2017-18, funding for the majority of Tier 2 programs was eliminated due to severe reductions in revenue, effectively making 100 percent proportional reductions to all programs. However, due to a high revenue forecast in June 2017, three programs received transfers on July 1, 2017, and are included in the summary table below. For FY 2018-19, H.B. 18-1338 (Reduced Severance Tax Operational Fund Revenue) eliminated all Operational Fund transfers to Tier 2 programs unless the total amount of severance tax revenue that would have otherwise been credited to the Operational Fund exceeds \$40,942,016. The bill also directed transfers from the General Fund to certain Tier 2 programs for FY 2018-19, which are identified below. For additional information on H.B. 18-1338, see “Recent Legislation” at the end of Part III for the Department of Natural Resources.

TIER 2 PROGRAMS TARGETED WITH TRANSFERS	
TIER 2 PROGRAM	TRANSFER
Aquatic Nuisance Species	\$3,636,364
Species Conservation Trust Fund	3,000,000
Forestry and Wildfire Grants	2,272,727
Soil Conservation Districts Matching Grants	450,000
Forfeited Mine Site Reclamation	127,000
<b>TOTAL TIER 2 TRANSFERS</b>	<b>\$9,486,091</b>

The following table provides an overview of projected revenues and expenditures from the Operational Fund based on the March 2018 Legislative Council Revenue Forecast:

SEVERANCE TAX OPERATIONAL FUND				
	FY 2015-16 ACTUAL	FY 2016-17 ACTUAL	FY 2017-18 PROJECTED	FY 2018-19 PROJECTED
Beginning balance	\$52,759,696	\$16,352,419	\$14,405,310	\$740,876
Revenue <sup>1</sup>	16,972,369	16,199,916	5,820,638	29,066,596
<b>TOTAL AVAILABLE FOR EXPENDITURE</b>	<b>\$69,732,065</b>	<b>\$32,552,334</b>	<b>\$20,225,948</b>	<b>\$29,807,472</b>
<b>Roll-forwards</b>	<b>\$0</b>	<b>\$0</b>	<b>\$521,363</b>	<b>\$0</b>
<b>Colorado Energy Office<sup>2</sup></b>	<b>\$375,000</b>	<b>\$375,000</b>	<b>\$0</b>	<b>\$0</b>
<b>TIER 1 EXPENDITURES/APPROPRIATIONS</b>				
Oil and Gas Conservation Commission	\$4,576,745	\$7,376,784	\$6,148,067	\$6,148,067
Colorado Geological Survey	1,408,265	1,379,672	1,512,812	1,585,133
Avalanche Information Center	502,142	549,487	584,593	640,822
Division of Reclamation, Mining, and Safety	4,346,743	4,601,927	4,650,548	4,792,370
Colorado Water Conservation Board	1,286,676	1,301,937	1,319,250	1,319,250
Division of Parks and Wildlife	2,577,926	2,562,218	2,426,476	2,527,634
<b>TIER 1 SUBTOTAL</b>	<b>\$14,698,497</b>	<b>\$17,772,025</b>	<b>\$16,641,746</b>	<b>\$17,013,276</b>
<b>TIER 2 DISTRIBUTIONS<sup>3</sup></b>				
Water Infrastructure Development	\$9,103,590	\$0	\$0	\$0
Soil Conservation Districts Matching Grants	409,662	0	65,510	0
Water Efficiency Grants	500,697	0	0	0
Species Conservation Trust Fund	4,551,795	0	0	0
Low-income Energy Assistance (LEAP)	11,834,667	0	1,892,509	0
Renewable Energy - Agriculture <sup>4</sup>	455,179	0	0	0
Interbasin Water Compacts	678,278	0	0	0

SEVERANCE TAX OPERATIONAL FUND				
	FY 2015-16 ACTUAL	FY 2016-17 ACTUAL	FY 2017-18 PROJECTED	FY 2018-19 PROJECTED
Forest Restoration Grants	2,275,897	0	363,944	0
Aquatic Nuisance Species Fund	3,646,903	0	0	0
Forfeited Mine Site Reclamation <sup>5</sup>	115,616	0	0	0
Wildfire Risk Reduction Grants <sup>6</sup>	910,359	0	0	0
Watershed Restoration <sup>6</sup>	910,359	0	0	0
Dam Spillway Analysis <sup>6</sup>	1,092,431	0	0	0
Phreatophyte Control Grants <sup>7</sup>	1,820,718	0	0	0
<b>TIER 2 SUBTOTAL</b>	<b>\$38,306,151</b>	<b>\$0</b>	<b>\$2,321,963</b>	<b>\$0</b>
<b>TOTAL EXPENDITURES</b>	<b>\$53,379,646</b>	<b>\$18,147,025</b>	<b>\$19,485,072</b>	<b>\$17,013,276</b>
<b>Ending Balance</b>	<b>\$16,352,419</b>	<b>\$14,405,310</b>	<b>\$740,876</b>	<b>\$12,794,196</b>
Tier 1 Reserve (100% of Tier 1 Appropriations) <sup>8</sup>	\$14,698,496	\$14,792,025	\$16,641,746	\$17,013,276
Tier 2 Reserve (15% of Authorized Tier 2 Transfers)	6,311,711	5,531,711	5,456,711	5,456,711
<b>TOTAL RESERVE REQUIREMENT</b>	<b>\$21,010,207</b>	<b>\$20,323,736</b>	<b>\$22,098,457</b>	<b>\$22,469,987</b>
<b>UNOBLIGATED BALANCE/ (UNDER FUNDED RESERVE)</b>	<b>(\$4,657,788)</b>	<b>(\$5,918,426)</b>	<b>(\$21,357,581)</b>	<b>(\$9,675,791)</b>

<sup>1</sup> Revenue for FY 2017-18 and FY 2018-19 is estimated based on the March 2018 Legislative Council Staff revenue forecast and includes projected interest and statutory transfers approved by the General Assembly.

<sup>2</sup> Transfers to the Colorado Energy Office terminated in FY 2016-17.

<sup>3</sup> While Tier 2 programs received no Severance Tax revenue pursuant the statutory severance tax formula in FY 2016-17 through FY 2018-19, several programs received direct General Fund appropriations. See the description for H.B. 18-1338 at the end of Part III for the Department of Natural Resources for more detail.

<sup>4</sup> Transfers to the Agriculture Renewable Energy program terminated July 1, 2016.

<sup>5</sup> Funding for reclamation projects at forfeited mine sites was moved from Tier 1 to Tier 2 by H.B. 15-1150. The authorized distribution to the program is ongoing.

<sup>6</sup> These transfers were authorized for one year only by the following legislation: S.B. 15-022 for Wildfire Risk Reduction Grants and S.B. 15-253 for Watershed Restoration Projects and Dam Spillway Analysis (2015 CWCBC Projects Bill).

<sup>7</sup> Tier 2 transfers for the Phreatophyte Control Program were authorized for two years by H.B. 15-1006, starting in FY 2015-16. However, the bill included a provision to eliminate the second year transfer in FY 2016-17 if any proportional reductions were required.

<sup>8</sup> Senate Bill 16-167 (Severance Tax Operational Fund Reserve Reduction) excluded \$2.98 million from the Tier 1 reserve requirement for FY 2016-17. The Tier I reserve requirement is normally 100.0 percent of Tier 1 appropriations, pursuant to Section 39-29-109.3 (3)(a), C.R.S.

# I. TOBACCO REVENUE ALLOCATIONS

This appendix describes the allocation of revenues that Colorado receives from the Tobacco Master Settlement Agreement and from tobacco taxes imposed by Section 21 of Article X of the Colorado Constitution (often called Amendment 35).

## TOBACCO MASTER SETTLEMENT AGREEMENT REVENUE ALLOCATION

Colorado receives annual payments from tobacco manufacturers that participate in the 1998 Tobacco Master Settlement Agreement (MSA). Since 2006, the payments have been reduced due to ongoing disputes concerning Colorado's enforcement of its laws governing tobacco manufacturers that do not participate in the MSA. This disagreement has led most participating manufacturers to annually withhold a portion of their payments. The core MSA funding allocation process is described in Section 24-75-1104.5, C.R.S. In brief:

- The total amount of tobacco settlement funds allocated to programs equals 98.5 percent of the total settlement payments received by the State during the prior fiscal year. Annual allocations do not include disputed amounts that have been withheld by tobacco companies.
- Annual allocations include money received during the prior fiscal year and the current fiscal year.
- Most programs cannot spend their allocation without an appropriation. In most cases, the appropriation equals or approximates the annual allocation.

Allocation formula procedures are described in more detail below.

### AMOUNT TO BE ALLOCATED

The table below reflects the payment history, including the annual base payment and the amount withheld by tobacco companies. Amounts received in April of the prior year (e.g., FY 2016-17) determine total funding allocations for the current year (e.g., FY 2017-18).

COLORADO TOBACCO MASTER SETTLEMENT AGREEMENT PAYMENTS AND DISPUTED PAYMENTS 2007 TO 2017				
PAYMENT YEAR	FISCAL YEAR APPROPRIATION	BASE PAYMENT	DISPUTED AMOUNT WITHHELD	RELEASE OF PRIOR WITHHOLDINGS
CY 2007	FY 2007-08	\$82,005,568	\$12,113,579	\$0
CY 2008	FY 2008-09	103,640,385	7,711,843	0
CY 2009	FY 2009-10	105,419,647	7,062,223	7,411,531
CY 2010	FY 2010-11	95,709,303	8,714,641	0
CY 2011	FY 2011-12	89,065,763	13,614,015	0
CY 2012	FY 2012-13	90,809,964	11,574,809	0
CY 2013	FY 2013-14	90,769,997	12,362,477	0
CY 2014	FY 2014-15	89,037,053	11,756,684	11,367,403
CY 2015	FY 2015-16	88,079,225	12,500,634	0
CY 2016	FY 2016-17	92,200,153	11,168,694	0
CY 2017	FY 2017-18	91,116,849	13,639,276	0

### USE OF CURRENT AND PRIOR-YEAR REVENUE TO SUPPORT ALLOCATIONS - ACCELERATED PAYMENTS

Since FY 2008-09, allocations during a given year have been a combination of current-year and prior-year revenue. Prior to FY 2007-08, all allocations were based on revenue received in the prior year. Pursuant to H.B. 07-1359, for



FY 2008-09, the General Assembly began to rely on current year receipts to support current year allocations, which allowed it to redirect one-time funds of \$15.4 million to other purposes without reducing support for MSA-funded programs. Pursuant to S.B. 09-269, for FY 2010-11, the General Assembly expanded the use of current year revenue, using this mechanism to access \$65.0 million in one-time funding without reducing support for MSA programs. Because of these acts, MSA-funded programs operate for most of the fiscal year before the majority of the tobacco settlement revenue arrives. To do so, the programs receive advances from the Treasury which are repaid in April.

House Bill 12-1247 began to gradually reduce the use of such advances from the Treasury by reducing the use of current year revenue and increasing the use of prior year revenue for MSA allocations. This act requires spending from current year revenue to be reduced each year by any unallocated MSA funds and other residual funds in the Tobacco Litigation Settlement Cash Fund (approximately \$1.4 million per year, but varies by year). Allocations from reserves in the Tobacco Litigation Settlement Cash Fund compensate for the decline in spending from current year revenue, so that programs supported by MSA revenue receive no less than they would have under the previous formula.

## ALLOCATIONS TO PROGRAMS

House Bill 16-1408 redesigned how revenues are annually allocated. Prior to FY 2016-17, revenues were distributed according to a two-tier system. Starting in FY 2016-17, revenues are allocated on a percentage basis. The following table summarizes the changes made to revenue distribution starting in FY 2016-17. Marijuana funds in the table below represent programs which, starting in FY 2016-17, are funded with money in the Marijuana Tax Cash Fund and no longer funded with MSA money.

