

FY 2010-2011

BUDGET PACKAGE

AND

LONG BILL NARRATIVE

JOINT BUDGET COMMITTEE

STATE OF COLORADO

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March 26, 2010

To: Members of the Sixty-seventh General Assembly

The Joint Budget Committee (JBC) submits for your approval the FY 2010-11 Long Bill (House Bill 10-1376), and its companion document, this Long Bill Narrative. The JBC used the Legislative Council Staff March 2010 revenue estimates to develop the FY 2010-11 budget.

The March 2010 forecast indicates that General Fund revenues will decline by \$13.0 million (0.2 percent) in FY 2009-10 and increase by \$389.4 million (5.8 percent) in FY 2010-11. The statutory limit restricts the increase in General Fund appropriations to no more than 5.0 percent of personal income. For FY 2009-10, General Fund appropriations could increase by a maximum of \$2,890.5 million. However, projected General Fund revenues will not support this level of increase. The FY 2009-10 budget submitted by the JBC in this budget package, including further mid-year adjustments, reflects a reduction of \$768.9 million (10.4 percent) over FY 2008-09.

General Fund appropriations subject to the statutory limit for FY 2010-11 as submitted by the JBC total \$6,938.6 million, an increase of \$308.3 million (4.6 percent) over the recommended FY 2009-10 appropriation level of \$6,630.3 million General Fund. The recommended FY 2010-11 Long Bill contains General Fund appropriations of \$7,533.8 million, including \$7,415.8 million subject to the statutory limit. In addition to the FY 2010-11 Long Bill, the JBC has introduced several bills as part of the overall FY 2010-11 budget recommendation. These bills decrease General Fund appropriations subject to the statutory limit by \$512.3 million. Also included is \$32.2 million for the legislative appropriation bill and \$3.0 million General Fund for statutory five year sentencing appropriations in the Department of Corrections.

Due to the economic conditions the State faces, the JBC recommendations for capital projects in FY 2009-10 and FY 2010-11 are limited to only essential projects. For details on the projects that have been included in the recommended budget package, see the capital construction portion of the Long Bill narrative.

The proposed budget provides the following significant annual General Fund changes:

- \$216.4 million increase (50.5 percent) for the higher education system;
- \$92.6 million increase (5,510.7 percent) for the Department of the Treasury;
- \$87.8 million increase (15.5 percent) for the Department of Corrections;
- \$82.8 million increase (7.2 percent) for the Department of Health Care Policy and Financing;
- \$14.8 million decrease (-2.3 percent) for the Department of Human Services; and
- \$64.6 million decrease (-2.0 percent) for the Department of Education.

Respectfully submitted,

Printed version signed by members.

Representative Jack Pommer, Chairman

Senator Moe Keller, Vice-Chairman

Representative Mark Ferrandino

Senator Abel Tapia

Representative Kent Lambert

Senator Al White

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General Fund Overview
(millions of dollars)

	FY 09-10	FY 10-11
<u>GENERAL FUND REVENUES AVAILABLE:</u>		
Beginning General Fund Reserve	\$443.3	\$332.7
General Fund Nonexempt Revenues	6,729.7	6,690.3
General Fund Exempt Revenues	0.0	428.8
Transfer to Older Americans Act	(10.9)	(10.9)
Transfers/Paybacks - Current Law	285.9	9.8
Transfers/Paybacks - Recommended by JBC as Part of Budget Package	122.7	80.8
Year-end Balancing Transfer (Gov's Executive Order D 013 09 pursuant to SB 09-279)	(458.1)	0.0
TOTAL GENERAL FUND AVAILABLE	\$7,112.6	\$7,531.5
<u>GENERAL FUND OBLIGATIONS:</u>		
General Fund Appropriations	\$6,630.3	\$6,938.6
Rebates and Expenditures	146.2	154.5
Reimbursement for Senior and Veterans Property Tax Exemption	1.4	93.4
Capital Construction Transfer (Based on OSPB Request)	2.0	11.8
TOTAL GENERAL FUND OBLIGATIONS	\$6,779.9	\$7,198.3
YEAR END GENERAL FUND RESERVE	\$332.7	\$333.2
STATUTORY RESERVE (Section 24-75-201.1 (1) (d), C.R.S.)	132.6	277.5
MONEYS IN (DEFICT)/EXCESS OF THE STATUTORY GENERALFUND RESERVE	\$200.1	\$55.7

Transfer Components of General Fund Overview
(millions of dollars)

		FY 2009-10	FY 2010-11
<u>Transfers/Paybacks - Current Law:</u>			
SB 09-210	Tobacco Master Settlement Transfers	2.4	0.0
SB 09-264	Maximize Federal Match Under ARRA	2.4	3.1
SB 09-269	Tobacco Master Settlement Transfers	65.0	0.0
SB 09-270	Amendment 35 Tobacco Transfers - Interest	3.9	2.6
SB 09-279	Permanent Cash Transfers	\$209.4	\$0.0
HB 10-1323	From Tobacco Settlement Programs	2.6	4.0
HB 10-1325	From Natural Resource Damage Recovery Fund	0.2	0.2
Total		\$285.9	\$9.9
<u>Transfers/Paybacks - Recommended by JBC as Part of Budget Package:</u>			
HB 10-1327	Cash Fund Transfers Augment General Fund	\$84.9	\$0.0
HB 10-1339	FY 2009-10 Distribution Limited Gaming Fund Moneys	16.2	0.0
HB 10-1383	CollegeInvest Transfer and Refinance	0.0	29.8
HB 10-1384	Change Eligibility for Old Age Pension Program	0.0	14.1
HB 10-1385	Funding Insurance Fraud Cases	0.0	0.2
HB 10-1388	Cash Fund Transfers Augment General Fund	0.0	25.5
HB 10-1389	Capital Construction Transfers	20.9	10.4
N/A	Procurement Card Cash Transferred to General Fund	0.7	0.8
		\$122.7	\$80.8

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

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

"Referendum C" General Fund Exempt Appropriations by Program in the 2010 Long Bill				
Department	Long Bill Line Item/Bill Number	FY 08-09	FY 09-10	FY 10-11
Education	State Share of Districts' Total Program Funding	\$0	\$0	\$161,444,485
HCPF	Medical Services Premiums Totals	0	0	161,444,485
Higher Education	College Opportunity Fund Program - Stipends	0	0	101,266,667
Local Affairs	Volunteer Firefighter Retirement Plans	0	0	4,144,363
Treasury	Fire and Police Pension Association - Old Hire Plans	0	0	0
Transportation	Capital Transfer Bill	0	0	500,000
	Total General Fund Exempt	\$0	\$0	\$428,800,000

Joint Budget Committee FY 2010-11 Budget Balancing Package

General Fund Revenue Enhancements Summary Table	
General Fund Statutory Revenue Changes:	
H.B. 10-1383 (Financing of Higher Ed.)	\$29,800,000
H.B. 10-1388 (Cash Fund Transfers to Augment General Fund)	25,500,000
H.B. 10-1384 (Change O.A.P. Eligibility)	14,106,644
H.B. 10-1389 (Capital Const. Transfers)	1,323,031
H.B. 10-1385 (Fund Ins. Fraud Program)	170,000
Subtotal	\$70,899,675

Appropriation Summary Table						
Item	Total	General Fund*	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Current FY 2009-10 Appropriation	\$18,754,558,426	\$7,009,549,209	\$5,451,947,115	\$1,242,276,778	\$5,050,785,324	52,048.5
Long Bill Supplemental Changes	30,402,064	(19,909,773)	57,684,169	(1,135,027)	(6,237,305)	(22.6)
Known Restrictions in FY 2009-10	(1,042,000)	(1,042,000)	0	0	0	0.0
Bills Affecting FY 2009-10	<u>391,745,560</u>	<u>(331,226,620)</u>	<u>101,866,642</u>	<u>81,855</u>	<u>621,023,683</u>	<u>0.0</u>
Adjusted FY 2009-10 Appropriation	19,175,664,050	6,657,370,816	5,611,497,926	1,241,223,606	5,665,571,702	52,025.9
Statutory Appropriations	3,445,026	2,959,495	485,531	0	0	0.0
FY 2010-11 Long Bill Changes	867,557,773	907,831,558	81,516,985	265,726,553	(387,517,323)	701.7
Bills Affecting FY 2010-11	<u>(458,634,221)</u>	<u>(511,579,009)</u>	<u>17,176,984</u>	<u>(398,624)</u>	<u>36,166,428</u>	<u>0.0</u>
Recommended FY 2010-11 Appropriation	19,588,032,628	7,056,582,860	5,710,677,426	1,506,551,535	5,314,220,807	52,727.6
<i>Total Annual Dollar Change:</i>	<i>\$412,368,578</i>	<i>\$399,212,044</i>	<i>\$99,179,500</i>	<i>\$265,327,929</i>	<i>(\$351,350,895)</i>	<i>701.7</i>
<i>Total Annual Percent Change:</i>	<i>2.2%</i>	<i>6.0%</i>	<i>1.8%</i>	<i>21.4%</i>	<i>-6.2%</i>	<i>1.3%</i>

* Please note: General Fund amounts include dollars considered "General Fund Exempt"

Appropriation Detail by Department

Department / Item	Total	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
AGRICULTURE						
Current FY 2009-10 Appropriation	\$38,843,498	\$6,055,836	\$27,018,443	\$1,800,473	\$3,968,746	293.0
H.B. 10-1376 (Long Bill changes)	(326,452)	201,692	202,153	(781,705)	51,408	(5.9)
H.B. 10-1377 (Cash Fund Ag Programs)	<u>108,229</u>	<u>(1,301,254)</u>	<u>1,301,254</u>	<u>108,229</u>	<u>0</u>	<u>0.0</u>
Proposed FY 2010-11 Appropriation - Agriculture	\$38,625,275	\$4,956,274	\$28,521,850	\$1,126,997	\$4,020,154	287.1
<i>Total Change:</i>	(\$218,223)	(\$1,099,562)	\$1,503,407	(\$673,476)	\$51,408	(5.9)
<i>Percent Change:</i>	-0.6%	-18.2%	5.6%	-37.4%	1.3%	-2.0%
CORRECTIONS						
Current FY 2009-10 Appropriation	\$742,980,190	\$565,603,106	\$44,731,991	\$42,698,918	\$89,946,175	6,547.6
H.B. 10-1376 (Long Bill changes)	(9,794,505)	84,795,179	(4,752,336)	(149,104)	(89,688,244)	190.2
Statutory Appropriations	<u>3,445,026</u>	<u>2,959,495</u>	<u>485,531</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
Proposed FY 2010-11 Appropriation - Corrections	\$736,630,711	\$653,357,780	\$40,465,186	\$42,549,814	\$257,931	6,737.8
<i>Total Change:</i>	(\$6,349,479)	\$87,754,674	(\$4,266,805)	(\$149,104)	(\$89,688,244)	190.2
<i>Percent Change:</i>	-0.9%	15.5%	-9.5%	-0.3%	-99.7%	2.9%
EDUCATION						
Current FY 2009-10 Appropriation	\$4,725,547,739	\$3,239,412,599	\$636,588,049	\$22,655,030	\$826,892,061	563.3
Long Bill Supplemental	<u>(109,190)</u>	<u>(86,980)</u>	<u>(49,813)</u>	<u>46,175</u>	<u>(18,572)</u>	<u>0.0</u>
Adjusted FY 2009-10 Appropriation	4,725,438,549	3,239,325,619	636,538,236	22,701,205	826,873,489	563.3
H.B. 10-1376 (Long Bill changes)	(21,716,871)	300,728,942	(65,539,844)	116,881	(257,022,850)	(12.2)
H.B. 10-1369 (School Finance)	<u>(365,312,540)</u>	<u>(365,312,540)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
Proposed FY 2010-11 Appropriation - Education	\$4,338,409,138	\$3,174,742,021	\$570,998,392	\$22,818,086	\$569,850,639	551.1
<i>Total Change:</i>	(\$387,029,411)	(\$64,583,598)	(\$65,539,844)	\$116,881	(\$257,022,850)	(12.2)
<i>Percent Change:</i>	-8.2%	-2.0%	-10.3%	0.5%	-31.1%	-2.2%
GOVERNOR						
Current FY 2009-10 Appropriation	\$123,060,645	\$13,382,984	\$28,043,418	\$48,776,564	\$32,857,679	368.9
Long Bill Supplemental	<u>480,000</u>	<u>480,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
Adjusted FY 2009-10 Appropriation	123,540,645	13,862,984	28,043,418	48,776,564	32,857,679	368.9
H.B. 10-1376 (Long Bill changes)	92,240,969	(2,596,847)	13,221,452	81,499,457	116,907	676.4
H.B. 10-1384 (Change O.A.P. Eligibility)	45,761	0	0	45,761	0	0.0
H.B. 10-1339 (FY 2009-10 Gaming Dist.)	<u>(15,251,079)</u>	<u>0</u>	<u>(15,251,079)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
Proposed FY 2010-11 Appropriation - Governor	\$200,576,296	\$11,266,137	\$26,013,791	\$130,321,782	\$32,974,586	1,045.3
<i>Total Change:</i>	\$77,035,651	(\$2,596,847)	(\$2,029,627)	\$81,545,218	\$116,907	676.4
<i>Percent Change:</i>	62.4%	-18.7%	-7.2%	167.2%	0.4%	183.4%

Appropriation Detail by Department

Department / Item	Total	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HEALTH CARE POLICY AND FINANCING						
Current FY 2009-10 Appropriation	\$3,949,873,868	\$1,496,926,714	\$478,652,891	\$25,120,203	\$1,949,174,060	287.6
H.B. 09-1293 (Conditional Appropriation)	319,379,112	(1,877,337)	115,090,245	0	206,166,204	0.0
Long Bill Supplemental	(13,274,476)	(15,582,258)	9,609,261	(356,610)	(6,944,869)	0.0
H.B. 10-1382 (Repeal S.B. 09-265)	93,104,524	27,394,275	8,009,995	28,771	57,671,483	0.0
H.B. 10-1384 (Change O.A.P. Eligibility)	17,309	8,584	76	0	8,649	0.0
S.B. 10-169 (Provider Fee Match)	0	(4,929,388)	4,929,388	0	0	0.0
ARRA Adjustment	<u>(20,892,200)</u>	<u>(351,742,070)</u>	<u>(26,282,270)</u>	<u>0</u>	<u>357,132,140</u>	<u>0.0</u>
Adjusted FY 2009-10 Appropriation	4,328,208,137	1,150,198,520	590,009,586	24,792,364	2,563,207,667	287.6
H.B. 10-1376 (Long Bill changes)	296,590,519	192,808,948	(59,284,258)	(8,376,113)	171,441,942	(0.8)
H.B. 10-1378 (Primary Care Fund)	7,243,608	(12,800,000)	0	0	20,043,608	0.0
H.B. 10-1379 (Nursing Facility Reimb.)	(6,234,689)	(8,211,333)	5,806,343	0	(3,829,699)	0.0
H.B. 10-1380 (O.A.P. Supplemental Med.)	0	(4,850,000)	4,850,000	0	0	0.0
H.B. 10-1381 (Amdt. 35 Transfers)	0	(25,691,418)	25,691,418	0	0	0.0
H.B. 10-1382 (Repeal S.B. 09-265)	(40,566,633)	(12,125,302)	(2,023,356)	(17,380)	(26,400,595)	0.0
H.B. 10-1384 (Change O.A.P. Eligibility)	17,220	8,539	76	0	8,605	0.0
S.B. 10-169 (Provider Fee Match)	<u>0</u>	<u>(46,329,388)</u>	<u>0</u>	<u>0</u>	<u>46,329,388</u>	<u>0.0</u>
Proposed FY 2010-11 Appropriation - Health Care Policy and Financing	\$4,585,258,162	\$1,233,008,566	\$565,049,809	\$16,398,871	\$2,770,800,916	286.8
<i>Total Change:</i>	<i>\$257,050,025</i>	<i>\$82,810,046</i>	<i>(\$24,959,777)</i>	<i>(\$8,393,493)</i>	<i>\$207,593,249</i>	<i>(0.8)</i>
<i>Percent Change:</i>	<i>5.9%</i>	<i>7.2%</i>	<i>-4.2%</i>	<i>-33.9%</i>	<i>8.1%</i>	<i>-0.3%</i>
HIGHER EDUCATION						
Current FY 2009-10 Appropriation	\$2,579,369,433	\$428,761,033	\$1,385,576,579	\$362,747,643	\$402,284,178	20,954.9
Long Bill Supplemental	<u>48,293,937</u>	<u>0</u>	<u>48,293,937</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
Adjusted FY 2009-10 Appropriation	2,627,663,370	428,761,033	1,433,870,516	362,747,643	402,284,178	20,954.9
H.B. 10-1376 (Long Bill changes)	314,198,512	231,805,248	151,775,421	223,419,750	(292,801,907)	442.2
H.B. 10-1383 (Financing of Higher Ed.)	<u>0</u>	<u>(15,400,000)</u>	<u>15,400,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
Proposed FY 2010-11 Appropriation - Higher Education	\$2,941,861,882	\$645,166,281	\$1,601,045,937	\$586,167,393	\$109,482,271	21,397.1
<i>Total Change:</i>	<i>\$314,198,512</i>	<i>\$216,405,248</i>	<i>\$167,175,421</i>	<i>\$223,419,750</i>	<i>(\$292,801,907)</i>	<i>442.2</i>
<i>Percent Change:</i>	<i>12.0%</i>	<i>50.5%</i>	<i>11.7%</i>	<i>61.6%</i>	<i>-72.8%</i>	<i>2.1%</i>
HUMAN SERVICES						
Current FY 2009-10 Appropriation	\$2,148,885,838	\$656,173,799	\$351,344,575	\$438,925,287	\$702,442,177	5,509.2
Long Bill Supplemental	(4,295,546)	(4,144,613)	0	(877,069)	726,136	(18.1)
H.B. 09-1293 (Conditional Appropriation)	90,815	(92,031)	117,065	35,775	30,006	0.0
H.B. 10-1384 (Noncitizen Eligibility for Old Age Pension)	<u>46,000</u>	<u>11,347</u>	<u>2,143</u>	<u>17,309</u>	<u>15,201</u>	<u>0.0</u>
Adjusted FY 2009-10 Appropriation	2,144,727,107	651,948,502	351,463,783	438,101,302	703,213,520	5,491.1
H.B. 10-1376 (Long Bill changes)	17,164,416	(14,804,220)	6,536,255	(8,406,885)	33,839,266	(313.7)
H.B. 10-1384 (Change O.A.P. Eligibility)	<u>(14,063,056)</u>	<u>11,288</u>	<u>(14,106,685)</u>	<u>17,220</u>	<u>15,121</u>	<u>0.0</u>
Proposed FY 2010-11 Appropriation - Human Services	\$2,147,828,467	\$637,155,570	\$343,893,353	\$429,711,637	\$737,067,907	5,177.4
<i>Total Change:</i>	<i>\$3,101,360</i>	<i>(\$14,792,932)</i>	<i>(\$7,570,430)</i>	<i>(\$8,389,665)</i>	<i>\$33,854,387</i>	<i>(313.7)</i>
<i>Percent Change:</i>	<i>0.1%</i>	<i>-2.3%</i>	<i>-2.2%</i>	<i>-1.9%</i>	<i>4.8%</i>	<i>-5.7%</i>

Appropriation Detail by Department

Department / Item	Total	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
JUDICIAL						
Current FY 2009-10 Appropriation	\$441,595,052	\$323,814,931	\$105,630,825	\$7,718,876	\$4,430,420	3,947.8
H.B. 10-1376 (Long Bill changes)	<u>10,913,231</u>	<u>6,120,922</u>	<u>2,648,271</u>	<u>(240,284)</u>	<u>2,384,322</u>	<u>122.9</u>
Proposed FY 2010-11 Appropriation - Judicial	\$452,508,283	\$329,935,853	\$108,279,096	\$7,478,592	\$6,814,742	4,070.7
<i>Total Change:</i>	<i>\$10,913,231</i>	<i>\$6,120,922</i>	<i>\$2,648,271</i>	<i>(\$240,284)</i>	<i>\$2,384,322</i>	<i>122.9</i>
<i>Percent Change:</i>	<i>2.5%</i>	<i>1.9%</i>	<i>2.5%</i>	<i>-3.1%</i>	<i>53.8%</i>	<i>3.1%</i>
LABOR AND EMPLOYMENT						
Current FY 2009-10 Appropriation	\$177,028,794	\$0	\$60,585,018	\$12,832,151	\$103,611,625	1,123.7
H.B. 10-1376 (Long Bill changes)	<u>(20,245,050)</u>	<u>0</u>	<u>(954,414)</u>	<u>(11,240,814)</u>	<u>(8,049,822)</u>	<u>(78.2)</u>
Proposed FY 2010-11 Appropriation - Labor and Employment	\$156,783,744	\$0	\$59,630,604	\$1,591,337	\$95,561,803	1,045.5
<i>Total Change:</i>	<i>(\$20,245,050)</i>	<i>\$0</i>	<i>(\$954,414)</i>	<i>(\$11,240,814)</i>	<i>(\$8,049,822)</i>	<i>(78.2)</i>
<i>Percent Change:</i>	<i>-11.4%</i>	<i>N/A</i>	<i>-1.6%</i>	<i>-87.6%</i>	<i>-7.8%</i>	<i>-7.0%</i>
DEPARTMENT OF LAW						
Current FY 2009-10 Appropriation	\$49,339,112	\$9,225,846	\$9,292,899	\$29,557,289	\$1,263,078	398.6
H.B. 10-1376 (Long Bill changes)	1,418,128	831,171	(252,631)	841,005	(1,417)	5.2
H.B. 10-1329 (Solid Waste User Fees)	0	(511,159)	511,159	0	0	0.0
H.B. 10-1385 (Fund Ins. Fraud Program)	<u>0</u>	<u>0</u>	<u>748,954</u>	<u>(748,954)</u>	<u>0</u>	<u>0.0</u>
Proposed FY 2010-11 Appropriation - Department of Law	\$50,757,240	\$9,545,858	\$10,300,381	\$29,649,340	\$1,261,661	403.8
<i>Total Change:</i>	<i>\$1,418,128</i>	<i>\$320,012</i>	<i>\$1,007,482</i>	<i>\$92,051</i>	<i>(\$1,417)</i>	<i>5.2</i>
<i>Percent Change:</i>	<i>2.9%</i>	<i>3.5%</i>	<i>10.8%</i>	<i>0.3%</i>	<i>-0.1%</i>	<i>1.3%</i>
LEGISLATURE						
Current FY 2009-10 Appropriation	\$36,414,775	\$35,137,319	\$223,640	\$1,053,816	\$0	277.1
Known Restriction in FY 2009-10	<u>(1,042,000)</u>	<u>(1,042,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
Adjusted FY 2009-10 Appropriation	35,372,775	34,095,319	223,640	1,053,816	0	277.1
H.B. 10-1376 (Long Bill changes)	(280,843)	(30,843)	0	(250,000)	0	0.0
H.B. 10-1367 Legislative Appropriation*	<u>908,792</u>	<u>733,101</u>	<u>(20,809)</u>	<u>196,500</u>	<u>0</u>	<u>0.0</u>
Proposed FY 2010-11 Appropriation - Legislature	\$36,000,724	\$34,797,577	\$202,831	\$1,000,316	\$0	277.1
<i>Total Change:</i>	<i>\$627,949</i>	<i>\$702,258</i>	<i>(\$20,809)</i>	<i>(\$53,500)</i>	<i>\$0</i>	<i>0.0</i>
<i>Percent Change:</i>	<i>1.7%</i>	<i>2.0%</i>	<i>-9.3%</i>	<i>-5.1%</i>	<i>N/A</i>	<i>0.0%</i>
* These dollars reflect the <i>difference</i> between FY 2009-10 and FY 2010-11. The legislation's full fiscal impact is listed in the "Special Bills" section.						

Appropriation Detail by Department

Department / Item	Total	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
LOCAL AFFAIRS						
Current FY 2009-10 Appropriation	\$394,429,210	\$10,912,921	\$258,601,220	\$11,928,255	\$112,986,814	186.5
H.B. 10-1376 (Long Bill changes)	<u>(72,095,305)</u>	<u>(208,595)</u>	<u>(51,192,537)</u>	<u>(4,684,778)</u>	<u>(16,009,395)</u>	<u>(9.8)</u>
Proposed FY 2010-11 Appropriation - Local Affairs	\$322,333,905	\$10,704,326	\$207,408,683	\$7,243,477	\$96,977,419	176.7
<i>Total Change:</i>	<i>(\$72,095,305)</i>	<i>(\$208,595)</i>	<i>(\$51,192,537)</i>	<i>(\$4,684,778)</i>	<i>(\$16,009,395)</i>	<i>(9.8)</i>
<i>Percent Change:</i>	<i>-18.3%</i>	<i>-1.9%</i>	<i>-19.8%</i>	<i>-39.3%</i>	<i>-14.2%</i>	<i>-5.3%</i>
MILITARY AFFAIRS						
Current FY 2009-10 Appropriation	\$203,227,824	\$5,407,887	\$1,407,940	\$803,509	\$195,608,488	1,386.9
H.B. 10-1376 (Long Bill changes)	<u>18,063,868</u>	<u>(87,479)</u>	<u>941</u>	<u>0</u>	<u>18,150,406</u>	<u>(2.0)</u>
Proposed FY 2010-11 Appropriation - Military Affairs	\$221,291,692	\$5,320,408	\$1,408,881	\$803,509	\$213,758,894	1,384.9
<i>Total Change:</i>	<i>\$18,063,868</i>	<i>(\$87,479)</i>	<i>\$941</i>	<i>\$0</i>	<i>\$18,150,406</i>	<i>(2.0)</i>
<i>Percent Change:</i>	<i>8.9%</i>	<i>-1.6%</i>	<i>0.1%</i>	<i>0.0%</i>	<i>9.3%</i>	<i>-0.1%</i>
NATURAL RESOURCES						
Current FY 2009-10 Appropriation	\$225,920,833	\$26,634,588	\$174,744,140	\$7,305,823	\$17,236,282	1,538.8
H.B. 10-1376 (Long Bill changes)	<u>(2,357,775)</u>	<u>(215,255)</u>	<u>(5,301,423)</u>	<u>666,538</u>	<u>2,492,365</u>	<u>(64.0)</u>
Proposed FY 2010-11 Appropriation - Natural Resources	\$223,563,058	\$26,419,333	\$169,442,717	\$7,972,361	\$19,728,647	1,474.8
<i>Total Change:</i>	<i>(\$2,357,775)</i>	<i>(\$215,255)</i>	<i>(\$5,301,423)</i>	<i>\$666,538</i>	<i>\$2,492,365</i>	<i>(64.0)</i>
<i>Percent Change:</i>	<i>-1.0%</i>	<i>-0.8%</i>	<i>-3.0%</i>	<i>9.1%</i>	<i>14.5%</i>	<i>-4.2%</i>
PERSONNEL AND ADMINISTRATION						
Current FY 2009-10 Appropriation	\$176,453,522	\$5,621,500	\$10,782,083	\$160,049,939	\$0	393.6
Long Bill Supplemental	<u>48,949</u>	<u>(50,312)</u>	<u>46,784</u>	<u>52,477</u>	<u>0</u>	<u>0.0</u>
Adjusted FY 2009-10 Appropriation	176,502,471	5,571,188	10,828,867	160,102,416	0	393.6
H.B. 10-1376 (Long Bill changes)	<u>(4,097,247)</u>	<u>47,860</u>	<u>(722,507)</u>	<u>(3,422,600)</u>	<u>0</u>	<u>(2.0)</u>
Proposed FY 2010-11 Appropriation - Personnel and Administration	\$172,405,224	\$5,619,048	\$10,106,360	\$156,679,816	\$0	391.6
<i>Total Change:</i>	<i>(\$4,097,247)</i>	<i>\$47,860</i>	<i>(\$722,507)</i>	<i>(\$3,422,600)</i>	<i>\$0</i>	<i>(2.0)</i>
<i>Percent Change:</i>	<i>-2.3%</i>	<i>0.9%</i>	<i>-6.7%</i>	<i>-2.1%</i>	<i>N/A</i>	<i>-0.5%</i>
PUBLIC HEALTH AND ENVIRONMENT						
Current FY 2009-10 Appropriation	\$429,048,743	\$27,130,170	\$145,304,938	\$33,233,774	\$223,379,861	1,289.5
Long Bill Supplemental	<u>(108,000)</u>	<u>(54,000)</u>	<u>(54,000)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
Adjusted FY 2009-10 Appropriation	428,940,743	27,076,170	145,250,938	33,233,774	223,379,861	1,289.5
H.B. 10-1376 (Long Bill changes)	31,831,348	465,291	422,716	(2,273,641)	33,216,982	(68.6)
H.B. 10-1381 (Amdt. 35 Transfers)	<u>(25,691,418)</u>	<u>0</u>	<u>(25,691,418)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
Proposed FY 2010-11 Appropriation - Public Health and Environment	\$435,080,673	\$27,541,461	\$119,982,236	\$30,960,133	\$256,596,843	1,220.9
<i>Total Change:</i>	<i>\$6,139,930</i>	<i>\$465,291</i>	<i>(\$25,268,702)</i>	<i>(\$2,273,641)</i>	<i>\$33,216,982</i>	<i>(68.6)</i>
<i>Percent Change:</i>	<i>1.4%</i>	<i>1.7%</i>	<i>-17.4%</i>	<i>-6.8%</i>	<i>14.9%</i>	<i>-5.3%</i>