SUMMARY OF DISTRIBUTION CHANGES		
	PREVIOUS DISTRIBUTION TIERS	CURRENT DISTRIBUTION PERCENTAGES
<b>TIER 1 PROGRAMS</b>		
Children's Basic Health Plan Trust	25.0%	18.0%
Nurse Home Visitor	19.0%	26.7%
Fitzsimons Trust Fund	8.0%	8.0%
Early Literacy	5.0%	Marijuana Funds
Tony Gramscas Youth Services	4.0%	7.5%
Drug Assistance Program (Ryan White)	3.5%	5.0%
AIDS and HIV Prevention Grants	2.0%	3.5%
Tobacco Litigation Settlement Cash Fund	2.0%	2.5%
State Veterans	1.0%	1.0%
Dental Loan Repayment	\$200,000	1.0%
Child Mental Health Treatment Act	\$300,000	Marijuana Funds
Cancer Program (created in HB 16-1408)	n/a	2.0%
Autism Treatment	\$1,000,000	2.0%
<b>% OF REMAINDER AFTER TIER 1 PROGRAMS</b>		
<b>TIER 2 PROGRAMS</b>		
CU Health Sciences	49.0%	15.5%
Children's Basic Health Plan Trust	14.5%	Eliminated
Offender Mental Health Services	12.0%	Marijuana Funds
Alcohol & Drug Abuse	3.0%	Marijuana Funds
Local Public Health Agencies	7.0%	Marijuana Funds
Supplemental State Contribution	4.5%	2.3%
CO Immunization Fund	4.0%	2.5%
Health Services Corps (Loan Repayment)	\$250,000	1.0%
State Auditor's Office	\$89,000	Eliminated
Unallocated amount		1.5%

## 2018 SETTLEMENT AND SENATE BILL 18-280

In March 2018, the Office of the Attorney General reached a settlement with Participating Manufacturers regarding payment disputes under the 1998 Tobacco Master Settlement Agreement (MSA). The Settlement resolves disputed payments for calendar years 2004 through 2017. For budget purposes, this has two components:

- 1 A one-time payment of approximately \$113.3 million, credited to the General Fund.
- 2 A decrease of approximately \$20.0 million to the expected 2018 MSA annual payment.

In order to ensure that programs receiving MSA revenue would receive funding equal to the appropriations included in the FY 2018-19 Long Bill, S.B. 18-280 (Tobacco Litigation Settlement Cash Fund Transfer) set up a transfer of approximately \$20.0 million from the General Fund to the Tobacco Litigation Settlement Cash Fund, from which annual payments are distributed pursuant to statutory formula. This transfer restored funding to the amount forecasted in February 2018 and used to set FY 2018-19 appropriations.

The table below summarizes the total allocations by department and program for FY 2017-18 and FY 2018-19.

TOBACCO MASTER SETTLEMENT AGREEMENT REVENUE ALLOCATIONS			
	PERCENTAGE	FY 2017-18 ALLOCATION	FY 2018-19 FINAL ALLOCATION
Health Care Policy and Financing			
Children's Basic Health Plan Trust	18.00%	\$13,701,033	\$15,120,000
Autism Waiver	<u>2.00%</u>	<u>1,522,337</u>	<u>1,680,000</u>
Subtotal - Health Care Policy and Financing	20.00%	15,223,370	16,800,000
Higher Education			
University of Colorado Health Sciences Center	15.50%	11,798,112	13,020,000
Cancer Program	<u>2.00%</u>	<u>1,522,337</u>	<u>1,680,000</u>
Subtotal - Higher Education	17.50%	13,320,449	14,700,000
Human Services			
Nurse Home Visitor Program	26.70%	20,323,199	22,428,000
Tony Grampas Youth Services Program	<u>7.50%</u>	<u>5,708,764</u>	<u>6,300,000</u>
Subtotal - Human Services	34.20%	26,031,963	28,728,000
Law			
Tobacco Settlement Defense Account	2.50%	1,902,921	2,100,000
Military and Veterans Affairs			
State Veterans Trust Fund	1.00%	761,168	840,000
Personnel			
Supplemental State Contribution Fund	2.30%	1,750,688	1,932,000
Public Health and Environment			
Drug Assistance Program (ADAP; Ryan White)	5.00%	3,805,842	4,200,000
AIDS and HIV Prevention Grants (CHAPP)	3.50%	2,664,090	2,940,000
Immunizations	2.50%	1,902,921	2,100,000
Health Services Corps Fund	1.00%	761,168	840,000
Dental Loan Repayment Program	<u>1.00%</u>	<u>761,168</u>	<u>840,000</u>
Subtotal Public Health and Environment	13.00%	9,895,189	10,920,000
Capital Construction - Department of Higher Education -			
Fitzsimons Lease Purchase Payments	8.00%	6,089,348	6,720,000
Unallocated Amount	1.50%	1,141,753	1,260,000
<b>TOTAL</b>	<b>100.00%</b>	<b>\$76,116,849</b>	<b>\$84,000,000</b>

# CONSTITUTIONAL (AMENDMENT 35) TOBACCO TAX REVENUE ALLOCATION

Amendment 35 was approved by the voters in 2004 and added the following two cigarette and tobacco taxes to Section 21 of Article X of the Colorado Constitution:

- An additional \$0.64 tax on each pack of cigarettes sold in Colorado (a pack equals twenty cigarettes); and
- A statewide tobacco products tax equal to 20.0 percent of the manufacturer's list price, on the sale, use, consumption, handling, or distribution of tobacco products by distributors.

Amendment 35 was codified in Section 24-22-117, C.R.S. This provision outlines how revenue from Amendment 35 is allocated to various state agencies including the Departments of Health Care Policy and Financing (HCPF), Public Health and Environment (DPHE), and Revenue (REV). The following table summarizes the allocation of Amendment 35 revenue for FY 2017-18 and FY 2018-19.

DISTRIBUTION OF AMENDMENT 35 REVENUE				
DEPT.	PROGRAM AND/OR FUND	PERCENTAGE	FY 2017-18 APPROPRIATION	FY 2018-19 APPROPRIATION
HCPF	Health Care Expansion Fund	46.0%	\$67,518,800	\$65,919,380
HCPF	Primary Care Fund	19.0%	27,888,200	27,227,570
DPHE	Tobacco Education Programs Fund	16.0%	23,484,800	22,928,480
DPHE	Prevention, Early Detection and Treatment Fund	16.0%	23,484,800	22,928,480
HCPF	Old Age Pension Fund	1.5%	2,201,700	2,149,545
REV	Local governments to compensate for lost revenue from tobacco taxes	0.9%	1,321,020	1,289,727
DPHE	Immunizations performed by small local public health agencies.	0.3%	440,340	429,909
HCPF	Children's Basic Health Plan	0.3%	440,340	429,909
<b>TOTAL DISTRIBUTIONS</b>		<b>100.0%</b>	<b>\$146,780,000</b>	<b>\$143,303,000</b>

Money that is credited to the Prevention Early Detection and Treatment (PEDT) Fund is further divided among three programs: Breast and Cervical Cancer Program, Health Disparities Program Fund, and Center for Health and Environmental Information. The following table summarizes how the total funds credited to the PEDT Fund is further allocated.

BREAKDOWN OF MONEY CREDITED TO THE PREVENTION, EARLY DETECTION, AND TREATMENT FUND				
PROGRAM AND/OR FUND	PERCENTAGE	FY 2017-18	FY 2018-19	CHANGE
<b>TOTAL AMOUNT CREDITED TO THE PEDT FUND</b>		<b>\$23,071,466</b>	<b>\$22,928,480</b>	<b>(\$142,986)</b>
Breast and Cervical Cancer Program	20.0%	4,614,293	4,585,696	(28,597)
Health Disparities Program Fund	15.0%	3,460,720	3,439,272	(21,448)
Center for Health and Environmental Information	Fixed \$	283,884	116,942	(166,942)
<i>Remains in the Prevention, Early Detection and Treatment Fund</i>		<i>\$14,712,569</i>	<i>\$14,786,570</i>	<i>\$74,001</i>

The following table shows the Amendment 35 Tobacco Tax revenue distribution by Department for fiscal years 2016-17, 2017-18, and 2018-19.

AMENDMENT 35 TOBACCO TAX FY 2018-19 DISTRIBUTION BY DEPARTMENT		
DEPARTMENT	FY 2017-18	FY 2018-19
Department of Health Care Policy and Financing (HCPF)	\$98,049,040	\$95,726,404
Department of Public Health and Environment (PHE)	47,409,940	46,286,869
Department of Revenue (REV)	1,321,020	1,289,727

## RECENT LEGISLATION

### 2017 SESSION BILLS

No bills directly impacted the statutes governing the Tobacco Master Settlement Agreement or Amendment 35 Tobacco Tax.

### 2018 SESSION BILLS

**S.B. 18-280 (TOBACCO LITIGATION SETTLEMENT CASH FUND TRANSFER):** Transfers \$19,965,068 from the General Fund to the Tobacco Litigation Settlement Cash Fund and disburses this money pursuant to the allocation for annual payments received under the Tobacco Master Settlement Agreement.

# J. MARIJUANA TAX REVENUE ALLOCATIONS

This appendix provides an overview of state taxes related to marijuana and the allocation of these tax revenues, and a summary of appropriations and transfers from the Marijuana Tax Cash Fund for FY 2017-18 and FY 2018-19.

## LEGAL AND REGULATORY OVERVIEW

Marijuana has been legalized in Colorado through the passage of two citizen ballot initiatives that amended the State Constitution. In 2000, voters passed an initiative that added Section 14 to Article XVIII, authorizing the medical use of marijuana for persons suffering from debilitating medical conditions. In 2012, voters passed an initiative that added Section 16 to Article XVIII, authorizing personal use of marijuana.

The General Assembly has passed legislation to implement the constitutional provisions adopted by voters. The most significant statutory provisions concerning marijuana include:

- Colorado Medical Marijuana Code [Section 12-43.3-101 et. seq., C.R.S.]
- Colorado Retail<sup>1</sup> Marijuana Code [Section 12-43.4-101 et. seq., C.R.S.]
- Taxes on Marijuana and Marijuana Products [Section 39-28.8-101 et seq., C.R.S.]

Two state agencies are primarily responsible for implementing the above laws:

- The **Department of Revenue** regulates and controls the licensing of the cultivation, manufacture, distribution, and sale of medical and retail marijuana. These activities are supported by medical and retail marijuana business fees that are credited to the *Marijuana Cash Fund*<sup>2</sup>. The Department also collects, administers, and enforces state taxes and fees related to marijuana and marijuana products. These activities are supported by medical and retail marijuana sales tax revenues that are credited to the *Marijuana Tax Cash Fund*.
- The **Department of Public Health and Environment** administers certain aspects of the medical marijuana program, including administering the medical marijuana registry and distributing medical marijuana cards, and coordinating inspection of retail marijuana lab testing facilities. This Department's regulatory activities are supported by fees paid by patients seeking medical marijuana cards that are credited to the *Medical Marijuana Program Cash Fund*<sup>3</sup>, and the remaining activities are supported by medical and retail marijuana sales tax revenues that are credited to the *Marijuana Tax Cash Fund*.

## TAX REVENUE OVERVIEW

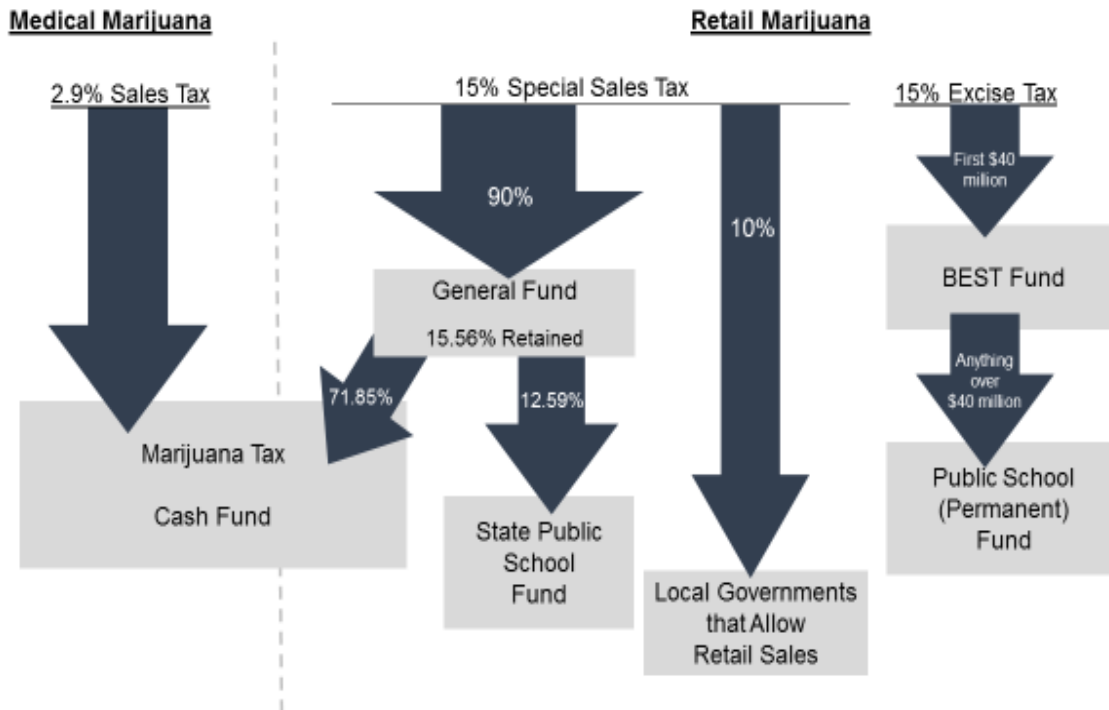
The State collects three types of taxes on marijuana products. The following graphic, which was prepared by Legislative Council Staff, illustrates the allocation of state tax revenue related to marijuana starting in FY 2018-19. A discussion of each type of tax and the allocation of the associated tax revenue follows.

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<sup>1</sup> While marijuana that is sold for personal use as authorized by Amendment 64 is generally called “recreational” marijuana, the statutory provisions that implement Amendment 64 use the term “retail” marijuana. Staff has generally used the term “retail” for purposes of this document.

<sup>2</sup> Actual business fee and fine revenues collected and credited to the Marijuana Cash Fund, along with associated interest and other adjustments, totaled \$14,221,913 in FY 2016-17.

<sup>3</sup> Actual patient fee revenues collected and credited to the Medical Marijuana Program Cash Fund, along with associated interest and other adjustments, totaled \$1,386,004 in FY 2016-17.



- First, the **regular state sales tax** (2.9 percent) is collected on consumer goods. While this tax was initially collected on both medical and retail marijuana sales, retail marijuana was exempted from this tax through S.B. 17-267. Since July 1, 2017, the general state sales tax has only applied to sales of medical marijuana and non-marijuana products (i.e., t-shirts and other novelty items). General sales tax revenue related to marijuana is credited to the *Marijuana Tax Cash Fund* (MTCF) and is used to support a variety of state programs and services. The allocation of money in this fund is discussed in more detail below.
- Second, a **special sales tax** (15.0 percent<sup>4</sup>) is collected on retail (but not medical) marijuana sales. Of the total amount collected annually, 10.0 percent is allocated to local governments based on the percentage of such revenues collected within the boundaries for each local government. The remaining 90.0 percent state share of special sales tax revenues is allocated among three funds:
  - 71.85 percent is transferred to the MTCF and annually appropriated for a variety of programs and services;
  - 12.59 percent<sup>5</sup> is transferred to the *State Public School Fund* and may be appropriated to the Department of Education for the State's share of total program funding for school districts and institute charter schools<sup>6</sup>; and
  - 15.56 percent<sup>5</sup> is retained in the *General Fund* and is thus available for appropriation in the fiscal year in which it is collected.

<sup>4</sup> In 2013, voters approved Proposition AA, which authorized the State to levy up to a 15.0 percent excise tax and up to a 15.0 percent special retail sales tax on retail marijuana and marijuana products. The State initially chose to levy a 10.0 percent special sales tax (effective January 1, 2014). Pursuant to S.B. 17-267, the special sales tax rate increased to 15.0 percent (effective July 1, 2017).

<sup>5</sup> For FY 2017-18 only, a flat amount of \$30,000,000 was transferred to the State Public School Fund, rather than transferring an amount equal to 12.59 percent of special sales tax revenues. Thus, for FY 2017-18, only \$10.3 million (7.20 percent of special sales tax revenues) is anticipated to be retained in the General Fund.

<sup>6</sup> Senate Bill 17-267 statutorily appropriated the amount transferred to the State Public School Fund in FY 2017-18 to the Department of Education for disbursement to schools in rural school districts in FY 2017-18. Pursuant to H.B. 18-1101, starting in FY 2018-19, the amount annually transferred to the State Public School Fund is subject to appropriation by the General Assembly and any such appropriation must occur in a fiscal year following the fiscal year in which the transfer occurs.

- Third, a marijuana **excise tax** (15.0 percent) is applied to the average market wholesale price of the product being sold or otherwise transferred from a retail marijuana cultivation facility. The average market wholesale prices are periodically set by the Department of Revenue’s Marijuana Enforcement Division. As required by the State Constitution<sup>7</sup>, the first \$40.0 million of excise tax revenue raised annually from retail marijuana wholesale products is credited to the *Public School Capital Construction Assistance Fund (PSCCAF)*. Money in this fund helps pay for local K-12 school construction projects through the Building Excellent Schools Today (BEST) program, which is administered through the Colorado Department of Education. Pursuant to H.B. 18-1070, starting in FY 2018-19, the greater of \$40.0 million or 90.0 percent of excise tax revenue will be credited to the PSCCAF. Any excise tax revenue that exceeds the amount transferred to the PSCCAF is credited to the *Public School Fund*, which is a constitutionally created fund that generates income to support public K-12 schools. From FY 2013-14 through FY 2016-17, a total of \$141.0 million from marijuana excise tax revenues has been credited to these two funds, including \$107.0 million to the PSCCAF<sup>8</sup> and \$34.0 million to the Public School Fund.

Two of the three sources of state marijuana-related tax revenues are not subject to the limitation on state fiscal year spending imposed by Article X, Section 20, of the State Constitution (the Taxpayer’s Bill of Rights or TABOR): the special sales tax and the excise tax<sup>9</sup>. However, the regular state sales tax (2.9 percent) revenue collected by medical marijuana centers and retail marijuana stores is subject to TABOR. In addition, the fees and fines paid by retail and medical marijuana businesses and the fees paid by medical marijuana patients are subject to TABOR. For FY 2016-17, the marijuana-related tax and fee revenue that is subject to TABOR totaled \$56.6 million (including \$41.0 million in sales tax revenues and \$15.6 million in fee revenue).

## MARIJUANA TAX CASH FUND OVERVIEW

The statutory provision that establishes the Marijuana Tax Cash Fund (MTCF) limits the timing, amount, and allowable uses of the MTCF<sup>10</sup>. With respect to **timing**, this provision states that the General Assembly may appropriate money in the MTCF to the Department of Revenue for the fiscal year in which the money was received by the State for the costs associated with implementing the Colorado Medical Marijuana Code, the Colorado Retail Marijuana Code, and provisions concerning taxes on marijuana and marijuana products. However, any other appropriations from the MTCF are limited to the fiscal year following the fiscal year in which the money was received (e.g., revenues collected in FY 2017-18 may only be appropriated for FY 2018-19 or subsequent fiscal years).

With respect to the **amount** appropriated from the MTCF, this statutory provision limits annual appropriations from the MTCF to 93.5 percent of the “amount of moneys in the fund available for appropriation.” This provision thus establishes an annual MTCF reserve that is similar to the statutory General Fund reserve requirement that was in place when the Fund was created<sup>11</sup>.

Finally, the General Assembly has specified the **allowable purposes** for which the General Assembly may appropriate money in the MTCF. These purposes are listed in Section 39-28.8-501 (2)(b)(IV), C.R.S., and are periodically amended through legislation.

The General Assembly makes annual appropriations from the MTCF based on the most recent revenue projections available from either Legislative Council staff or Department of Revenue staff. Appropriations for FY 2018-19 were premised on the March 2018 revenue forecast prepared by Legislative Council staff. A total of \$133.8 million is

<sup>7</sup> See Article XVIII, Section 16 (5)(d), of the State Constitution.

<sup>8</sup> This amount excludes an additional \$40.0 million that was transferred to the PSCCAF from the Proposition AA Refund Account in FY 2015-16, pursuant to voter approval of Proposition BB. The source of this funding was sales tax revenues, rather than excise tax revenues.

<sup>9</sup> See Sections 39-28.8-204 and 39-28.8-307, C.R.S., respectively.

<sup>10</sup> See Section 39-28.8-501 (2), C.R.S.

<sup>11</sup> See Section 24-75-201.1 (1)(d)(XIV), C.R.S.

projected to be available for transfers and appropriations for FY 2018-19, and the General Assembly appropriated or transferred a total of \$132.4 million. The following table details appropriations and transfers from the MTCF for FY 2017-18 and FY 2018-19.

SUMMARY OF APPROPRIATIONS FROM THE MARIJUANA TAX CASH FUND FOR FY 2017-18 AND FY 2018-19			
	FY 2017-18 APPROPRIATIONS	FY 2018-19 APPROPRIATIONS	ANNUAL CHANGE
<b>BREAKDOWN OF APPROPRIATIONS BY DEPARTMENT AND PROGRAM</b>			
<b>Agriculture:</b>			
Pesticide control and regulation	\$1,494,393	\$1,099,327	(\$395,066)
Hemp regulatory and seed certification	415,390	428,150	12,760
Colorado State Fair Authority: FFA and 4-H programming	<u>300,000</u>	<u>300,000</u>	<u>0</u>
<b>Subtotal: Agriculture</b>	<b>2,209,783</b>	<b>1,827,477</b>	<b>(382,306)</b>
<b>Education:</b>			
School Health Professionals Grant Program	11,970,783	11,930,434	(40,349)
Early Literacy Competitive Grant Program	4,378,678	4,378,678	0
Office of Dropout Prevention and Student Reengagement	2,000,000	2,000,419	419
Appropriation to the School Bullying Prevention and Education Cash Fund	2,000,000	2,000,000	0
Centrally appropriated amounts not accounted for above	<u>69,869</u>	<u>89,296</u>	<u>19,427</u>
<b>Subtotal: Education</b>	<b>20,419,330</b>	<b>20,398,827</b>	<b>(20,503)</b>
<b>Governor:</b>			
Office of Information Technology, Applications Administration	1,109,625	638,750	(470,875)
Evidence-based policymaking evaluation and support	500,000	435,675	(64,325)
Governor's Office	<u>117,199</u>	<u>131,054</u>	<u>13,855</u>
<b>Subtotal: Governor</b>	<b>1,726,824</b>	<b>1,205,479</b>	<b>(521,345)</b>
<b>Health Care Policy and Financing:</b>			
Training for health professionals to provide Screening, Brief Intervention, and Referral for Treatment (SBIRT) services for Medicaid clients at risk for substance abuse	<u>750,000</u>	<u>750,000</u>	<u>0</u>
<b>Subtotal: Health Care Policy and Financing</b>	<b>750,000</b>	<b>750,000</b>	<b>0</b>
<b>Higher Education:</b>			
Institute of Cannabis Research at CSU-Pueblo (S.B. 16-191)	1,800,000	1,800,000	0
Medication-assisted Treatment Pilot Program (S.B. 17-074)	500,000	500,000	0
Center for Research Into Substance Use Disorder Prevention, Treatment, and Recovery Support Strategies (S.B. 17-193)	<u>1,000,000</u>	<u>0</u>	<u>(1,000,000)</u>
<b>Subtotal: Higher Education</b>	<b>3,300,000</b>	<b>2,300,000</b>	<b>(1,000,000)</b>
<b>Human Services:</b>			
Increasing access to effective substance use disorder services, including evaluation of intensive residential treatment (S.B. 16-202)	12,189,109	15,284,950	3,095,841
Mental health services for juvenile and adult offenders	5,519,298	5,574,491	55,193
Criminal justice diversion programs (Law Enforcement Assisted Diversion or "LEAD" pilot programs and S.B. 17-207)	5,517,942	5,561,828	43,886
Enhance behavioral health crisis response system (S.B. 17-207)	4,070,318	4,344,438	274,120
Programs that fund service alternatives to placing youth in a correctional facility (S.B. 91-094)	2,028,036	2,048,317	20,281
Circle Program for adults with co-occurring mental health and substance use disorders	830,629	1,993,511	1,162,882
Tony Gramscas Youth Services Program grants for the prevention of youth marijuana use	1,373,672	1,373,672	0
Behavioral health services for individuals in rural areas show have co-occurring mental health and substance use disorders	1,035,529	1,045,884	10,355
Appropriation to the Youth Mentoring Services Cash Fund (Tony Gramscas Youth Services Program)	1,000,000	1,000,000	0
Community prevention and treatment for alcohol and drug abuse	756,298	763,861	7,563
Medication consistency and health information exchange (S.B. 17-019)	0	491,700	491,700
Expansion of evidence based Incredible Years program	0	481,236	481,236
Office of Behavioral Health administrative expenses	310,587	475,329	164,742