Appropriation Detail by Department

Department / Item	Total	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
PUBLIC SAFETY						
Current FY 2009-10 Appropriation	\$249,790,343	\$81,989,417	\$119,897,125	\$21,337,368	\$26,566,433	1,358.5
H.B. 10-1376 (Long Bill changes)	<u>5,352,522</u>	<u>(1,111,349)</u>	<u>5,751,868</u>	<u>28,028</u>	<u>683,975</u>	<u>(21.8)</u>
Proposed FY 2010-11 Appropriation - Public Safety	\$255,142,865	\$80,878,068	\$125,648,993	\$21,365,396	\$27,250,408	1,336.7
<i>Total Change:</i>	<i>\$5,352,522</i>	<i>(\$1,111,349)</i>	<i>\$5,751,868</i>	<i>\$28,028</i>	<i>\$683,975</i>	<i>(21.8)</i>
<i>Percent Change:</i>	<i>2.1%</i>	<i>-1.4%</i>	<i>4.8%</i>	<i>0.1%</i>	<i>2.6%</i>	<i>-1.6%</i>
REGULATORY AGENCIES						
Current FY 2009-10 Appropriation	\$79,893,774	\$1,457,251	\$68,839,045	\$8,382,793	\$1,214,685	595.4
H.B. 10-1376 (Long Bill changes)	<u>(2,364,096)</u>	<u>53,184</u>	<u>(282,900)</u>	<u>(2,151,093)</u>	<u>16,713</u>	<u>(23.6)</u>
Proposed FY 2010-11 Appropriation - Regulatory Agencies	\$77,529,678	\$1,510,435	\$68,556,145	\$6,231,700	\$1,231,398	571.8
<i>Total Change:</i>	<i>(\$2,364,096)</i>	<i>\$53,184</i>	<i>(\$282,900)</i>	<i>(\$2,151,093)</i>	<i>\$16,713</i>	<i>(23.6)</i>
<i>Percent Change:</i>	<i>-3.0%</i>	<i>3.6%</i>	<i>-0.4%</i>	<i>-25.7%</i>	<i>1.4%</i>	<i>-4.0%</i>
REVENUE						
Current FY 2009-10 Appropriation	\$692,706,965	\$74,220,949	\$615,561,703	\$1,398,939	\$1,525,374	1,495.2
Long Bill Supplemental	<u>(633,610)</u>	<u>(471,610)</u>	<u>(162,000)</u>	<u>0</u>	<u>0</u>	<u>(4.5)</u>
Adjusted FY 2009-10 Appropriation	692,073,355	73,749,339	615,399,703	1,398,939	1,525,374	1,490.7
H.B. 10-1376 (Long Bill changes)	837,589	16,428,733	(15,644,856)	95,886	(42,174)	(73.8)
H.B. 10-1194 (Out-of-State sales tax)	161,584	161,584	0	0	0	0.0
H.B. 10-1387 (Refin. Div. Motor Veh.)	<u>0</u>	<u>(19,961,127)</u>	<u>19,961,127</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
Proposed FY 2010-11 Appropriation - Revenue	\$693,072,528	\$70,378,529	\$619,715,974	\$1,494,825	\$1,483,200	1,416.9
<i>Total Change:</i>	<i>\$999,173</i>	<i>(\$3,370,810)</i>	<i>\$4,316,271</i>	<i>\$95,886</i>	<i>(\$42,174)</i>	<i>(73.8)</i>
<i>Percent Change:</i>	<i>0.1%</i>	<i>-4.6%</i>	<i>0.7%</i>	<i>6.9%</i>	<i>-2.8%</i>	<i>-5.0%</i>
DEPARTMENT OF STATE						
Current FY 2009-10 Appropriation	\$21,022,851	\$0	\$21,022,851	\$0	\$0	134.4
H.B. 10-1376 (Long Bill changes)	<u>204,048</u>	<u>0</u>	<u>204,048</u>	<u>0</u>	<u>0</u>	<u>0.2</u>
Proposed FY 2010-11 Appropriation - Department of State	\$21,226,899	\$0	\$21,226,899	\$0	\$0	134.6
<i>Total Change:</i>	<i>\$204,048</i>	<i>\$0</i>	<i>\$204,048</i>	<i>\$0</i>	<i>\$0</i>	<i>0.2</i>
<i>Percent Change:</i>	<i>1.0%</i>	<i>N/A</i>	<i>1.0%</i>	<i>N/A</i>	<i>N/A</i>	<i>0.1%</i>
TRANSPORTATION						
Current FY 2009-10 Appropriation	\$973,508,750	\$0	\$614,161,434	\$3,950,128	\$355,397,188	3,366.5
H.B. 10-1376 (Long Bill changes)	<u>58,908,419</u>	<u>0</u>	<u>44,168,194</u>	<u>1,036,025</u>	<u>13,704,200</u>	<u>(59.0)</u>
Proposed FY 2010-11 Appropriation - Transportation	\$1,032,417,169	\$0	\$658,329,628	\$4,986,153	\$369,101,388	3,307.5
<i>Total Change:</i>	<i>\$58,908,419</i>	<i>\$0</i>	<i>\$44,168,194</i>	<i>\$1,036,025</i>	<i>\$13,704,200</i>	<i>(59.0)</i>
<i>Percent Change:</i>	<i>6.1%</i>	<i>N/A</i>	<i>7.2%</i>	<i>26.2%</i>	<i>3.9%</i>	<i>-1.8%</i>

Appropriation Detail by Department

Department / Item	Total	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
TREASURY						
Current FY 2009-10 Appropriation	\$295,616,667	\$1,680,359	\$293,936,308	\$0	\$0	31.5
Long Bill Supplemental	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
Adjusted FY 2009-10 Appropriation	\$295,616,667	\$1,680,359	\$293,936,308	\$0	\$0	31.5
H.B. 10-1376 (Long Bill changes)	<u>153,112,348</u>	<u>92,598,976</u>	<u>60,513,372</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
Proposed FY 2010-11 Appropriation - Treasury	\$448,729,015	\$94,279,335	\$354,449,680	\$0	\$0	31.5
<i>Total Change:</i>	<i>\$153,112,348</i>	<i>\$92,598,976</i>	<i>\$60,513,372</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<i>Percent Change:</i>	<i>51.8%</i>	<i>5510.7%</i>	<i>20.6%</i>	<i>N/A</i>	<i>N/A</i>	<i>0.0%</i>
Current FY 2009-10 Appropriation	\$18,754,558,426	\$7,009,549,209	\$5,451,947,115	\$1,242,276,778	\$5,050,785,324	52,048.5
Adjusted FY 2009-10 Appropriation	\$19,175,664,050	\$6,657,370,816	\$5,611,497,926	\$1,241,223,606	\$5,665,571,702	52,025.9
Grand Total Appropriation Changes (from Adjusted Appropriation)	\$412,368,578	\$399,212,044	\$99,179,500	\$265,327,929	(\$351,350,895)	701.7
<i>Percent Change:</i>	<i>2.2%</i>	<i>6.0%</i>	<i>1.8%</i>	<i>21.4%</i>	<i>-6.2%</i>	<i>1.3%</i>
Summary of Changes:						
Long Bill Supplemental	30,402,064	(19,909,773)	57,684,169	(1,135,027)	(6,237,305)	(22.6)
Statutory appropriations	3,445,026	2,959,495	485,531	0	0	0.0
FY 2010-11 Long Bill	\$867,557,773	\$907,831,558	\$81,516,985	\$265,726,553	(\$387,517,323)	701.7
<i>Other Bills Affecting FY 2010-11:</i>	<i>(458,634,221)</i>	<i>(511,579,009)</i>	<i>17,176,984</i>	<i>(398,624)</i>	<i>36,166,428</i>	<i>0.0</i>
H.B. 10-1194 (Out-of-State Sales Tax)	161,584	161,584	0	0	0	0.0
H.B. 10-1329 (Solid Waste User Fees)	0	(511,159)	511,159	0	0	0.0
H.B. 10-1339 (Out-of-State Sales Tax)	(15,251,079)	0	(15,251,079)	0	0	0.0
H.B. 10-1367 (Legislative Appropriation)	908,792	733,101	(20,809)	196,500	0	0.0
H.B. 10-1369 (School Finance)	(365,312,540)	(365,312,540)	0	0	0	0.0
H.B. 10-1377 (Cash Fund Ag Programs)	108,229	(1,301,254)	1,301,254	108,229	0	0.0
H.B. 10-1378 (Primary Care Fund)	7,243,608	(12,800,000)	0	0	20,043,608	0.0
H.B. 10-1379 (Nursing Facility Reimb.)	(6,234,689)	(8,211,333)	5,806,343	0	(3,829,699)	0.0
H.B. 10-1380 (O.A.P. Supplemental Med.)	0	(4,850,000)	4,850,000	0	0	0.0
H.B. 10-1381 (Amdt. 35 Transfers)	(25,691,418)	(25,691,418)	0	0	0	0.0
H.B. 10-1382 (Repeal S.B. 09-265)	(40,566,633)	(12,125,302)	(2,023,356)	(17,380)	(26,400,595)	0.0
H.B. 10-1383 (Financing of Higher Ed.)	0	(15,400,000)	15,400,000	0	0	0.0
H.B. 10-1384 (Change O.A.P. Eligibility)	(14,000,075)	19,827	(14,106,609)	62,981	23,726	0.0
H.B. 10-1385 (Fund Ins. Fraud Program)	0	0	748,954	(748,954)	0	0.0
H.B. 10-1387 (Refinance Div. Motor Veh.)	0	(19,961,127)	19,961,127	0	0	0.0
S.B. 10-169 (Provider Fee Match)	0	(46,329,388)	0	0	46,329,388	0.0

* Please note: General Fund amounts include dollars considered "General Fund Exempt"

PROPOSED APPROPRIATIONS					
FY 2010-11					
Department	TOTAL	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
Agriculture	38,517,046	6,257,528	27,220,596	1,018,768	4,020,154
Corrections	733,185,685	650,398,285	39,979,655	42,549,814	257,931
Education	4,703,721,678	3,540,054,561	570,998,392	22,818,086	569,850,639
Governor	215,781,614	11,266,137	41,264,870	130,276,021	32,974,586
Health Care Policy and Financing	4,624,798,656	1,343,007,468	530,725,328	16,416,251	2,734,649,609
Higher Education	2,941,861,882	660,566,281	1,585,645,937	586,167,393	109,482,271
Human Services	2,161,891,523	637,144,282	358,000,038	429,694,417	737,052,786
Judicial	452,508,283	329,935,853	108,279,096	7,478,592	6,814,742
Labor and Employment	156,783,744	0	59,630,604	1,591,337	95,561,803
Law	50,757,240	10,057,017	9,040,268	30,398,294	1,261,661
Legislature	2,632,844	2,632,844	0	0	0
Local Affairs	322,333,905	10,704,326	207,408,683	7,243,477	96,977,419
Military and Veterans Affairs	221,291,692	5,320,408	1,408,881	803,509	213,758,894
Natural Resources	223,563,058	26,419,333	169,442,717	7,972,361	19,728,647
Personnel and Administration	172,405,224	5,619,048	10,106,360	156,679,816	0
Public Health and Environment	460,772,091	27,541,461	145,673,654	30,960,133	256,596,843
Public Safety	255,142,865	80,878,068	125,648,993	21,365,396	27,250,408
Regulatory Agencies	77,529,678	1,510,435	68,556,145	6,231,700	1,231,398
Revenue	692,910,944	90,178,072	599,754,847	1,494,825	1,483,200
State	21,226,899	0	21,226,899	0	0
Transportation	1,032,417,169	0	658,329,628	4,986,153	369,101,388
Treasury	<u>448,729,015</u>	<u>94,279,335</u>	<u>354,449,680</u>	<u>0</u>	<u>0</u>
LONG BILL					
OPERATING TOTAL	20,010,762,735	7,533,770,742	5,692,791,271	1,506,146,343	5,278,054,379
Legislative Appropriation	33,367,880	32,164,733	202,831	1,000,316	0
Five-year Statutory Appropriations	3,445,026	2,959,495	485,531	0	0
Controlled Maint. Trust Fund (subject to limit)	0	0	0	0	0
Capital Construction Fund (subject to limit)	0	0	0	0	0
JBC Proposed Balancing Package 1/	<u>(459,543,013)</u>	<u>(512,312,110)</u>	<u>17,197,793</u>	<u>(595,124)</u>	<u>36,166,428</u>
TOTAL OPERATING	19,588,032,628	7,056,582,860	5,710,677,426	1,506,551,535	5,314,220,807
LESS:					
Amount Exempt from Statutory Limit	N/A	<u>(117,938,363)</u>	N/A	N/A	N/A
GRAND TOTAL SUBJECT TO STATUTORY LIMIT	N/A	6,938,644,497	N/A	N/A	N/A

	Capital Construction Funds Exempt*	Cash Funds	Reappropriated Funds	Federal Funds	
Capital Construction	91,477,326	16,762,506	69,638,822	0	5,075,998

1/ The bills in the proposed balancing package are described in detail in an appendix.

GENERAL FUND APPROPRIATION COMPARISON				
Department	FY 2009-10 Appropriation*	FY 2010-11 Appropriation	Difference	% Difference
Agriculture	6,055,836	6,257,528	201,692	3.3%
Corrections	563,199,493	650,398,285	87,198,792	15.5%
Education	3,239,325,619	3,540,054,561	300,728,942	9.3%
Governor	13,862,984	11,266,137	(2,596,847)	-18.7%
Health Care Policy and Financing	1,129,602,386	1,343,007,468	213,405,082	18.9%
Higher Education	428,761,033	660,566,281	231,805,248	54.1%
Human Services	652,029,186	637,144,282	(14,884,904)	-2.3%
Judicial	323,814,931	329,935,853	6,120,922	1.9%
Labor and Employment	0	0	0	n/a
Law	9,225,846	10,057,017	831,171	9.0%
Legislature	2,688,843	2,632,844	(55,999)	-2.1%
Local Affairs	10,912,921	10,704,326	(208,595)	-1.9%
Military and Veterans Affairs	5,407,887	5,320,408	(87,479)	-1.6%
Natural Resources	26,634,588	26,419,333	(215,255)	-0.8%
Personnel and Administration	5,571,188	5,619,048	47,860	0.9%
Public Health and Environment	27,076,170	27,541,461	465,291	1.7%
Public Safety	81,989,417	80,878,068	(1,111,349)	-1.4%
Regulatory Agencies	1,457,251	1,510,435	53,184	3.6%
Revenue	73,749,339	90,178,072	16,428,733	22.3%
State	0	0	0	n/a
Transportation	0	0	0	n/a
Treasury	<u>1,680,359</u>	<u>94,279,335</u>	<u>92,598,976</u>	5510.7%
LONG BILL				
OPERATING TOTAL	6,603,045,277	7,533,770,742	930,725,465	14.1%
Legislative Appropriation	32,448,476	32,164,733	(283,743)	
Five-year Statutory Appropriations	2,403,613	2,959,495	555,882	
Controlled Maint. Trust Fund (subject to 6%)	0	0	0	
Capital Construction Fund (subject to 6%)	0	0	0	
JBC Proposed Balancing Package 1/	<u>19,473,450</u>	<u>(512,312,110)</u>	<u>(531,785,560)</u>	
TOTAL OPERATING	6,657,370,816	7,056,582,860	399,212,044	6.0%
LESS:				
Amount Exempt from Statutory Limit	<u>(25,949,912)</u>	<u>(117,938,363)</u>	<u>(91,988,451)</u>	
GRAND TOTAL SUBJECT TO STATUTORY LIMIT	6,631,420,904	6,938,644,497	307,223,593	4.6%
Capital Construction	<u>50,659,524</u>	<u>16,762,506</u>	<u>(33,897,018)</u>	
GRAND TOTAL	6,682,080,428	6,955,407,003	273,326,575	

* Includes supplemental appropriations.

EXPLANATION OF MAJOR GENERAL FUND DIFFERENCES

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

Department of Corrections -- The recommendation includes increases of: (1) \$89.0 million to restore one-time reductions made in FY 2009-10 related to the receipt of American Recovery and Reinvestment Act (ARRA) of 2009 funds; (2) \$9.4 million to open one of the three towers at Colorado State Penitentiary II (CSP II) beginning in September 2010, which would add 316 beds; (3) \$6.3 million to restore one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10; (4) \$3.1 million to restore one-time reductions in FY 2009-10 associated with double bunking 76 beds at the Denver Women's Correctional Facility and 100 beds at the Buena Vista Correctional Facility; (5) \$1.4 million for additional mental health services; and (6) \$0.9 million to maintain the systems and facility at CSP II and the Denver Reception and Diagnostic Center (DRDC) new expansion area (this funding is separate from the funding to open one tower of CSP II; this funding includes only the minimal amount of staff necessary to maintain the systems and facility, and these staff have not been duplicated in the recommendation for CSP II Tower I).

These amounts are partially offset by the following reductions: (1) \$8.0 million to reflect a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146; (2) \$7.0 million to reflect savings associated with the accelerated transition pilot program; (3) \$3.0 million associated with moving all Colorado female inmates out of the High Plains Correctional Facility; (4) \$2.7 million related to the impact of prior year decision items and legislation; (5) \$1.5 million to reflect declining caseloads in parole and community corrections; (6) \$1.0 million associated with the decommission of the Colorado Correctional Alternative Program (known as Boot Camp); (7) \$0.9 million for reduced medical costs associated with the declining inmate population; and (8) \$0.5 million associated with the statewide information technology consolidation.

Department of Education -- The FY 2010-11 Long Bill recommendation primarily reflects an increase of \$300.9 million to provide the required increase in state funding for public school finance based on current law.

Department of Health Care Policy and Financing -- The recommendation includes the following increases: (1) \$101.5 million to backfill a one-time use of cash funds to offset General Fund expenditures in the Medicaid program in FY 2009-10; (2) \$97.4 million for medical and mental health services due to Medicaid program caseload and cost increases; (3) \$13.2 million for the Medicare Modernization Act State Contribution Payment; and (4) \$4.1 million for the Children's Basic Health Plan program. These increases are partially offset by

\$24.2 million in decreases resulting from the following: (1) \$10.7 million for various program reductions in the Medical Services Premiums line item, including a 1.0 percent provider reimbursement rate reduction; (2) \$10.4 million from the Health Care Services Fund program due to the expiration of the program's statutory authority; (3) \$2.2 million in reductions for Medicaid programs administered by the Department of Human Services; and (4) \$0.9 million for benefit reductions for the Medicaid Mental Health program.

Please note the above changes do not reflect the legislation that is part of the budget balancing package. Please the Department detail for more information.

Department of Higher Education -- The General Fund increase is primarily attributable to restoring one-time reductions made in FY 2009-10 in order to meet the maintenance of effort requirement of the American Recovery and Reinvestment Act (ARRA) of 2009. As a condition of accepting federal funds through ARRA, the state must maintain at least the FY 2005-06 General Fund appropriation level for the higher education institutions. In FY 2009-10, Colorado meets the criteria for a waiver from this maintenance of effort requirement, and the General Fund appropriation is below the FY 2005-06 threshold. For FY 2010-11, Colorado does not meet the waiver criteria, and an increase in General Fund is required to meet the federal maintenance of effort requirement.

Department of Human Services -- The recommended decrease primarily reflects:

- a reduction of \$8.1 million for child welfare services;
- a reduction of \$5.5 million for mental health and alcohol and drug abuse services;
- a reduction of \$1.2 million in the Executive Director's Office;
- a reduction of \$1.2 million for child care services; and
- increase of \$1.7 million for Services for People with Disabilities.

The reduction for child welfare services includes: (1) \$11.0 million General Fund refinance with \$7.0 million federal TANF funds and \$4.0 million cash funds; (2) a decrease of \$3.8 million for a 2.0 percent provider rate reduction, and (3) an increase of \$6.7 million to backfill declines in federal Title IV-E funding. The reduction for mental health and alcohol and drug abuse services primarily reflects closure of units at the Colorado Mental Health Institute at Fort Logan. The decrease for the Executive Director's Office reflects common policy adjustments and the impact of the closure of units at the Colorado Mental Health Institute at Fort Logan. The decrease for child care services includes the refinance of General Fund with federal Child Care Development Funds. The increase for Services for People with Disabilities primarily reflects an increase for early intervention services.

Department of Revenue -- The recommendation includes a \$16.4 million increase in General Fund appropriations, which primarily consists of a \$16.2 million increase in General Fund to the Department for the operation of driver's license offices as a result of the sunset

of S.B. 09-274. The bill refinanced those offices with cash funds from several sources of cash funds. The Joint Budget Committee has proposed H.B. 10-1387 to extend the refinance of driver's license offices, which, if passed, will reduce General Fund by \$20.0 million in FY 2010-11. Other signification changes in the recommendation are: (1) an increase of \$1.3 million for common policy adjustments; (2) an increase of \$1.2 million and 3.7 FTE to address the backlog of conservation easement appraisals; (3) an increase of \$800,000 and 9.9 FTE to expand the State's out-of-state tax auditing presence; and \$600,000 to restore funding for one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10. The increases are offset by: (1) a decrease of \$800,000 to reflect the estimated reduction in the cigarette tax rebate; (2) a decrease of \$600,000 to reflect the 2.5 percent reduction to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146; and (3) a reduction of \$400,000 to reflect the estimated reduction in the Old Age Heat & Fuel & Property Tax assistance program.

Department of Treasury -- The recommendation reflects a \$92.4 million increase in payments to local governments to offset local property tax revenues that will be foregone for tax year 2010 due to the resumption of the senior citizen property tax exemption.

CASH FUNDS APPROPRIATION COMPARISON				
Department	FY 2009-10 Appropriation*	FY 2010-11 Appropriation	Difference	% Difference
Agriculture	27,018,443	27,220,596	202,153	0.7%
Corrections	44,329,221	39,979,655	(4,349,566)	-9.8%
Education	636,538,236	570,998,392	(65,539,844)	-10.3%
Governor	28,043,418	41,264,870	13,221,452	47.1%
Health Care Policy and Financing	461,979,882	530,725,328	68,745,446	14.9%
Higher Education	1,433,870,516	1,585,645,937	151,775,421	10.6%
Human Services	351,344,575	358,000,038	6,655,463	1.9%
Judicial	105,630,825	108,279,096	2,648,271	2.5%
Labor and Employment	60,585,018	59,630,604	(954,414)	-1.6%
Law	9,292,899	9,040,268	(252,631)	-2.7%
Legislature	0	0	0	n/a
Local Affairs	258,601,220	207,408,683	(51,192,537)	-19.8%
Military and Veterans Affairs	1,407,940	1,408,881	941	0.1%
Natural Resources	174,744,140	169,442,717	(5,301,423)	-3.0%
Personnel and Administration	10,828,867	10,106,360	(722,507)	-6.7%
Public Health and Environment	145,250,938	145,673,654	422,716	0.3%
Public Safety	119,897,125	125,648,993	5,751,868	4.8%
Regulatory Agencies	68,839,045	68,556,145	(282,900)	-0.4%
Revenue	615,399,703	599,754,847	(15,644,856)	-2.5%
State	21,022,851	21,226,899	204,048	1.0%
Transportation	614,161,434	658,329,628	44,168,194	7.2%
Treasury	<u>293,936,308</u>	<u>354,449,680</u>	<u>60,513,372</u>	20.6%
LONG BILL				
OPERATING TOTAL	5,482,722,604	5,692,791,271	210,068,667	3.8%
Legislative Appropriation	<u>223,640</u>	<u>202,831</u>	<u>(20,809)</u>	-9.3%
TOTAL OPERATING	5,482,946,244	5,692,994,102	210,047,858	3.8%
Capital Construction	<u>370,295,101</u>	<u>69,638,822</u>	<u>(300,656,279)</u>	-81.2%
GRAND TOTAL	5,853,241,345	5,762,632,924	(90,608,421)	-1.5%

* Includes supplemental appropriations.

EXPLANATION OF MAJOR CASH FUND DIFFERENCES

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

Department of Education -- The recommendation includes a reduction of \$65.5 million cash funds, including the following: (1) a decrease of \$56.6 million for public school finance (including reductions of \$55.3 million from the State Education Fund and \$1.3 million from the State Public School Fund); (2) the elimination of \$7.5 million in one-time funding from the Public School Capital Construction Assistance Fund for a statewide assessment of public school facilities; (3) the elimination of \$3.7 million in one-time funding from the State Public School Fund to correct for local share overpayments in prior fiscal years; (4) the elimination of \$2.2 million from the State Education Fund for regional services cooperatives, the Summer School Grant Program, the School Leadership Academy, the Financial Literacy Grant Program, and for Colorado History Day; (5) the restoration of \$2.2 million from the Read-to-Achieve Cash Fund for grants; (6) \$1.4 million in other net increases; and (7) an increase of \$0.9 million from the State Education Fund for categorical programs as required by the State Constitution.

Department of Health Care Policy and Financing -- The recommendation includes a \$101.5 million reduction to eliminate a one-time use of cash funds to offset General Fund appropriations in FY 2009-10. This reduction is partially offset by the following increases: (1) \$17.8 million to restore the Primary Care Fund offset from FY 2009-10; (2) \$13.7 million for caseload increases in the Children's Basic Health Plan; and (3) \$10.0 million for caseload increases and administrative costs associated with implementing the Hospital Provider Fee program.

Please note the above changes do not reflect the legislation that is part of the budget balancing package for FY 2009-10 or FY 2010-11. Please the Department detail for more information.

Department of Higher Education -- The recommendation includes tuition spending authority for 9.0 percent rate increases for resident students and 5.0 percent rate increases for nonresidents. The recommendation also includes an enrollment adjustment for fees and new or increased fees at Adams, Metro, Western, CSU, and Mines. These new or increased fees are primarily for construction projects approved by the Capital Development Committee with the exception of Metropolitan State College at Denver (Metro), which is considering a \$100-\$200 fee for peer mentoring support services for at-risk students, and Western State College (Western), which is considering a new \$20 per course lab and studio fees. Finally, the recommendation reflects an anticipated increase in gaming revenues that support 2-year institutions and the operations of the Historical Society.

Department of Local Affairs -- The recommendation reflects estimated cash fund decreases of: \$27.5 million in severance tax revenues and \$26.6 million in federal mineral lease revenues based on the March 2010 Legislative Council Staff economic and revenue forecast; \$308,000 for lower projected limited gaming tax revenues; and \$192,000 for lower collections of indirect cost assessments. These decreases are offset by a projected increase of \$3.4 million in disbursements from the Conservation Trust Fund for parks, recreation, and open space purposes based on projected lottery revenues

Department of Revenue -- The recommendation includes a \$15.6 million decrease in cash funds which primarily consists of a \$16.9 million decrease in cash funds for the operation of driver's license offices as a result of the sunset of S.B. 09-274, which refinanced those offices with cash funds from the Licensing Services Cash Fund and the Highway Users Tax Fund "off-the-top". That funding will be replaced with General Fund. The Joint Budget Committee has proposed H.B. 10-1387 to extend the refinance of driver's license offices, which, if passed, will increase cash fund and decrease General Fund appropriations by \$20.0 million in FY 2010-11. The recommendation also includes an increase of \$1.5 million and 16.0 FTE for the Limited Gaming Division to implement and enforce the provisions of Amendment 50, which expanded limited gaming, and H.B. 09-1272 which implemented the provisions of Amendment 50; an increase of \$1.0 million to restore funding for one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10; and a decrease of \$1.1 million to reflect the 2.5 percent reduction to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Department of Transportation -- The recommended increase in cash funds reflects revenue projections compared to the estimates included in the FY 2009-10 Long Bill. Increases include: (1) \$33.8 million in additional estimated interest earnings on the State Highway Fund and (2) \$29.4 million for the Statewide Bridge Enterprise as a result of an increase in the bridge safety surcharge from FY 2009-10 to FY 2010-11 (as required by S.B. 09-108). The increases are partially offset by \$18.6 million of reductions in anticipated formula distributions from the Highway Users Tax Fund (HUTF) to the State Highway Fund. These amounts are not legislatively appropriated and are subject to change based on actual revenues.

Department of Treasury -- The recommended increase in cash funds includes: (1) a \$53.7 million increase in the projected disbursements of Highway Users Tax Fund (HUTF) revenues to counties and municipalities, compared to amounts reflected in the FY 2009-10 Long Bill; and (2) a \$7.0 million increase in the amount to be transferred from the Unclaimed Property Trust Fund to CoverColorado, compared to the amount reflected in the FY 2009-10 Long Bill.

REAPPROPRIATED FUNDS APPROPRIATION COMPARISON

Department	FY 2009-10 Appropriation*	FY 2010-11 Appropriation	Difference	% Difference
Agriculture	1,800,473	1,018,768	(781,705)	-43.4%
Corrections	42,698,918	42,549,814	(149,104)	-0.3%
Education	22,701,205	22,818,086	116,881	0.5%
Governor	48,776,564	130,276,021	81,499,457	167.1%
Health Care Policy and Financing	24,763,593	16,416,251	(8,347,342)	-33.7%
Higher Education	362,747,643	586,167,393	223,419,750	61.6%
Human Services	438,048,218	429,694,417	(8,353,801)	-1.9%
Judicial	7,718,876	7,478,592	(240,284)	-3.1%
Labor and Employment	12,832,151	1,591,337	(11,240,814)	-87.6%
Law	29,557,289	30,398,294	841,005	2.8%
Legislature	250,000	0	(250,000)	-100.0%
Local Affairs	11,928,255	7,243,477	(4,684,778)	-39.3%
Military and Veterans Affairs	803,509	803,509	0	0.0%
Natural Resources	7,305,823	7,972,361	666,538	9.1%
Personnel and Administration	160,102,416	156,679,816	(3,422,600)	-2.1%
Public Health and Environment	33,233,774	30,960,133	(2,273,641)	-6.8%
Public Safety	21,337,368	21,365,396	28,028	0.1%
Regulatory Agencies	8,382,793	6,231,700	(2,151,093)	-25.7%
Revenue	1,398,939	1,494,825	95,886	6.9%
State	0	0	0	n/a
Transportation	3,950,128	4,986,153	1,036,025	26.2%
Treasury	0	0	0	n/a
LONG BILL				
OPERATING TOTAL	1,240,337,935	1,506,146,343	265,808,408	21.4%
Legislative Appropriation	<u>803,816</u>	<u>1,000,316</u>	<u>196,500</u>	24.4%
TOTAL OPERATING	1,241,141,751	1,507,146,659	266,004,908	21.4%
Capital Construction	0	0	0	n/a
GRAND TOTAL	1,241,141,751	1,507,146,659	266,004,908	21.4%

* Includes supplemental appropriations.

EXPLANATION OF MAJOR REAPPROPRIATED FUNDS DIFFERENCES

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

Office of the Governor -- The recommendation includes an increase of \$81.5 million due to the impact of transferring state executive branch information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources in OIT results in a ten percent cost savings statewide.

Department of Health Care Policy and Financing -- The recommendation includes the following reductions: (1) \$10.4 million from the Health Care Services Fund due to the statutory authority expiring; (2) \$1.2 million due to the transfer of state executive branch information technology staff resources to the Governor's Office of Information Technology (OIT); and (3) \$1.0 million due to the expiration of the statutory authority to use the Health Disparities Grant program funding to offset General Fund appropriations. These reductions are partially offset by an increase of \$4.4 million in the Children's Basic Health Plan Premiums Costs line item.

Department of Higher Education -- The recommended increase is primarily attributable to the increase in stipends and fee-for-service contracts that are reappropriated to the governing boards. The stipends and fee-for-service contracts are increasing to meet the federal maintenance of effort requirement of the American Recovery and Reinvestment Act (ARRA) of 2009.

Department of Human Services -- The recommended decrease primarily reflects a reduction of \$8.4 million for a 2.5 percent provider rate reduction for community placements for people with developmental disabilities and a decrease of \$1.1 million associated with the closure of units at the Colorado Mental Health Institutes at Fort Logan and Pueblo. Decreases of \$3.7 million associated with the closure of the skilled nursing facility at the Grand Junction Regional Center for people with developmental disabilities in FY 2009-10 are offset by increases for community placements for people with developmental disabilities.

Department of Labor and Employment -- The recommended decrease of \$11.2 million in reappropriated funds includes: (1) \$11.2 million for one-time moneys available in FY 2009-10 for subsidized employment made available through the American Recovery and Reinvestment Act (ARRA) of 2009 and (2) a reduction of \$0.3 million for the consolidation of statewide information technology staff resources in the Governor's Office of Information

Technology. Reductions are partially offset by a \$0.3 million increase for centrally-appropriated line items.

Department of Local Affairs -- The recommendation reflects the elimination of a one-time \$4.8 million allocation of moneys anticipated to be received from the American Recovery and Reinvestment Act (ARRA) of 2009 for Homeless Prevention and Rapid Re-Housing transferred from the Department of Human Services. The recommendation also eliminates \$0.1 million cash funds spending authority from the Foreclosure Prevention Grant Fund. These decreases are offset by an increase of \$0.2 million for higher collections of indirect cost assessments.

FEDERAL FUNDS APPROPRIATION COMPARISON				
Department	FY 2009-10 Appropriation*	FY 2010-11 Appropriation	Difference	% Difference
Agriculture	3,968,746	4,020,154	51,408	1.3%
Corrections	89,946,175	257,931	(89,688,244)	-99.7%
Education	826,873,489	569,850,639	(257,022,850)	-31.1%
Governor	32,857,679	32,974,586	116,907	0.4%
Health Care Policy and Financing	2,299,361,331	2,734,649,609	435,288,278	18.9%
Higher Education	402,284,178	109,482,271	(292,801,907)	-72.8%
Human Services	703,168,313	737,052,786	33,884,473	4.8%
Judicial	4,430,420	6,814,742	2,384,322	53.8%
Labor and Employment	103,611,625	95,561,803	(8,049,822)	-7.8%
Law	1,263,078	1,261,661	(1,417)	-0.1%
Legislature	0	0	0	n/a
Local Affairs	112,986,814	96,977,419	(16,009,395)	-14.2%
Military and Veterans Affairs	195,608,488	213,758,894	18,150,406	9.3%
Natural Resources	17,236,282	19,728,647	2,492,365	14.5%
Personnel and Administration	0	0	0	n/a
Public Health and Environment	223,379,861	256,596,843	33,216,982	14.9%
Public Safety	26,566,433	27,250,408	683,975	2.6%
Regulatory Agencies	1,214,685	1,231,398	16,713	1.4%
Revenue	1,525,374	1,483,200	(42,174)	-2.8%
State	0	0	0	n/a
Transportation	355,397,188	369,101,388	13,704,200	3.9%
Treasury	<u>0</u>	<u>0</u>	<u>0</u>	n/a
LONG BILL				
OPERATING TOTAL	5,401,680,159	5,278,054,379	(123,625,780)	-2.3%
Capital Construction	<u>20,215,745</u>	<u>5,075,998</u>	<u>(15,139,747)</u>	-74.9%
GRAND TOTAL	5,421,895,904	5,283,130,377	(138,765,527)	-2.6%

* Includes supplemental appropriations.

EXPLANATION OF MAJOR FEDERAL FUNDS DIFFERENCES

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

Department of Corrections -- The recommendation includes decreases of: (1) \$89.0 million to eliminate one-time increases made in FY 2009-10 related to the receipt of American Recovery and Reinvestment Act of 2009 (ARRA) funds; and (2) \$0.7 million to reflect reductions in federal grant funding.

Department of Education -- Reflects decreases resulting from the elimination of: \$154.0 million in American Recovery and Reinvestment Act (ARRA) funds for special education programs for children with disabilities; \$111.1 million in ARRA funds for improving the academic achievement of the disadvantaged (Title I); \$33.6 million in ARRA funds for school improvement grants (Title I); \$10.7 million in non-ARRA funds for Title I reading first grants; \$6.6 million in ARRA funds for enhancing education through technology; \$6.2 million in ARRA funds for various administrative programs related to enhancing the Colorado Growth Model and SchoolView website, teacher compensation, educator identifier system, additional administrative staffing to assist with ARRA distribution, and to aid with the implementation of S.B. 08-212; \$1.0 million in ARRA funds for various federal nutrition programs; and \$0.9 million in ARRA funds for homeless prevention initiatives. These decreases are offset by increases of \$59.9 million in non-ARRA funds for pass-through to districts and Boards of Cooperative Services (BOCES); \$5.9 million in non-ARRA funds for special education programs for children with disabilities; and \$1.3 million to true-up federal staffing expenditures associated with the Colorado Student Assessment Program (CSAP).

Department of Health Care Policy and Financing -- The recommendation includes the following major increases: (1) \$169.2 million for increased costs for medical and mental health services due to caseload and cost increases in the Medicaid program; (2) \$33.4 million for the Children's Basic Health Plan caseload growth; (3) \$12.4 million for administrative costs in the Executive Director's Office, including the annualization of the Hospital Provider Fee program. These increases are partially offset by the following decreases: (1) \$16.7 million due to the Health Care Service Fund expiring; (2) \$12.3 million for various Medicaid program reductions including a 1.0 percent provider rate reduction; (3) \$1.1 million for benefit reductions to the Medicaid mental health program; and (4) \$2.7 million for Medicaid programs administered by the Department of Human Services.

Please note the above changes do not reflect the legislation that is part of the budget balancing package for FY 2009-10 or FY 2010-11. Please the Department detail for more information.

Department of Higher Education -- The recommendation reflects a decrease of \$292.8 million federal funds from the American Recovery and Reinvestment Act (ARRA) of 2009.

Department of Human Services -- The recommendation reflects an increases of: (1) \$80.8 million federal funds received for low income energy assistance and refugee services and county reserves of Temporary Assistance for Needy Families (TANF) funds; (2) \$4.6 million in federal vocational rehabilitation funds; and (3) \$2.2 million in other net adjustments. These increases are partially offset by decreases of: (1) \$42.0 million in TANF and child care funds; and (2) \$5.6 million due to declines in federal child welfare funding; and \$1.7 million in early intervention funds due to the elimination of one-time funding from the federal American Recovery and Reinvestment Act (ARRA) of 2009.

Department of Local Affairs -- The recommendation reflects the elimination of one-time moneys from the American Recovery and Reinvestment Act (ARRA) of 2009, including: \$8.7 million from the Community Services Block Grant program for the reduction of poverty, revitalization of low-income communities, and assistance to low-income families and individuals in becoming self-sufficient; \$8.2 million to provide short- and medium-term rental assistance services; and \$2.8 million from the Community Development Block Grant program for critical infrastructure projects. The recommendation also includes a decrease of \$0.3 million related to anticipated declines in federal moneys for affordable housing construction grants and loans. These decreases are offset by anticipated increases of federal funds, including: \$2.6 million for business and infrastructure development through the Community Development Block Grant program; \$0.8 million for low-income rental subsidies (Section 8 housing); and \$0.5 million for the reduction of poverty through the Community Services Block Grant program.

Department of Public Health and Environment -- The recommendation reflects increases of: (1) \$42.9 million for the Women, Infants, and Children (WIC) Supplemental Food Grant program; and (2) \$2.3 million for Emergency Preparedness and Response Grants. These increases are offset by decreases of: (1) \$10.0 million for Vaccines for Children grants; (2) \$1.5 million for Child and Adult Care Food Program grants; and (3) \$0.5 million of smaller changes involving the approximately 300 federal grants that the Department receives in a variety of health and environmental areas. Please note that the reduction in Vaccines for Children grants reflects the fact that some of these grants are now going directly to Colorado providers without passing through the Department as they did formerly. The net amount of federal support for vaccination in Colorado has not changed.

FTE APPROPRIATION COMPARISON				
Department	FY 2009-10 Appropriation*	FY 2010-11 Appropriation	Difference	% Difference
Agriculture	293.0	287.1	(5.9)	-2.0%
Corrections	6,547.6	6,737.8	190.2	2.9%
Education	563.3	551.1	(12.2)	-2.2%
Governor	368.9	1,045.3	676.4	183.4%
Health Care Policy and Financing	287.6	286.8	(0.8)	-0.3%
Higher Education	20,954.9	21,397.1	442.2	2.1%
Human Services	5,491.1	5,177.4	(313.7)	-5.7%
Judicial	3,947.8	4,070.7	122.9	3.1%
Labor and Employment	1,123.7	1,045.5	(78.2)	-7.0%
Law	398.6	403.8	5.2	1.3%
Legislature	277.1	277.1	0.0	0.0%
Local Affairs	186.5	176.7	(9.8)	-5.3%
Military and Veterans Affairs	1,386.9	1,384.9	(2.0)	-0.1%
Natural Resources	1,538.8	1,474.8	(64.0)	-4.2%
Personnel and Administration	393.6	391.6	(2.0)	-0.5%
Public Health and Environment	1,289.5	1,220.9	(68.6)	-5.3%
Public Safety	1,358.5	1,336.7	(21.8)	-1.6%
Regulatory Agencies	595.4	571.8	(23.6)	-4.0%
Revenue	1,490.7	1,416.9	(73.8)	-5.0%
State	134.4	134.6	0.2	0.1%
Transportation	3,366.5	3,307.5	(59.0)	-1.8%
Treasury	<u>31.5</u>	<u>31.5</u>	<u>0.0</u>	0.0%
LONG BILL				
OPERATING TOTAL	52,025.9	52,727.6	701.7	1.3%

* Includes supplemental appropriations.

FTE APPROPRIATION CHANGES BY CATEGORY

Department	Impact of Prior Year Decision Item or Legislation	Base Reductions	Convert Existing Contract Staff to FTE	Staff Shown for Informational Purposes	Staff Transfers
Agriculture	0.1	0.0	0.0	0.0	(6.0)
Corrections	50.6	(32.7)	0.0	0.0	(72.6)
Education	0.4	(2.0)	0.0	(10.6)	0.0
Governor	0.0	(5.7)	0.0	0.0	682.1
Health Care Policy and Financing	0.0	0.0	0.0	0.0	(25.0)
Higher Education	0.0	(0.2)	0.0	445.4	(3.0)
Human Services	8.8	(125.4)	0.0	0.0	(197.1)
Judicial	68.3	(64.2)	0.0	15.0	0.0
Labor and Employment	(14.5)	0.0	0.0	0.0	(67.0)
Law	0.8	(1.0)	0.0	0.0	0.0
Legislature	0.0	0.0	0.0	0.0	0.0
Local Affairs	0.1	0.0	0.0	0.0	(9.9)
Military and Veterans Affairs	0.0	0.0	0.0	0.0	(2.0)
Natural Resources	0.0	0.0	0.0	0.0	(64.0)
Personnel and Administration	(2.0)	0.0	0.0	0.0	0.0
Public Health and Environment	12.3	(1.0)	0.0	(27.2)	(65.7)
Public Safety	10.4	0.0	0.0	(2.2)	(34.0)
Regulatory Agencies	(0.2)	0.0	0.0	0.0	(24.8)
Revenue	9.9	(4.7)	0.0	16.0	(106.2)
State	0.0	0.0	0.0	0.0	0.0
Transportation	0.0	0.0	0.0	23.0	(82.0)
Treasury	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTALS	145.0	(236.9)	0.0	459.4	(77.2)

FTE APPROPRIATION CHANGES BY CATEGORY

Department	Improve or Expand Existing Programs/ Functions	Staffing Related to Population Changes*	Staffing for New or Expanded Facilities	Staffing for New Programs	Total FTE Change for FY 2010-11
Agriculture	0.0	0.0	0.0	0.0	(5.9)
Corrections	26.0	(12.7)	231.6	0.0	190.2
Education	0.0	0.0	0.0	0.0	(12.2)
Governor	0.0	0.0	0.0	0.0	676.4
Health Care Policy and Financing	24.3	0.0	0.0	0.9	0.2
Higher Education	0.0	0.0	0.0	0.0	442.2
Human Services	0.0	0.0	0.0	0.0	(313.7)
Judicial	5.1	98.7	0.0	0.0	122.9
Labor and Employment	3.3	0.0	0.0	0.0	(78.2)
Law	3.9	0.0	0.0	1.5	5.2
Legislature	0.0	0.0	0.0	0.0	0.0
Local Affairs	0.0	0.0	0.0	0.0	(9.8)
Military and Veterans Affairs	0.0	0.0	0.0	0.0	(2.0)
Natural Resources	0.0	0.0	0.0	0.0	(64.0)
Personnel and Administration	0.0	0.0	0.0	0.0	(2.0)
Public Health and Environment	12.0	0.0	1.0	0.0	(68.6)
Public Safety	4.0	0.0	0.0	0.0	(21.8)
Regulatory Agencies	1.4	0.0	0.0	0.0	(23.6)
Revenue	11.2	0.0	0.0	0.0	(73.8)
State	0.0	0.2	0.0	0.0	0.2
Transportation	0.0	0.0	0.0	0.0	(59.0)
Treasury	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTALS	91.2	86.2	232.6	2.4	702.7

* Includes staffing changes related to changes in the number of individuals or entities receiving services (e.g., individuals receiving public assistance, students enrolled, individuals licensed, facilities inspected, prisoners housed, etc.).

EXPLANATION OF MAJOR FTE DIFFERENCES

Major changes in the recommended FTE appropriations are summarized by department in the table on page 25. In addition, the table on pages 26 - 27 details these changes using the following categories:

- *Impact of Prior Year Decision Item or Legislation.* Includes FTE changes that are required to implement legislation that has been enacted, as well as programs or services previously authorized by the General Assembly through the budget process.
- *Base Reductions.* Reflects reductions in existing FTE appropriations.
- *Convert Existing Contract Staff to FTE.* Reflects FTE associated with existing contract staff who will be converted to state employees.
- *Staff Shown for Informational Purposes.* Reflects changes in FTE that are shown in the Long Bill for informational purposes only (e.g., staff supported by federal funds or grants, staff employed by higher education institutions, etc.).
- *Staff Transfers.* Reflects staff transfers between departments.
- *Improve or Expand Existing Programs / Functions.* Reflects FTE changes designed to improve existing programs or functions previously authorized by the General Assembly.
- *Staffing Related to Population Changes.* Includes staffing adjustments related to changes in the number of individuals or entities receiving services (e.g., students enrolled, individuals licensed, individuals receiving public assistance, facilities inspected, prisoners housed, etc.).
- *Staffing for New or Expanded Facilities.* Includes staffing changes required for new or expanded state facilities.
- *Staffing for New Programs.* Includes staffing changes recommended for new or expanded programs.

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

Department of Corrections -- The recommendation includes an net increase of 190.2 FTE. This includes an increase of 231.6 FTE related to new or expanded facilities, including the following: (1) 220.9 FTE to open one of the three towers at Colorado State Penitentiary II (CSP II) beginning in September 2010, which would add 316 beds; and (2) 10.7 FTE to maintain the systems and facility at CSP II and the Denver Reception and Diagnostic Center (DRDC) new expansion area (this funding is separate from the funding to open one tower of CSP II; this funding includes only the minimal amount of staff necessary to maintain the systems and facility, and these staff have not been duplicated in the recommendation for CSP II Tower I). The recommendation also includes an increase of 50.6 FTE related to the impact of prior year decision items or legislation, including the following: (1) 52.3 FTE to restore one-time reductions in FY 2009-10 associated with double bunking 76 beds at the Denver Women's Correctional Facility and 100 beds at the Buena Vista Correctional Facility; (2) 3.1 FTE to annualize the FY 2009-10 increase in therapeutic communities; and (3) a decrease of 4.8 FTE related to H.B. 09-1351. The recommendation also includes an increase of 26.0 FTE to expand or improve existing programs. These FTE are for additional mental health services. The recommendation also includes a decrease of 72.6 FTE for staff transfers related to the statewide IT staff consolidation. The recommendation also includes a decrease of 32.7 FTE for base reductions associated with the decommission of the Colorado Correctional Alternative Program (known as Boot Camp). Finally, the recommendation includes a decrease of 12.7 FTE to reflect declining caseloads in parole and community corrections

Office of the Governor -- The recommendation adds a total of 676.4 FTE (a 183.4 percent increase), including: (1) an increase of 682.1 FTE related to the transfer of executive branch information technology staff resources to the Governor's Office of Information Technology (OIT); and (2) a decrease of 5.7 FTE to annualize FY 2009-10 supplemental changes.

Department of Higher Education -- The recommendation includes a transfer of 3.0 FTE to the Governor's Office of Information Technology as part of the statewide IT consolidation and a reduction of 0.2 FTE associated with discontinuing General Fund appropriations for the Teach Colorado Grant. The remaining FTE increase of 445.4 FTE is attributable to the higher education institutions, and included in the Long Bill for informational purposes only. Pursuant to statute, each governing board retains control over the number of employees hired. Historically, projections submitted by the schools of employment in the current year have been used in the Long Bill. Thus, the FTE reported lags funding decisions.

Department of Human Services --The recommended decrease includes a transfer of 197.1 FTE to the Governor's Office of Information Technology as part of the statewide IT consolidation, a base reduction of a total of 125.4 FTE including: a reduction of 65.6 FTE for the closure of units at the Colorado Mental Health Institutes at Fort Logan and Pueblo; a reduction of 55.6 FTE for the closure of the skilled nursing facility at the Grand Junction Regional Center for people with developmental disabilities; and a reduction of 4.2 FTE to

annualize other FY 2009-10 base reductions. These reductions are partially offset by an increase of 8.8 FTE to annualize FY 2009-10 increases, including 7.5 FTE for child welfare administration and training, among other adjustments.

Judicial Department -- The recommendation adds a total of 122.9 FTE, including the following significant changes: (1) the base reduction of 64.2 FTE (including 42.2 FTE for trial courts, 12.0 FTE for the State Court Administrator's Office, and 10.0 FTE for the Supreme Court and the Court of Appeals); (2) an increase of 98.7 FTE (including the restoration of 59.9 probation FTE that were eliminated mid-year in FY 2009-10 to reflect the number of vacant positions that are being held open in FY 2009-10, and the restoration of 38.7 FTE public defender staff who were initially authorized to be hired in FY 2009-10 to work toward meeting minimum case staffing standards; (3) an increase of 68.3 FTE for the impact of prior year legislation or decision items (including 50.3 FTE for continued implementation of H.B. 07-1054 which increased the number of state court judges, and 18.0 FTE for information technology staff, including 10.0 FTE to operate the public access system and provide user support, and 8.0 FTE to begin developing an e-filing system); (4) an increase of 15.0 FTE shown for informational purposes, as these staff will be supported by a federal grant to expand the capacity of existing problem-solving courts; and (5) an increase of 5.1 FTE to address the workload associated with expanding the capacity of existing problem-solving courts.

HIGHWAY USERS TAX FUND APPROPRIATION COMPARISON

The following table shows the Joint Budget Committee's recommendations for FY 2010-11 "Off-the-Top" appropriations from the Highway Users Tax Fund (HUTF), which are limited to an annual growth rate of 6.0 percent over the previous year's "Off-the-Top" appropriation. These moneys are referred to as "Off-the-Top" because they are removed from available HUTF revenue before the statutory allocation to cities, counties, and the Department of Transportation. Pursuant to the various provisions of Section 43-4-201, C.R.S., "Off-the-Top" appropriations are limited to: 1) the Colorado State Patrol in the Department of Public Safety; 2) the Department of Revenue for the Ports of Entry program; and 3) related capital projects.

The General Assembly, in FY 2008-09 and FY 2009-10, approved legislation to allow the use of HUTF "Off-the-Top" appropriations in the Department of Revenue for the Division of Motor Vehicles.

As part of the Joint Budget Committee's budget balancing package for FY 2010-11, the Committee has recommended legislation that would extend the use of HUTF "Off-the-Top" appropriations in the Department of Revenue for the Division of Motor Vehicles. In addition, the Committee has recommended extending the use of HUTF "Off-the-Top" appropriations in the Department of Public Safety to support programs previously supported by the Law Enforcement Assistance Fund (LEAF) within the Department of Transportation.

HUTF "Off-the-Top" Appropriation Comparison				
Department	FY 2009-10 Appropriation	FY 2010-11 Recommendation	Change	Percent Change
Public Safety - Colorado State Patrol	\$93,666,003	\$96,889,092	\$3,223,089	3.4%
Revenue - Ports of Entry	9,964,601	9,659,717	(304,884)	-3.1%
Capital Construction Projects	1,217,719	2,329,036	1,111,317	91.3%
The amounts below reflect the proposed JBC Budget Balancing Package				
Revenue - Division of Motor Vehicles	4,064,839	2,750,671	(1,314,168)	-32.3%
Total	\$108,913,162	\$111,628,516	\$2,715,354	2.5%
Allowable 6.0% Limit	\$108,913,162	\$115,447,952	n/a	n/a
Amount Over/(Under) 6.0% limit	\$0	(\$3,819,436)	n/a	n/a

Department of Public Safety

The recommendation for the Department of Public Safety includes the following major changes: (1) \$2.0 million to establish an IT asset maintenance budget for the replacement and on-going maintenance of the Colorado State Patrol (CSP) communications system which consists of a Computer-aided Dispatch (CAD) system, Records Management System (RMS), and Mobile Data

Computer (MDC) system; (2) an increase of \$1.7 million associated with vehicle lease payments for the annualization of vehicle replacements approved in FY 2009-10; (3) \$1.1 million for programs previously supported by the Law Enforcement Assistance Fund (LEAF) within the Department of Transportation; (4) \$345,000 to restore one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10; (5) \$278,000 for on-going replacement of ballistic vests, as well as an increase to mobile data air time rates; (6) a reduction of \$1,364,000 for a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146; (7) a reduction of \$1,137,000 to reflect the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT); and (8) a reduction of \$716,000 in indirect cost assessment.

Department of Revenue

The recommendation for the Department of Revenue for the Ports of Entry program includes the following changes: (1) an increase of \$124,000 to restore funding for the FY 2009-10 furlough reductions; (2) an increase of \$81,000 for dispatch services provided by the Colorado State Patrol; a reduction of \$166,000 to annualize FY 2009-10 funding; and (4) a reduction of \$152,000 to reflect the savings from the PERA contribution reduction. The recommendation for the Division of Motor Vehicles includes a decrease of \$1.4 million.

The recommendation further includes \$2.4 million for capital construction at three fixed ports of entry and for a mobile port. The projects are: (1) replacement of a mobile Port of Entry scale; (2) replacement of the westbound building at the Limon Port of Entry; (3) westbound scale lane pavement repair at the Dumont Port of Entry; and (4) westbound scale lane replacement at the Limon Port of Entry.

GENERAL POLICIES

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

Administrative Law Judge Services

Funds for Administrative Law Judge (ALJ) services are included for the twelve departments that use these services. The recommended billing is calculated by identifying the prior fiscal year's actual costs, then distributing the costs according to percentage use. For FY 2010-11, spending authority for ALJ services totals approximately \$4.6 million.

ADP Capital Outlay and Information Technology Asset Maintenance

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

Capitol Complex Leased Space

This line item is for departments occupying space in the Capitol Complex, the North Campus facility, the Pierce Street Building, the Grand Junction State Office Building, and Camp George West, which is located in Golden. This line item appears in each department's Executive Director's Office, with some exceptions. The recommended funding amount per square foot varies amongst each building, depending upon the building's location and use.

Communication Services Payments

This line item appears in each department's Executive Director's Office, with some exceptions, and represents each department's share of the overhead related to the State's public safety communications infrastructure. Billings are sufficient to fund personal services, operating expenses, and indirect costs for the Communication Services program in the Governor's Office of Information Technology (OIT). For FY 2010-11, the recommendation is for recoverable costs in the amount of \$4.6 million. This figure represents a negligible change from the FY 2009-10 recoverable costs.

Community Provider Rates

The recommendation includes an approximately 2.0 percent reduction in the community provider rate for the Department of Human Services, and does not change the provider rate for the Department of Corrections. Provider rate adjustments for programs administered in the Department of Health Care Policy and Financing are detailed in the Long Bill Narrative section for that department. Historically, community provider rate adjustments have been applied to programs and services which, if not provided by contracted provider organizations or county staff, would need to be provided by state staff.

Health, Life, and Dental

This line item appears in each department's Executive Director's Office. For FY 2010-11, the total statewide cost of health, life, and dental benefits for all employees, except higher education faculty and administration, is approximately \$137.6 million, including \$83.4 million General Fund. The State's appropriation is less than for prior years because approximately \$4.3 million was offset by funds that the State received from a settlement with a healthcare provider. The State has not yet finalized its provider contracts for FY 2010-11, and the specific cost allocation by employee is still unknown at this time.

Indirect Costs

Indirect costs are the overhead costs associated with the operation of general government functions and departmental administrative duties. Indirect cost recoveries are intended to offset the costs of providing central services for cash-funded and federally-funded programs that otherwise would be supported by General Fund. For FY 2010-11, the statewide indirect cost recovery plan is estimated to recover \$17.7 million from cash- and federally-funded programs.

Lease Purchase

The recommendation is for a continuation of existing lease purchase agreements. Requests for additional lease purchase funds are examined on an individual department basis and funded where appropriate. Moneys may not be expended for lease purchase unless they are specifically appropriated for that purpose.

Leased Space

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

Legal Services

This line item appears in the Executive Director's Office of most departments. The recommended appropriations allow departments to purchase necessary legal services from the Department of Law, much as they would purchase legal services from a private-sector law firm. For FY 2010-11, agencies will pay a blended legal rate of \$73.37 per hour for legal services, which are provided by both attorneys and paralegals. 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 346,000 hours of legal services to client agencies at a total cost of \$25.4 million for FY 2010-11.

Management and Administration of OIT

This line item appears in each department's Executive Director's Office, with some exceptions, and represents each department's share of the division-level management of the Governor's Office of Information Technology (OIT) and "back office" functions as authorized by S.B. 08-155. For FY 2010-11, the recommendation is for recoverable costs in the amount of \$7.3 million. This figure represents a \$3.8 million increase from the FY 2009-10 recoverable costs as a result of the transfer and consolidation of executive branch information technology staff resources to OIT.

Multiuse Network Payments

This line item appears in each department's Executive Director's Office, with some exceptions, and represents each department's share of the State's data, voice, video, text, and graphics communications needs. Costs for the multiuse network include the Governor's Office of Information Technology (OIT) overhead, internet access, and contractual obligations that provide the State with a reserved amount of bandwidth at each network access point. For FY 2010-11, the recommendation is for recoverable costs in the amount of \$17.4 million. This figure represents a \$6.2 million increase from the FY 2009-10 recoverable costs as a result of the transfer and consolidation of executive branch information technology staff resources to OIT.

Operating Expenses

For FY 2010-11, the recommendation is to fund operating expenses at a continuation level of funding, with some individual exceptions. The Joint Budget Committee has periodically recommended inflationary increases for operating expenses related to food, medical, and laboratory services in departments in which these costs are not incidental. The recommendation does not include inflationary increases for FY 2010-11.

Payment to Risk Management and Property Funds

This line item appears in each department's Executive Director's Office. The recommendation represents each department's share of the statewide cost of property and liability insurance coverage, based on a three-year average loss history as verified by an independent actuarial firm. A matching amount of spending authority is provided to the Department of Personnel and Administration to pay the State's administrative, legal, and claims costs, as well as to pay premiums. There is an aggregate deductible of \$1.25 million for each policy year for the State's property insurance policies, which hold

\$500.0 million in total coverage. For FY 2010-11, the risk management and property program was appropriated \$16.5 million spending authority.

Personal Services

The FY 2010-11 recommendation for Personal Services line items restores the 1.82 percent base reduction for FY 2009-10. The recommendation does not include any reductions to account for turnover vacancy savings. When the Joint Budget Committee applies a vacancy savings base reduction, it typically ranges between 0.2 and 2.0 percent, and is applied to line items with greater than 20.0 FTE.

Public Employees' Retirement Association (PERA)

Each personal services recommendation includes the designated state retirement contribution to PERA for all eligible employees. For FY 2010-11, the State is decreasing its contribution rate by 2.5 percent, which will be offset by a corresponding 2.5 percent increase in the employee's contribution rate. As a result, the State's contribution rate for employees will decrease to 7.65 percent of the base salary, for State troopers it will decrease to 10.35 percent of the base salary, and for judges it will decrease to 11.16 percent of the base salary. This change in contribution rates is for FY 2010-11 only, and applies to both the defined benefit and defined contribution plans.

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

Pursuant to S.B. 04-257, the State must contribute additional funds to assist in the amortization of the Public Employees' Retirement Association's (PERA) unfunded liability. The current amortization period is infinite. Beginning in January, 2006, the State provided an additional 0.5 percent of base salaries to the PERA trust fund. The amount has increased by 0.4 percent each calendar year, and beginning January, 2011, the additional contribution rate will total 2.8 percent.

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

Pursuant to S.B. 06-235, employees must contribute additional funds to assist in the amortization of the Public Employees' Retirement Association's (PERA) unfunded liability. Beginning January, 2008, employees began to contribute an additional 0.5 percent of their total payroll to the PERA trust fund. Beginning January, 2011, the SAED rate will increase to a total of 2.0 percent of base salaries.

Purchase of Services from Computer Center

This line item appears in each department's Executive Director's Office, with some exceptions, and represents each department's share of the State's data center and computing infrastructure. For FY 2010-11, the recommendation is for recoverable costs in the amount of \$60.0 million. This figure represents a \$43.3 million increase from the FY 2009-10 recoverable costs as a result of the transfer and consolidation of executive branch information technology staff resources to OIT.

Salary Survey and Senior Executive Service

The recommendation does not include appropriations for salary survey increases for FY 2010-11. Salary survey increases for department staff, when provided, are funded through centrally-appropriated

line items in the Department's Executive Director's Office in the year of the award, and are incorporated into the base funds for each division for the subsequent year.

Performance-based Pay Awards

The recommendation does not include appropriations for performance-based pay increases for FY 2010-11. Performance-based pay increases for department staff, when provided, are funded through centrally-appropriated line items in the Department's Executive Director's Office in the year of the award, and are incorporated into the base funds for each division for the subsequent year.

Shift Differential

This line item appears in each applicable department's Executive Director's Office, with the exception of the Department of Higher Education. Shift differential payments provide higher wages for evening, night, and weekend shifts. For FY 2010-11, shift differential payments for state employees will total approximately \$9.9 million, including approximately \$8.3 million General Fund.

Short-term Disability

All state employees are eligible for employer-paid, short-term disability insurance. The recommended amounts are based on 0.155 percent of each employee's base salary. This line item appears in each department's Executive Director's Office and cannot be expended for any other purpose. The statewide short-term disability appropriation for FY 2010-11 is approximately \$1.7 million, including \$900,000 General Fund.

Vehicle Lease Payments

This line item appears in each department's Executive Director's Office, with a few exceptions. Motor vehicles can only be purchased through the Fleet Management Program in the Department of Personnel and Administration pursuant to Section 24-30-1117, C.R.S. The recommendation is based on the amount necessary for each department to make vehicle lease payments to the Fleet Management Program, which charges lease rates that vary by vehicle model and type. For FY 2010-11, the Joint Budget Committee approved the replacement of 175 vehicles, as well as the acquisition of 20 additional vehicles. The recommended appropriation for vehicle lease payments in the Department of Personnel and Administration is \$16.3 million for FY 2010-11.

Workers' Compensation

This line item appears in each department's Executive Director's Office. The recommendation represents each department's share of the statewide cost of workers' compensation coverage, based on a three-year average loss history as verified by an independent actuarial firm. This self-insured program is administered by Pinnacol Assurance and covers employees in all departments (except the University of Colorado and the Colorado State University, which operate separate self-insured programs). The Department's appropriation totals \$36.9 million for workers' compensation premiums for FY 2010-11.

Department of Agriculture

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

Summary Table for Department of Agriculture						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$38,843,498	\$6,055,836	\$27,018,443	\$1,800,473	\$3,968,746	293.0
Recommended Changes from FY 2009-10 by Long Bill Division						
Commissioner's Office and Administrative Services	125,986	26,925	205,914	(160,690)	53,837	(4.0)
Agricultural Services Division	(265,525)	608,663	(250,263)	(621,015)	(2,910)	(2.0)
Agricultural Markets Division	2,604	(434,425)	437,029	0	0	0.0
Brand Board	27,373	0	27,373	0	0	0.0
Special Purpose	(238,161)	0	(238,161)	0	0	0.1
Colorado State Fair	20,261	0	20,261	0	0	0.0
Conservation Board	1,010	529	0	0	481	0.0
Total FY 2010-11 Long Bill Recommendation	\$38,517,046	\$6,257,528	\$27,220,596	\$1,018,768	\$4,020,154	287.1
H.B. 10-1377: Cash Fund Agriculture Programs Two Years	108,229	(1,301,254)	1,301,254	108,229	0	0.0
Total FY 2010-11 JBC Recommendation	\$38,625,275	\$4,956,274	\$28,521,850	\$1,126,997	\$4,020,154	287.1
\$ Change from prior year	(\$218,223)	(\$1,099,562)	\$1,503,407	(\$673,476)	\$51,408	(5.9)
% Change from prior year	(0.6)%	(18.2)%	5.6%	(37.4)%	1.3%	(2.0)%

Recommendation Highlights:

1. Adds \$530,00, including \$164,000 General Fund, to restore FY 2009-10 furlough reductions.
2. Refinances \$452,000 General Fund in the Agricultural Markets Division with Agriculture Management Fund dollars.
3. Adds 0.1 FTE to the Vaccine and Service Fund due to prior year legislation.
4. Reduces \$626,000, including \$307,000 General Fund, and 6.0 FTE for the statewide IT staff consolidation.