SUMMARY OF APPROPRIATIONS FROM THE MARIJUANA TAX CASH FUND FOR FY 2017-18 AND FY 2018-19			
	FY 2017-18 APPROPRIATIONS	FY 2018-19 APPROPRIATIONS	ANNUAL CHANGE
Substance use disorder treatment at the mental health institutes	556,986	468,031	(88,955)
Mental Health Treatment Services for Youth (H.B. 99-1116)	304,205	407,247	103,042
Competency restoration services and education (S.B. 17-012)	18,000	0	(18,000)
Indirect cost assessments and centrally appropriated amounts not accounted for above	<u>2,046,134</u>	<u>2,049,021</u>	<u>2,887</u>
<b>Subtotal: Human Services</b>	<b>37,556,743</b>	<b>43,363,516</b>	<b>5,806,773</b>
<b>Judicial:</b>			
Appropriation to the Correctional Treatment Cash Fund for jail-based behavioral health services (administered through the Department of Human Services)	<u>1,571,728</u>	<u>1,587,445</u>	<u>15,717</u>
<b>Subtotal: Judicial</b>	<b>1,571,728</b>	<b>1,587,445</b>	<b>15,717</b>
<b>Labor and Employment:</b>			
Colorado Veterans' Service-to-career Pilot Program (H.B. 16-1267)	<u>165,296</u>	<u>0</u>	<u>(165,296)</u>
<b>Subtotal: Labor and Employment</b>	<b>165,296</b>	<b>0</b>	<b>(165,296)</b>
<b>Law:</b>			
Local law enforcement training through the Peace Officers Standards and Training (POST) Board	750,000	1,036,766	286,766
Develop in-house legal expertise and training	<u>286,766</u>	<u>0</u>	<u>(286,766)</u>
<b>Subtotal: Law</b>	<b>1,036,766</b>	<b>1,036,766</b>	<b>0</b>
<b>Local Affairs:</b>			
Affordable Housing Construction Grants and Loans	15,300,000	15,300,000	0
Gray and Black Market Marijuana Enforcement Efforts (H.B. 17-1221)	5,919,036	5,940,151	21,115
Local Government Retail Marijuana Impact Grant Program	1,117,540	0	(1,117,540)
Indirect cost assessments and centrally appropriated amounts not accounted for above	<u>141,389</u>	<u>395,247</u>	<u>253,858</u>
<b>Subtotal: Local Affairs</b>	<b>22,477,965</b>	<b>21,635,398</b>	<b>(842,567)</b>
<b>Public Health and Environment:</b>			
Substance abuse prevention	9,408,800	9,420,800	12,000
Public awareness campaign	4,650,000	4,650,000	0
Medical marijuana research grants	0	3,000,000	3,000,000
Distributions to Local Public Health Agencies	1,792,362	1,810,286	17,924
Retail marijuana health research grants	866,122	867,167	1,045
Healthy Kids Colorado Survey	745,124	748,314	3,190
Marijuana lab certification	1,295,543	698,656	(596,887)
Marijuana Health Effects Monitoring	320,388	330,729	10,341
Health survey data collection	238,000	238,000	0
Data collection and analysis (S.B. 13-283)	90,939	90,939	0
Enhanced marijuana data collection through Rocky Mountain Poison and Drug	60,100	60,100	0
Indirect cost assessments and centrally appropriated amounts not accounted for above	<u>1,263,368</u>	<u>2,407,606</u>	<u>1,144,238</u>
<b>Subtotal: Public Health and Environment</b>	<b>20,730,746</b>	<b>24,322,597</b>	<b>3,591,851</b>
<b>Public Safety:</b>			
Black market marijuana interdiction	0	1,093,470	1,093,470
Juvenile diversion programs	400,000	400,000	0
Study of the impacts of the legalization of retail marijuana (S.B. 13-283/S.B. 16-191)	159,983	162,174	2,191
Public Safety Intelligence Support Related to the Illegal Sale and Diversion of Marijuana	56,998	75,774	18,776
Collection of medical marijuana information by law enforcement agencies (S.B. 15-014)	61,940	61,940	0
Reserve Peace Officer Academy Grant Program (S.B. 17-096)	814,834	16,183	(798,651)
Indirect cost assessments and centrally appropriated amounts not accounted for above	<u>57,039</u>	<u>89,477</u>	<u>32,438</u>
<b>Subtotal: Public Safety</b>	<b>1,550,794</b>	<b>1,899,018</b>	<b>348,224</b>

SUMMARY OF APPROPRIATIONS FROM THE MARIJUANA TAX CASH FUND FOR FY 2017-18 AND FY 2018-19			
	FY 2017-18 APPROPRIATIONS	FY 2018-19 APPROPRIATIONS	ANNUAL CHANGE
<b>Regulatory Agencies:</b>			
Improve enforcement of medical marijuana gray market	<u>304,225</u>	<u>0</u>	<u>(304,225)</u>
<b>Subtotal: Regulatory Agencies</b>	<b>304,225</b>	<b>0</b>	<b>(304,225)</b>
<b>Transportation:</b>			
Marijuana impaired driving campaign	<u>950,000</u>	<u>950,000</u>	<u>0</u>
<b>Subtotal: Transportation</b>	<b>950,000</b>	<b>950,000</b>	<b>0</b>
<b>Subtotal: Appropriations from Revenues Collected in Previous Fiscal Year</b>	<b>\$114,750,200</b>	<b>\$121,276,523</b>	<b>\$6,526,323</b>
Appropriation to the Department of Revenue from revenues collected in same fiscal year pursuant to Section 39-28.8-501 (2)(a)(I), C.R.S.	<u>1,591,805</u>	<u>1,532,087</u>	<u>(59,718)</u>
<b>TOTAL FY 2017-18 APPROPRIATIONS AND</b>			
<b>TOTAL FY 2018-19 LONG BILL APPROPRIATIONS</b>	<b>\$116,342,005</b>	<b>\$122,808,610</b>	<b>\$6,466,605</b>
<b>OTHER APPROPRIATIONS AND TRANSFERS</b>			
<b>FY 2018-19 Appropriations and Transfers Included in Other 2018 Legislation [Bill: Topic (Affected Departments)]:</b>			
S.B. 18-024: Expand access to behavioral health care providers (Public Health and Environment)	\$0	\$2,500,000	\$2,500,000
H.B. 18-1003: Opioid misuse prevention (Health Care Policy and Financing, Higher Education, and Public Health and Environment)	0	2,450,000	2,450,000
H.B. 18-1020: Civil forfeiture reforms (Public Safety)	0	1,487,821	1,487,821
H.B. 18-1343: Veterans' Service-to-Career Program (Labor and Employment)	0	1,000,000	1,000,000
H.B. 18-1393: Effective implementation of READ Act (Education)	0	1,000,000	1,000,000
H.B. 18-1434: Safe2Tell Program New Duties and Annual Report (Law)	<u>0</u>	<u>164,920</u>	<u>164,920</u>
<b>TOTAL APPROPRIATIONS IN OTHER 2017 LEGISLATION</b>	<b>\$0</b>	<b>\$8,602,741</b>	<b>\$8,602,741</b>
<b>Statutory Transfers:</b>			
Transfer to a cash fund for H.B. 18-1323 (Pay for Success Contracts)	\$0	\$989,470	\$989,470
Transfer to General Fund for H.B. 17-1351 (HCPF study of inpatient substance use disorder treatment)	<u>37,500</u>	<u>0</u>	<u>(37,500)</u>
<b>TOTAL STATUTORY TRANSFERS</b>	<b>\$37,500</b>	<b>\$989,470</b>	<b>\$951,970</b>
<b>TOTAL APPROPRIATIONS AND TRANSFERS FROM THE MARIJUANA TAX CASH FUND</b>	<b>\$116,379,505</b>	<b>\$132,400,821</b>	<b>\$16,021,316</b>

# K. 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 the Treasury) follow in that order.

Responses to these requests for information are typically summarized in Joint Budget Committee staff briefing documents (available at [leg.colorado.gov/content/budget](http://leg.colorado.gov/content/budget)). Department submissions may also be requested in their entirety from the Legislative Library (email: [lcs.ga@state.co.us](mailto:lcs.ga@state.co.us); or telephone: (303) 866-4011).

# STATE OF COLORADO

## REPRESENTATIVES

MILLIE HAMNER - CHAIR  
DAVE YOUNG  
BOB RANKIN

## SENATORS

KENT LAMBERT - VICE-CHAIR  
KEVIN LUNDBERG  
DOMINICK MORENO



## STAFF DIRECTOR

JOHN ZIEGLER

JOINT BUDGET COMMITTEE  
200 EAST 14TH AVENUE, 3RD FLOOR  
LEGISLATIVE SERVICES BUILDING  
DENVER, CO 80203  
TELEPHONE 303-866-2061  
<http://leg.colorado.gov/agencies/joint-budget-committee>

May 1, 2018

Hon. John Hickenlooper, Governor  
136 State Capitol  
Denver, CO 80203-1792

Dear Governor Hickenlooper:

The General Assembly recently finalized the FY 2018-19 Long Bill. Pursuant to Section 24-75-112 (2), C.R.S., the Long Bill footnotes no longer include requests for information. In lieu of such footnotes, the Joint Budget Committee respectfully submits the following requests for information. These requests are associated with specific Long Bill line items, and each has its own details and deadlines. Consistent with the provisions of Section 2-3-203 (3), C.R.S., information requests have been prioritized within each department in the attached lists.

To assist our staff in organizing and tracking submissions, we would appreciate if the department would follow the protocol outlined in an attachment to this letter with respect to submitting hard copies and electronic responses. The Committee requests that the department comply with these requests for information to the fullest extent possible.

Please notify us by June 1, 2018 if the department does not intend to comply with any requests.

Sincerely,

A handwritten signature in cursive script that reads "Millie Hamner".

Representative Millie Hamner  
Chair

cc:

Executive Agency Directors  
Henry Sobanet, Office of State Planning and Budgeting  
John Ziegler, Staff Director, Joint Budget Committee

**Attachment**  
**Requested Format for Responses to Legislative Requests for Information**

Please submit both hard (paper) copies and electronic copies of request for information (RFI) responses as follows:

- Hard copies: One (1) hard copy should be delivered by the requested due-date to the Joint Budget Committee (JBC) offices at 200 East 14th Ave., Denver, 3rd Floor.
- Electronic copies: An electronic copy of all paper submissions should also be submitted. This should be sent by email to:
  - The JBC analyst(s) responsible for the specified budget area(s)
  - Jessi Neuberg ([jessi.neuberg@state.co.us](mailto:jessi.neuberg@state.co.us)) at the JBC offices
  - Legislative Council Staff at the following address: [lcs.ga@state.co.us](mailto:lcs.ga@state.co.us)

The Legislative Council Staff ([lcs.ga@state.co.us](mailto: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 2018-19 for the RFIs listed in this letter)
  - Correct RFI number, as listed in this letter

Please include this information in the subject line for electronic submissions, as well as in the body of both electronic and hard copy submissions.

- Please use the following naming convention for your electronic attachments:

**"[Department] [fiscal year] [RFI Number]"**

For example, the attachment providing the response to RFI #5 in the Department of Health Care Policy and Financing would be entitled: **Health Care Policy and Financing FY 2018-19 RFI #5**.

# LEGISLATIVE REQUESTS FOR INFORMATION FOR FY 2018-19

## REQUESTS AFFECTING MULTIPLE DEPARTMENTS

- 1 Department of Corrections; Department of Human Services; Judicial Department; Department of Public Safety; and Department of Transportation -- State agencies involved in multi-agency programs requiring separate appropriations to each agency are requested to designate one lead agency to be responsible for submitting a comprehensive annual budget request for such programs to the Joint Budget Committee, including prior year, request year, and three year forecasts for revenues into the fund and expenditures from the fund by agency. The requests should be sustainable for the length of the forecast based on anticipated revenues. Each agency is still requested to submit its portion of such request with its own budget document. This applies to requests for appropriation from: the Alcohol and Drug Driving Safety Program Fund, the Law Enforcement Assistance Fund, the Offender Identification Fund, the Persistent Drunk Driver Cash Fund, and the Sex Offender Surcharge Fund, among other programs.
- 2 Department of Education, Assistance to Public Schools, Categorical Programs; and Department of Higher Education, Division of Occupational Education, Distribution of State Assistance for Career and Technical Education pursuant to Section 23-8-102, C.R.S. – The Department of Education is requested to work with the Department of Higher Education and to provide to the Joint Budget Committee information concerning the distribution of state funds available for each categorical program, excluding grant programs. The information for special education programs for children with disabilities, English language proficiency programs, public school transportation, career and technical education, and small attendance center aid is requested to include the following: (a) a comparison of the state funding distributed to each district or administrative unit for each program in fiscal year 2017-18 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 2016-17 and actual district expenditures for each program in fiscal year 2016-17. 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 2016-17 and actual district expenditures in fiscal year 2016-17.
- 3 Governor – Lieutenant Governor – State Planning and Budgeting, Office of State Planning and Budgeting; and Department of Public Safety, Division of Homeland Security and Emergency Management, Office of Emergency Management, Disaster Response and Recovery -- The Office of Emergency Management is requested to work with the Office of State Planning and Budgeting to provide a report to the Joint Budget Committee by November 1, 2018, concerning revenues credited to and expenditures made from the Disaster Emergency Fund in fiscal years 2016-17, 2017-18, and 2018-19 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; (c) actual expenditures from the Fund, by declared disaster emergency, (d) reimbursements credited to the Fund, by date and source, and (e) total fund balance and unencumbered fund balance.

- 4 Department of Health Care Policy and Financing, Executive Director's Office; and Department of Military Affairs, Executive Director and Army National Guard -- The Departments are requested to explore the potential for comparing Medicaid, veterans services, and other data sources to identify individuals who might benefit from enrolling in or expanding their use of federal Veterans Administration (VA) benefits. The Departments are requested to submit a report by November 1, 2018, addressing the following questions.
  - Based on Public Assistance Reporting Information System (PARIS) data matching, how many veterans are dually enrolled in Medicaid and VA benefits in Colorado? What are the Medicaid expenditures for such dually enrolled individuals, and what share of this is supported with state funds? Provide a comparison of the most significant Medicaid service expenditures being made on behalf of these individuals and the services available through the VA. Based on this review, do the Departments believe that a significant number of dually enrolled individuals could make better use of VA services than they do presently? Based on available Colorado data and the experience of other states, do the Departments believe that assisting or encouraging a targeted group of individuals to access specific additional VA services is likely to yield service benefits to the individuals and/or financial benefits to the State? Provide an analysis of the costs and financial and other benefits the State might achieve from such an initiative. If the data indicate that benefits would outweigh the costs, include recommendations for next steps for achieving these savings. For example, should the State implement a pilot program? If so, in which department?
  - How can the State identify veterans who are accessing state supported benefits such as Medicaid but who are **not** enrolled for federal veterans benefits? Can the State cross-check its enrollees with federal databases that identify former service members/ former service members known to reside in Colorado? Is relevant information about veteran status currently collected in the Colorado Benefits Management System (CBMS) or could such information be collected? What do the Departments see as the benefits versus risks associated with adding a question to CBMS about whether an applicant formerly served in the U.S. Military? Have any other states successfully launched initiatives to mine federal data or use their own benefits enrollment systems to identify veterans who may be eligible for federal benefits but who have not enrolled? If so, how have they used this data and what has been the impact?
- 5 Department of Health Care Policy and Financing, Executive Director's Office and Department of Higher Education, Governing Boards, Regents of the University of Colorado -- Based on agreements between the University of Colorado and the Department of Health Care Policy and Financing regarding the use of Anschutz Medical Campus Funds as the State contribution to the Upper Payment Limit, the General Assembly anticipates various public benefits. The General Assembly further anticipates that any increases to funding available for this program will lead to

commensurate increases in public benefits. The University of Colorado and the Department of Health Care Policy and Financing are requested to submit a report to the Joint Budget Committee about the program and these benefits by October 1, 2018.

- 6 Department of Health Care Policy and Financing, Medical Services Premiums; Indigent Care Program, Children's Basic Health Plan Medical and Dental Costs; Department of Higher Education, Colorado Commission on Higher Education, Special Purpose, University of Colorado, Lease Purchase of Academic Facilities at Fitzsimons; Governing Boards, Regents of the University of Colorado; Department of Human Services, Division of Child Welfare, Tony Grampas Youth Services Program; Office of Early Childhood, Division of Community and Family Support, Nurse Home Visitor Program; Department of Military and Veterans Affairs, Division of Veterans Affairs, Colorado State Veterans Trust Fund Expenditures; Department of Personnel, Division of Human Resources, Employee Benefits Services, H.B. 07-1335 Supplemental State Contribution Fund; Department of Public Health and Environment, Disease Control and Environmental Epidemiology Division, Administration, General Disease Control, and Surveillance, Immunization Operating Expenses; Special Purpose Disease Control Programs, Sexually Transmitted Infections, HIV and AIDS Operating Expenses, and Ryan White Act Operating Expenses; Prevention Services Division, Chronic Disease Prevention Programs, Oral Health Programs; Primary Care Office -- Each Department is requested to provide the following information to the Joint Budget Committee by November 1, 2018, for each program funded with Tobacco Master Settlement Agreement money: the name of the program; the amount of Tobacco Master Settlement Agreement money received and expended by the program for the preceding fiscal year; a description of the program including the actual number of persons served and the services provided through the program; information evaluating the operation of the program, including the effectiveness of the program in achieving its stated goals.
- 7 Department of Human Services, Department of Education -- The Departments are requested to submit on or before November 1, 2018 a report to the Joint Budget Committee concerning the agreement between the two Departments on the Part C Child Find program including: the process used, the outcomes of the process, the Department's interpretation on how the process progressed, and the anticipated outcome of the process.
- 8 Department of Human Services, Department of Education -- The Departments are requested to submit on or before June 1, 2019 a report to the Joint Budget Committee concerning the breakdown of the costs of Part C Child Find evaluations, including the cost per evaluator, cost per evaluation, cost per geographic area, and cost by expertise for each evaluation.
- 9 Department of Regulatory Agencies, Public Utilities Commission; Department of Human Services, Executive Director's Office, Special Purpose; Department of Human Services, Office of Early Childhood, Division of Early Care and learning -- The Departments are requested to submit a quarterly report beginning September 1, 2018 on the status of translation services for the deaf and hard of hearing. The report should include information on expenditures, cash fund balance



for the Telephone Users with Disabilities Fund, locations of translation services, number of individuals served, category of services (doctor's office, school, etc.), county location of individuals requesting service, and the amount of time between request for translations services and the provision of those services.

## DEPARTMENT OF AGRICULTURE

- 1 Department of Agriculture, Colorado State Fair, State Fair Facilities Maintenance – The Department is requested to provide on November 1, 2018 a report on facility maintenance projects for the Colorado State Fairgrounds. This report should include the following for each facility with planned maintenance: facility name, the type and nature of maintenance, the anticipated cost of the maintenance, the expenditures to-date on the maintenance, and the anticipated completion date.

## DEPARTMENT OF CORRECTIONS

- 1 Department of Corrections, Institutions – The Department is requested to provide by November 1, 2018 information on the number and type of specialized treatment beds within the correctional facilities operated by the Department. The information submitted by the Department should include, at a minimum, the following information: the types of specialized treatment beds, the number of specialized treatment beds by type and location, the number of offenders receiving services, the number of the offenders waiting for each type of specialized bed, the cost per bed, the requirements for an offender to fill one of the specialized beds, and the services provided in those beds.
- 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, 2019, detailing progress related to the mental health unit at the Centennial Correctional Facility.

## 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, 2018, information concerning the Colorado Preschool Program. The information provided is requested to include the following for fiscal year 2017-18: (a) data reflecting the ratio of the total funded pupil count for the Program to the total funded pupil count for kindergarten; (b) data indicating the number of three-year-old children who participated in the Program; (c) data indicating the number of children who participated in the Program for a full-day rather than a half-day; and (d) the state and local shares of total program funding that are attributable to the Program.

- 2 Department of Education, Assistance to Public Schools, Grant Programs, Distributions, and Other Assistance – The Department is requested to provide information to the Joint Budget Committee by November 1, 2018, 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 2015-16 and 2016-17.

## 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, behavioral health capitation, and the intellectual and developmental disabilities line items to the Joint Budget Committee, by the fifteenth or first business day following the fifteenth of each month. The Department is requested to include in the report the managed care organization caseload by aid category. The Department is also requested to provide caseload and expenditure data for the Children's Basic Health Plan, the Medicare Modernization Act State Contribution Payment, and the Old Age Pension State Medical Program within the monthly report. The Department is also requested to include in the report the number of applications and the number of approvals for new intermediate care facilities for individuals with intellectual disabilities, including the number of beds and the cost of those beds.
- 2 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.
- 3 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.
- 4 Department of Health Care Policy and Financing, Office of Community Living; Department of Human Services, Services for People with Disabilities, Regional Centers; and Department of Public Health and Environment, Health Facilities and Emergency Medical Services Division, Health Facilities Division -- The Departments are requested to provide by November 1, 2018 the status of the implementation of Regional Center Task Force recommendations.

- 5 Department of Health Care Policy and Financing, Office of Community Living – The Department is requested to provide to the Joint Budget Committee, by November 1, 2018, information concerning the intellectual and developmental disabilities home and community based services waiver search function on the Department’s website, including the process through which the Department will: publicize the search functionality of the website, determine the degree to which individuals are utilizing the website to find the services and providers they need; and the degree to which individuals utilize the information obtained through the website. In addition, the Department is requested to provide data for each of the above metrics.

## DEPARTMENT OF HIGHER EDUCATION

- 1 Colorado Department of Higher Education, Colorado Commission on Higher Education, Administration -- The Department is requested to work with JBC Staff and Legislative Council staff during the legislative interim to explore options for making the funding model more intuitive and transparent. As part of this effort, the Department is requested to have a functioning version of all portions of the model, including the performance section of the model, available in spreadsheet format by July 1, 2018. The Department is also requested to continue its efforts to incorporate a model component for students who are first in their families to attend college.
- 2 Colorado Department of Higher Education, Colorado Commission on Higher Education, Administration and Colorado Commission on Higher Education Financial Aid, Special Purpose, Colorado Opportunity Scholarship Initiative -- Based on consultation with the Colorado Opportunity Scholarship Initiative Advisory Board created in Section 23-3.3-1004, C.R.S., the department is requested to submit a proposal, by October 1, 2018, for statutory changes to enable responsible spend-down of the program’s corpus without disrupting the program. This proposal may include:
  - A proposal to ensure that amounts committed for scholarships in current and future years are protected until they are used.
  - A proposal for statutory changes, which may include changes to Section 23-3.3-1005 (4) and 23-3.3-1004 (4)(a)(III)(A), C.R.S., to ensure that all components of the initiative, including student support activities, scholarships, and administrative and technical support, may be annually funded at a level deemed appropriate by the General Assembly and the Board while the corpus is expended.

This proposal may also include any other changes recommended by the Board and the Department to support the program’s ongoing success.

- 3 Department of Higher Education, Colorado Commission on Higher Education, Administration -  
- The Department, in collaboration with the institutions, is requested to examine the time and resources required to transition budget data book data collection, reporting, and maintenance from spreadsheet format to a database format. The Department is requested to consider changes that ensure budget data book information is no less comprehensive than the data currently submitted, may be easily accessed and analyzed by JBC staff, the governing boards, and the public, and may

be reported out in multiple formats, including in spreadsheet format. As part of this process, the Department should also consider how changes could contribute to efficiencies and reduce duplicate data entry by institutions. This may include an analysis of whether any of the data submitted for the budget data book database could be better aligned and/or transferrable to and from the SURDS database, the financial aid database, and the federal IPEDS database to reduce workload and enhance researchers' ability to analyze available data. The Department is requested to submit this report by October 1, 2018.

- 4 Governor-Lieutenant Governor-State Planning and Budgeting, Governor's Office of Information Technology and Department of Higher Education, History Colorado -- The Governor's Office of Information Technology and History Colorado are requested to submit a report by October 1, 2018, on the status of projects to improve information technology and communication services for History Colorado. These include the following:

- Clarify OIT billing: OIT staff will work with History Colorado to determine all services needed and associated costs, resolve outstanding questions about how Microsoft software licenses should be purchased and billed, and clarify all components of both common policy and direct billing from OIT. Target dates: March 31 to June 30, 2018.
- Clarify OIT Service Level Agreements: OIT staff will work with History Colorado to clarify the level of service provided in the current service level agreements at all of its properties, including internet, deskside support and phone service, and determine if the agreements meet the agency's business needs.
- Point of Sale Technology: OIT and History Colorado will jointly complete and post an RFP to procure Point of Sale (POS) technology for the community museums, complete the bidding process and have a vendor under contract by June 2018.
- Internet Connectivity - Community Museums: OIT and History Colorado will launch a "proof of concept" test that will enable History Colorado to use an alternative internet services provider at the El Pueblo History Museum. OIT will also cancel unused phone lines and streamline charges for all community museums. The "proof of concept" will be initiated and billing changes implemented by June 30, 2018. Best efforts should be made to ensure Trinidad History Museum and Byers-Evans House Museum have high-speed internet connectivity by June 30, 2018. Internet connectivity at Fort Garland Museum, Grant-Humphreys Mansion and Fort Vasquez should be live by June 30, 2019 and Healy House/Dexter Cabin should be live by June 30, 2020.
- Internet Connectivity - History Colorado Center and Ute Indian Museum: OIT will complete network testing at Ute Indian Museum and History Colorado Center and make recommendations to insure that wifi networks are setup properly for the needs of each space. Survey and recommendations with cost will be made available by June 30, 2018.
- Interactive Geographical Information System: History Colorado will hire a project manager to work with OIT to determine if History Colorado should hire an outside entity or use OIT to stand-up and host an electronic Section 106 interactive Geographical Information System (GIS) platform, used to map Colorado's cultural resources. The goal is to replace the current outdated system and ensure a better client experience. A decision as to whether the platform will be hosted by an outside entity or use OIT will be made by June 30, 2018.