- Reduces \$375,000, including \$116,000 General Fund, for the state PERA contribution reduction pursuant to S.B. 10-146.

JBC Sponsored Budget Legislation Summary:

- House Bill 10-1377: Cash Fund Agriculture Programs Two Years, would finance the Inspection and Consumer Services Programs with cash funds for FY 2010-11 and FY 2011-12. This will increase cash funds spending by \$1.3 million and decrease General Fund expenditures by \$1.3 million.

Budget Recommendation Detail by Long Bill Division

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

Commissioner's Office & Administrative Services	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$8,179,985	\$1,865,352	\$2,313,035	\$1,134,458	\$2,867,140	31.7
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Statewide IT common policy adjustments	614,172	405,249	208,923	0	0	0.0
Restore FY 2009-10 furlough reductions	81,521	48,077	9,889	0	23,555	0.0
Fund source adjustment	266	(29,129)	15,231	14,164	0	0.0
Statewide IT staff consolidation	(404,224)	(288,222)	0	(116,002)	0	(4.0)
Centrally-appropriated line items	(80,716)	(83,556)	(3,009)	(58,852)	64,701	0.0
State PERA contribution reduction	(47,940)	(31,464)	0	0	(16,476)	0.0
Indirect cost assessment	(16,580)	0	0	0	(16,580)	0.0
Operating reduction	(4,012)	(4,012)	0	0	0	0.0
Annualize prior year funding	(612)	(162)	0	0	(450)	0.0
Other	(15,889)	10,144	(25,120)	0	(913)	0.0
Total FY 2010-11 JBC Recommendation	\$8,305,971	\$1,892,277	\$2,518,949	\$973,768	\$2,920,977	27.7
\$ Change from prior year	\$125,986	\$26,925	\$205,914	(\$160,690)	\$53,837	(4.0)
% Change from prior year	1.5%	1.4%	8.9%	(14.2)%	1.9%	(12.6)%

Issue Descriptions

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

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Fund source adjustment: The recommendation includes an increase in the amount of total department indirect cost recoveries applied to offset the need for General Fund in this division (\$14,164), which necessitates an increase in the reappropriated funds appropriation. The recommendation also includes the refinance of General Fund with cash funds from the Agriculture Management Fund.

Statewide IT staff consolidation: The recommendation includes the impact of transferring information technology (IT) staff resources to OIT. The consolidation of IT staff resources in OIT results in a ten percent cost savings statewide.

Centrally-appropriated line items: The recommendation includes adjustments to centrally-appropriated line items for the following: health, life and dental benefits; short-term disability; amortization equalization disbursement; supplemental amortization equalization disbursement; workers' compensation; legal services; payment to risk management and property funds; vehicle lease payments; leased space; and Capitol complex leased space.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

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

Operating reduction: The recommendation includes a General Fund reduction for operating expenses.

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

Other: The recommendation includes other minor adjustments.

Agricultural Services Division: This division administers most of the Department's major programs and various statutory responsibilities. The division is comprised of four distinct programs:

Inspection and Consumer Services Programs: These programs ensure compliance with product quality standards through licensing and inspection; certifies commercial weights and measurement devices; and analyzes fertilizer and animal feed for chemical contaminants.

Fruit and Vegetable Inspection: This program performs mandatory and non-mandatory inspections to determine grade, size, and quality of fruits and vegetables.

Animal Industry: This program oversees the monitoring of the health of livestock and other animals used in various fields of agriculture, and for the implementation of pest control.

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

Agricultural Services Division	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$12,629,938	\$3,132,907	\$8,272,645	\$621,015	\$603,371	152.3
Recommended Changes from FY 2009-10 Appropriation						
Restore FY 2009-10 furlough reductions	283,712	92,003	186,208	0	5,501	0.0
Postage adjustment	1,030	120	910	0	0	0.0
Fund source adjustment	0	621,015	0	(621,015)	0	0.0
State PERA contribution reduction	(206,544)	(66,932)	(135,604)	0	(4,008)	0.0
Statewide IT staff consolidation	(122,296)	(18,806)	(103,490)	0	0	(2.0)
Annualize prior year funding	(111,639)	(4,375)	(107,264)	0	0	0.0
Indirect cost assessment	(103,340)	0	(99,059)	0	(4,281)	0.0
Operating reduction	(14,362)	(14,362)	0	0	0	0.0
Other	7,914	0	8,036	0	(122)	0.0
Total FY 2010-11 JBC Recommendation	\$12,364,413	\$3,741,570	\$8,022,382	\$0	\$600,461	150.3
\$ Change from prior year	(\$265,525)	\$608,663	(\$250,263)	(\$621,015)	(\$2,910)	(2.0)
% Change from prior year	(2.1)%	19.4%	(3.0)%	(100.0)%	(0.5)%	(1.3)%

Issue Descriptions

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Postage adjustment: The recommendation provides funding associated with an upgrade to mail services equipment in the Department of Personnel and Administration.

Fund source adjustment: The recommendation eliminates a one-time refinance of the Inspection and Consumer Services Programs.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Statewide IT staff consolidation: The recommendation includes the impact of transferring information technology (IT) staff resources to OIT. The consolidation of IT staff resources in OIT results in a ten percent cost savings statewide.

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

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

Operating reduction: The recommendation includes a General Fund reduction for operating expenses.

Other: The recommendation includes other minor adjustments.

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

Agricultural Markets Division	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$1,107,786	\$434,425	\$628,361	\$45,000	\$0	5.2
Recommended Changes from FY 2009-10 Appropriation						
Restore FY 2009-10 furlough reductions	13,293	12,502	791	0	0	0.0
Postage adjustment	20	20	0	0	0	0.0
Fund source adjustment	0	(437,548)	437,548	0	0	0.0
State PERA contribution reduction	(9,684)	(9,108)	(576)	0	0	0.0
Indirect cost assessment	(734)	0	(734)	0	0	0.0
Operating reduction	(176)	(176)	0	0	0	0.0
Annualize prior year funding	(115)	(115)	0	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$1,110,390	\$0	\$1,065,390	\$45,000	\$0	5.2
\$ Change from prior year	\$2,604	(\$434,425)	\$437,029	\$0	\$0	0.0
% Change from prior year	0.2%	(100.0)%	69.6%	0.0%	n/a	0.0%

Issue Descriptions

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Postage adjustment: The recommendation provides funding associated with an upgrade to mail services equipment in the Department of Personnel and Administration.

Fund source adjustment: The recommendation includes the refinance of General Fund with cash funds from the Agriculture Management Fund.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

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

Operating Reduction: The recommendation includes a General Fund reduction for operating expenses.

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

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

Brand Board	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$3,996,418	\$0	\$3,996,418	\$0	\$0	66.3
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Restore FY 2009-10 furlough reductions	100,933	0	100,933	0	0	0.0
State PERA contribution reduction	(73,560)	0	(73,560)	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$4,023,791	\$0	\$4,023,791	\$0	\$0	66.3
\$ Change from prior year	\$27,373	\$0	\$27,373	\$0	\$0	0.0
% Change from prior year	0.7%	n/a	0.7%	n/a	n/a	0.0%

Issue Descriptions

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

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

Special Purpose	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$2,859,286	\$0	\$2,859,286	\$0	\$0	5.4
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Increase spending authority	215,200	0	215,200	0	0	0.0
Restore FY 2009-10 furlough reduction	3,083	0	3,083	0	0	0.0
Fund source adjustment	(452,779)	0	(452,779)	0	0	0.0
State PERA contribution reduction	(3,197)	0	(3,197)	0	0	0.0
Indirect cost assessment	(351)	0	(351)	0	0	0.0
Annualize prior year funding	(117)	0	(117)	0	0	0.1

Special Purpose	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Total FY 2010-11 JBC Recommendation	\$2,621,125	\$0	\$2,621,125	\$0	\$0	5.5
\$ Change from prior year	(\$238,161)	\$0	(\$238,161)	\$0	\$0	0.1
% Change from prior year	(8.3)%	n/a	(8.3)%	n/a	n/a	1.9%

Issue Descriptions

Increase spending authority: The recommendation increases the Wine Promotion Board line item by \$100,093 and the Vaccine and Service Fund line item by \$115,107 cash funds to accurately reflect moneys available in FY 2010-11.

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Fund source adjustment: The recommendation includes a decrease to the Agriculture Management Fund as these moneys are used to replace General Fund in the Agricultural Markets program cost line item.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

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

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

Colorado State Fair: This program includes personal services and operating expenses associated with the Colorado State Fair, which is administered by the 11 member State Fair Authority. The source of funding for this Division is from fees collected by the Colorado State Fair during its eleven day run each August and from 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.

Colorado State Fair	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$8,498,698	\$0	\$8,498,698	\$0	\$0	26.9
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Restore FY 2009-10 furlough reductions	33,105	0	33,105	0	0	0.0
Indirect cost assessment	11,252	0	11,252	0	0	0.0
State PERA contribution reduction	(24,096)	0	(24,096)	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$8,518,959	\$0	\$8,518,959	\$0	\$0	26.9
\$ Change from prior year	\$20,261	\$0	\$20,261	\$0	\$0	0.0
% Change from prior year	0.2%	n/a	0.2%	n/a	n/a	0.0%

Issue Descriptions

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Indirect cost assessment: The recommendation includes a net increase in indirect cost assessments.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

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

Conservation Board	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$1,571,387	\$623,152	\$450,000	\$0	\$498,235	5.2
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Restore FY 2009-10 furlough reductions	13,298	11,533	0	0	1,765	0.0
State PERA contribution reduction	(9,696)	(8,412)	0	0	(1,284)	0.0
Operating reduction	(2,132)	(2,132)	0	0	0	0.0
Annualize prior year funding	(460)	(460)	0	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$1,572,397	\$623,681	\$450,000	\$0	\$498,716	5.2
\$ Change from prior year	\$1,010	\$529	\$0	\$0	\$481	0.0
% Change from prior year	0.1%	0.1%	0.0%	n/a	0.1%	0.0%

Issue Descriptions

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Operating reduction: The recommendation includes a General Fund reduction for operating expenses.

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

Department of Corrections

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

Summary Table for Department of Corrections						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$742,980,190	\$565,603,106	\$44,731,991	\$42,698,918	\$89,946,175	6,547.6
<i>Recommended Changes from FY 2009-10 by Long Bill Division</i>						
Management	(15,901,258)	(13,979,929)	(1,826,383)	(82,585)	(12,361)	(1.0)
Institutions	6,896,559	96,333,096	(367,798)	(47,465)	(89,021,274)	260.9
Support Services	1,485,032	1,498,024	(15,165)	2,173	0	(57.4)
Inmate Programs	(88,744)	3,061,178	(2,512,463)	(43,752)	(593,707)	8.7
Community Services	(2,087,114)	(1,963,978)	(25,795)	(36,439)	(60,902)	(21.0)
Parole Board	(153,212)	(153,212)	0	0	0	0.0
Correctional Industries	56,735	0	(2,229)	58,964	0	0.0
Canteen Operation	(2,503)	0	(2,503)	0	0	0.0
Total FY 2010-11 JBC Long Bill Recommendation	\$733,185,685	\$650,398,285	\$39,979,655	\$42,549,814	\$257,931	6,737.8
Statutory Appropriations	3,445,026	2,959,495	485,531	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$736,630,711	\$653,357,780	\$40,465,186	\$42,549,814	\$257,931	6,737.8
\$ Change from prior year	(\$6,349,479)	\$87,754,674	(\$4,266,805)	(\$149,104)	(\$89,688,244)	190.2
% Change from prior year	(0.9)%	15.5%	(9.5)%	(0.3)%	(99.7)%	2.9%

Recommendation Highlights:

1. Provides \$89.0 million General Fund to restore one-time reductions made in FY 2009-10 related to the receipt of American Recovery and Reinvestment Act of 2009 (ARRA) funds.
2. Provides \$9.4 million General Fund and 220.9 FTE for new or expanded facilities to open one of the three towers at Colorado State Penitentiary II (CSP II) beginning in September 2010. The funding would allow the Department to open 316 beds at CSP II.
3. Provides \$6.3 million General Fund to restore one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

4. Provides \$3.1 million General Fund and 52.3 FTE for prior year decision items or legislation to restore one-time reductions in FY 2009-10 associated with double bunking 76 beds at the Denver Women's Correctional Facility and 100 beds at the Buena Vista Correctional Facility.
 5. Provides \$1.4 million General Fund and 26.0 FTE to improve or expand existing programs for mental health services.
 6. Provides \$0.9 million General Fund and 10.7 FTE for new or expanded facilities to maintain the systems and facility at CSP II and the Denver Reception and Diagnostic Center (DRDC) new expansion area. This funding is separate from the funding to open one tower of CSP II; this funding includes only the minimal amount of staff necessary to maintain the systems and facility. These staff have not been duplicated in the recommendation for CSP II Tower I.
 7. Includes a reduction of \$8.0 million General Fund to reflect a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.
 8. Includes a reduction of \$7.0 million General Fund to reflect savings associated with the accelerated transition pilot program. The accelerated transition pilot program established an accelerated process for offenders convicted of a class 6, 5, 4, or 3 felony, currently parole eligible, and within six months of their mandatory release date to transition from prison to parole. In addition, the program allows for the transition of offenders from parole to the community once they had completed 50 percent of their mandatory parole term as long as they were in compliance with their parole conditions.
 9. Includes a reduction of \$3.0 million General Fund associated with moving all Colorado female inmates out of the High Plains Correctional Facility.
 10. Includes a reduction of \$2.7 million General Fund and 1.7 FTE related to the impact of prior year decision items and legislation.
 11. Includes a reduction of \$1.5 million General Fund and 12.7 FTE for staffing related to population changes to reflect declining caseloads in parole and community corrections.
 12. Includes a reduction of \$1.0 million General Fund and 32.7 FTE for base reductions associated with the decommission of the Colorado Correctional Alternative Program (known as Boot Camp).
 13. Includes a reduction of \$0.9 million General Fund for reduced medical costs associated with the declining inmate population.
 14. Includes a reduction of \$0.5 million General Fund and 72.6 FTE for staff transfers associated with the statewide information technology consolidation.
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Budget Recommendation Detail by Long Bill Division

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

Management	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$187,750,562	\$180,791,275	\$6,448,304	\$423,022	\$87,961	98.3
<i>Recommended Changes from FY 2009-10 Adjusted Appropriation</i>						
Boot Camp decommission	1,235,084	1,235,084	0	0	0	0.0
Double bunking	332,293	332,293	0	0	0	0.0
Restore FY 2009-10 furlough reductions	92,786	187,541	(100,708)	5,953	0	0.0
Accelerated transition pilot program	(6,313,929)	(6,313,929)	0	0	0	0.0
CSP II Tower I	(3,390,228)	(3,390,228)	0	0	0	0.0
High Plains Correctional Facility	(2,993,266)	(2,993,266)	0	0	0	0.0
Annualize prior year funding	(2,101,331)	(2,096,371)	(4,960)	0	0	0.0
Inmate caseload	(1,232,674)	458,241	(1,690,915)	0	0	0.0
Statewide IT staff consolidation	(643,561)	(643,561)	0	0	0	(1.0)
Centrally-appropriated line items	(620,638)	(494,688)	(125,950)	0	0	0.0
State PERA contribution reduction	(156,965)	(152,631)	0	(4,334)	0	0.0
Parole and community caseload	(71,243)	(71,243)	0	0	0	0.0
Operating reduction	(37,171)	(37,171)				
Grant funding	(415)	0	96,150	(84,204)	(12,361)	0.0
Total FY 2010-11 JBC Recommendation	\$171,849,304	\$166,811,346	\$4,621,921	\$340,437	\$75,600	97.3
\$ Change from prior year	(\$15,901,258)	(\$13,979,929)	(\$1,826,383)	(\$82,585)	(\$12,361)	(1.0)
% Change from prior year	(8.5)%	(7.7)%	(28.3)%	(19.5)%	(14.1)%	(1.0)%

Issue Descriptions

Boot Camp decommission: The recommendation includes adjustments related to the decommission of the Colorado Correctional Alternative Program (known as Boot Camp).

Double bunking: The recommendation restores one-time FY 2009-10 reductions associated with double bunking 76 beds at the Denver Women's Correctional Facility and 100 beds at the Buena Vista Correctional Facility.

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Accelerated transition pilot program: The recommendation reflects savings associated with the accelerated transition pilot program.

CSP II Tower I: The recommendation includes funding to open one of the three towers at CSP II beginning in September 2010. The funding would allow the Department to open 316 beds at CSP II. This decrease is associated with fewer inmates being housed in private prisons as a result of opening one tower of CSP II.

High Plains Correctional Facility: The recommendation reflects a reduction associated with moving all Colorado female inmates out of this facility.

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

Inmate caseload: The recommendation includes adjustments based on the projected inmate caseload.

Statewide IT staff consolidation: The recommendation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources in OIT results in a ten percent cost savings statewide.

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

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Parole and community caseload: The recommendation reflects a reduction associated with the projected parole and community corrections caseload.

Operating reduction: The recommendation reflects a 5.0 percent reduction for operating expenses.

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

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

Institutions	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$373,177,931	\$282,423,192	\$1,606,000	\$47,465	\$89,101,274	4,870.9
Recommended Changes from FY 2009-10 Appropriation						
CSP II Tower I	11,931,833	11,931,833	0	0	0	212.6
Restore FY 2009-10 furlough reductions	3,938,164	3,938,164	0	0	0	0.0
Double bunking	2,731,735	2,731,735	0	0	0	51.3
Mental health	1,434,945	1,434,945	0	0	0	26.0
CSP II and DRDC Operating	925,985	925,985	0	0	0	10.7
Postage adjustment	5,017	5,017	0	0	0	0.0
ARRA	0	89,021,274	0	0	(89,021,274)	0.0
Indirect cost assessment	0	(34,972)	34,972	0	0	0.0
State PERA contribution reduction	(6,128,646)	(6,128,646)	0	0	0	0.0
Reduction for five-year statutory appropriations	(3,359,318)	(2,956,548)	(402,770)	0	0	0.0
Boot Camp decommission	(2,153,021)	(2,153,021)	0	0	0	(32.7)
Medical adjustments	(900,647)	(900,647)	0	0	0	0.0
Accelerated transition pilot program	(598,688)	(598,688)	0	0	0	0.0
Statewide IT staff consolidation	(499,424)	(499,424)	0	0	0	(7.0)
Day surgery center	(201,920)	(201,920)	0	0	0	0.0
Laundry operating expenses and dress out expenses	(126,794)	(126,794)	0	0	0	0.0
Grant funding	(47,465)	0	0	(47,465)	0	0.0
Operating reduction	(39,250)	(39,250)	0	0	0	0.0
Annualize prior year funding	(15,947)	(15,947)	0	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$380,074,490	\$378,756,288	\$1,238,202	\$0	\$80,000	5,131.8
\$ Change from prior year	\$6,896,559	\$96,333,096	(\$367,798)	(\$47,465)	(\$89,021,274)	260.9
% Change from prior year	1.8%	34.1%	(22.9)%	(100.0)%	(99.9)%	5.4%

Issue Descriptions

CSP II Tower I: The recommendation includes funding to open one of the three towers at CSP II beginning in September 2010. The funding would allow the Department to open 316 beds at CSP II.

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Double bunking: The recommendation restores one-time FY 2009-10 reductions associated with double bunking 76 beds at the Denver Women's Correctional Facility and 100 beds at the Buena Vista Correctional Facility.

Mental health: The recommendation includes funding for additional mental health services.

CSP II and DRDC Operating: The recommendation includes funding to maintain the systems and facility at the Colorado State Penitentiary II (CSP II) and the Denver Reception and Diagnostic Center (DRDC) new expansion area.

Postage adjustment: The recommendation includes adjustments associated with an upgrade to mail services equipment in the Department of Personnel.

ARRA: The recommendation restores a one-time FY 2009-10 refinancing of General Fund with federal funds from the American Recovery and Reinvestment Act of 2009 (ARRA).

Indirect cost assessment: The recommendation includes a net increase in indirect cost assessments.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Reduction for five-year statutory appropriations: The recommendation includes adjustments to reflect the funding that will be provided to the Department of Corrections statutorily in FY 2010-11 for criminal sentencing bills that were enacted in prior legislative sessions.

Boot Camp decommission: The recommendation includes adjustments related to the decommission of the Colorado Correctional Alternative Program (known as Boot Camp).

Medical adjustments: The recommendation includes reductions associated with medical expenses for inmates based on the projected decline in the inmate population.

Accelerated transition pilot program: The recommendation reflects savings associated with the accelerated transition pilot program.

Statewide IT staff consolidation: The recommendation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources in OIT results in a ten percent cost savings statewide.

Day surgery center: The recommendation reflects savings associated with H.B. 10-1083, which authorizes the Department to enter into a lease-purchase agreement for a day surgery center at the Denver Reception and Diagnostic Center.

Laundry operating expenses and dress out expenses: The recommendation includes reductions based on the inmate population decline for clothing and dress out expenses for inmates who are released from prison (clothing, bus ticket, and \$100 for each inmate).

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

Operating reduction: The recommendation reflects a 5.0 percent reduction for operating expenses.

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

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

Support Services	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$29,756,026	\$29,145,403	\$609,725	\$898	\$0	313.0
Recommended Changes from FY 2009-10 Appropriation						
Statewide IT staff consolidation	858,642	858,642	0	0	0	(61.6)
CSP II Tower I	584,250	584,250	0	0	0	3.7
Restore FY 2009-10 furlough reductions	502,719	502,719	0	0	0	0.0
Centrally-appropriated line items	393,281	378,155	15,126	0	0	0.0
Double bunking	511	511	0	0	0	0.0
Indirect cost assessment	0	28,118	(30,291)	2,173	0	0.0
State PERA contribution reduction	(416,916)	(416,916)	0	0	0	0.0
Operating reduction	(208,631)	(208,631)	0	0	0	0.0
Annualize prior year funding	(200,372)	(200,372)	0	0	0	0.5
Boot Camp decommission	(15,533)	(15,533)	0	0	0	0.0
Parole and community caseload	(7,254)	(7,254)	0	0	0	0.0
Transportation funding for inmate population decline	(5,665)	(5,665)	0	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$31,241,058	\$30,643,427	\$594,560	\$3,071	\$0	255.6
\$ Change from prior year	\$1,485,032	\$1,498,024	(\$15,165)	\$2,173	\$0	(57.4)
% Change from prior year	5.0%	5.1%	(2.5)%	242.0%	n/a	(18.3)%

Issue Descriptions

Statewide IT staff consolidation: The recommendation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources in OIT results in a ten percent cost savings statewide.

CSP II Tower I: The recommendation includes funding to open one of the three towers at CSP II beginning in September 2010. The funding would allow the Department to open 316 beds at CSP II.

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

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

Double bunking: The recommendation restores one-time FY 2009-10 reductions associated with double bunking 76 beds at the Denver Women's Correctional Facility and 100 beds at the Buena Vista Correctional Facility.

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

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Operating reduction: The recommendation reflects a 5.0 percent reduction for operating expenses.

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

Boot Camp decommission: The recommendation includes adjustments related to the decommission of the Colorado Correctional Alternative Program (known as Boot Camp).

Parole and community caseload: The recommendation reflects a reduction associated with the projected parole and community corrections caseload.

Transportation funding for inmate population decline: The recommendation includes a reduction for transportation operating expenses associated with the declining inmate population.

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

Inmate Programs	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$41,615,670	\$32,756,180	\$7,224,783	\$977,767	\$656,940	620.3
Recommended Changes from FY 2009-10 Appropriation						
Restore FY 2009-10 furlough reductions	982,768	969,469	13,299	0	0	0.0
Annualize prior year funding	274,632	274,632	0	0	0	3.1
CSP II Tower I	241,341	241,341	0	0	0	4.6
Double bunking	62,862	61,899	963	0	0	1.0
Canteen refinance	0	2,500,000	(2,500,000)	0	0	0.0
State PERA contribution reduction	(669,700)	(660,017)	(9,683)	0	0	0.0
Grant funding	(637,040)	0	0	(43,752)	(593,288)	0.0
Eliminate one-time funding	(265,586)	(265,586)	0	0	0	0.0
Boot Camp decommission	(54,627)	(37,585)	(17,042)	0	0	0.0
Parole and community caseload	(22,975)	(22,975)	0	0	0	0.0
Indirect cost assessment	(419)	0	0	0	(419)	0.0
Total FY 2010-11 JBC Recommendation	\$41,526,926	\$35,817,358	\$4,712,320	\$934,015	\$63,233	629.0
\$ Change from prior year	(\$88,744)	\$3,061,178	(\$2,512,463)	(\$43,752)	(\$593,707)	8.7
% Change from prior year	(0.2)%	9.3%	(34.8)%	(4.5)%	(90.4)%	1.4%

Issue Descriptions

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

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

CSP II Tower I: The recommendation includes funding to open one of the three towers at CSP II beginning in September 2010. The funding would allow the Department to open 316 beds at CSP II.

Double bunking: The recommendation restores one-time FY 2009-10 reductions associated with double bunking 76 beds at the Denver Women's Correctional Facility and 100 beds at the Buena Vista Correctional Facility.

Canteen refinance: The recommendation restores a one-time FY 2009-10 refinancing of General Fund with Canteen funds.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

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

Eliminate one-time funding: The recommendation eliminates one-time funding for therapeutic communities.

Boot Camp decommission: The recommendation includes adjustments related to the decommission of the Colorado Correctional Alternative Program (known as Boot Camp).

Parole and community caseload: The recommendation reflects a reduction associated with the projected parole and community corrections caseload.

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

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

Community Services	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$39,011,600	\$38,731,891	\$35,795	\$143,914	\$100,000	434.9
Recommended Changes from FY 2009-10 Appropriation						
Restore FY 2009-10 furlough reductions	489,193	489,193	0	0	0	0.0

Community Services	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Centrally-appropriated line items	620	620	0	0	0	0.0
Parole and community caseload	(1,249,518)	(1,249,518)	0	0	0	(12.7)
State PERA contribution reduction	(570,995)	(570,995)	0	0	0	0.0
Annualize prior year funding	(404,013)	(404,013)	0	0	0	(5.3)
Statewide IT staff consolidation	(191,319)	(191,319)	0	0	0	(3.0)
Grant funding	(123,136)	0	(25,795)	(36,439)	(60,902)	0.0
Accelerated transition pilot program	(24,363)	(24,363)	0	0	0	0.0
Operating reduction	(13,583)	(13,583)	0	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$36,924,486	\$36,767,913	\$10,000	\$107,475	\$39,098	413.9
\$ Change from prior year	(\$2,087,114)	(\$1,963,978)	(\$25,795)	(\$36,439)	(\$60,902)	(21.0)
% Change from prior year	(5.4)%	(5.1)%	(72.1)%	(25.3)%	(60.9)%	(4.8)%

Issue Descriptions

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Centrally-appropriated line items: The recommendation includes an adjustment for administrative law judge services.

Parole and community caseload: The recommendation reflects a reduction associated with the projected parole and community corrections caseload.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

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

Statewide IT staff consolidation: The recommendation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources in OIT results in a ten percent cost savings statewide.

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

Accelerated transition pilot program: The recommendation reflects savings associated with the accelerated transition pilot program.

Operating reduction: The recommendation reflects a 5.0 percent reduction for operating expenses.

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

Parole Board	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$1,755,165	\$1,755,165	\$0	\$0	\$0	17.5
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Restore FY 2009-10 furlough reductions	1,481	1,481	0	0	0	0.0
Accelerated transition pilot program	(122,060)	(122,060)	0	0	0	0.0
State PERA contribution reduction	(27,288)	(27,288)	0	0	0	0.0
Operating reduction	(5,345)	(5,345)	0	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$1,601,953	\$1,601,953	\$0	\$0	\$0	17.5
\$ Change from prior year	(\$153,212)	(\$153,212)	\$0	\$0	\$0	0.0
% Change from prior year	(8.7)%	(8.7)%	n/a	n/a	n/a	0.0%

Issue Descriptions

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Accelerated transition pilot program: The recommendation reflects savings associated with the accelerated transition pilot program.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Operating reduction: The recommendation reflects a 5.0 percent reduction for operating expenses.

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

Correctional Industries	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$55,203,147	\$0	\$14,097,295	\$41,105,852	\$0	163.0
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Restore FY 2009-10 furlough reductions	275,295	0	73,443	201,852	0	0.0
State PERA contribution reduction	(202,603)	0	(59,715)	(142,888)	0	0.0
Indirect cost assessment	(15,957)	0	(15,957)	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$55,259,882	\$0	\$14,095,066	\$41,164,816	\$0	163.0
\$ Change from prior year	\$56,735	\$0	(\$2,229)	\$58,964	\$0	0.0
% Change from prior year	0.1%	n/a	0.0%	0.1%	n/a	0.0%

Issue Descriptions

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

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

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

Canteen Operation	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$14,710,089	\$0	\$14,710,089	\$0	\$0	29.7
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Restore FY 2009-10 furlough reductions	43,504	0	43,504	0	0	0.0
State PERA contribution reduction	(31,673)	0	(31,673)	0	0	0.0
Indirect cost assessment	(14,334)	0	(14,334)	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$14,707,586	\$0	\$14,707,586	\$0	\$0	29.7
\$ Change from prior year	(\$2,503)	\$0	(\$2,503)	\$0	\$0	0.0
% Change from prior year	0.0%	n/a	0.0%	n/a	n/a	0.0%

Issue Descriptions

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

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

Department of Education

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

Summary Table for Department of Education						
	Total Funds	General Fund/1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$4,725,547,739	\$3,239,412,599	\$636,588,049	\$22,655,030	\$826,892,061	563.3
Long Bill supplemental	(109,190)	(86,980)	(49,813)	46,175	(18,572)	0.0
FY 2009-10 Adjusted Appropriation	\$4,725,438,549	\$3,239,325,619	\$636,538,236	\$22,701,205	\$826,873,489	563.3
<i>Recommended Changes from FY 2008-09 by Long Bill Division</i>						
Management and Administration	(4,725,682)	(256,071)	52,001	199,222	(4,720,834)	5.1
Assistance to Public Schools	(17,038,883)	300,949,752	(65,589,270)	(90,202)	(252,309,163)	(17.3)
Library Programs	7,402	76	179	0	7,147	0.0
School for the Deaf and the Blind	40,292	35,185	(2,754)	7,861	0	0.0
Total FY 2010-11 Long Bill Recommendation	\$4,703,721,678	\$3,540,054,561	\$570,998,392	\$22,818,086	\$569,850,639	551.1
H.B. 10-1369 Concerning the Financing of Public Schools	(\$365,312,540)	(\$365,312,540)	\$0	\$0	\$0	0.0
Total FY 2010-11 Recommendation	\$4,338,409,138	\$3,174,742,021	\$570,998,392	\$22,818,086	\$569,850,639	551.1
\$ Change from prior year	(\$387,029,411)	(\$64,583,598)	(\$65,539,844)	\$116,881	(\$257,022,850)	(12.2)
% Change from prior year	(8.2)%	(2.0)%	(10.3)%	0.5%	(31.1)%	(2.2)%

¹ This amount includes a General Fund Exempt appropriation.