- Deskside support: OIT will take proactive steps to address deskside support problems at History Colorado's remote locations. History Colorado reports serious problems with technical support for the community museums because OIT staff often cannot respond sufficiently quickly. This may leave facilities without phone, internet, and in some cases related fire and security systems, for several days. History Colorado and OIT are requested to compile a list of issues as they occur, identify the time required to resolve each problem, and explain proposed changes to eliminate excessive delays in the future.
- 5 Department of Higher Education, Colorado Commission on Higher Education, Special Purpose, Tuition/Enrollment Contingency -- The Department is requested to provide information on the amount of Tuition Enrollment Contingency funds distributed to any governing board and whether the governing board complied with Colorado Commission on Higher Education tuition policy and intended limits on undergraduate rates expressed in Long Bill footnotes. This information, as it applies to actual expenditures in FY 2017-18 should be provided by November 1, 2018, and as it applies to actual expenditures in FY 2018-19 should be provided by November 1, 2019.
- 6 Colorado Department of Higher Education, Colorado Commission on Higher Education, Administration; and Governing Boards -- The Department is requested to coordinate the following annual data submissions to the Joint Budget Committee and Legislative Council Staff to support tuition, fee, and stipend revenue estimates used for appropriations and informational amounts included in the Long Bill.

By November 1, 2018: Submit budget data books for each of the governing boards that provide detail on education and general revenue and expenditures for each institution for the most recent actual year (FY 2017-18) and the current estimate year (FY 2018-19).

- Include estimate-year FY 2018-19 full time equivalent (FTE) enrollment data for resident undergraduate and graduate students and non-resident undergraduate and graduate students, in addition to actual year FY 2017-18 student FTE data. The FY 2018-19 student FTE estimates should be those used to develop the FY 2018-19 revenue and expenditure estimates in the data books.
- Identify actual FY 2017-18 and budgeted FY 2018-19 student FTE eligible for the College Opportunity Fund (COF) stipend in the budget data book submission.
- The Department is requested to provide separately the actual and estimated revenue from mandatory fees using the definitions established by the Department of Higher Education for mandatory fees.

By December 15, 2018: Submit fall 2019 student FTE census data. This should include resident undergraduate and graduate and non-resident undergraduate and graduate FTE figures for each governing board and institutional break-outs for those governing boards that oversee multiple institutions.

By February 15, 2019: Submit revised estimate year FY 2018-19 and request year FY 2019-20 revenue and enrollment data for each governing board, along with the comparable FY

2017-18 actual data for context. Include data at the institutional level for the University of Colorado and Colorado State University Systems.

- For each year, include FTE enrollment and revenue estimates for resident undergraduate and graduate students and non-resident undergraduate and graduate students.
- Include annotations explaining assumptions, including tuition and fee rate and enrollment assumptions for the FY 2019-20 request year.
- Consistent with the requirements of Section 23-18-202 (2) (a) (I), C.R.S., also include an update on the number of student FTE estimated to be eligible for COF stipends in FY 2018-19 based on the most recent data available (different from the figures used to establish initial stipend appropriations).
- Include actual and estimated revenue from mandatory fees using the definitions established by the Department of Higher Education for mandatory fees.

- 7 Department of Higher Education, Colorado Commission on Higher Education, Administration -  
- The Department should continue its efforts to provide data on the efficiency and effectiveness of state financial aid in expanding access to higher education for Colorado residents. The Department is requested to provide to the Joint Budget Committee by December 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. The Department is requested to provide more in-depth data on the financial aid awarded at the state's public institutions, by institution. This should include further information on the use of institutional aid, including the extent to which such aid is awarded to residents versus non-residents, for financial need versus merit, and the extent to which merit-based aid is awarded to students who qualify on the basis of need, whether or not the aid was classified as merit-based.
- 8 Department of Higher Education, Colorado Commission on Higher Education, Administration -  
- The Department is requested to submit, as part of the annual request for common policy benefits adjustments, templates that reflect the benefit selection for each member of the Department's staff in a manner that will enable health benefits for these staff to be calculated consistent with common policy. The templates are expected to contain July 2017 data on health benefits actually selected by Department staff and relate staff benefit elections to comparable state plan premiums. The Department should demonstrate that its funding request does not exceed the amount that would be provided if Department staff were enrolled in comparable state plans.

## DEPARTMENT OF HUMAN SERVICES

- 1 Department of Human Services, Office of Early Childhood, Early Intervention Services – The Department is requested to submit annually, on or before January 1, a report to the Joint Budget Committee concerning caseload growth for early intervention services. The requested report should include the following information: (a) the total number of early intervention services performed compared to the projected amount of early intervention services; (b) the amount of funds expended in the fiscal year from July 1 through the time period when the report is created compared to the projected spending; and (c) the amount of any expected gaps between the appropriation in the long bill and actual expenditures.
- 2 Department of Human Services, Office of Early Childhood, Child Care Assistance Program – The Department is requested to submit annually, on or before January 1, a report to the Joint Budget Committee concerning costs for the Colorado Child Care Assistance Program. The requested report should include the following information: (a) the changes in direct services costs from the prior year due to inflation; (b) changes in direct services costs from the prior year due to quality; and (c) changes in cost due to changes to continuity from the previous year.
- 3 Department of Human Services, Office of Behavioral Health, Community-based Mental Health Services, Mental Health Treatment Services for Youth (H.B. 99-1116); Office of Self Sufficiency, Disability Determination Services -- The Department is requested to provide, by October 1, 2018, a report concerning revenue sources available to pay for services that are provided through the Mental Health Treatment Services for Youth (H.B. 99-1116) Program. The report should:
  - (a) describe the types of expenses that Medicaid funding, federal supplemental security income (SSI) benefits, and parental fees can cover and any related limitations that are based on other factors such as a youth's diagnoses, the licensure of the service provider, or the client's family's income;
  - (b) detail total annual expenditures for state fiscal years 2016-17 and 2017-18 for services provided to children and youth through the Mental Health Treatment Services for Youth Program, including those sources that are recorded on-budget (General Fund, Marijuana Tax Cash Fund, and Medicaid funds) and those that are paid directly to treatment providers (private insurance payments, SSI benefits, and parental fees);
  - (c) describe the processes that are currently used to maximize the appropriate use of Medicaid funds and ensure that these expenses are properly attributed to the Program; and
  - (d) describe the processes that are currently used to ensure that a family receiving services through the Program applies for federal supplemental security income (SSI) benefits on behalf of their child, the application is processed timely, and any resulting SSI benefits are used to offset State expenditures.
- 4 Department of Human Services, Division of Youth Corrections, Institutional Programs -- The Department is requested to submit a report by November 1, 2018, that includes the following monthly data for each State-owned and operated facility for FY 2017-18:

- Number of assaults by type (e.g. juvenile on staff, staff on juvenile, juvenile on juvenile);
  - The number and type of sexual assaults;
  - Number of homicides;
  - Number of suicides;
  - Number of youth in a facility that have charges filed against them district court;
  - Number of new crimes reported to local police;
  - Number of direct care staff at each facility (CYSO I and II);
  - Ratio of direct care staff (CYSO I and II) to youth;
  - Direct care staffing vacancies by type (e.g. CYSO I);
  - Average length of service for direct care staff (CYSO I and II);
  - Number of hours of missed work by all direct care facility staff and reason for absence (e.g. injury on the job, sick leave, planned absence, unplanned absence, vacation);
  - Amount of overtime hours worked by direct care staff and purpose (e.g. covering a shift for an absent co-worker) at each facility;
  - Amount of temporary help hours used for direct care purposes;
  - The number and type of worker's compensation injuries that occurred;
  - Amount of time missed by employees due to work-place injuries; and
  - Use of seclusion and restraints.
- 5 Department of Human Services, Totals -- The Department is requested to submit a report concerning the status of federal Temporary Assistance for Needy Families (TANF) funds. The requested report should include the following: (a) an analysis of the TANF Long Term Reserve, including estimated TANF funds available for appropriation, estimated TANF appropriations by Long Bill line item, and the estimated closing Long Term Reserve balance, for the most recent actual fiscal year, the current fiscal year, and the request fiscal year; (b) an analysis of the TANF maintenance of effort (MOE) payments, showing the actual and forecasted MOE expenditures, by program, for the most recent actual fiscal year, the current fiscal year, and the request fiscal year; and (c) an analysis of the counties' TANF reserve balances that includes, for each county, for the most recent actual fiscal year, the starting TANF Reserve Account balances for the Works Program, Title XX, and Child Care Development Fund accounts, the annual TANF allocation, the total expenditures, the net transfers to child care and child welfare, any amounts remitted to the state, and the closing reserve balance for all county TANF accounts. The report should be provided to the Joint Budget Committee annually on or before November 1. An update to this information reflecting data at the close of the federal fiscal year should be provided to the Joint Budget Committee annually on or before January 1.
- 6 Department of Human Services, 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.

- 7 Department of Human Services, Division of Youth Corrections, Administration -- The Division is requested to continue its efforts to provide outcome data on the effectiveness of its programs. The Division is requested to provide to the Joint Budget Committee, by January 1 of each year, a report evaluating Division placements, community placements, and nonresidential placements. The evaluation should include, but not be limited to, the number of juveniles served, length of stay, and recidivism data per placement.
- 8 Department of Human Services, Division of Youth Corrections, Community Programs, S.B. 91-094 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. 91-094; (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.
- 9 Department of Human Services, Adult Assistance Programs -- The Department is requested to submit a plan to the Joint Budget Committee on or before November 1, 2018 that provides a standard definition of “waiting list” that can be applied to each service provided by the state’s Area Agencies on Aging and how this waiting list data can be collected and reported in a uniform, statewide manner on an annual basis to the Joint Budget Committee. Additionally, the plan should include the Department’s strategy for combining standardized waiting list data with cost per unit of service data such that the cost to eliminate waiting lists for services provided to older adults can be calculated in its entirety or on a service-by-service basis. The response should include additional resources, if any, required to implement the proposed solutions included in the plan.
- 10 Department of Human Services, Division of Child Welfare – The Department is requested to provide to the Joint Budget Committee, by November 1, 2018, information on county child welfare worker staffing, including county data on: (1) caseload ratios by county; (2) actual staffing levels; (3) new hires funded by the child welfare block grant; (4) new hires funded through county level child welfare staffing funding; (5) workload and funding allocation comparisons by county for each type of block allocation; (6) performance metrics concerning the training of and support provided to case workers; (7) how each of the previous data categories support successful outcomes for children served in the child welfare system; and (8) a description of each outcome and how it is measured.
- 11 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, including the cost of services delivered through county staff and the cost of services delivered through contract providers; 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.

- 12 Department of Human Services, Division of Child Welfare – The Department is requested to provide to the Joint Budget Committee, by November 1 of each year, information concerning the gross amount of payments to child welfare service providers, including amounts that were paid using revenues other than county, state, or federal tax revenues. The Department is requested to identify amounts, by source, for the last two actual fiscal years.
- 13 Department of Human Services, All Divisions – The Department is requested to provide, by November 1, 2018, a list of each of the transfers made in FY 2017-18 pursuant to Section 24-75-106, C.R.S. This information should include: the line item in which the funds originated, the line item to which the funds were transferred, the amount of each transfer, the fund split for each transfer, and the purpose of the transfer.
- 14 Department of Human Services, Division of Child Welfare – The Department is requested to provide by November 1, 2018, a list of each transfer made in FY 2017-18 pursuant to FY 2017-18 Long Bill Footnote 39. This information should include: the line item in which the funds originated, the line item to which the funds were transferred, the amount of each transfer, the fund split for each transfer, and the purpose of the transfer.
- 15 Department of Human Services, All Division, Totals – The Department is requested to provide to the Joint Budget Committee, by November 1 of each fiscal year, a report describing any fund split changes that are required to true up the indirect cost assessment line items; and any changes made to the indirect cost plan that will affect appropriations to indirect cost assessment or cost pool line items.
- 16 Department of Human Services, Division of Child Welfare, Promoting Permanency – The Department is requested to provide to the Joint Budget Committee, by November 1 of each fiscal year, an evaluation report concerning programs funded through this line item.
- 17 Department of Human Services, Division of Child Welfare, Hotline for Child Abuse and Neglect – The Department is requested to provide to the Joint Budget Committee, by November 1 of each fiscal year, a report containing fiscal year comparisons of appropriate workload indicators for the child abuse and neglect hotline reporting system.

- 18 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.
- 19 Department of Human Services, Services for People with Disabilities, Regional Centers for People with Developmental Disabilities -- The Department is requested to provide by November 1, 2018 information regarding transitions and readmissions to the Regional Centers for each of the past eighteen months. As part of the response, the Department should include: the number of individuals that have been transitioned from each Regional Center and the setting to which they were transitioned for each month, how many of these individuals have been readmitted to a Regional Center and when, the number of monthly admissions to each Regional Center, the definition of a successful transition, and the monthly number of successful transitions.
- 20 Department of Human Services, Services for People with Disabilities, Regional Centers for People with Developmental Disabilities - The Department is requested to provide by January 15, 2019, the monthly census for each Regional Center by licensure type since the beginning of the fiscal year, and annual cost per capita for each Regional Center by licensure type, including the Regional Center costs for utilities, depreciation, indirect costs, and centrally appropriated personnel items.