Recommendation Highlights:

1. The Long Bill recommendation provides for a \$217.3 million increase in *total state and local* funding for schools pursuant to current law based on the following [related data table is provided in the Assistance to Public Schools, Public School Finance subsection]:
 - a projected 1.0 percent increase in the number of funded pupils (requiring \$57.4 million total funds);

- a 0.4 percent increase in the statewide base per-pupil funding amount, based on the actual -0.6 percent change in the Denver-Boulder consumer price index in 2009 plus an additional 1.0 percent (requiring \$30.1 million total funds); and
- an increase of \$129.8 million, which is the amount rescinded in FY 2009-10 due to a shortfall in the State's share of funding for districts' total program funding.

Although *total* funding is anticipated to increase by 3.9 percent for FY 2010-11 (\$217.3 million) under current law, it is anticipated that *local* property and specific ownership tax revenues (which are not reflected in the Long Bill) will decrease by 1.3 percent (\$27.1 million). The Long Bill recommendation thus reflects a \$244.3 million (6.9 percent) increase in the *State's* share of funding for districts' total program funding, including \$129.8 million to eliminate the shortfall in state funding that occurred in FY 2009-10, \$87.5 million needed to cover enrollment and inflationary increases for FY 2010-11, and \$27.1 million to replace the loss of local tax revenues in FY 2010-11.

In addition, the recommendation includes General Fund savings to be achieved through the annual school finance bill (H.B. 10-1369). This bill decreases Long Bill appropriations for the State's share of total program funding for FY 2010-11 by \$365.4 million compared to the requirements of current law; this \$365.4 million General Fund savings is included in the overall budget balancing plan. In terms of total state and local funding, this bill would decrease total funding by \$149.3 million (2.7 percent) in FY 2010-11 when compared to total funding provided for FY 2009-10 (after the \$129.8 million rescission).

2. Adds \$2,165,296 cash funds spending authority to the Read-to-Achieve cash fund to restore one-time reductions made pursuant to S.B. 09-256.
3. Increases the appropriation for the Colorado Student Assessment Program (CSAP) by \$1,383,582. The recommendation reflects an increase of \$1,346,402 federal funds and 4.8 FTE for the purpose of truing-up actual expenditures associated with staff funded with ancillary federal *No Child Left Behind Act of 2001* moneys. The recommendation also includes an increase of \$37,180 cash funds from the State Education Fund for the purpose of funding increases related to the ACT exam.
4. Includes a \$921,000 increase (0.4 percent) in state funding for categorical programs as required by the State Constitution. This cash funds increase is recommended from the State Education Fund.
5. Adds \$904,042, including \$296,474 General Fund, to restore one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.
6. Reflects an anticipated net decrease of \$257 million in federal funds, including the elimination of: \$154,012,028 in American Recovery and Reinvestment Act (ARRA) funds for special education programs for children with disabilities; \$111,135,922 in ARRA funds for improving the academic achievement of the disadvantaged (Title I); \$33,611,909 in ARRA funds for school improvement grants (Title I); \$10,662,813 in non-ARRA funds for Title I reading first grants; \$6,734,455 in ARRA funds for enhancing education through technology; \$6,186,541 in ARRA funds for various administrative programs related to enhancing the Colorado Growth Model and SchoolView website, teacher compensation, educator identifier system, additional administrative staffing to assist with ARRA distribution, and to aid with the implementation of S.B. 08-212; \$1,034,538 in ARRA funds for various

federal nutrition programs; and \$924,815 in ARRA funds for homeless prevention initiatives. These decreases are offset by increases of \$59,941,632 non-ARRA funds for pass-through to districts and Boards of Cooperative Services (BOCES); \$5,939,761 non-ARRA funds for special education programs for children with disabilities; and \$1,346,402 to true-up federal staffing expenditures associated with the Colorado Student Assessment Program (CSAP).

7. Eliminates \$7.5 million spending authority associated with the financial assistance priority assessment, based on work anticipated to be completed in FY 2009-10.
8. Eliminates a \$3.7 million cash funds appropriation that was provided on a one-time basis to correct for local share overpayments in prior fiscal years.
9. Eliminates \$2,192,182 cash funds from the State Education Fund and 2.0 FTE by discontinuing funding for regional services cooperatives, the Summer School Grant Program, the School Leadership Academy, the Financial Literacy Grant Program, and for Colorado History Day.
10. Eliminates \$649,693, including \$304,599 General Fund, reflecting a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Budget Recommendation Detail by Long Bill Division

Management and Administration: This section provides funding and staff for the State Board of Education, the administration of a variety of education- and library-related programs, educator licensure, and general department administration, including human resources, budgeting, accounting, information management, and facilities maintenance. This section also includes funding for the Office of Professional Services (educator licensing and professional development), the Division of On-line Learning, administration of the Colorado Student Assessment Program (CSAP) and for related activities, as well as appropriations related to the State Charter School Institute.

Management and Administration	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$53,737,910	\$7,872,988	\$19,342,031	\$11,807,115	\$14,715,776	145.0
Long Bill supplemental	(50,880)	(89,982)	(49,813)	107,487	(18,572)	0.0
FY 2009-10 Adjusted Appropriation	\$53,687,030	\$7,783,006	\$19,292,218	\$11,914,602	\$14,697,204	145.0
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
CSAP adjustments	1,383,582	0	37,180	0	1,346,402	4.8
Centrally-appropriated line items	315,028	(135,071)	184,682	156,149	109,268	0.0
Restore FY 2009-10 furlough reductions	268,170	103,649	59,605	69,258	35,658	0.0
Postage adjustment	2,220	171	870	1,179	0	0.0
Indirect cost adjustment	0	(36,520)	0	36,520	0	0.0
Eliminate one-time FY 2009-10 ARRA allocation	(6,186,541)	0	0	0	(6,186,541)	0.0
Eliminate one-time funding	(240,073)	(55,706)	(184,367)	0	0	0.0

Management and Administration	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
State PERA contribution reduction	(195,933)	(78,586)	(45,969)	(52,892)	(18,486)	0.0
Statewide IT common policy adjustments	(36,177)	(36,177)	0	0	0	0.0
Operating reduction	(14,514)	(14,514)	0	0	0	0.0
State Charter School Institute funding adjustment	(10,992)	0	0	(10,992)	0	0.0
Annualize prior year funding	(10,452)	(3,317)	0	0	(7,135)	0.3
Total FY 2010-11 JBC Recommendation	\$48,961,348	\$7,526,935	\$19,344,219	\$12,113,824	\$9,976,370	150.1
\$ Change from prior year	(\$4,725,682)	(\$256,071)	\$52,001	\$199,222	(\$4,720,834)	5.1
% Change from prior year	(8.8)%	(3.3)%	0.3%	1.7%	(32.1)%	3.5%

Issue Descriptions

Long Bill supplemental: The FY 2010-11 Long Bill contains a section that adjusts FY 2009-10 appropriations. Specifically, the recommendation: (1) reduces various centrally-appropriated line items by \$34,790; (2) eliminates \$17,597 associated with a one-time upgrade to mail services equipment in the Department of Personnel and Administration; and (3) changes the financing of legal services related to the Building Excellent Schools Today (BEST) Act of 2008, increasing the appropriation by \$1,507 reappropriated funds.

CSAP adjustments: The recommendation reflects an increase of \$1,346,402 federal funds and 4.8 FTE for the purpose of truing-up actual expenditures associated with staff funded with ancillary federal *No Child Left Behind Act of 2001* moneys. The recommendation also includes an increase of \$37,180 cash funds from the State Education Fund for the purpose of funding increases related to the ACT exam.

Centrally-appropriated line items: The recommendation includes adjustments to centrally-appropriated line items for the following: health, life, and dental benefits; short-term disability; amortization equalization disbursement; supplemental amortization equalization disbursement; workers' compensation; legal services; administrative law judge services; payment to risk management and property funds; and Capitol complex leased space.

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Postage adjustment: The recommendation eliminates one-time increases associated with an upgrade to mail services equipment in the Department of Personnel and Administration.

Indirect cost adjustment: The recommendation includes a net increase in indirect cost recoveries, offsetting General Fund by a commensurate amount.

Eliminate one-time FY 2009-10 ARRA allocation: The recommendation reflects the elimination of a one-time allocation of moneys anticipated to be received from the General Services Grants Subaccount of the State Fiscal Stabilization Fund of the American Recovery and Reinvestment Act (ARRA) of 2009 for various administrative programs related to enhancing the Colorado Growth Model and SchoolView website, teacher

compensation, the educator identifier system, additional administrative staffing to assist with ARRA funding distribution, and to aid with the implementation of S.B. 08-212 (CAP4K).

Eliminate one-time funding: The recommendation eliminates one-time funding related to: (1) additional funding made available for continuing the postsecondary workforce readiness (PWR) assessments pilot program into the Fall of 2009; and (2) \$55,706 General Fund related to the elimination of one-time funding for a state residential school feasibility study.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Statewide IT common policy adjustments: The recommendation includes adjustments to line item appropriations for the following: the purchase of services from computer center; multiuse network payments; and communication services payments.

Operating reduction: The recommendation reflects a 5.0 percent reduction to eligible operating expenditures funded with General Fund.

State Charter School Institute funding adjustment: The recommendation includes a \$10,992 reappropriated funds reduction associated with the administration of the State Charter School Institute.

Annualize prior year funding: The recommendation includes reductions related to prior year legislation and budget actions. The annualizations include: (1) the elimination of \$15,472 for legal services related the realignment of the State's educational accountability system; and (2) an offsetting increase of \$5,020 and 0.3 FTE related to increased personal services expenditures related to the realignment of the State's educational accountability system.

Assistance to Public Schools: This section includes all funding that is distributed to public schools or is used to directly support public schools. This section is comprised of the following subsections: (1) Public School Finance; (2) Categorical Programs; and (3) Grant Programs, Distributions, and Other Assistance.

Assistance to Public Schools Summary Table	Total Funds	General Fund/1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$4,651,686,343	\$3,219,333,395	\$615,891,138	\$7,308,911	\$809,152,899	214.1
Long Bill Supplemental	(61,312)	0	0	(61,312)	0	0.0
FY 2009-10 Adjusted Appropriation	\$4,651,625,031	\$3,219,333,395	\$615,891,138	\$7,247,599	\$809,152,899	214.1
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Public School Finance	240,429,015	300,957,244	(60,444,908)	6,462	(89,783)	0.0
Categorical Programs	(147,000,075)	0	920,774	0	(147,920,849)	0.0
Grant Programs, Distributions, and Other Assistance	(110,467,823)	(7,492)	(6,065,136)	(96,664)	(104,298,531)	(17.3)

Assistance to Public Schools Summary Table	Total Funds	General Fund/1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Total FY 2010-11 Long Bill Recommendation	\$4,634,586,148	\$3,520,283,147	\$550,301,868	\$7,157,397	\$556,843,736	196.8
H.B. 10-1369 Concerning the Financing of Public Schools	(\$365,312,540)	(\$365,312,540)	\$0	\$0	\$0	0.0
Total FY 2010-11 JBC Recommendation	\$4,269,273,608	\$3,154,970,607	\$550,301,868	\$7,157,397	\$556,843,736	196.8
\$ Change from prior year	(\$382,351,423)	(\$64,362,788)	(\$65,589,270)	(\$90,202)	(\$252,309,163)	(17.3)
% Change from prior year	(8.2)%	(2.0)%	(10.6)%	(1.2)%	(31.2)%	(8.1)%

/1 This amount includes a General Fund Exempt appropriation. See Public School Finance subsection detail for information on General Fund Exempt recommended appropriations.

Subsection Detail

Public School Finance: This subsection reflects appropriations related to the state share of funding required pursuant to the School Finance Act of 1994, as amended. The local share of funding is not reflected in the appropriation to the Department. Approximately 832,000 children are currently enrolled in public schools.

Overview: FY 2010-11 Funding for Public School Finance

The Long Bill recommendation provides for a \$217.3 million increase in *total state and local* funding for schools pursuant to the existing School Finance Act of 1994, based on the following:

- a projected 1.0 percent increase in the number of funded pupils (requiring \$57.4 million total funds);
- a 0.4 percent increase in the statewide base per-pupil funding amount, based on the actual -0.6 percent change in the Denver-Boulder consumer price index in 2009, plus 1.0 percent as required by the State Constitution (requiring \$30.1 million total funds); and
- an increase of \$129.8 million, which is the amount rescinded in FY 2009-10 due to a shortfall in the State's share of funding for districts' total program funding.

Although *total* state and local funding is anticipated to increase by 3.9 percent in FY 2010-11 (\$217.3 million) under current law, it is anticipated that *local* property and specific ownership tax revenues (which are not reflected in the Long Bill) will decrease by 1.3 percent (\$27.1 million). The Long Bill recommendation thus reflects a 6.9 percent (\$244.3 million) increase in the *State's* share of funding for districts' total program funding to provide the total required increase, including \$129.8 million to eliminate the shortfall in state funding that occurred in FY 2009-10, \$87.5 million needed to cover enrollment and inflationary increases for FY 2010-11, and \$27.1 million to replace the loss of local tax revenues in FY 2010-11. The following table details the data and figures related to overall school finance funding as it is reflected in the FY 2010-11 Long Bill.

School Finance: Total Program	FY 09-10 Amended Appropriation	FY 10-11 Long Bill Recommendation	Change
Funded Pupil Count	789,511.1	797,438.5	7,927.4
<i>Annual Percent Change</i>		1.0%	
Statewide <u>Base</u> Per-Pupil Funding	\$5,507.68	\$5,529.71	\$22.03
<i>Annual Percent Change</i>		0.4%	
Total Program Funding based on statutory formula	\$5,717,386,002	\$5,804,857,506	\$87,471,504
LESS: Rescission due to shortfall in State Share	<u>(129,813,999)</u>	<u>0</u>	<u>129,813,999</u>
Actual Total Program Funding	\$5,587,572,003	\$5,804,857,506	\$217,285,503
<i>Annual Percent Change</i>		3.9%	
Statewide <u>Average</u> Per-Pupil Funding	\$7,077.26	\$7,279.38	\$202.12
<i>Annual Percent Change</i>		2.9%	
<u>Local Share</u> of Districts' Total Program Funding	\$2,068,616,086	\$2,041,563,656	(\$27,052,430)
<i>Annual Percent Change</i>		-1.3%	
<u>State Share</u> of Districts' Total Program Funding	\$3,518,955,917	\$3,763,293,850	\$244,337,933
<i>Annual Percent Change</i>		6.9%	
<i>State Share as % of Districts' Total Program</i>	63.0%	64.8%	

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

Public School Finance Subsection	Total Funds	General Fund/1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$3,532,095,427	\$3,076,277,922	\$454,260,410	\$1,467,312	\$89,783	18.3
Recommended Changes from FY 2009-10 Appropriation						
State share of districts' total program funding	244,337,933	300,957,244	(56,619,311)	0	0	0.0
Hold-harmless full-day kindergarten funding	58,768	0	58,768	0	0	0.0
Restore FY 2009-10 furlough reductions	34,461	0	0	34,461	0	0.0
Eliminate one-time funding	(3,884,365)	0	(3,884,365)	0	0	0.0
Eliminate one-time FY 2009-10 ARRA allocation	(89,783)	0	0	0	(89,783)	0.0
State PERA contribution reduction	(27,999)	0	0	(27,999)	0	0.0
Total FY 2010-11 Long Bill Recommendation	\$3,772,524,442	\$3,377,235,166	\$393,815,502	\$1,473,774	\$0	18.3
H.B. 10-1369 Concerning the Financing of Public Schools	(\$365,312,540)	(\$365,312,540)	\$0	\$0	\$0	0.0

Public School Finance Subsection	Total Funds	General Fund/1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Total FY 2010-11 JBC Recommendation	\$3,407,211,902	\$3,011,922,626	\$393,815,502	\$1,473,774	\$0	18.3
\$ Change from prior year	(\$124,883,525)	(\$64,355,296)	(\$60,444,908)	\$6,462	(\$89,783)	0.0
% Change from prior year	(3.5)%	(2.1)%	(13.3)%	0.4%	(100.0)%	0.0%

/1 This amount includes a General Fund Exempt Appropriation.

General Fund Summary	Total General Fund	General Fund	General Fund Exempt
FY 2009-10 Appropriation	\$3,076,277,922	\$3,076,277,922	\$0
Long Bill supplemental	<u>0</u>	<u>0</u>	<u>0</u>
FY 2009-10 Adjusted Appropriation	\$3,076,277,922	\$3,076,277,922	\$0
Fund projected enrollment growth and 0.4 percent increase in base per pupil funding	300,957,244	300,957,244	0
Eliminate General Fund Exempt amount based on FY 2010-11 revenue projections	<u>0</u>	<u>(161,444,485)</u>	<u>161,444,485</u>
Total FY 2010-11 Long Bill Recommendation	\$3,377,235,166	\$3,215,790,681	\$161,444,485

General Fund Exempt

Referendum C, passed by Colorado voters in November 2005, allows the State to retain and spend all revenue that is collected in excess of the TABOR limit for FY 2005-06 through FY 2009-10. For FY 2010-11 and subsequent fiscal years, Referendum C allows the State to retain all revenues that are in excess of the TABOR limit, but less than the excess state revenues cap¹, for that fiscal year. This revenue must be placed in the General Fund Exempt Account. The above table shows the amount of General Fund Exempt that the Joint Budget Committee recommends be appropriated for FY 2009-10 and FY 2010-11 from the General Fund Exempt Account for preschool through twelfth grade education pursuant to Sections 24-77-103.6 (2) (b) and 24-77-104.5 (3), C.R.S.

Issue Descriptions

Long Bill supplemental affecting FY 2008-09: The FY 2010-11 Long Bill contains a section that adjusts the FY 2008-09 appropriation for the State Share of Districts' Total Program Funding to accurately reflect the portion of the appropriation that is from the General Fund Exempt Account based on the Legislative Council Staff March 2010 revenue forecast. This adjustment is not reflected in the above table, as it does not affect overall General Fund appropriations and it affects FY 2008-09.

¹ The "excess state revenues cap" is equal to the highest annual total state revenues from FY 2005-06 through FY 2009-10, adjusted each subsequent fiscal year for inflation, the percentage change in state population, enterprises, and debt service changes.

State share of districts' total program funding: Section 17 of Article IX of the Colorado Constitution (Amendment 23) requires the General Assembly to increase the statewide base per-pupil funding amount by inflation (i.e., the rate of change in the Denver-Boulder consumer price index) plus 1.0 percent for FY 2010-11, and by inflation annually thereafter. The Long Bill recommendation provides the required \$244.3 million (6.9 percent) increase in *state* funding for the School Finance Act, including:

- \$300.9 million increase (9.8 percent) in the General Fund appropriation;
- \$55.3 million decrease (16.3 percent) in the State Education Fund appropriation; and
- \$1.3 million decrease (1.2 percent) from the State Public School Fund appropriation.

The recommended cash funds appropriation from the State Public School Fund is based on projected fund revenues (including \$31.6 million made available through S.B. 10-150) and expenditures. The recommended State Education Fund appropriation is projected to result in a fund balance at the end of FY 2010-11 of about \$149 million. This fund balance will provide a cushion to account for income tax revenue forecast error, avoid requiring the State Treasurer to liquidate long-term investments, and mitigate potential reductions in funding in FY 2011-12. Finally, Amendment 23 requires the General Assembly, for FY 2001-02 through FY 2010-11, to annually increase the General Fund appropriation for districts' total program funding by at least 5.0 percent². The Long Bill recommendation for FY 2010-11 reflects a 9.8 percent increase in the General Fund appropriation for districts' total program funding.

Hold-harmless full-day kindergarten funding: The recommendation includes an increase of \$349,089 based on projected enrollment changes and changes in per pupil funding.

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Eliminate one-time funding: The recommendation eliminates \$3,684,365 in one-time funding that was provided to correct for local share overpayments in prior fiscal years, and eliminates \$200,000 for the declining enrollment study required by H.B. 08-1388.

Eliminate one-time FY 2009-10 ARRA allocation: The recommendation reflects the elimination of a one-time allocation of moneys anticipated to be received from the American Recovery and Reinvestment Act (ARRA) of 2009, including \$50,000 for a preschool ID system and \$39,783 for implementation of the Accelerating Students Through Concurrent Enrollment (ASCENT) Program.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

² This 5.0 percent General Fund "maintenance of effort" (MOE) requirement, however, does not apply in any fiscal year in which Colorado personal income grows less than 4.5 percent between the previous two calendar years. This MOE does not apply for FY 2009-10, and is not likely to apply for FY 2010-11 (the initial release of personal income data on March 19, 2010 reflects a 1.9 percent *decrease* in CY 2009).

Legislation Considered Part of Budget Balancing Package:

The annual school finance bill (H.B. 10-1369) amends current law to increase the statewide base per pupil funding to \$5,529.71 to reflect a -0.6 percent inflation rate plus 1.0 percent as required under Amendment 23, consistent with the Long Bill recommendation. In addition, for FY 2010-11 and FY 2011-12, the bill decreases the State’s share of total program funding through a new budget stabilization factor. The bill specifies that the maximum reduction cannot exceed an amount that would reduce total program funding below \$5,438,295,823 in FY 2010-11 and FY 2011-12. This translates to a reduction of \$365.4 million, or 6.35 percent of total program, compared to the requirements of current law. The resulting \$365.3 million General Fund reduction is included in the overall recommendation for FY 2010-11.

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

Categorical Programs Subsection	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$548,792,184	\$141,765,474	\$88,878,135	\$101,812	\$318,046,763	73.6
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Federal special education funding	5,939,761	0	0	0	5,939,761	0.0
Increase state funding by 0.4 percent	920,774	0	920,774	0	0	0.0
Restore FY 2009-10 furlough reductions	151,418	0	0	0	151,418	0.0
Eliminate one-time FY 2009-10 ARRA allocation	(154,012,028)	0	0	0	(154,012,028)	0.0
Total FY 2010-11 JBC Recommendation	\$401,792,109	\$141,765,474	\$89,798,909	\$101,812	\$170,125,914	73.6
\$ Change from prior year	(\$147,000,075)	\$0	\$920,774	\$0	(\$147,920,849)	0.0
% Change from prior year	(26.8)%	0.0%	1.0%	0.0%	(46.5)%	0.0%

Issue Descriptions

Federal special education funding: The recommendation reflects anticipated changes in federal funds anticipated to be available for the provision of special education services for children with disabilities.

Increase state funding by 0.4 percent: As required by Amendment 23, the FY 2010-11 recommendation includes a \$920,774 (0.4 percent) increase in *state funding* for categorical programs (based on the actual -0.6 percent change in the Denver-Boulder consumer price index in 2009, plus 1.0 percent). The full amount of the increase is from the State Education Fund. In addition, the recommendation eliminates the \$237,000 cash funds appropriation from the Comprehensive Health Education Fund, and increases the State Education Fund appropriation by the same amount. The following table details the recommended allocation of the required \$920,774 funding increase among categorical programs.

Recommended Increase in State Funding for Categorical Programs for FY 2010-11				
Long Bill Line Item	FY 2009-10 Appropriation of State Funds	Allocation of FY 2010-11 Increases in State Funds		FY 2010-11 Appropriation of State Funds
District Programs Required by Statute:				
Special education programs for children with disabilities	\$127,362,125	\$0	0.0%	\$127,362,125
English language proficiency programs	12,121,200	275,153	2.3%	12,396,353
Other Categorical Programs:				
Public school transportation	49,209,638	332,183	0.7%	49,541,821
Career and technical education programs	23,189,191	106,933	0.5%	23,296,124
Special education programs for gifted and talented children	9,003,120	56,505	0.6%	9,059,625
Expelled and at-risk student services grant program	7,343,560	150,000	2.0%	7,493,560
Small attendance center aid	959,379	0	0.0%	959,379
Comprehensive health education	1,005,396	0	0.0%	1,005,396
Total	\$230,193,609	\$920,774	0.4%	\$231,114,383

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Eliminate one-time FY 2009-10 ARRA allocation: The recommendation reflects the elimination of a one-time allocation of moneys anticipated to be available for special education programs for children with disabilities pursuant to the American Recovery and Reinvestment Act (ARRA) of 2009.

Grant Programs, Distributions, and Other Assistance: This subsection includes funding for a variety of education-related grant programs and programs that distribute funds to public schools, other than those programs that are defined as categorical programs.

Grant Programs and Other Distributions Subsection	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$570,798,732	\$1,289,999	\$72,752,593	\$5,739,787	\$491,016,353	122.2
Long Bill supplemental	(61,312)	0	0	(61,312)	0	0.0
FY 2009-10 Adjusted Appropriation	\$570,737,420	\$1,289,999	\$72,752,593	\$5,678,475	\$491,016,353	122.2
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Anticipated federal funding adjustments	49,278,819	0	0	0	49,278,819	(15.4)
Annualize prior year funding	3,076,663	(7,477)	3,241,912	0	(157,772)	0.1
State Charter School Institute Capital Construction Assistance	510,410	0	510,410	0	0	0.0

Grant Programs and Other Distributions Subsection	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Restore FY 2009-10 furlough reductions	214,902	2,325	28,637	17,798	166,142	0.0
Facility Schools	100,000	0	100,000	0	0	0.0
Eliminate one-time FY 2009-10 ARRA allocation	(153,466,639)	0	0	0	(153,466,639)	0.0
Financial assistance priority assessment	(7,454,000)	0	(7,454,000)	0	0	0.0
Eliminate regional service cooperatives grant program	(1,067,182)	0	(1,067,182)	0	0	(1.0)
Eliminate summer school grant program	(1,000,000)	0	(1,000,000)	0	0	(0.3)
Read-to-Achieve tobacco revenue	(173,520)	0	(173,520)	0	0	0.0
State PERA contribution reduction	(158,701)	(1,889)	(23,269)	(14,462)	(119,081)	0.0
Eliminate one-time funding	(102,220)	0	(102,220)	0	0	0.0
Reduce family literacy education grant program spending authority	(100,000)	0	0	(100,000)	0	0.0
Eliminate school leadership academy program	(75,000)	0	(75,000)	0	0	(0.7)
Eliminate financial literacy grant program	(40,000)	0	(40,000)	0	0	0.0
Eliminate Colorado history day grant program	(10,000)	0	(10,000)	0	0	0.0
Other	(1,355)	(451)	(904)	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$460,269,597	\$1,282,507	\$66,687,457	\$5,581,811	\$386,717,822	104.9
\$ Change from prior year	(\$110,467,823)	(\$7,492)	(\$6,065,136)	(\$96,664)	(\$104,298,531)	(17.3)
% Change from prior year	(19.4)%	(0.6)%	(8.3)%	(1.7)%	(21.2)%	(14.2)%

Issue Descriptions

Long Bill supplemental: The FY 2010-11 Long Bill contains a section that reduces the FY 2009-10 transfer from the Department of Health Care Policy and Financing for technical assistance to districts and BOCES in meeting Medicaid administrative requirements.

Anticipated federal funding adjustments: The recommendation reflects anticipated increases in federal revenues associated with programs for pass-through to districts and Boards of Cooperative Services (BOCES).

Annualize prior year funding: The recommendation includes: (1) a restoration of \$2,165,296 cash funds to the Read-to-Achieve cash fund, pursuant to S.B. 09-256 (School Finance Act); (2) a restoration of a one-time reduction of \$984,342 cash funds (SEF) to the Summer School Grant Program as a result of FY 2009-10 budget balancing action; (3) a restoration of \$40,850 cash funds (SEF) to the Regional Service Cooperatives grant program as a result of FY 2009-10 budget balancing action; (4) a restoration of \$36,471 cash funds (SEF) to the Family Literacy Grant Program as a result of FY 2009-10 budget balancing action; and (5) an increase of \$7,476 related to Healthy Choices Dropout Prevention program, pursuant to S.B. 09-123. These increases are

offset by reductions of \$157,772 related to the creation of the Office of Dropout Prevention and Student Re-engagement, pursuant to H.B. 09-1243.

State Charter School Institute Capital Construction Assistance: The recommendation provides an increase in cash funds spending authority to reflect both the Institute Charter School Capital Construction Assistance Fund balance at the end of FY 2009-10 as well as the portion of per pupil funding that is anticipated to be credited to the Fund in FY 2010-11.

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Facility Schools: The recommendation increases funding for facility schools based on the estimated increase in state average per pupil revenues for FY 2010-11.

Eliminate one-time FY 2009-10 ARRA allocation: The recommendation reflects the elimination of a one-time allocation of moneys anticipated to be received from the American Recovery and Reinvestment Act (ARRA) of 2009 for pass-through to districts and BOCES for FY 2009-10 and FY 2010-11. Of this recommended federal funds reduction, \$111,135,922 are from additional federal funds pursuant to Title I of the federal *No Child Left Behind Act of 2001* (NCLB), \$33,611,909 are from school improvement grants from additional federal funds pursuant to Title I of NCLB, \$6,734,455 are from additional federal funds pursuant to Part D of Title II of NCLB (Education Technology), and \$924,815 are from additional federal funds pursuant to Title X of NCLB (McKinney-Vento Homeless Prevention).

Financial assistance priority assessment: The recommendation reduces cash funds appropriations for the assessment required by H.B. 08-1335 as the contract is anticipated to be closed out in early FY 2010-11.

Eliminate regional service cooperatives grant program: The recommendation reflects the elimination of funding for the Regional Services Cooperatives Grant Program due to the near-term insolvency of the State Education Cash Fund and the projected state revenue shortfall in FY 2010-11.

Eliminate summer school grant program: The recommendation reflects the elimination of funding for the Summer School Grant Program due to the near-term insolvency of the State Education Cash Fund and the projected state revenue shortfall in FY 2010-11.

Read-to-Achieve tobacco revenue: The recommendation includes a decrease of \$173,520 cash funds spending authority to accommodate the expenditure of moneys from fund balance and anticipated transfers of tobacco settlement moneys.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Eliminate one-time funding: The recommendation reflects the elimination of one-time FY 2009-10 appropriations, including \$86,000 for the Dropout Prevention Activity Grant Program Fund and \$16,220 for capital outlay for the Division of Public School Capital Construction Assistance.

Reduce family literacy education grant program spending authority: The recommendation reflects a decrease of spending authority from the Family Literacy Education Fund based on actual available fund balance.

Eliminate school leadership academy program: The recommendation reflects the elimination of funding for the School Leadership Academy Program due to the near-term insolvency of the State Education Cash Fund and the projected state revenue shortfall in FY 2010-11.

Eliminate financial literacy grant program: The recommendation reflects the elimination of funding for the Financial Literacy Grant Program due to the near-term insolvency of the State Education Cash Fund and the projected state revenue shortfall in FY 2010-11.

Eliminate Colorado history day grant program: The recommendation reflects the elimination of funding for the Colorado History Day grant program due to the near-term insolvency of the State Education Cash Fund and the projected state revenue shortfall in FY 2010-11.

Other: The recommendation includes various changes, including reductions of \$904 cash funds for the Division of Public School Capital Construction Assistance based on the decrease in the hourly rate for legal services and \$451 for a technical adjustment related to S.B. 09-226.

Library Programs: This section contains appropriations for all library-related programs, with the exception of department staff who administer library programs; funding for these positions is provided through the Management and Administration section. There are approximately 330 publicly-funded libraries in Colorado, including institutional libraries (e.g., nursing homes, correctional institutions, etc.), as well as libraries operated by school districts, higher education institutions, and counties and municipalities. Library programs are primarily supported by General Fund and federal funds. Cash fund sources include grants and donations. Transfers from the Colorado Disabled Telephone Users Fund to support privately operated reading services for the blind are reflected as reappropriated funds.

Library Programs	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$5,720,240	\$2,177,810	\$269,044	\$250,000	\$3,023,386	36.6
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Restore FY 2009-10 furlough reductions	59,088	20,013	956	0	38,119	0.0
State PERA contribution reduction	(48,009)	(16,260)	(777)	0	(30,972)	0.0
Operating reduction	(3,677)	(3,677)	0	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$5,727,642	\$2,177,886	\$269,223	\$250,000	\$3,030,533	36.6
\$ Change from prior year	\$7,402	\$76	\$179	\$0	\$7,147	0.0
% Change from prior year	0.1%	0.0%	0.1%	0.0%	0.2%	0.0%

Issue Descriptions

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Operating reduction: The recommendation reflects a 5.0 percent reduction to eligible operating expenditures funded with General Fund.

School for the Deaf and the Blind: The Colorado School for the Deaf and the Blind (CSDB) provides educational services for children throughout the state who are deaf, hearing impaired, blind, or visually impaired, and under the age of 21. In FY 2008-09, the School had a total enrollment of 636 children, including 417 infants and toddlers and 219 students (ages 3 to 21) who received services on campus.

School for the Deaf and the Blind	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$14,403,246	\$10,028,406	\$1,085,836	\$3,289,004	\$0	167.6
Long Bill supplemental	<u>3,002</u>	<u>3,002</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
FY 2009-10 Adjusted Appropriation	\$14,406,248	\$10,031,408	\$1,085,836	\$3,289,004	\$0	167.6
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Restore FY 2009-10 furlough reductions	176,003	170,487	0	5,516	0	0.0
Teacher compensation	81,261	81,261	0	0	0	0.0
Shift differential	2,079	2,079	0	0	0	0.0
State PERA contribution reduction	(219,051)	(207,864)	(2,754)	(8,433)	0	0.0
Other	0	(10,778)	0	10,778	0	0.0
Total FY 2010-11 JBC Recommendation	\$14,446,540	\$10,066,593	\$1,083,082	\$3,296,865	\$0	167.6
\$ Change from prior year	\$40,292	\$35,185	(\$2,754)	\$7,861	\$0	0.0
% Change from prior year	0.3%	0.4%	(0.3)%	0.2%	n/a	0.0%

Issue Descriptions

Long Bill supplemental: The FY 2010-11 Long Bill contains a section that adjusts FY 2009-10 appropriations. Specifically, the recommendation includes: (1) an increase of \$3,002 General Fund for a statewide adjustment related to vehicle lease payments; and (2) a reduction of \$4,707 General Fund from the Personal Services line item and a commensurate increase to the Early Intervention Services line item to properly reflect teacher compensation, pursuant to Section 22-80-106.5, C.R.S.

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Teacher compensation: The recommendation reflects an increase for teacher compensation at the School, pursuant to Section 22-80-106.5, C.R.S.

Shift differential: The recommendation reflects an increase to compensate employees for work performed outside a Monday through Friday 8:00 a.m. to 5:00 p.m. work schedule.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

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

Governor- Lieutenant Governor-State Planning and Budgeting

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

Summary Table for Department of Governor - Lieutenant Governor - State Planning and Budgeting						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$123,060,645	\$13,382,984	\$28,043,418	\$48,776,564	\$32,857,679	368.9
Long Bill Supplemental	<u>480,000</u>	<u>480,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
FY 2009-10 Adjusted Appropriation	\$123,540,645	\$13,862,984	\$28,043,418	\$48,776,564	\$32,857,679	368.9
<i>Recommended Changes from Adjusted FY 2009-10 Appropriation by Long Bill Division</i>						
Office of the Governor	10,623,498	(91,217)	5,054,131	5,604,542	56,042	(0.7)
Office of Lieutenant Governor	(2,969)	(3,386)	77	340	0	0.0
Office of State Planning and Budgeting	(269,520)	0	(473,770)	204,250	0	0.0
Economic Development Programs	6,202,231	(2,502,244)	8,641,014	397	63,064	0.0
Office of Information Technology	75,687,729	0	0	75,689,928	(2,199)	677.1
Total FY 2010-11						
Long Bill Recommendation	\$215,781,614	\$11,266,137	\$41,264,870	\$130,276,021	\$32,974,586	1,045.3
H.B. 10-1384 change eligibility for Old Age Pension program	45,761	0	0	45,761	0	0.0
H.B. 10-1339 FY 2009-10 distribution of limited gaming moneys	(15,251,079)	0	(15,251,079)	0	0	0.0
Total FY 2010-11						
JBC Recommendation	\$200,576,296	\$11,266,137	\$26,013,791	\$130,321,782	\$32,974,586	1,045.3
\$ Change from prior year	\$77,035,651	(\$2,596,847)	(\$2,029,627)	\$81,545,218	\$116,907	676.4
% Change from prior year	62.4%	(18.7)%	(7.2)%	167.2%	0.4%	183.4%

Recommendation Highlights:

Changes to FY 2009-10 Appropriation:

- Increases \$480,000 General Fund to correct a technical error contained in the FY 2009-10 budget.

Recommendation for FY 2010-11:

- Increases \$56.6 million reappropriated funds and 680.7 FTE due to the consolidation of statewide information technology staff resources from executive branch agencies in the Governor's Office of Information Technology (OIT).
- Increases \$28.7 million reappropriated funds as part of the transfer of all components of the technical operation of the Colorado Benefits Management System (CBMS) from the Department of Human Services (DHS) and the Department of Health Care Policy and Financing (HCPF) to OIT.

3. Decreases \$1.6 million, of which \$0.1 million is General Fund, as part of the 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.
4. Increases the Department's budget by \$1.0 million General Fund to defend the State in the Lobato lawsuit. The funds appropriated to the Department will be reappropriated to the Attorney General's Office.
5. Reduces the Department's budget by \$5.2 million as part of annualizations of prior year funding.

JBC Sponsored Budget Legislation Summary:

H.B. 10-1384 Change Eligibility For Old Age Pension Program: The bill adjusts the eligibility requirements for participation in the Old Age Pension program for legal immigrants. The bill requires adjustments to the Colorado Benefits Management System (CBMS), which is recommended to be transferred to the Governor's Office of Information Technology (OIT) in FY 2010-11. See the Department of Human Services' Long Bill narrative for information on the non-CBMS components of the legislation.

H.B. 10-1339 FY 2009-10 Distribution of Moneys from the Limited Gaming Fund: The bill eliminates the FY 2009-10 and FY 2010-11 transfer from the limited gaming fund to the clean energy fund, transfers \$16.2 million to the General Fund, and determines specified transfers for the state fiscal year 2009-10 (for use in FY 2010-11) from the limited gaming fund to the following funds:

- Colorado Travel and Tourism Promotion Fund;
- State Council on the Arts Cash Fund;
- New Jobs Incentives Cash Fund;
- Colorado Office of Film, Television, and Media Operational Account Cash Fund; and
- Innovative Higher Education Research Fund.

Budget Recommendation Detail by Long Bill Division

Office of the Governor: As the chief executive of the State of Colorado, the Governor is responsible for the overall operation of the executive branch. This office provides for coordination, direction, and planning of agency operations, as well as maintaining a liaison with local governments and the federal government.

Office of the Governor	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$41,868,286	\$4,429,255	\$2,317,753	\$4,375,102	\$30,746,176	76.1
Long Bill Supplemental	<u>480,000</u>	<u>480,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
FY 2009-10 Adjusted Appropriation	\$42,348,286	\$4,909,255	\$2,317,753	\$4,375,102	\$30,746,176	76.1
<i>Recommended Changes from Adjusted FY 2009-10 Appropriation</i>						
Limited gaming revenue adjustment	6,558,027	0	6,558,027	0	0	0.0
Statewide IT staff consolidation	6,132,450	0	0	6,132,450	0	0.0
Lobato vs. Colorado	957,848	957,848	0	0	0	0.0

Office of the Governor	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Centrally-appropriated line items	502,028	27,761	60,642	392,085	21,540	0.0
Restore FY 2009-10 furlough reductions	229,206	80,598	16,303	17,078	115,227	0.0
Severance tax revenue increase	60,000	0	60,000	0	0	0.0
Annualize prior year funding	(1,889,251)	(225,653)	(1,629,340)	(34,258)		(0.7)
Statewide information technology common policy adjustments	(1,752,309)	(857,196)	0	(896,846)	1,733	0.0
State PERA contribution reduction	(159,594)	(59,668)	(11,501)	(5,967)	(82,458)	0.0
Operating adjustments	(14,907)	(14,907)	0	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$52,971,784	\$4,818,038	\$7,371,884	\$9,979,644	\$30,802,218	75.4
\$ Change from prior year	\$10,623,498	(\$91,217)	\$5,054,131	\$5,604,542	\$56,042	(0.7)
% Change from prior year	25.1%	(1.9)%	218.1%	128.1%	0.2%	(0.9)%

Issue Descriptions

Long Bill Supplemental: The recommendation includes an increase of \$488,000 General Fund to correct a technical error contained in the Department's supplemental bill.

Limited gaming revenue adjustment: The recommendation aligns the appropriation with current law. Note, H.B. 10-1339 (Pommer/White) amends the recommended FY 2010-11 Long Bill appropriation of limited gaming moneys.

Statewide IT staff consolidation: The recommendation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources in OIT results in a ten percent cost savings statewide.

Lobato vs. Colorado: The recommendation includes the legal expenses incurred by the Department in defending the state in the Lobato case.

Centrally-appropriated line items: The recommendation includes adjustments to centrally-appropriated line items for the following: health, life, and dental benefits; short-term disability; amortization equalization disbursement; supplemental amortization equalization disbursement; shift differential; workers' compensation; legal services; administrative law judge services; payment to risk management and property funds; vehicle lease payments; and Capitol complex leased space.

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Severance tax revenue increase: The recommendation is based on an estimate of interest earned on severance taxes collected and distributed to the Department's school energy efficiency program.

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

Statewide information technology common policy adjustments: The recommendation includes adjustments to line item appropriations for the following: the purchase of services from computer center; multiuse network payments; management and administration of the Office of Information Technology; and communication services payments.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Operating adjustments: The recommendation includes a decrease of \$14,907 as part of a statewide reduction in operating expenditures.

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

Office of the Lieutenant Governor	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$379,790	\$302,282	\$1,218	\$76,290	\$0	6.0
Recommended Changes from FY 2009-10 Appropriation						
Restore FY 2009-10 furlough reductions	11,385	9,855	282	1,248	0	0.0
State PERA contribution reduction	(10,000)	(8,887)	(205)	(908)	0	0.0
Operating adjustments	(4,354)	(4,354)	0	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$376,821	\$298,896	\$1,295	\$76,630	\$0	6.0
\$ Change from prior year	(\$2,969)	(\$3,386)	\$77	\$340	\$0	0.0
% Change from prior year	(0.8)%	(1.1)%	6.3%	0.4%	n/a	0.0%

Issue Descriptions

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Operating adjustments: The recommendation includes a decrease of \$4,354 as part of a statewide reduction in operating expenditures.

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

Office of State Planning and Budgeting	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$1,745,867	\$0	\$473,770	\$1,272,097	\$0	19.5
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Restore FY 2009-10 furlough reductions	37,778	0	0	37,778	0	0.0
Annualize prior year funding	(276,366)	0	(473,770)	197,404	0	0.0
State PERA contribution reduction	(30,932)	0	0	(30,932)	0	0.0
Total FY 2010-11 JBC Recommendation	\$1,476,347	\$0	\$0	\$1,476,347	\$0	19.5
\$ Change from prior year	(\$269,520)	\$0	(\$473,770)	\$204,250	\$0	0.0
% Change from prior year	(15.4)%	n/a	(100.0)%	16.1%	n/a	0.0%

Issue Descriptions

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

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

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Economic Development Programs: The Office of Economic Development was formed in 1988 to centralize and coordinate the State's business assistance, retention, expansion, and recruitment programs. Other activities include providing international trade assistance and promoting Colorado tourism.

Economic Development Programs	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$34,091,991	\$8,651,447	\$23,327,215	\$125,025	\$1,988,304	48.5
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Limited gaming revenue adjustment	8,649,793	0	8,649,793	0	0	0.0
Restore FY 2009-10 furlough reductions	80,994	47,836	20,770	2,116	10,272	0.0
Centrally-appropriated line items	61,138	0	0	0	61,138	0.0
Annualize prior year funding	(2,523,947)	(2,511,273)	(12,674)	0	0	0.0
State PERA contribution reduction	(65,747)	(38,807)	(16,875)	(1,719)	(8,346)	0.0
Total FY 2010-11 JBC Recommendation	\$40,294,222	\$6,149,203	\$31,968,229	\$125,422	\$2,051,368	48.5
\$ Change from prior year	\$6,202,231	(\$2,502,244)	\$8,641,014	\$397	\$63,064	0.0
% Change from prior year	18.2%	(28.9)%	37.0%	0.3%	3.2%	0.0%

Issue Descriptions

Limited gaming revenue adjustment: The recommendation aligns the appropriation with current law. Note, H.B. 10-1339 (Pommer/White) amends the recommended FY 2010-11 Long Bill appropriation of limited gaming moneys.

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Centrally-appropriated line items: The recommendation includes adjustments to centrally-appropriated line items for the following: health, life, and dental benefits; short-term disability; amortization equalization disbursement; supplemental amortization equalization disbursement; shift differential; workers' compensation; legal services; administrative law judge services; payment to risk management and property funds; vehicle lease payments; and Capitol complex leased space.

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

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Office of Information Technology: The Office of Information Technology (OIT) was created in 1999. OIT's responsibilities were significantly increased by S.B. 08-155, which authorized the consolidation of executive branch IT activities into a single Office. On July 1, 2008, the chief information officers of the individual departments were transferred to OIT, as was the bulk of the Department of Personnel and Administration's Division of Information Technology staff. With very small cash funds and federal funds exceptions, OIT is now funded on a "fee for service" basis with reappropriated funds coming from executive branch agencies that make use of the OIT's services.

Office of Information Technology	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$44,974,711	\$0	\$1,923,462	\$42,928,050	\$123,199	218.8
Recommended Changes from FY 2009-10 Appropriation						
Statewide IT staff consolidation	48,090,021	0	0	48,090,021	0	622.2
CBMS transfer to OIT	28,691,149	0	0	28,691,149	0	58.5
Indirect cost assessment	905,181	0	0	905,181	0	0.0
Restore FY 2009-10 furlough reductions	529,480	0	0	529,480	0	0.0
State PERA contribution reduction	(1,335,280)	0	0	(1,335,280)	0	0.0
Operating adjustments	(646,583)	0	0	(646,583)	0	0.0
Annualize prior year funding	(546,239)	0	0	(544,040)	(2,199)	(3.6)
Total FY 2010-11 JBC Recommendation	\$120,662,440	\$0	\$1,923,462	\$118,617,978	\$121,000	895.9
\$ Change from prior year	\$75,687,729	\$0	\$0	\$75,689,928	(\$2,199)	677.1

Office of Information Technology	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
% Change from prior year	168.3%	n/a	0.0%	176.3%	(1.8)%	309.5%

Issue Descriptions

Statewide IT staff consolidation: The recommendation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources in OIT results in a ten percent cost savings statewide.

CBMS transfer to OIT: The recommendation includes the transfer to OIT of all expenses related to the technical operation of Colorado Benefits Management System from the Department of Human Services (DHS) and the Department of Health Care Policy and Financing.

Indirect cost assessment: The recommendation includes an adjustment in the statewide indirect cost allocation plan.

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Operating adjustments: The recommendation includes a decrease of \$646,583 reappropriated funds.

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

Department of Health Care Policy and Financing

Department Description: The Department of Health Care Policy and Financing provides health care services to approximately 814,400 Colorado residents through four major health care programs: (1) the State's Medicaid medical and mental health programs; (2) the Colorado Indigent Care program (CICP); (3) the Children's Basic Health Plan (CBHP); and (4) the Old Age Pensioner Medical program. In addition to these programs, the Department also administers the Primary Care Fund program and the Comprehensive Primary and Preventive Care Grant program to increase access to health care services for medically under-served populations or areas. The Medicaid, CICP, and CBHP programs are federal and state partnerships; therefore, the State receives approximately \$2.8 billion in federal matching funds for these programs. The Department also transfers approximately 12.0 percent of its appropriation to other state agencies that administer programs eligible for Medicaid funding, the majority of which goes to the Department of Human Services.

Summary Table for Department of Health Care Policy and Financing						
	Total Funds	General Fund¹	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation²	\$3,949,873,868	\$1,496,926,714	\$478,652,891	\$25,120,203	\$1,949,174,060	287.6
H.B. 09-1293 Conditional Appropriation and Adjustments ³	320,735,171	(1,877,337)	115,578,919	0	207,033,589	0.0
H.B. 10-1382 Repeal Delay of Public Medical Assistance Program Payments	93,104,524	27,394,275	8,009,995	28,771	57,671,483	0.0
H.B. 10-1384 Noncitizen Eligibility for Old Age Pension	17,309	8,584	76	0	8,649	0.0
S.B. 10-169 Provider Fee Enhanced Match Use	0	(4,929,388)	4,929,388	0	0	0.0
Long Bill Supplemental	(14,599,093)	(15,582,256)	9,145,656	(356,610)	(7,805,883)	0.0
ARRA Adjustment	<u>(29,108,257)</u>	<u>(351,742,070)</u>	<u>(25,448,279)</u>	<u>(348,859)</u>	<u>348,430,951</u>	<u>0.0</u>
FY 2009-10 Adjusted Appropriation	\$4,320,023,522	\$1,150,198,522	\$590,868,646	\$24,443,505	\$2,554,512,849	287.6
<i>Recommended Changes from FY 2009-10 by Long Bill Division</i>						
Executive Director's Office	17,334,079	770,515	4,114,949	47,866	12,400,749	0.2
Medical Services Premiums	229,079,458	180,018,826	(93,096,127)	(795,067)	142,951,826	0.0
Medicaid Mental Health Community Programs	24,223,140	7,295,450	2,380,070	1,213	14,546,407	0.0
Indigent Care Program	32,213,066	(6,236,236)	27,697,472	(5,931,810)	16,683,640	0.0
Other Medical Services	7,812,639	13,118,215	(1,117,467)	(1,171,141)	(3,016,968)	0.0
Department of Human Services Medicaid-Funded Programs	(5,887,248)	(2,157,824)	(122,215)	(178,315)	(3,428,894)	0.0
Total FY 2010-11 Long Bill Recommendation	\$4,624,798,656	\$1,343,007,468	\$530,725,328	\$16,416,251	\$2,734,649,609	287.8
H.B. 10-1378 Transfers for Health Care Services	7,243,608	(12,800,000)	0	0	20,043,608	0.0
H.B. 10-1379 Nursing Facility Rate Reductions	(6,234,689)	(8,211,333)	5,806,343	0	(3,829,699)	0.0

Summary Table for Department of Health Care Policy and Financing						
	Total Funds	General Fund ¹	Cash Funds	Reappropriated Funds	Federal Funds	FTE
H.B. 10-1380 Use of Supplemental OAP Health Fund for Medicaid	0	(4,850,000)	4,850,000	0	0	0.0
H.B. 10-1381 Tobacco Revenues Offset Medical Services	0	(25,691,418)	25,691,418	0	0	0.0
H.B. 10-1382 Repeal Delay of Public Medical Assistant Program Payments	(40,566,633)	(12,125,302)	(2,023,356)	(17,380)	(26,400,595)	0.0
H.B. 10-1384 Noncitizen Eligibility for Old Age Pension	17,220	8,539	76	0	8,605	0.0
S.B. 10-169 Provider Fee Enhanced Match Use	0	(46,329,388)	0	0	46,329,388	0.0
Total FY 2010-11 JBC Recommendation	\$4,585,258,162	\$1,233,008,566	\$565,049,809	\$16,398,871	\$2,770,800,916	287.8
\$ Change from prior year	\$265,234,640	\$82,810,044	(\$25,818,837)	(\$8,044,634)	\$216,288,067	0.2
% Change from prior year	6.1%	7.2%	(4.4)%	(32.9)%	8.5%	0.1%

¹ This amount includes General Fund Exempt that is described in the sections that follow.

² This amount does not include the conditional changes that were made in H.B.10-1300 to the original H.B. 09-1293 appropriation clause.

³ This amount includes the conditional appropriation clause in H.B. 09-1293 as modified by H.B.10-1300 and by H.B. 10-1372.

Recommendation Highlights:

Changes to FY 2009-10 Appropriations

The Joint Budget Committee budget balancing package includes bills that adjust FY 2009-10 appropriations. Major FY 2009-10 adjustments include:

1. Increase \$319.4 million for the conditional impact of H.B. 09-1293, including a federal funds increase of \$206.2 million, a cash funds increase of \$115.1 million, and a General Fund decrease of \$1.9 million.
2. Decrease \$13.3 million, including \$15.6 million General Fund, primarily for updated caseload and cost information for the Medicaid program.
3. Adjust FY 2009-10 appropriations to reflect the impact of the American Recovery and Reinvestment Act of 2009 (ARRA) on the federal share for the Medicaid program (FMAP), resulting in a net total decrease of \$29.1 million, a General Fund decrease of \$351.7 million, a cash funds decrease of \$25.5 million and a federal funds increase of \$348.1 million.

Recommendations for FY 2010-11

Major Long Bill changes for FY 2010-11 include the following:

1. Increase \$251.6 million total funds, including \$224.4 million General Fund, for changes to the forecasted caseload growth and costs for the Medicaid medical program.
2. Increase \$55.6 million total funds, including \$4.1 million General Fund and \$13.7 million cash funds to fund the forecasted caseload and per-capita cost increases for the Children's Basic Health Plan program.
3. Increase \$26.0 million total funds, including \$12.3 million General Fund, for changes to the forecasted caseload growth for Medicaid mental health services.
4. Increase \$17.8 million cash funds for the Primary Care Fund, based on the passage of S.J.R. 09-35 which declared a fiscal emergency and enabled the Primary Care Fund to be used to offset General Fund appropriations.
5. Add \$5.3 million General Fund for the required state contribution to Medicare prescription drug costs under the Medicare Modernization Act.
6. Decrease \$37.4 million total funds, including \$10.4 million General Fund, for the statutory expiration of the Health Care Services Fund and a resulting decrease to the indigent care programs that received this funding.
7. Decrease \$17.9 million total funds, including \$7.9 million General Fund, for Medicaid program reductions, primarily reflecting a 1.0 percent reimbursement reduction for most Medicaid providers.
8. Decrease \$5.9 million total funds, including \$2.8 million General Fund, for program changes in the Department of Human Services with Medicaid impacts.
9. Decrease \$3.6 million total funds, including \$1.6 million General Fund, for payment reform initiatives such as additional audit staff.
10. Decrease \$2.2 million total funds, including \$1.0 million General Fund, based on the Department implementing a benefit or service reduction plan to Medicaid mental health services by January 2011.
11. Reflect the ongoing adjustment to the federal Medicaid match rate (FMAP) through June 30, 2011, resulting in \$421.9 million in additional federal revenue that offsets General Fund and cash funds otherwise required.

JBC Budget Package Legislation:

H.B. 10-1378 Transfers for Health Care Services: This bill increases funding for the community health care clinics by \$6.3 million over that available under current law and offsets \$12.8 million in General Fund expenditures by transferring the tobacco tax revenues from the Primary Care Fund program into other programs in FY 2010-11. This bill is conditional on S.J.R. 10-010, that declares a fiscal emergency, being enacted by the General Assembly. The table below summarizes the appropriation clause in H.B. 10-1378.

Distribution of the Primary Care Fund in FY 2010-11					
H.B. 10-1378	GF	CF	RF	FF	TF
Medical Service Premiums	(12,800,000)	12,800,000	0	0	0
Health Care Services Fund	0	11,940,000	0	19,145,655	31,085,655
Primary Care Special Distribution Fund	0	3,560,000	0	0	3,560,000
Primary Care Fund	0	(28,300,000)	0	0	(28,300,000)
TOTAL	(\$12,800,000)	\$0	\$0	\$19,145,655	\$6,345,655

H.B. 10-1379 Nursing Facility Rate Reductions: This bill increases the per diem rate reduction for nursing facilities in FY 2010-11 from 1.0 percent to 1.5 percent. In addition, the bill caps the General Fund increase for the nursing facility per diem rates at 1.9 percent. Overall, this bill is anticipated to decrease reimbursement to nursing facilities by \$6.2 million total funds.

H.B. 10-1380 Use of Supplemental OAP Health Fund for Medicaid: This bill allows the Old Age Pension Health and Medical Care Fund to offset General Fund expenditures for Old Age Pension recipients in the Medicaid program by \$4.8 million in FY 2010-11 and by \$3.0 million in FY 2011-12.

H.B. 10-1381 Tobacco Revenues Offset Medical Services: This bill authorizes the use of \$25.7 million of tobacco tax revenues in the Tobacco Education Programs Fund, the Prevention, Early Detection, and Treatment Fund, and the Health Disparities Grant Program Fund to be used to offset General Fund expenditures in the Medicaid program. See the Department of Public Health and Environment for additional details on this bill.

H.B. 10-1382 Repeal Delay of Public Medical Assistant Program Payments: This bill repeals the provisions in S.B. 09-265 that allowed for a permanent delay in managed care organization payments and a one week temporary delay of fee-for-service payments in FY 2009-10. This bill increases expenditures in FY 2009-10 by \$93.1 million total funds (\$27.4 million General Fund) but decreases expenditures in FY 2010-11 by \$40.6 million total funds (\$12.1 million General Fund) by reducing the number of fee-for-service payments from 53 week to 52 weeks.

H.B. 10-1384 Noncitizen Eligibility for Old Age Pension: This bill resolves conflicting state statutory provisions regarding determining the eligibility of noncitizens for Colorado's Old Age Pension (OAP) program. It more closely aligns state eligibility criteria for this program with federal policy on the provision of public assistance to noncitizens. The bill is anticipated to reduce Old Age Pension Cash Fund expenditures in the Department of Human Services by \$14.1 million in FY 2010, effectively increasing General Fund revenue

available for other purposes. Costs associated with changes to the Colorado Benefits Management System are reflected in the Health Care Policy and Financing budget for FY 2008-09 and FY 2009-10.

S.B. 10-169: Although this bill is not sponsored by the Joint Budget Committee, the Committee has included its fiscal impacts in the budget balancing package. In FY 2009-10 and FY 2010-11 this bill authorizes the hospital provider fee to offset General Fund expenditures in the amount of the additional federal Medicaid revenues received pursuant to the "American Recovery and Reinvestment Act of 2009" for the hospital provider fee programs. Specifically, the bill authorizes the Hospital Provider Fee Cash Fund to reimburse \$41.4 million to the Health Care Expansion Fund that was used in FY 2009-10 to offset General Fund expenditures in the Medicaid program. After this obligation is met, the hospital provider fee is then used to offset General Fund expenditures. This bill is anticipated to offset General Fund expenditures by \$4.9 million in FY 2009-10 and \$46.3 million in FY 2010-11.

Budget Recommendation Detail by Long Bill Division

Executive Director's Office: This division contains the majority of administrative funding for the Department. Specifically, this division's funding supports the Department's personnel, operation of the Medicaid Management Information System, utilization reviews, provider audits, eligibility determinations and customer services.

Executive Director's Office	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation/1	\$109,270,280	\$36,555,681	\$8,013,766	\$1,801,737	\$62,899,096	287.6
H.B. 09-1293 Conditional Appropriation and Adjustments	1,800,868	(1,815,723)	2,568,898	0	1,047,693	0.0
Long Bill Supplemental	<u>480,000</u>	<u>165,000</u>	<u>75,000</u>	<u>0</u>	<u>240,000</u>	<u>0.0</u>
FY 2009-10 Adjusted Appropriation	\$111,551,148	\$34,904,958	\$10,657,664	\$1,801,737	\$64,186,789	287.6
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Annualize HB 09-1293	13,569,465	0	6,101,028	0	7,468,437	23.3
Nurse Home Visitor Program transfer	3,010,000	0	0	1,505,000	1,505,000	0.0
Evidence guided utilization	1,313,992	328,498	0	0	985,494	0.0
Accountable Care Collaboration project	635,097	233,672	0	0	401,425	0.0
MMIS contract adjustment	269,528	65,361	2,830	0	201,337	0.0
Coordinated payment reform	257,183	117,126	0	0	140,057	0.9
Transfer Prenatal Care Training and Technical Assistance	119,006	58,752	0	0	60,254	0.0
Disproportionate Share Hospital audits	100,000	50,000	0	0	50,000	0.0
Increase drug classes in State Maximum Allowable Cost (MAC) program	96,768	24,192	0	0	72,576	0.0
Postage adjustment	15,750	7,875	0	0	7,875	0.0
ARRA adjustment	0	0	0	(348,859)	348,859	0.0

Executive Director's Office	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Information technology changes	(1,172,887)	44,264	0	(1,259,891)	42,740	(25.0)
State PERA contribution reduction	(521,441)	(180,162)	(39,668)	(45,751)	(255,860)	0.0
Eliminate one-time expenditures and annualize prior year budget actions	(209,380)	559,215	(1,991,302)	23,465	1,199,242	1.0
Centrally appropriated line items	(79,862)	(503,708)	42,061	173,902	207,883	0.0
Operating expenses decrease	(69,140)	(34,570)	0	0	(34,570)	0.0
Total FY 2010-11 JBC Long Bill Recommendation	\$128,885,227	\$35,675,473	\$14,772,613	\$1,849,603	\$76,587,538	287.8
\$ Change from prior year	\$17,334,079	\$770,515	\$4,114,949	\$47,866	\$12,400,749	0.2
% Change from prior year	15.5%	2.2%	38.6%	2.7%	19.3%	0.1%

/1 Includes H.B. 09-1293 appropriation if waiver is not approved by May 5, 2010. If the waiver is approved on or before that date, the appropriation for H.B. 09-1293 would be adjusted as shown below.

Issue Descriptions

FY 2009-10 Discussion

H.B. 09-1293 Conditional Appropriation and Adjustments: Reflects the adjustments to the current appropriation if the Centers of Medicare and Medicaid (CMS) approves the hospital provider fee waiver by May 5, 2010.