## DEPARTMENT OF LABOR AND EMPLOYMENT

- 1 Department of Labor and Employment, Colorado Workforce Development Council -- In its final report on the Innovative Industries Workforce Development Program due November 1, 2018, the Department is requested to include an evaluation of the program's impact and recommendations for any changes to the program if it is reauthorized and expanded. In the report, the Colorado Workforce Development Council (CWDC) is specifically requested to respond to the following questions:
  - Should this program be limited to “innovative industries” or should it be part of a more comprehensive statewide work-based learning initiative?
  - Could the program be modified to place greater emphasis on opportunities and industry-exposure for students with less advanced skills, including high school and community college students? Does the CWDC support such a change?
  - Should the program be more focused on underrepresented groups, including low-income students, consistent with the Higher Education Master Plan and the Talent Pipeline Report?
  - If internships for high-level students are of value to expanding high-tech industries, is the additional incentive of state funding necessary? Is funding at the level of \$5,000 per intern necessary? Once a program is launched, will a business continue it with less external support?

- 2 Department of Labor and Employment, Division Of Vocational Rehabilitation and Independent Living Services, Vocational Rehabilitation Programs -- The Department is requested to provide a report on the number of individuals receiving vocational rehabilitation services, including: a break-down by category of the number of individuals receiving services; the average cost by category of services; the projected fiscal year expenditures, and the projected balance of the State's federal vocational rehabilitation account by November 1, 2018.
- 3 Department of Labor and Employment, Division of Vocational Rehabilitation and Independent Living Services, Office of Independent Living Services -- The Department is requested to provide as of November 1, 2018, the number of clients served by each Independent Living Center for the past year, and the distribution of funds by Independent Living Center.
- 4 Department of Labor and Employment, Division of Vocational Rehabilitation and Independent Living Services, Vocational Rehabilitation Programs -- The Department is requested to provide by November 1, 2018, a listing of the current leased spaces for Workforce Centers and a listing of the current leased spaces used by the Vocational Rehabilitation Programs, including costs. The Department is also requested to provide the status of consolidation of leased spaces, including locations that can be consolidated and estimated cost savings.

## DEPARTMENT OF LOCAL AFFAIRS

- 1 Department of Local Affairs, Division of Local Government, Field Services, Program Costs – The Department of Local Affairs is requested to submit a report by September 1, 2018, concerning the impact of the new field services position added in Grand Junction in FY 2017-18 to assist local communities in responding to the economic impact of energy transformation. The report should identify new business starts, business expansion, number of workers retrained, and public infrastructure investments and dollars leveraged associated with the new position. It should also address whether the Department recommends expansion of this type of position or other approaches for promoting economic development and diversification in rural areas.
- 2 Department of Local Affairs, Division of Housing -- The Department is requested to submit a report by September 1, 2018, concerning its affordable housing programs. The report should specifically address:
  - the projects funded in FY 2017-18 with appropriations for Affordable Housing Construction Grants and Loans pursuant to Section 24-32-721, C.R.S.;
  - the per-unit costs of these projects for both state funds and other funds;
  - how the projects funded from the General Fund align with the goals outlined in the Department's FY 2014-15 budget request to "end homelessness for veterans and chronically homeless" and "ensure sufficient affordable housing for persons with the lowest incomes"; and what progress the State has made in achieving each of these goals; and
  - how the Marijuana Tax Cash Fund appropriation has been used for populations and services that are consistent with Section 39-28.8-501 (2)(b)(IV)(N), C.R.S.

## DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

- 1 By November 1, 2018, the Department is requested to submit a report on recommended changes to its budget structure for the Executive Director's Office and Army National Guard. The report is specifically requested to address whether changes to the Department's budget structure, including some increased flexibility, could more closely align state and federal budgeting and reduce the need to over-appropriate General Fund based on uncertain federal match rates.

## DEPARTMENT OF NATURAL RESOURCES

- 1 Department of Natural Resources, Oil and Gas Conservation Commission, Plugging and Reclaiming Abandoned Wells -- 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.
- 2 Department of Natural Resources, Division of Reclamation Mining and Safety, Emergency Response Costs -- The Division of Reclamation, Mining, and Safety is requested to include in its annual budget request a report detailing all expenditures made in the previous year from this line item.
- 3 Department of Natural Resources, Oil and Gas Conservation Commission, 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.
- 4 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.
- 5 Department of Natural Resources, Oil and Gas Conservation Commission, Program Costs -- The Department of Natural Resources is requested to include in its annual budget request a report on the performance of the risk-based inspection program. The report should provide information on the activities of the Facilities Integrity group, the inspection process for piping and flowlines, and the metrics used to measure the performance and effectiveness of the Facilities Integrity program.
- 6 Department of Natural Resources, Division of Parks and Wildlife -- The Division of Parks and Wildlife is requested to provide the Joint Budget Committee with a report on Parks and Outdoor Recreation and Wildlife sources of revenue, as well as the expenditures of revenues by revenue type. The report should provide an analysis of lottery funds Great Outdoors Colorado Board Grants used for operations and capital projects. The report is requested to be submitted by November 1, 2018.

## DEPARTMENT OF PERSONNEL

- 1 Department of Personnel, Division of Accounts and Control, Financial Operations and Reporting -- The State Controller is requested to provide by October 1, 2018, to the Joint Budget Committee, a report on uncommitted reserves that includes all cash funds, including those that are otherwise exempt from and unreported in the cash funds excess uncommitted reserves report required by Section 24-30-207, C.R.S.

## DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT

- 1 Department of Public Health and Environment, Water Quality Control Division, Clean Water Sectors -- The Department is requested to submit a quarterly report for expenditures by fund source for each of the clean water sectors.
- 2 The Department is requested to submit to the Joint Budget Committee by November 1, 2018 an updated strategic plan to most efficiently manage the grant programs administered by the Department. The plan should include an overview of the grant programs and the current methods used to track applications, make grant decisions, pay out grants fund, and the financial and performance standards used to monitor grantees. The plan should also include the proposed changes to improve and standardize Department methods and a timeline for implementing the proposed changes.

## DEPARTMENT OF PUBLIC SAFETY

- 1 Department of Public Safety, Division of Criminal Justice, Community Corrections, Community Corrections Placements, Correctional Treatment Cash Fund Residential Placements, and Community Corrections Facility Payments -- As part of its FY 2018-19 budget request, the Department is requested to report actual average daily community corrections placements for recently completed fiscal years with a level of detail compatible with the table in Long Bill footnote XX. This document should also report condition of probation placements. The Department is requested to update the report with year-to-date community corrections placements shortly after January 1, 2019. The January report should also include an estimated placements table for FY 2019-20. If the Department believes that a supplemental adjustment to the FY 2018-19 Community Corrections Placements appropriation is needed, the Department is requested to also submit an estimated placements table for FY 2018-19. If the Department estimates that the actual number of Community Corrections facility payments in either FY 2018-19 or FY 2019-20 will differ from the number on which the FY 2018-19 facility payments appropriation is based, the Department is requested to include that information in its January report. These estimates are not intended to be formal statistical forecasts, but informal estimates based upon year-to-date caseload, knowledge of facilities that are opening and closing or expanding and contracting, and upon other factors that influence the community corrections appropriations. The Department is requested to submit a brief narrative with the estimates.

- 2 Department of Public Safety, Division of Criminal Justice, Community Corrections, Community Corrections Placements -- As part of its FY 2019-20 budget request, the Department is requested to report the estimated continuing financial impact on community corrections facilities and community corrections boards of any standards that the Department issued or revised during the most recently concluded fiscal year. The continuing financial impact is the continuing annual cost of compliance after the initial costs of implementation have been incurred. This report should include a summary of the changed standards, an estimate of the amount of continuing additional staff time it will take facilities or boards to comply, an estimate of the number of continuing additional FTE that will be required for compliance, and an estimate of continuing additional financial costs that facilities or boards may incur.
- 3 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.
- 4 Department of Public Safety, Division of Homeland Security and Emergency Management, Access and Functional Needs Planning -- The Department is requested to provide the following information to the Joint Budget Committee by November 1, 2018: a report on efforts to build a statewide network of community based disability integration emergency planners (DIEP), including plans for information sharing, training and exercise planning in the Emergency Support Functions areas; development of a statewide plan for a network of contracted regional Disability Integration Emergency Planners; and expected deliverables for these community-based contracts. The Department is also requested to report on: the number of individuals with a wide variety of disabilities that are included in Discussion-Based Exercises and Operations-Based Exercises at the local, regional, and state level; the number of people with disabilities and Access and Functional needs who participate in creating their individual emergency plans or emergency preparedness workshops; and disability inclusion planning efforts at the state level across divisions and departments including Department of Public Health and Environment that now include people with disabilities and Access and Functional needs.

## DEPARTMENT OF REVENUE

- 1 Department of Revenue, Taxation Business Group -- The Department is requested to submit to the Joint Budget Committee by November 1, 2018, an assessment of the additional resources it would need to provide the General Assembly with more specific information related to severance tax and tax credits, exemptions, and deductions taken by severance tax filers for decision making purposes. Additional resources may include, but is not limited to: statutory changes, additional personnel, additional software modules, or software adjustments to GenTax.

- 2 Department of Revenue, Division of Motor Vehicles, Driver Services -- The Department is requested to submit to the Joint Budget Committee by the first of every quarter, beginning June 30, 2017, a report about the progress made on meeting the demand for services offered under S.B. 13-251, which was estimated at 66,000 individuals. For individuals served who are not lawfully present in the United States, the report should include the number of appointments made available, the number of "no shows" for appointments, the number of appointments that resulted in no document issuance, the number of documents issued, and a justification based in data for why there is a continued need to offer services for individuals who cannot demonstrate a lawful presence in the United States at more than one location. If the number of first time applicants who receive an identification document exceeds 66,000, it is further requested the Department provide written notice to the Joint Budget Committee as soon as practical.



# STATE OF COLORADO

## REPRESENTATIVES

MILLIE HAMNER - CHAIR  
DAVE YOUNG  
BOB RANKIN

## SENATORS

KENT LAMBERT - VICE-CHAIR  
KEVIN LUNDBERG  
DOMINICK MORENO



## STAFF DIRECTOR

JOHN ZIEGLER

JOINT BUDGET COMMITTEE  
200 EAST 14TH AVENUE, 3RD FLOOR  
LEGISLATIVE SERVICES BUILDING  
DENVER, CO 80203  
TELEPHONE 303-866-2061  
<http://leg.colorado.gov/agencies/joint-budget-committee>

May 1, 2018

Hon. Nancy E. Rice, Chief Justice of the Colorado Supreme Court  
2 East 14th Avenue  
Denver, CO 80203

Dear Chief Justice Rice:

The General Assembly recently finalized the FY 2018-19 Long Bill. Pursuant to Section 24-75-112 (2), C.R.S., the Long Bill footnotes no longer include requests for information. In lieu of such footnotes, the Joint Budget Committee respectfully submits the following requests for information. These requests are associated with specific Long Bill line items, and each has its own details and deadlines. Consistent with the provisions of Section 2-3-203 (3), C.R.S., information requests have been prioritized within each department in the attached lists.

To assist our staff in organizing and tracking submissions, we would appreciate if the department would follow the protocol outlined in an attachment to this letter with respect to submitting hard copies and electronic responses. The Committee requests that the department comply with these requests for information to the fullest extent possible.

Please notify us by June 1, 2018 if the department does not intend to comply with any requests.

Sincerely,

Representative Millie Hamner  
Chair

cc:

Christopher T. Ryan, State Court Administrator  
Douglas Wilson, Colorado State Public Defender  
Thomas Raynes, Executive Director, Colorado District Attorneys' Council  
John Ziegler, Staff Director, Joint Budget Committee

**Attachment**  
**Requested Format for Responses to Legislative Requests for Information**

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  - The JBC analyst(s) responsible for the specified budget area(s)
  - Jessi Neuberg ([jessi.neuberg@state.co.us](mailto:jessi.neuberg@state.co.us)) at the JBC offices
  - Legislative Council Staff at the following address: [lcs.ga@state.co.us](mailto:lcs.ga@state.co.us)

The Legislative Council Staff ([lcs.ga@state.co.us](mailto:lcs.ga@state.co.us)) will include the report in an electronic database (part of the Legislative Council Library) and will also ensure the report is distributed to other legislative committees, as specified in some of the RFIs.