Long Bill Supplemental: The FY 2010-11 Long Bill contains a section to adjust the FY 2009-10 appropriation for the Executive Director's Office as follows:

- (1) An increase of \$150,000 total funds (including \$75,000 cash funds from the Nursing Facility Cash Fund) for the contractor costs associated with determining the quality incentive payments made to nursing facilities through the Nursing Facility Provider Fee program.
- (2) An increase of \$330,000 total funds (including \$165,000 total funds) to adjust the administrative case management line item to anticipated expenditures. The Department of Health Care Policy and Financing (HCPF) and the Department of Human Services (DHS) have transfer authority for moneys supporting the case management activities for children in foster care. In FY 2008-09, DHS transferred \$165,000 in General Fund to HCPF in order to draw federal matching funds of \$165,000. Based on the prior year experience, the recommendation adjusts to the appropriation to more accurately reflect anticipated expenditures. A corresponding decrease of \$165,000 General Fund is included in the DHS Long Bill section.

FY 2010-11 Discussion

Annualize H.B. 09-1293: The recommendation includes a total of \$13.6 million (including \$6.1 million from the Hospital Provider Fee) and 23.3 FTE to annualize the impacts of H.B. 09-1293. The recommendation includes the following increases:

	Cash Funds	Federal Funds	Total Funds
Employees and Related Expenses (23.3 FTEs)	\$1,167,897	\$1,167,897	\$2,335,794
Operating and General Administration	299,827	299,827	599,654
Consulting and Actuary Services	262,500	262,500	525,000
Changes to the Medicaid Management Information System	1,897,689	3,265,098	5,162,787
Eligibility Determinations	<u>2,473,115</u>	<u>2,473,115</u>	<u>4,946,230</u>
Total Recommendation	\$6,101,028	\$7,468,437	\$13,569,465

Nurse Home Visitor Program transfer: The recommendation includes an increase of \$3.0 million total funds from transferring the Nurse Home Visitor Program from the Other Medical Services Division into this division. This recommendation will consolidate all of the transfers to the Department of Public Health and Environment in one section of the Long Bill.

Evidence guided utilization: The recommendation includes an increase of \$1.3 million total funds (\$328,498 General Fund) for the administrative costs associated with implementing new utilization controls for inpatient hospital stays and to control and monitor emergency room department visits. These administrative costs are offset by anticipated savings in the Medical Services Premiums section.

Accountable Care Collaboration project: The recommendation includes an increase of \$635,097 total funds (\$233,672 General Fund) for the administrative costs associated with implementing the Accountable Care Collaborative managed care pilot program. These administrative costs are offset by savings in the Medical Services Premiums section.

MMIS contract adjustments: The recommendation includes an increase of \$269,528 total funds (\$65,361 General Fund) for the annual cost adjustments and increase to the MMIS contract.

Coordinated payment reform: The recommendation includes an increase of \$257,183 total funds (\$117,126 General Fund) and 0.9 FTE for the administrative costs associated with implementing payment reform initiatives. These costs are offset by savings in the Medical Services Premiums section.

Transfer Prenatal Care Training and Technical Assistance: The recommendation includes an increase of \$119,006 total funds (\$58,752 General fund) from transferring the Prenatal Care Training and Technical Assistance program from the Other Medical Services Division into this division. This recommendation will consolidate all of the transfers to the Department of Public Health and Environment in one section of the Long Bill.

Disproportionate Share Hospital audits: The recommendation includes an increase of \$100,000 to audit payments to hospitals participating in the Disproportionate Share Hospital program. These audits are required under federal rule.

Increase drug classes in State Maximum Allowable Cost (MAC) program: The recommendation includes an increase of \$96,768 total funds (\$24,192 General Fund) for the administrative costs associated with adding

more drugs to the State Maximum Allowable Cost (MAC) program. These administrative costs are offset by savings in the Medical Services Premiums section.

Postage adjustment: The recommendation includes a one-time increases to upgrade mail equipment in the Department Personnel.

ARRA adjustment: Reflects the enhanced federal match received on the Medicaid program from the American Recovery and Reinvestment Act of 2009 (ARRA) for programs in this section. Only one line item in this Department qualifies for ARRA adjustments, the Nurse Home Visitor Program that was transferred from the Other Medical Services section.

Information technology changes: The recommendation includes the impact of transferring 25.0 information technology FTE and associated resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources in OIT results in a ten percent cost savings statewide. The recommendation also includes adjustments to line item appropriations for the following: the purchase of services from computer center; multi-use network payments; management and administration of the Office of Information Technology; and communication services payments.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Eliminate one-time expenditures and annualize prior year budget actions: The recommendation includes a reduction of \$209,380 total funds (including an increase of \$539,215 General Fund) and 1.0 FTE to annualize various prior year legislation and budget actions. This recommendation also includes other smaller budget actions.

Centrally-appropriated line items: The recommendation includes adjustments to centrally-appropriated line items for the following: health, life, and dental benefits; short-term disability; amortization equalization disbursement; supplemental amortization equalization disbursement; shift differential; workers' compensation; legal services; administrative law judge services; payment to risk management and property funds; and Capitol complex leased space.

Operating expenses decrease: The recommendation includes a decrease of \$69,140 total funds (\$34,570 General Fund) to the Department's operating expenses by 5.0 percent.

Medical Services Premiums: This division provides the health care funding for an estimated 553,407 Medicaid clients in FY 2010-11. Clients are determined eligible based on 11 different eligibility categories. Medical services provided include acute care services (*i.e.* physician visits, prescription drugs, hospitalization) and long-term care services (*i.e.* nursing home care and community-based services).

Medical Services Premiums	Total Funds	General Fund ¹	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$2,561,068,480	\$1,041,614,534	\$227,632,876	\$3,874,450	\$1,287,946,620	0.0
H.B. 09-1293 Conditional Appropriation and Adjustments	314,160,549	0	125,267,773	0	188,892,776	0.0

Medical Services Premiums	Total Funds	General Fund ¹	Cash Funds	Reappropriated Funds	Federal Funds	FTE
H.B. 10-1382 Repeal Delay of Public Medical Assistant Program Payments	60,808,401	20,490,833	2,828,773	27,866	37,460,929	0.0
S.B. 10-169 Provider Fee Enhanced Match Use	0	(4,929,388)	4,929,388	0	0	0.0
Long Bill Supplemental	(6,801,271)	(8,207,988)	6,424,412	14,939	(5,032,634)	0.0
ARRA adjustment	0	<u>(252,920,034)</u>	<u>(23,364,581)</u>	0	<u>276,284,615</u>	<u>0.0</u>
FY 2009-10 Adjusted Appropriation	\$2,929,236,159	\$796,047,957	\$343,718,641	\$3,917,255	\$1,785,552,306	0.0
Recommended Changes from FY 2009-10 Appropriation						
Medicaid base changes	251,565,818	224,356,298	(55,013,847)	(975,899)	83,199,266	0.0
Implement family planning waiver program	1,903,500	0	0	190,350	1,713,150	0.0
Reverse FY 2009-10 ARRA adjustment	0	252,920,034	23,364,581	0	(276,284,615)	0.0
ARRA adjustment	0	(286,486,135)	(60,176,695)	0	346,662,830	0.0
Medicaid program reductions	(17,912,816)	(7,949,019)	(982,677)	(9,518)	(8,971,602)	0.0
Coordinated payment reforms	(3,582,587)	(1,558,547)	(232,747)	0	(1,791,293)	0.0
Evidence guided utilization	(1,064,912)	(463,274)	(69,183)	0	(532,455)	0.0
Increase drug classes in State Maximum Allowable Cost (MAC) program	(1,057,450)	(528,725)	0	0	(528,725)	0.0
Accountable Care Collaborative program	(772,095)	(271,806)	14,441	0	(514,730)	0.0
Total FY 2010-11 JBC Long Bill Recommendation	\$3,158,315,617	\$976,066,783	\$250,622,514	\$3,122,188	\$1,928,504,132	0.0
\$ Change from prior year	\$229,079,458	\$180,018,826	(\$93,096,127)	(\$795,067)	\$142,951,826	0.0
% Change from prior year	7.8%	22.6%	(27.1)%	(20.3)%	8.0%	n/a

¹ This amount includes a General Fund Exempt appropriation.

General Fund Summary	Total General Fund	General Fund	General Fund Exempt
FY 2009-10 Adjusted Appropriation	\$796,047,957	\$796,047,957	\$0
Program General Fund Issues	<u>180,018,826</u>	<u>18,574,341</u>	<u>161,444,485</u>
Total FY 2010-11 Long Bill Recommendation	\$976,066,783	\$814,622,298	\$161,444,485

Issue Descriptions

FY 2009-10 Discussion

H.B. 09-1293 Conditional Appropriation and Adjustments: Reflects the adjustments to the current appropriation if the Centers of Medicare and Medicaid (CMS) approves the hospital provider fee waiver by

May 5, 2010. Contains all of the conditional appropriation clauses from H.B. 09-1293, H.B. 10-1300, and H.B. 10-1372.

H.B. 10-1382 Repeal Delay of Public Medical Assistance Program Payments: This bill repeals the provisions in S.B. 09-265 that allowed for a permanent delay in managed care organization payments and a one week temporary delay of fee-for-service payments in FY 2009-10. This bill increases expenditures in the Medical Services Premiums line item in FY 2009-10 by \$60.8 million total funds (\$20.5 million General Fund) but decreases expenditures in FY 2010-11 by \$43.1 million total funds (\$14.7 million General Fund) by reducing the number of fee-for-service payments from 53 weeks to 52 weeks.

S.B. 10-169 Provider Fee Enhanced Match Use: The recommendation includes a General Fund offset of \$4.9 million in FY 2009-10. This the enhance ARRA match rate that is anticipated above the \$41.4 million that is needed to reimbursement the Health Care Expansion Fund pursuant to the provisions in S.B. 10-169.

Long Bill Supplemental: The FY 2010-11 Long Bill contains a section to adjust the FY 2009-10 appropriation for the Medicaid medical and long-term care programs based on caseload and cost data through February 2010. The caseload and costs for FY 2009-10 are described in the FY 2010-11 Medicaid base change below.

ARRA adjustment: Reflects the enhanced federal match received on the Medicaid program from the American Recovery and Reinvestment Act of 2009 (ARRA) for programs in this section.

FY 2010-11 Discussion

Medicaid base changes: The FY 2010-11 recommendation supports medical services for an estimated 553,407 Medicaid clients. The FY 2010-11 caseload forecast reflects an increase of 55,344 clients (11.1 percent) from the final recommended FY 2009-10 caseload forecast. The majority of the caseload increase is anticipated in the low-income categorical eligible adults and children. Table 1 shows the projected caseload growth from the final estimate for FY 2009-10 to FY 2010-11.

Eligibility Category	FY 2009-10	FY 2010-11	# Change	%
<i>Elderly Caseloads</i>				
SSI 65+	38,449	38,978	529	1.4%
SSI 60-64	7,002	7,171	169	2.4%
Partially Dual Eligible	15,928	17,270	1,342	8.4%
<i>Disabled Caseload</i>				
SSI Disabled	53,023	54,103	1,080	2.0%
<i>Low-Income Adults</i>				
Categorical Eligible Adults	58,830	66,766	7,936	13.5%
Baby Care Adults	7,130	7,256	126	1.8%
Expansion Adults	17,736	32,597	14,861	83.8%
Breast and Cervical Cancer Adults	416	473	57	13.7%
Children				
Categorical Eligible Children	277,560	306,488	28,928	10.4%
Foster Children	18,365	18,890	525	2.9%
Other				

Eligibility Category	FY 2009-10	FY 2010-11	# Change	%
Non-Citizens	<u>3,624</u>	<u>3,415</u>	<u>(209)</u>	<u>-5.8%</u>
Total Caseload Forecast	498,063	553,407	55,344	11.1%

After the caseload forecast is established, then the base service costs are calculated. The base service costs are the amount of funding needed for the Medicaid program under current law before any policy issues are added. The base service costs are a function of both the caseload forecast as well as the forecast for the cost of medical services based on prior year utilization patterns and rates. The base service costs include the following major groupings of medical services: (1) the cost of acute, community long-term care, institutional long-term care, supplemental insurance, and medical administrative costs; (2) the mix of services used by the different caseload aid categories described above; and (3) the acuity level of the caseload using the various services. Table 2 compares the FY 2009-10 estimated costs (including the FY 2009-10 Long Bill supplemental) with the FY 2010-11 base service cost recommendation for each service category.

Service Category	FY 2009-10	FY 2010-11¹	\$ Change	%
Acute Care Services	\$1,865,421,155	\$2,056,019,877	\$190,598,722	10.2%
Community Long-Term Care Services	300,118,527	320,706,940	20,588,413	6.9%
Long-Term Care and Insurance	713,312,698	758,494,784	45,182,086	6.3%
Medical Administrative Costs	29,878,461	32,326,259	2,447,798	8.2%
Bottom Line Financing	20,505,317	13,254,117	(7,251,200)	-35.4%
Total Service Costs	\$2,929,236,158	\$3,180,801,977	\$251,565,819	8.6%

¹ FY 2010-11 amount does not include any policy changes. Those items are discussed as separate issues.

Table 3 provides the estimate for how much of the base FY 2010-11 Medicaid cost is the result of caseload increases and how much is the result of service cost changes.

Aid Category	Caseload Change	Net Cost Per Client Change	Cost Associated with Higher Caseload Estimate	Cost Associated with Change to Per Client Cost	Compounding Effect	Total Costs
SSI 65+	529	\$1,043.40	\$11,258,276	\$40,117,549	\$551,959	\$51,927,784
SSI 60-64	169	\$867.21	\$3,114,250	\$6,072,172	\$146,558	\$9,332,980
SSI Disabled	1,080	\$678.39	\$17,073,117	\$35,970,149	\$732,661	\$53,775,927
Low-Income Adults	7,936	(\$88.61)	\$36,521,020	(\$5,213,128)	(\$703,209)	\$30,604,683
Expansion Low-Income Adults	14,861	(\$99.56)	\$43,506,757	(\$1,765,874)	(\$1,195,352)	\$40,545,531
Baby Care Adults	126	\$285.39	\$1,303,832	\$2,034,819	\$35,959	\$3,374,610
Children	28,928	(\$20.32)	\$58,980,503	(\$5,639,722)	(\$587,817)	\$52,752,964
Foster Children	525	\$105.47	\$2,303,567	\$1,936,905	\$55,372	\$4,295,844

Table 3: Analysis of Cost Drivers for FY 2010-11 BASE Increase

Aid Category	Caseload Change	<u>Net</u> Cost Per Client Change	Cost Associated with Higher Caseload Estimate	Cost Associated with Change to Per Client Cost	Compounding Effect	Total Costs
B&C Cancer Treatment Patients	57	(\$284.34)	\$1,449,526	(\$118,286)	(\$16,207)	\$1,315,033
Partial Dual Eligibles	1,342	\$113.43	\$1,795,636	\$1,806,699	\$152,223	\$3,754,558
Non-citizens (emergency care)	(209)	\$1,130.16	(\$3,973,496)	\$4,095,703	(\$236,301)	(\$114,094)
Total	55,344	n/a	\$173,332,988	\$79,296,986	(\$1,064,155)	\$251,565,819

Lastly, after determining the caseload and estimated medical costs, the funding sources for the Medical Services Premiums base are calculated. Certain populations are eligible to receive funding from different funding sources (*i.e.* some adults and children on Medicaid can be funded from the Health Care Expansion Fund, Hospital Provider Fee Cash Fund, etc.). Table 4 shows the funding sources for the Medical Services Premiums line item for FY 2009-10 compared to FY 2010-11 (before policy changes).

Table 4: Fund Splits for FY 2010-11 JBC Medical Services Premiums Recommendation
(Includes the BASE and the ARRA Adjustments in FY 2010-11)

Fund	JBC FY 2009-10 Recommendation	JBC FY 2010-11 Base Recommendation	Difference
General Fund	\$796,047,956	\$986,838,153	\$190,790,197
CF - Hospital Provider Fee	130,197,161	139,893,383	9,696,222
CF - Health Care Expansion Fund	64,446,770	71,187,441	6,740,671
CF - Certified Funds	26,304,060	13,348,299	(12,955,761)
CF - Nursing Facility Cash Fund	18,288,302	24,012,014	5,723,712
CF - Breast and Cervical Cancer Fund	2,135,494	2,568,896	433,402
CF - Autism Fund	602,941	645,147	42,206
CF - Coordinated Care For People with Disabilities	250,000	237,500	(12,500)
CF - Various One-Time Cash Fund used to Offset General Fund	101,493,913	0	(101,493,913)
RF - Transfer from DPHE	3,917,255	2,941,356	(975,899)
Federal Funds	\$1,785,552,306	\$1,939,129,788	\$153,577,482
TOTAL FUNDS	\$2,929,236,158	\$3,180,801,977	\$251,565,819

* FY 2010-11 reflects only the Long Bill estimates for the base calculations before policy changes. These amounts do not include impacts from legislation that will be introduced with the Joint Budget Committee Budget Balancing Package.

FY 2010-11 -- Policy Changes

Implement family planning waiver program: The recommendation includes \$1.9 million total funds (\$190,350 reappropriated funds from the Department of Public Health and Environment) to implement the family planning waiver pursuant to S.B. 08-003. Currently, the Department of Public Health and Environment (DPHE) serves approximately 50,000 clients in its family planning programs. The recommendation would transfer \$190,350 from DPHE to the Department of Health Care Policy and Financing in order to receive a 90.0 percent federal match under the Medicaid Family Planning waiver. Under this waiver the Department will be able to provide family planning services to qualifying individuals at or below 200 percent of the federal poverty level. Pursuant to the provisions in S.B. 08-003 services will include: patient counseling and education, examination and treatment by medical professionals, laboratory tests, contraception, and infertility services.

Reverse FY 2009-10 ARRA: This issue reverses the one-time ARRA funding received in FY 2009-10. The amount shown does not reflect the ARRA impacts of H.B. 09-1293, which are included in the appropriation for that bill in FY 2009-10.

ARRA adjustment: This issue shows the ARRA impacts for programs qualifying for the enhanced federal match in this section.

Medicaid program reductions: The recommendation includes a decrease of \$17.9 million total funds (\$7.9 million General Fund) for Medicaid program reductions as follows:

- (1) \$17.3 million total funds (\$7.6 million General Fund) for a 1.0 percent reimbursement reduction for most Medicaid providers; and
- (2) \$637,311 total funds (\$293,517 General Fund) to limit the number of monthly incontinence products from 240 to 210 units.

Coordinated payment reforms: The recommendation includes a reduction of \$3.6 million total funds (including \$1.6 million General Fund) for three payment reform initiatives. Under this recommendation the Department will consolidate billing practices for Behavioral Health Organizations (BHO) and Federally Qualified Health Centers (FQHC) to ensure claims billable under the BHO capitation payment are not billed separately through the FQHCs. The Department will also add another auditor to perform in-house audits of nursing facilities to ensure proper billing practices. Finally, the Department will hire a contractor to help identify and enroll eligible Medicare clients into the Medicare program in order to reduce Medicaid claims for these clients.

Evidence guided utilization: The recommendation includes a reduction of \$1.1 million total funds (\$463,274 General Fund) based on increased efforts to monitor utilization for inpatient hospital and emergency department visits. Under this recommendation, the Department will implement case management and discharging plans for clients with "outlier" inpatient stays without complications. The Department will also perform case management and client and provider outreach in order to reduce the number of emergency room visits by clients with chronic conditions that should be seen in a primary care setting.

Increase drug classes in State Maximum Allowable Cost (MAC) program: The recommendation includes a reduction of \$1.1 million total funds (\$528,725 General Fund) to increase the number of drug classes in the State MAC program. The State MAC program is a pharmacy reimbursement methodology that generally results in lower reimbursements than other methodologies used by the Department. Under the State MAC program, pharmacy reimbursement is determined as the average acquisition cost plus 18.0 percent. The

markup serves to ensure pharmacies are not reimbursed below acquisition costs. Last year, the General Assembly assumed that 97 drugs would be eligible to be reimbursed under this program. However, when implementing the program, the Department identified the potential of 243 drugs that would be suitable for this program.

Accountable Care Collaborative program: The recommendation assumes savings of \$772,095 total funds (\$271,806 General Fund) to begin enrolling clients in an Accountable Care Collaborative pilot program beginning January 2011. Under this program, the Department will contract with five Regional Care Collaboration Organizations to eventually manage the care of 60,000 Medicaid clients. The Department anticipates that by case management of these clients, the overall per capita costs for the Medicaid clients enrolled in the program will be reduced by 6.0 percent in FY 2010-11 and by 7.0 percent in FY 2011-12.

Medicaid Mental Health Community Programs: This division provides for mental health care through the purchase of services from five regional behavioral health organizations (BHOs), which manage mental health services for eligible Medicaid recipients in a capitated, risk-based model. This division also contains funding for Medicaid mental health fee-for-service expenditures. Funding for FY 2010-11 reflects funding for 530,135 Medicaid clients who are eligible for mental health services.

Medicaid Mental Health Community Programs	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$211,376,184	\$97,037,189	\$8,626,040	\$10,248	\$105,702,707	0.0
H.B. 09-1293 Conditional Appropriation and Adjustments	174,358	0	87,179	0	87,179	0.0
H.B. 10-1382 Repeal Delay of Public Medical Assistance Program Payments	18,976,806	6,695,582	592,211	905	11,688,108	0.0
Long Bill Supplemental	(4,168,272)	(1,906,660)	(176,701)	(320)	(2,084,591)	0.0
ARRA Adjustment	0	(22,051,257)	(1,953,199)	0	24,004,456	0.0
FY 2009-10 Adjusted Appropriation	\$226,359,076	\$79,774,854	\$7,175,530	\$10,833	\$139,397,859	0.0
Recommended Changes from FY 2009-10 Adjusted Appropriation						
Caseload and cost increases for capitation program	26,034,807	12,319,111	2,891,289	1,318	10,823,089	0.0
Fee-for-service cost increases	358,688	179,344	0	0	179,344	0.0
Reverse FY 2009-10 ARRA Adjustment	0	22,051,257	1,953,199	0	(24,004,456)	0.0
ARRA Adjustment	0	(26,272,969)	(2,360,807)	0	28,633,776	0.0
Reduction to benefits	(2,170,355)	(981,293)	(103,611)	(105)	(1,085,346)	0.0
Total FY 2010-11 JBC Long Bill Recommendation	\$250,582,216	\$87,070,304	\$9,555,600	\$12,046	\$153,944,266	0.0
\$ Change from prior year	\$24,223,140	\$7,295,450	\$2,380,070	\$1,213	\$14,546,407	0.0
% Change from prior year	10.7%	9.1%	33.2%	11.2%	10.4%	n/a

Issue Descriptions

FY 2009-10 Issues

H.B. 09-1293 Conditional Appropriation and Adjustments: Reflects the adjustments to the current appropriation if the Centers of Medicare and Medicaid (CMS) approves the hospital provider fee waiver by May 5, 2010. Contains all of the conditional appropriation clauses from H.B. 09-1293, H.B. 10-1300, and H.B. 10-1372.

H.B. 10-1382 Repeal Delay of Public Medical Assistance Program Payments: This bill eliminates the one month delay of the June 2010 capitation payment to the Behavioral Health Organizations (BHOs). With this bill, the BHOs program will receive 12 monthly payments in FY 2009-10 instead of the 11 monthly payments authorized in S.B. 09-265.

Long Bill Supplemental: The FY 2010-11 Long Bill contains a section to adjust the FY 2009-10 appropriation for the Medicaid mental health program based on caseload and cost data through February 2010. The caseload and costs for FY 2009-10 are described in the FY 2010-11 caseload issue below.

ARRA adjustment: Reflects the enhanced federal match received on the Medicaid program from the American Recovery and Reinvestment Act of 2009 (ARRA) for programs in this section.

FY 2010-11 Issues

Caseload and cost increases for capitation program: The recommendation includes a total fund increase of \$26.0 million (\$12.3 million General Fund) for FY 2010-11 in order to fund the Medicaid mental health program's forecasted caseload and capitation costs. The capitation rate increases are based on contractual obligations and are reviewed for actuarial soundness. For FY 2010-11 the capitation rates will be set at 2.5 percent below the actuarially sound range. Table 1 compares the projected costs for the mental health program by aid category in FY 2009-10 to the estimates for FY 2010-11.

Table 1: Final FY 2009-10 Estimates Compared to FY 2010-11 JBC Recommendation							
Eligible Medicaid Mental Health Caseload -- ONLY	FY 2009-10			FY 2010-11			Cost Difference
	Caseload	Est. Capitation Rate for Aid Category	FY 2009-10 Cost Estimate	Caseload	Capitation Rate for Aid Category	FY 2010-11 Cost Estimate	
SSI 65+	38,449	\$158.85	\$6,107,733	38,932	\$157.49	\$6,131,438	\$23,705
SSI 60-64	7,002	\$1,634.33	\$11,443,583	7,160	\$1,774.25	\$12,703,629	\$1,260,046
SSI Disabled	53,023	\$1,634.33	\$86,657,114	54,015	\$1,774.30	\$95,838,768	\$9,181,654
Low Income Adults	58,830	\$253.61	\$14,919,957	66,109	\$278.71	\$18,425,401	\$3,505,444
Expansion Adults	17,736	\$253.61	\$4,498,051	32,367	\$278.76	\$9,022,502	\$4,524,451
Baby Care Adults	7,130	\$253.61	\$1,808,249	7,256	\$278.41	\$2,020,157	\$211,908
Breast and Cervical Cancer Treatment Adults	416	\$247.62	\$103,008	468	\$278.58	\$130,376	\$27,368

Table 1: Final FY 2009-10 Estimates Compared to FY 2010-11 JBC Recommendation

Eligible Medicaid Mental Health Caseload -- ONLY	FY 2009-10			FY 2010-11			Cost Difference
	FY 2009-10 Caseload	Est. Capitation Rate for Aid Category	FY 2009-10 Cost Estimate	FY 2010-11 Caseload	Capitation Rate for Aid Category	FY 2010-11 Cost Estimate	
Children	277,560	\$183.15	\$50,835,901	304,980	\$192.51	\$58,713,170	\$7,877,269
Foster Children	<u>18,365</u>	<u>\$2,774.62</u>	<u>\$50,955,862</u>	<u>18,848</u>	<u>\$2,544.08</u>	<u>\$47,950,781</u>	<u>(\$3,005,081)</u>
Total	478,511	n/a	\$227,329,458	530,135	n/a	\$250,936,222	\$23,606,764
Other Adjustments			<u>(\$3,561,600)</u>			<u>(\$1,133,556)</u>	<u>\$2,428,044</u>
Total			\$223,767,858			\$249,802,666	\$26,034,808

Other adjustments include the impact of moving clients from Fort Logan Mental Health Institute into community placements, recoupsments, and other bottom line adjustments.

Fee for service cost increases: Certain individuals and certain costs for mental health services are excluded from the mental health capitation program. The recommendation includes an increase of \$358,688 (including \$179,344 General Fund) for the forecasted increase for these services based primarily on the estimated increase in the Medicaid population.

Reverse FY 2009-10 ARRA: This issue reverses the one-time ARRA funding received in FY 2009-10.

ARRA adjustment: This issue shows the ARRA impacts for programs qualifying for the enhanced federal match in this section.

Reduction to benefits: The recommendation includes a decrease of \$2.2 million total funds (\$981,293 General Fund) based on the Department implementing a benefit or service reduction plan by January 2011. Pursuant to federal and state law, capitation rates paid to the managed care organizations must be actuarially sound. It is unlikely that further rate reductions would be certified as actually sound. Therefore, in order to achieve a \$2.2 million savings in FY 2010-11, benefits or services under the managed care contract with the BHOs will need to be reduced. The Department is requested to present a plan to the General Assembly on how the mental health benefit and service plans could be modified to achieve a 2.0 percent reduction. The plan would be implemented in January 2011 and allow interested parties to provide input while the plan is being developed.

Indigent Care Program: This division contains funding for the following programs:

Safety Net Provider Payment 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. This program served approximately 197,600 clients in FY 2008-09.

Children's Basic Health Plan -- This program provides health insurance to otherwise uninsured children from families at or below 205 percent of the FPL. The program also provides health insurance to eligible adult women between 133 percent and 205 percent of FPL. The Children's Basic Health Plan (CBHP) provides

health insurance to an estimated 84,793 children and an average monthly caseload of 2,467 adult pregnant women.

Indigent Care Program	Total Funds	General Fund¹	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$520,222,704	\$28,270,591	\$207,652,699	\$13,277,173	\$271,022,241	0.0
H.B. 09-1293 Conditional Appropriation and Adjustments	4,563,400	0	(12,424,543)	0	16,987,943	0.0
H.B. 10-1382 Repeal Delay of Public Medical Assistant Program Payments	13,319,317	207,860	4,589,011	0	8,522,446	0.0
Long Bill Supplemental	(14,266,346)	(5,315,105)	(2,663,345)	(41,483)	(6,246,413)	0.0
ARRA Adjustment	<u>0</u>	<u>(2,333,502)</u>	<u>0</u>	<u>0</u>	<u>2,333,502</u>	<u>0.0</u>
FY 2009-10 Adjusted Appropriation	\$523,839,075	\$20,829,844	\$197,153,822	\$13,235,690	\$292,619,719	0.0
Recommended Changes from FY 2009-10 Appropriation						
Children's Basic Health Plan adjustments	55,604,818	4,146,101	13,701,287	4,356,880	33,400,550	0.0
Primary Care Fund increase	17,790,000	0	17,790,000	0	0	0.0
Reverse FY 2009-10 ARRA adjustment	0	2,333,502	0	0	(2,333,502)	0.0
ARRA adjustment	0	(2,333,502)	0	0	2,333,502	0.0
Expiration of the Health Care Services Fund	(37,440,247)	(10,390,000)	0	(10,390,000)	(16,660,247)	0.0
Revenue changes	(3,613,689)	7,663	(3,665,999)	101,310	(56,663)	0.0
Eliminate remaining funding for Primary and Preventative Care Grant Program	(127,816)	0	(127,816)	0	0	0.0
Total FY 2010-11 JBC Long Bill Recommendation	\$556,052,141	\$14,593,608	\$224,851,294	\$7,303,880	\$309,303,359	0.0
\$ Change from prior year	\$32,213,066	(\$6,236,236)	\$27,697,472	(\$5,931,810)	\$16,683,640	0.0
% Change from prior year	6.1%	(29.9)%	14.0%	(44.8)%	5.7%	n/a

¹ This amount includes a General Fund Exempt appropriation.

General Fund Summary	Total General Fund	General Fund	General Fund Exempt
FY 2009-10 Adjusted Appropriation	\$20,829,844	\$20,379,844	\$450,000
Program General Fund Issues	(6,233,236)	(6,233,236)	0
Tobacco Tax Revenue adjustment	<u>(3,000)</u>	<u>0</u>	<u>(3,000)</u>
Total FY 2010-11 Long Bill Recommendation	\$14,593,608	\$14,146,608	\$447,000

General Fund Exempt

In November 2004, the Colorado voters passed Amendment 35 to the Colorado Constitution. Amendment 35 requires that 3.0 percent of the new tobacco tax be appropriated to the General Fund and the Old Age Pension

Fund, and be distributed to the counties and cities. Because Amendment 35 moneys are exempt from the TABOR limit, the General Fund appropriations of these moneys are General Fund Exempt. House Bill 05-1262 requires that beginning in FY 2006-07, 50.0 percent of the tobacco tax revenues appropriated to the General Fund be appropriated to the Pediatric Specialty Hospital Fund pursuant to Section 24-22-117 (1) (c) (I) (B), C.R.S.

Issue Descriptions

FY 2009-10 Issues

H.B. 09-1293 Conditional Appropriation and Adjustments: Reflects the adjustments to the current appropriation if the Centers of Medicare and Medicaid (CMS) approves the hospital provider fee waiver by May 5, 2010. Contains all of the conditional appropriation clauses from H.B. 09-1293, H.B. 10-1300, and H.B. 10-1372.