- All submissions should include the following information:
  - Name of Department
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- Please use the following naming convention for your electronic attachments:

**"[Department] [fiscal year] [RFI Number]"**

For example, the attachment providing the response to RFI #5 in the Department of Health Care Policy and Financing would be entitled: **Health Care Policy and Financing FY 2018-19 RFI #5**.

# LEGISLATIVE REQUESTS FOR INFORMATION FOR FY 2018-19

## REQUESTS AFFECTING MULTIPLE DEPARTMENTS

- 1 Department of Corrections; Department of Human Services; Judicial Department; Department of Public Safety; and Department of Transportation -- State agencies involved in multi-agency programs requiring separate appropriations to each agency are requested to designate one lead agency to be responsible for submitting a comprehensive annual budget request for such programs to the Joint Budget Committee, including prior year, request year, and three year forecasts for revenues into the fund and expenditures from the fund by agency. The requests should be sustainable for the length of the forecast based on anticipated revenues. Each agency is still requested to submit its portion of such request with its own budget document. This applies to requests for appropriation from: the Alcohol and Drug Driving Safety Program Fund, the Law Enforcement Assistance Fund, the Offender Identification Fund, the Persistent Drunk Driver Cash Fund, and the Sex Offender Surcharge Fund, among other programs.

## JUDICIAL DEPARTMENT

- 1 Judicial Department, Office of the State Public Defender – The State Public Defender is requested to provide by November 1, 2018, a report concerning the Appellate Division's progress in reducing its case backlog, including the following data for FY 2017-18: the number of new cases; the number of opening briefs filed by the Office of the State Public Defender; the number of cases resolved in other ways; the number of cases closed; and the number of cases awaiting an opening brief as of June 30, 2018.
- 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 offenders return to probation because of violations.
- 3 Judicial Department, Trial Courts, District Attorney Mandated Costs – District Attorneys in each judicial district shall be responsible for allocations made by the Colorado District 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.

- 4 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  
MILLIE HAMNER - CHAIR  
DAVE YOUNG  
BOB RANKIN

SENATORS  
KENT LAMBERT - VICE-CHAIR  
KEVIN LUNDBERG  
DOMINICK MORENO



STAFF DIRECTOR  
JOHN ZIEGLER

JOINT BUDGET COMMITTEE  
200 EAST 14TH AVENUE, 3RD FLOOR  
LEGISLATIVE SERVICES BUILDING  
DENVER, CO 80203  
TELEPHONE 303-866-2061  
<http://leg.colorado.gov/agencies/joint-budget-committee>

May 1, 2018

Hon. Cynthia Coffman, Attorney General  
Colorado Department of Law  
Ralph L. Carr Colorado Judicial Center  
1300 Broadway, 10th Floor  
Denver, CO 80203

Dear Attorney General Coffman:

The General Assembly recently finalized the FY 2018-19 Long Bill. Pursuant to Section 24-75-112 (2), C.R.S., the Long Bill footnotes no longer include requests for information. In lieu of such footnotes, the Joint Budget Committee respectfully submits the following requests for information. These requests are associated with specific Long Bill line items, and each has its own details and deadlines. Consistent with the provisions of Section 2-3-203 (3), C.R.S., information requests have been prioritized within each department in the attached lists.

To assist our staff in organizing and tracking submissions, we would appreciate if the department would follow the protocol outlined in an attachment to this letter with respect to submitting hard copies and electronic responses. The Committee requests that the department comply with these requests for information to the fullest extent possible.

Please notify us by June 1, 2018 if the department does not intend to comply with any requests.

Sincerely,

Representative Millie Hamner  
Chair

cc:

Melanie Snyder, Chief of Staff, Colorado Department of Law  
Jon Reitan, Budget Director, Colorado Department of Law  
John Ziegler, Staff Director, Joint Budget Committee

**Attachment**  
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  - Legislative Council Staff at the following address: [lcs.ga@state.co.us](mailto:lcs.ga@state.co.us)

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For example, the attachment providing the response to RFI #5 in the Department of Health Care Policy and Financing would be entitled: **Health Care Policy and Financing FY 2018-19 RFI #5.**

## LEGISLATIVE REQUESTS FOR INFORMATION FOR FY 2018-19

### DEPARTMENT OF LAW

- 1 Department of Law, Legal Services to State Agencies, Personal Services – The Department is requested to provide by November 1, 2018 a report concerning the implementation of changes to the appropriation and billing methodologies for legal services provided to state agencies. As part of the report, the Department is requested to solicit feedback from all client agencies regarding the benefits and challenges associated with the change in methodologies.
- 2 Department of Law, Criminal Justice and Appellate, Appellate Unit – The Department is requested to provide by November 1, 2019 a report concerning the Appellate Unit's progress in reducing its case backlog, including the following data for FY 2018-19: the number of opening briefs received; the number of answer briefs filed; and the case backlog as of June 30, 2018.
- 3 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.
- 4 Department of Law, Special Purpose, District Attorney Training – Pursuant to Section 20-1-111 (4) (b), C.R.S., the Colorado District Attorneys' Council (CDAC) allocated these dollars to provide prosecution training, seminar, continuing education programs, and other prosecution related services on behalf of District Attorneys who are members of the CDAC. The CDAC is requested to submit an annual report by November 1 detailing how the District Attorney Training appropriation is spent, including the number and type of training activities provided, the number of district attorney offices served by each type of training activity, the number of deputy district attorneys trained, and detail of the costs categorized by personnel, operating, and travel, for each training effort.

# STATE OF COLORADO

## REPRESENTATIVES

MILLIE HAMNER - CHAIR  
DAVE YOUNG  
BOB RANKIN

## SENATORS

KENT LAMBERT - VICE-CHAIR  
KEVIN LUNDBERG  
DOMINICK MORENO



## STAFF DIRECTOR

JOHN ZIEGLER

## JOINT BUDGET COMMITTEE

200 EAST 14TH AVENUE, 3RD FLOOR  
LEGISLATIVE SERVICES BUILDING  
DENVER, CO 80203  
TELEPHONE 303-866-2061  
<http://leg.colorado.gov/agencies/joint-budget-committee>

May 1, 2018

Hon. Wayne W. Williams  
Colorado Secretary of State  
1700 Broadway, Suite 200  
Denver, CO 80290

Dear Secretary Williams:

The General Assembly recently finalized the FY 2018-19 Long Bill. Pursuant to Section 24-75-112 (2), C.R.S., the Long Bill footnotes no longer include requests for information. In lieu of such footnotes, the Joint Budget Committee respectfully submits the following requests for information. These requests are associated with specific Long Bill line items, and each has its own details and deadlines. Consistent with the provisions of Section 2-3-203 (3), C.R.S., information requests have been prioritized within each department in the attached lists.

To assist our staff in organizing and tracking submissions, we would appreciate if the department would follow the protocol outlined in an attachment to this letter with respect to submitting hard copies and electronic responses. The Committee requests that the department comply with these requests for information to the fullest extent possible.

Please notify us by June 1, 2018 if the department does not intend to comply with any requests.

Sincerely,

Representative Millie Hamner  
Chair

cc:

Brad Lang, Controller, Colorado Secretary of State  
John Ziegler, Staff Director, Joint Budget Committee



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  - Legislative Council Staff at the following address: [lcs.ga@state.co.us](mailto:lcs.ga@state.co.us)

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For example, the attachment providing the response to RFI #5 in the Department of Health Care Policy and Financing would be entitled: **Health Care Policy and Financing FY 2018-19 RFI #5.**

## LEGISLATIVE REQUESTS FOR INFORMATION FOR FY 2018-19

### DEPARTMENT OF STATE

- 1 Department of State, Elections Division, Local Election Reimbursement -- The Department is requested to submit a letter addressed to the General Assembly and to the Joint Budget Committee notifying both if, and when, it relies on the footnote attached to this line item to overexpend the Local Election Reimbursement line item authorized by aforementioned footnote to meet statutory requirements of Section 1-5-505.5, C.R.S.
- 2 Department of State, Business and Licensing Division, Business Intelligence Center -- The Department is requested to submit a report with its annual budget request detailing donations received by the Business Intelligence Center, either directly or through the 501(c)(3) organization designated by the Department. The report should include data on the receipt and expenditure of both financial and in-kind donations for the prior fiscal year and year-to-date data on donations made in the current fiscal year. It should also include information on each project ever funded, including public availability/access, features/purpose, and a measure to gauge its success or usage, to the extent possible.

# STATE OF COLORADO

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## STAFF DIRECTOR

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LEGISLATIVE SERVICES BUILDING  
DENVER, CO 80203  
TELEPHONE 303-866-2061  
<http://leg.colorado.gov/agencies/joint-budget-committee>

May 1, 2018

Hon. Walker R. Stapleton  
Colorado State Treasurer  
200 East Colfax Ave.  
State Capitol, Suite 140  
Denver, CO 80203

Dear Treasurer Stapleton:

The General Assembly recently finalized the FY 2018-19 Long Bill. Pursuant to Section 24-75-112 (2), C.R.S., the Long Bill footnotes no longer include requests for information. In lieu of such footnotes, the Joint Budget Committee respectfully submits the following requests for information. These requests are associated with specific Long Bill line items, and each has its own details and deadlines. Consistent with the provisions of Section 2-3-203 (3), C.R.S., information requests have been prioritized within each department in the attached lists.

To assist our staff in organizing and tracking submissions, we would appreciate if the department would follow the protocol outlined in an attachment to this letter with respect to submitting hard copies and electronic responses. The Committee requests that the department comply with these requests for information to the fullest extent possible.

Please notify us by June 1, 2018 if the department does not intend to comply with any requests.

Sincerely,

Representative Millie Hamner  
Chair

cc:

Ryan Parsell, Deputy Treasurer  
Clare Jozwiak, Controller, State Treasury  
John Ziegler, Staff Director, Joint Budget Committee

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# LEGISLATIVE REQUESTS FOR INFORMATION FOR FY 2018-19

## DEPARTMENT OF THE TREASURY

- 1 Department of the Treasury, Administration – The State Treasurer is requested to submit an annual report to the Joint Budget Committee concerning the performance of the State's investments. The report should include comparisons to relevant benchmarks and a detailed discussion of the benchmarks. This report should be submitted as a part of the State Treasurer's annual budget request.
- 2 Department of the Treasury, Unclaimed Property Program – The State Treasurer is requested to submit an annual report to the Joint Budget Committee concerning the Department's progress in implementing the new information systems (KAPS, LexisNexis) for which the Department has received funding; and on the workload measures these systems are intended to improve. The report should be submitted as a part of the State Treasurer's annual budget request and should include but need not be limited to annual comparisons of the following:
  - a. Average number of claims processed per year, by claim type (A, B, C, and D);
  - b. Average number of contacts per claim;
  - c. Average time per contact; and
  - d. Total value of each claim type (A, B, C, and D) per year.

# L. CONTROLLED MAINTENANCE TRUST FUND

This appendix describes appropriations and transfers to and from the Controlled Maintenance Trust Fund (CMTF) created in Section 24-75-302.5 (2)(a), C.R.S. Pursuant to statute:

- Up to 50.0 percent of interest earnings on the CMTF principal for the current and prior fiscal year may be used to support controlled maintenance projects.
- The CMTF may serve as part of the TABOR emergency reserve. CMTF amounts are identified in the Long Bill headnotes as part of the emergency reserve required pursuant to Section 20 of Article X of the State Constitution (TABOR).
- Based on the authority provided in Section 24-33.5-706 (4.5), C.R.S., and pursuant to Section 24-77-104 (2)(a), C.R.S., the Governor may transfer funds from the CMTF to the Disaster Emergency Fund to address wildfires, floods, and other state emergencies. While statute also provides that reimbursements for money previously expended to cope with a disaster may be repaid, repayments have never been made to the CMTF from such reimbursements.

During FY 2017-18 and FY 2018-19, no appropriations were made for controlled maintenance from CMTF interest earnings. Senate Bill 18-1340 (Transfers of Money for State's Infrastructure) includes a transfer of \$30.0 million from the General Fund to the CMTF in FY 2018-19. The table below summarizes recent CMTF transfers and interest earnings.

CONTROLLED MAINTENANCE TRUST FUND	
FY 2017-18 Begin Balance	\$49,967,282
Interest Earnings through 1/31/18	569,610
S.B. 17-263 (Capital-related Transfers to replace FY 2017-18 EOs)	20,000,000
Executive Order (E.O.) 2017-020	(30,000)
E.O. 2017-022	(1,000,000)
E.O. 2017-024	(2,250,000)
E.O. 2017-025	(1,000,000)
E.O. 2017-027	(2,000,000)
E.O. 2017-029	(260,000)
Estimated Balance - June 2018	\$63,996,892
General Fund Transfer FY 2018-19 (H.B. 18-1340)	30,000,000
Estimated Beginning Balance FY 2018-19	\$93,996,892

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