H.B. 10-1382 Repeal Delay of Public Medical Assistance Program Payments: This bill eliminates the one month delay of the June 2010 Children's Basic Health Plan capitation payment. With this bill, the CBHP program will receive 12 monthly payments in FY 2009-10 instead of the 11 monthly payments authorized in S.B. 09-265.

Long Bill Supplemental: The FY 2009-11 Long Bill contains a section to adjust the FY 2009-10 appropriation as follows:

- (1) A reduction of \$20.5 million total funds (\$5.3 million General Fund) to the Safety Net Provider Payment program. Specifically, the recommendation eliminates all of the General Fund and matching federal funds that are used to make payments to private hospitals participating in the Indigent Care Program. The Hospital Provider Fee program will back fill this funding once the waiver is approved by CMS. The supplemental also adjusts the funding based on the Department's most recent costs estimates for the hospital provider fee program. The table below shows the final estimated appropriation for the Safety Net Provider Payment line item in FY 2009-10 (also applies to FY 2010-11 because continuation funding for this line item is recommended for FY 2010-11).

Safety Net Provider Payment Line Item Funding					
	General Fund	Cash Funds - Certified Public Expenditures	Cash Funds - Hospital Provider Fee	Federal Fund	Total Funds
FY 2009-10					
Current Appropriation	\$5,273,622	\$142,266,929	\$0	\$147,540,551	\$295,081,102
Long Bill Supplemental	<u>(5,273,622)</u>	<u>(4,985,616)</u>	<u>0</u>	<u>(10,259,238)</u>	<u>(20,518,476)</u>
Pre H.B. 09-1293 Appropriation	\$0	\$137,281,313	\$0	\$137,281,313	\$274,562,626
H.B. 09-1293 Appropriation (as amended by HB 10-1300 and HB 10-1372)	0	(135,003,533)	136,607,204	1,603,671	3,207,342
ARRA Adjustment*	<u>0</u>	<u>0</u>	<u>(14,516,884)</u>	<u>14,516,884</u>	<u>0</u>

Safety Net Provider Payment Line Item Funding				
General Fund	Cash Funds - Certified Public Expenditures	Cash Funds - Hospital Provider Fee	Federal Fund	Total Funds
Total FY 2009-10 Appropriation With H.B. 09-1293 impacts	\$0	\$2,277,780	\$122,090,320	\$153,401,868
Note: Continuation funding is recommended in FY 2010-11				

*Pursuant to S.B. 10-169, the Hospital Provider Fee will offset other state funding by \$14.5 million in FY 2009-10 and FY 2010-11 (this is only a portion of the impact for S.B. 10-169, the rest of the impact is in the Medical Services Premiums line item).

- (2) A reduction of \$208,842 total funds (\$41,483 General Fund exempt) to the Pediatric Speciality Hospital line item to make technical changes to the appropriation and to reflect new tobacco tax revenue estimates.
- (3) An increase of \$7.8 million total funds (no General Fund) for caseload and cost estimates for the Children's Basic Health Plan (CBHP) program. Final caseload and cost estimates for both FY 2009-10 and FY 2010-11 are shown in the issues below.

ARRA adjustment: Reflects the enhanced federal match received on the Medicaid program from the American Recovery and Reinvestment Act of 2009 (ARRA) for programs in this section, excluding the Hospital Provider Fee program. The ARRA adjustment for that program is reflected in the estimated fiscal impact for S.B. 10-169.

FY 2010-11 Issues

Children's Basic Health Plan adjustments: The recommendation includes a total funds increase of \$55.6 million total funds (\$4.1 million General Fund) to fund the forecasted caseload and per-capita-cost increases for the Children's Basic Health Plan program. The cost changes for the CBHP program are based on the following assumptions: (1) an overall increase to the children's caseload of 14,453 or 20.5 percent; (2) an increase in the adult prenatal program caseload of 850 clients or 52.6 percent; (3) an increase in the per capita rate for the children's medical program of \$290.65 or 16.3 percent; (4) an increase in the adult prenatal program's per capita costs of \$1,414.57 or 14.5 percent; and (5) an increase in the per capita rate for the children's dental program of \$16.46 or 10.1 percent. The per capita rate changes result from an actuary recommendation based on current health care trends in the community and for the program.

The recommendation also reflects an increase of \$4.1 million to the CBHP Trust Fund over the FY 2009-10 appropriation (including the FY 2009-10 appropriation impact in the H.B. 10-1382) based on a projected deficit in the CBHP Trust Fund for FY 2009-11. Finally, the recommendation decreases the CBHP Administration line item by \$480,174. This adjustment is a decrease of \$550,000 to the marketing and outreach activities for the CBHP program offset by an increase of \$69,826 in administrative expenses related to annualizing prior year legislation and budget actions. With the recommendation, \$500,000 in the CBHP Administration line item will remain in the base appropriation for marketing and outreach activities.

Table 1 below shows the FY 2009-10 caseload assumptions and per-capita costs compared to the final recommended caseload and per-capita costs for FY 2010-11.

Table 1: Final FY 2009-10 Estimates Compared to FY 2010-11 JBC Recommendation

Eligible Caseload	FY 2009-10 Caseload	FY 2009-10 Est. Capitation Rate for Aid Category	FY 2009-10 Cost Estimate	FY 2010-11 Caseload	FY 2010-11 Capitation Rate for Aid Category	FY 2010-11 Cost Estimate	Cost Difference
Children - Medical	70,340	\$1,780.14	\$125,215,048	84,793	\$2,070.79	\$175,588,496	\$50,373,449
Children - Dental		\$147.21	\$10,354,751		\$163.67	\$13,878,070	\$3,523,319
Adult Prenatal - Medical	1,617	\$9,719.87	\$15,717,030	2,467	\$11,134.44	\$27,468,663	\$11,751,634
Total Caseload Impacts	71,957	n/a	\$151,286,829	87,260	n/a	\$216,935,230	\$65,648,401
Impact of HB 10-1382			\$13,111,457			\$0	(\$13,111,457)
Reduction for limiting marketing			\$0			(\$535,173)	(\$535,173)
Impact to CBHP Trust Fund			\$0			\$4,146,101	\$4,146,101
Impact to CBHP Administration			\$0			(\$480,174)	(\$480,174)
TOTAL CBHP IMPACTS			\$164,398,286			\$220,065,984	\$55,667,698

Primary Care Fund increase: In FY 2009-10, the General Assembly passed S.J.R. 09-35 which declared a fiscal emergency. This allowed \$17.8 million from Primary Care Fund to be used to offset General Fund appropriations. Because a fiscal emergency resolution is only effective for one fiscal year, this funding is restored to the Primary Care Fund in FY 2010-11.

Reverse FY 2009-10 ARRA adjustment: This issue reverses the one-time ARRA funding received in FY 2009-10.

ARRA Adjustment: This issue shows the ARRA impacts for programs qualifying for the enhanced federal match in this section excluding the Hospital Provider Fee program.

Expiration of the Health Care Services Fund: Pursuant to Section 25.5-3-112 (1) (b), Colorado Revised Statutes (2009), the statutory requirement to appropriate funds for the Health Care Services Fund expires in FY 2010-11. Therefore, the recommendation reflects a decrease of \$37.4 million (including the \$10.9 million General Fund appropriation into the Health Care Services Fund) for the programs that received this funding. Because this funding was eligible for a federal match, the recommendation includes a separate bill (H.B. 10-1379) that would transfer \$11.9 million from the Primary Care Fund into this fund in order to draw down \$19.1 million in federal match.

Revenue changes: Includes a decrease of \$3.6 million total funds to reflect lower tobacco tax revenue estimates for FY 2010-11.

Eliminate remaining funding for Primary and Preventative Care Grant Program: Pursuant to HB 10-1323 funding for this program is eliminated in FY 2010-11 and the Master Tobacco Settlement Moneys that supported this program are transferred to the General Fund.

Other Medical Services: This division contains the funding for programs not administered by the Department through the Medicaid or Indigent Care Programs. Six of the line items receive Medicaid funding but are administered by other state departments, commissions, or hospitals. Two of the line items relate to the Old Age Pension State-Only Medical Program. Finally, one program relates to the State Contribution Payment for the Medicare Part D Benefit.

Other Medical Services	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$132,864,847	\$88,752,602	\$26,105,667	\$4,025,000	\$13,981,578	0.0
Long Bill Supplemental	11,033,865	61,285	5,486,290	(270,000)	5,756,290	0.0
ARRA Adjustment	<u>(29,108,257)</u>	<u>(29,600,525)</u>	0	<u>(348,859)</u>	<u>841,127</u>	<u>0.0</u>
FY 2009-10 Adjusted Appropriation	\$114,790,455	\$59,213,362	\$31,591,957	\$3,406,141	\$20,578,995	0.0
Recommended Changes from FY 2009-10 Appropriation						
Reverse FY 2009-10 ARRA Adjustment	29,108,257	29,600,525	0	348,859	(841,127)	0.0
Medicare Modernization Act State Contribution Payment caseload adjustment	5,294,440	5,294,440	0	0	0	0.0
ARRA Adjustment	(21,225,730)	(21,717,998)	0	0	492,268	0.0
Programs transferred to Executive Director Office	(3,129,006)	(58,752)	0	(1,505,000)	(1,565,254)	0.0
Changes to Public School Health Services program	(2,205,322)	0	(1,102,467)	0	(1,102,855)	0.0
Changes in revenue available	(30,000)	0	(15,000)	(15,000)	0	0.0
Total FY 2010-11 JBC Long Bill Recommendation	\$122,603,094	\$72,331,577	\$30,474,490	\$2,235,000	\$17,562,027	0.0
\$ Change from prior year	\$7,812,639	\$13,118,215	(\$1,117,467)	(\$1,171,141)	(\$3,016,968)	0.0
% Change from prior year	6.8%	22.2%	(3.5)%	(34.4)%	(14.7)%	n/a

Issue Descriptions

FY 2009-10 Issues

Long Bill Supplemental: The FY 2009-11 Long Bill contains a section to adjust the FY 2009-10 appropriation as follows:

- (1) An increase of \$11.5 million total funds (\$5.7 million certified funds from public schools and \$5.7 million matching federal funds) for under-payments to school districts in FY 2008-09 and FY 2009-10 for the Public School Health Services program. Based on an audit, the Department was able to determine that additional public expenditures by school districts could be certified to draw down federal matching Medicaid funding for services provided to Medicaid eligible children by the public schools.
- (2) An increase of \$61,285 General Fund to adjust the Medicare Modernization Act (MMA) State Contribution Payment based on the most recent caseload and cost estimates for the program.

- (3) A decrease of \$540,000 total funds (\$270,000 cash funds and \$270,000 reappropriated funds) to reflect lower tobacco tax revenues than originally anticipated.

ARRA adjustment: Reflects the enhanced federal match received on the Medicaid program from the American Recovery and Reinvestment Act of 2009 (ARRA). This amount includes \$29.1 million in additional federal funds for the MMA State Contribution Payment based on a recent ruling by the Centers of Medicare and Medicaid (CMS) that this payment qualified for the enhanced match. The \$29.1 million includes the federal match for payments made from October 2008 through June 2010.

FY 2010-11 Issues

Reverse FY 2009-10 ARRA adjustment: This issue reverses the one-time ARRA funding received in FY 2009-10.

Medicare Modernization Act State Contribution Payment caseload adjustment: The recommendation includes an increase of \$5.3 million General Fund for the MMA State Contribution Payment's caseload and program costs. Before ARRA adjustments, this program is anticipated to cost \$91.9 million General Fund for the prescription drug costs for an average monthly caseload of 56,908 clients eligible for both the Medicaid and Medicare program.

ARRA adjustment: This issue shows the ARRA impacts for programs qualifying for the enhanced federal match in this section. This amount includes a federal ARRA offset to the General Fund of \$21.2 million for the MMA State Contribution Payment.

Programs transferred to Executive Director Office: The recommendation includes a decrease of \$3.1 million total funds (\$58,752 General Fund) for two programs that were transferred from this section to the Executive Director's Office, Transfers to Other Departments section. This recommendation will consolidate all of the transfers to the Department of Public Health and Environment programs into one section of the Long Bill for easier reference.

Changes to Public School Health Services program: The recommendation includes a decrease of \$2.2 million total funds to eliminate retroactive claims for FY 2008-09 included in the supplemental issue above. This decrease is offset by an increase of \$3.2 million to annualize funding for the Medicaid Administrative Claiming (MAC) program approved in H.B. 10-1300. This program reimburses school districts for the administrative costs associated with identifying and enrolling potentially eligible children and their families into Medicaid. The recommendation also includes an additional \$300,000 for audit costs associated with the MAC program.

Changes in revenue available: The recommendation includes a decrease of \$30,000 for lower tobacco tax revenues.

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

Department of Human Services Medicaid-Funded Programs	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation/1	\$415,071,373	\$204,696,117	\$621,843	\$2,131,595	\$207,621,818	0.0
H.B. 09-1293 Conditional Appropriation and Adjustments	35,996	(61,614)	79,612	0	17,998	0.0
H.B. 10-1384 Noncitizen Eligibility for Old Age Pension	17,309	8,584	76	0	8,649	0.0
Long Bill Supplemental	(877,069)	(378,788)	0	(59,746)	(438,535)	0.0
ARRA Adjustment	0	(44,836,752)	(130,499)	0	44,967,251	0.0
FY 2009-10 Adjusted Appropriation	\$414,247,609	\$159,427,547	\$571,032	\$2,071,849	\$252,177,181	0.0
Recommended Changes from FY 2009-10 Appropriation						
Reverse FY 2009-10 ARRA adjustment	0	44,836,752	130,499	0	(44,967,251)	0.0
ARRA adjustment	0	(44,178,607)	(127,075)	0	44,305,682	0.0
Program changes in the Department of Human Services with Medicaid impacts	(5,869,939)	(2,807,385)	(125,563)	(178,315)	(2,758,676)	0.0
Reverse H.B. 10-1384 Noncitizen Eligibility for Old Age Pension	(17,309)	(8,584)	(76)	0	(8,649)	0.0
Total FY 2010-11 JBC Long Bill Recommendation	\$408,360,361	\$157,269,723	\$448,817	\$1,893,534	\$248,748,287	0.0
\$ Change from prior year	(\$5,887,248)	(\$2,157,824)	(\$122,215)	(\$178,315)	(\$3,428,894)	0.0
% Change from prior year	(1.4)%	(1.4)%	(21.4)%	(8.6)%	(1.4)%	n/a

/1 Includes H.B. 09-1293 appropriation if waiver is not approved by May 5, 2010. If the waiver is approved on or before that date, the appropriation for H.B. 09-1293 would be adjusted as reflected in the table.

Issue Descriptions

FY 2009-10 Issues

HB 09-1293 Conditional Appropriation and Adjustments: Reflects the adjustments to the current appropriation if the Centers of Medicare and Medicaid (CMS) approves the hospital provider fee waiver by May 5, 2010.

HB 10-1384 Noncitizen Eligibility for Old Age Pension: Contains system changes to the Colorado Benefits Management System (CBMS) to enact this bill.

Long Bill Supplemental: This primarily reflects savings associated with the closure of the skilled nursing facility at the Grand Junction Regional Center. Please see the Department of Human Services for detail on this and other Medicaid-funded FY 2009-10 adjustments in the Department of Human Services.

ARRA adjustment: Reflects the enhanced federal match received on the Medicaid program from the American Recovery and Reinvestment Act of 2009 (ARRA) for programs in this section.

FY 2010-11 Issues

Reverse FY 2009-10 ARRA adjustment: This issue reverses the one-time ARRA funding received in FY 2009-10.

ARRA adjustment: This issue shows the ARRA impacts for programs qualifying for the enhanced federal match in this section.

Program changes in the Department of Human Services with Medicaid impacts: This primarily reflects decreases in services for people with developmental disabilities, including the closure of the skilled nursing facility at the Grand Junction Regional Center and a rate reduction for community-based services for people with developmental disabilities. Please see the Department of Human Services for detail on this and other Medicaid-funded program changes in the Department of Human Services.

Reverse H.B. 10-1384 Noncitizen Eligibility for Old Age Pension: Calculations for the Long Bill recommendation exclude the FY 2009-10 costs for the Noncitizen Eligibility for Old Age Pension legislation.

Department of Higher Education

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

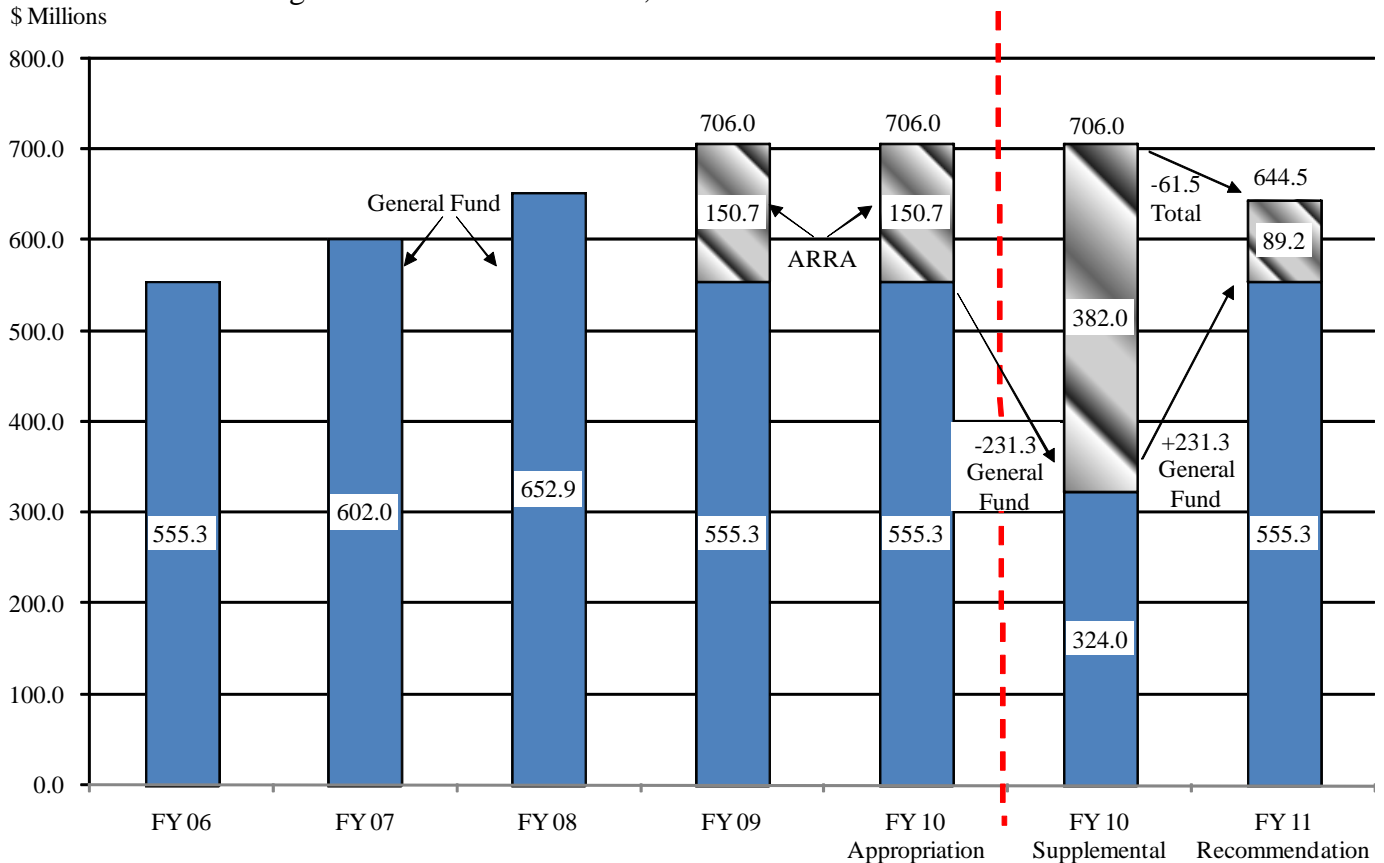
Summary Table for Department of Higher Education						
	Total Funds	General Fund ¹	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$2,579,369,433	\$428,761,033	\$1,385,576,579	\$362,747,643	\$402,284,178	20,954.9
Long Bill supplemental	<u>48,293,937</u>	<u>0</u>	<u>48,293,937</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
FY 2009-10 Adjusted Appropriation	\$2,627,663,370	\$428,761,033	\$1,433,870,516	\$362,747,643	\$402,284,178	20,954.9
<i>Recommended Changes from Adjusted FY 2009-10 Appropriation by Long Bill Division</i>						
Department Administrative Office	493,525	0	432,107	(27,447)	88,865	0.0
Colorado Commission on Higher Education	19,769	0	52,372	(31,599)	(1,004)	0.0
Colorado Commission on Higher Education Financial Aid	603,094	337,355	0	265,739	0	(0.2)
College Opportunity Fund Program	223,161,459	223,241,829	0	0	(80,370)	0.0
Governing Boards	86,676,384	0	146,128,102	223,000,719	(282,452,437)	470.4
Local District Junior Colleges	(422,528)	5,251,183	836,339	0	(6,510,050)	0.0
Division of Occupational Education	(664,438)	2,974,881	0	212,338	(3,851,657)	0.0
Auraria Higher Education Center	0	0	0	0	0	(25.0)
State Historical Society	4,331,247	0	4,326,501	0	4,746	(3.0)
Total FY 2010-11 Long Bill Recommendation	\$2,941,861,882	\$660,566,281	\$1,585,645,937	\$586,167,393	\$109,482,271	21,397.1
H.B. 10-1383 Funding for Financial Aid for Higher Education	0	(15,400,000)	15,400,000	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$2,941,861,882	\$645,166,281	\$1,601,045,937	\$586,167,393	\$109,482,271	21,397.1
\$ Change from prior year	\$314,198,512	\$216,405,248	\$167,175,421	\$223,419,750	(\$292,801,907)	442.2
% Change from prior year	12.0%	50.5%	11.7%	61.6%	(72.8)%	2.1%

¹ This amount includes a General Fund Exempt appropriation. See the division detail for more information on General Fund Exempt recommended appropriations.

Recommendation Highlights:

1. Provides \$231.3 million General Fund for the higher education institutions to restore one-time reductions made in FY 2009-10 and meet the maintenance of effort requirement of the American Recovery and Reinvestment Act of 2009 (ARRA).
2. Reflects a \$292.8 million federal funds decrease in the remaining available federal funds through ARRA.

Higher Education Institutions, General Fund and Federal ARRA



3. Provides \$125.9 million additional cash funds spending authority for a 9.0 percent increase in resident undergraduate tuition rates, an assumed 9.0 percent increase in resident graduate tuition rates, an assumed 5.0 percent increase in nonresident tuition rates, and changes in the enrollment forecast.
4. Increases cash funds spending authority for fees by \$13.8 million.
5. Reflects, for informational purposes, the projected \$8.4 million limited gaming funds that will be distributed to higher education institutions with a 2-year mission.
6. Reflects, for informational purposes, the estimate by each governing board of current year FTE.

JBC Sponsored Budget Legislation Summary:

H.B. 10-1383 Funding for Financial Aid for Higher Education: The recommendation uses a total of \$45.2 million in the Colorado CollegeInvest Scholarship Trust Fund to address the budget shortfall by transferring \$29.8 million to the General Fund and refinancing \$15.4 million General Fund for Need Based Grants with an appropriation from the Colorado CollegeInvest Scholarship Trust Fund. The recommendation leaves enough in the Trust Fund for current grant recipients and high school seniors and juniors who have signed up for the program through their eligibility period, but no new cohorts. The bill also provides a one-year exception to the financial aid maintenance of effort requirement in Section 23-3.3-103, C.R.S.

Budget Recommendation Detail by Long Bill Division

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

Department Administrative Office	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$1,785,092	\$0	\$992,547	\$749,454	\$43,091	0.0
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Centrally-appropriated line items	493,525	0	432,107	(27,447)	88,865	0.0
Total FY 2010-11 JBC Recommendation	\$2,278,617	\$0	\$1,424,654	\$722,007	\$131,956	0.0
\$ Change from prior year	\$493,525	\$0	\$432,107	(\$27,447)	\$88,865	0.0
% Change from prior year	27.6%	n/a	43.5%	(3.7)%	206.2%	n/a

Issue Descriptions

Centrally-appropriated line items: The recommendation includes adjustments to centrally-appropriated line items for the following: health, life, and dental benefits; short-term disability; amortization equalization disbursement; supplemental amortization equalization disbursement; shift differential; workers' compensation; legal services; and payment to risk management and property funds.

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 and fees paid to the Division of Private Occupational Schools. The sources of reappropriated funds include indirect cost recoveries.

Colorado Commission on Higher Education	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$25,539,989	\$0	\$22,238,938	\$2,923,989	\$377,062	38.9
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Restore FY 2009-10 furlough reductions	71,921	0	13,952	50,445	7,524	0.0
WICHE dues	5,000	0	0	5,000	0	0.0
Postage adjustment	315	0	0	315	0	0.0
Fund source adjustment	0	0	47,510	(47,510)	0	0.0
State PERA contribution reduction	(57,467)	0	(9,090)	(39,849)	(8,528)	0.0
Total FY 2010-11 JBC Recommendation	\$25,559,758	\$0	\$22,291,310	\$2,892,390	\$376,058	38.9

Colorado Commission on Higher Education	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
\$ Change from prior year	\$19,769	\$0	\$52,372	(\$31,599)	(\$1,004)	0.0
% Change from prior year	0.1%	n/a	0.2%	(1.1)%	(0.3)%	0.0%

Issue Descriptions

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

WICHE dues: The recommendation includes an increase for dues owed to the Western Interstate Commission on Higher Education (WICHE).

Postage adjustment: The recommendation eliminates one-time increases associated with an upgrade to mail services equipment in the Department of Personnel.

Fund source adjustment: The recommendation reflects an increase in the portion of indirect cost recoveries from cash fund sources (CollegeInvest and College Assist) versus reappropriated fund sources.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

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

Colorado Commission on Higher Education Financial Aid	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$105,832,344	\$103,906,932	\$0	\$25,412	\$1,900,000	0.2
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Native American students	1,103,094	1,103,094	0	0	0	0.0
Fund source adjustment	0	(265,739)	0	265,739	0	0.0
Teach Colorado Grant	(500,000)	(500,000)	0	0	0	(0.2)
Total FY 2010-11 JBC Recommendation	\$106,435,438	\$104,244,287	\$0	\$291,151	\$1,900,000	0.0
\$ Change from prior year	\$603,094	\$337,355	\$0	\$265,739	\$0	(0.2)
% Change from prior year	0.6%	0.3%	n/a	1045.7%	0.0%	(100.0)%

Issue Descriptions

Native American students: The recommendation includes a General Fund increase for payments to Fort Lewis College for Native American student tuition waivers provided in FY 2009-10, pursuant to Section 23-52-105, C.R.S.

Fund source adjustment: The recommendation reflects an increase in the amount of indirect cost recoveries available to offset the need for General Fund.

Teach Colorado Grant: The recommendation eliminates all General Fund for the program and makes a 0.2 FTE base reduction for the Teach Colorado Grant.

College Opportunity Fund Program: This section includes General Fund for student stipend payments for students attending state-operated higher education institutions and students attending private institutions, and for fee-for-service contracts between CCHE and the institutions.

College Opportunity Fund Program	Total Funds	General Fund ¹	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$312,963,947	\$312,883,577	\$0	\$0	\$80,370	0.0
Long Bill Supplemental	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
FY 2009-10 Adjusted Appropriation	\$312,963,947	\$312,883,577	\$0	\$0	\$80,370	0.0
<i>Recommended Changes from Adjusted FY 2009-10 Appropriation</i>						
Fee-for-service contracts	140,273,799	140,273,799	0	0	0	0.0
Stipends State-operated institutions	82,726,920	82,726,920	0	0	0	0.0
Private Stipends	160,740	241,110	0	0	(80,370)	0.0
Total FY 2010-11 JBC Recommendation	\$536,125,406	\$536,125,406	\$0	\$0	\$0	0.0
\$ Change from prior year	\$223,161,459	\$223,241,829	\$0	\$0	(\$80,370)	0.0
% Change from prior year	71.3%	71.4%	n/a	n/a	(100.0)%	n/a

¹ This amount includes a General Fund Exempt appropriation.

General Fund Summary	Total General Fund	General Fund	General Fund Exempt
FY 2009-10 Appropriation	\$312,883,577	\$312,883,577	\$0
Stipend payments	9,076,320	9,076,320	0
Fee-for-service contracts	<u>(9,076,320)</u>	<u>(9,076,320)</u>	<u>0</u>
FY 2009-10 Adjusted Appropriation	\$312,883,577	\$312,883,577	\$0
Stipend payments	82,968,030	82,968,030	0
Fee-for-service contracts	<u>140,273,799</u>	<u>39,007,132</u>	<u>101,266,667</u>
Total FY 2010-11 Long Bill Recommendation	\$536,125,406	\$434,858,739	\$101,266,667

General Fund Exempt

Referendum C, passed by Colorado voters in November 2005, allows the State to retain and spend all revenue that is collected in excess of the TABOR limit for FY 2005-06 through FY 2009-10. For FY 2010-11 and subsequent fiscal years, Referendum C allows the State to retain all revenues that are in excess of the TABOR limit, but less than the excess state revenues cap¹, for that fiscal year. This revenue must be placed in the General Fund Exempt Account. The above table shows the amount of General Fund Exempt that the Joint Budget Committee recommends be appropriated from the General Fund Exempt Account for higher education pursuant to Sections 24-77-103.6 (2) (b) and 24-77-104.5 (1) (b) (III), Colorado Revised Statutes.

Issue Descriptions

Long Bill supplemental: The recommendation increases the stipends for students attending state-operated institutions by \$9,076,320 General Fund to reflect a projected increase in the eligible population over the appropriated level, and reduces the General Fund for fee-for-service contracts by a like amount to offset the increased cost of the stipends.

Fee-for-service contracts: The recommendation includes an increase in fee-for-service contracts so that the General Fund for stipends and fee-for-service contracts combined equals the combined total in FY 2005-06. As a condition of accepting federal funds through the American Recovery and Reinvestment Act of 2009 (ARRA), the state must maintain at least the FY 2005-06 General Fund appropriation level for the higher education institutions. In FY 2009-10 Colorado meets the criteria for a waiver from this maintenance of effort requirement, and the General Fund appropriation is below the FY 2005-06 threshold. For FY 2010-11, Colorado does not meet the waiver criteria, and an increase in General Fund is required to meet the federal maintenance of effort requirement. For more detail of the impact by institution, see the Governing Boards section below.

Stipends State-operated institutions: The recommendation includes a \$540 increase in the stipend rate for full-time students attending public higher education institutions (from \$1,320 per 30 credit hours to \$1,860 per 30 credit hours) and a projected increase of 3,843, or 2.7 percent, in the stipend-eligible student FTE (from 139,961 to 143,804). For more detail of the impact by institution, see the Governing Boards section below.

Private stipends: The recommendation includes a \$270 increase in the stipend rate for eligible full-time students attending participating private institutions (from \$660 to \$930 per 30 credit hours). To be eligible a student attending a private institution must demonstrate financial need by qualifying for the federal Pell grant. The private stipend rate is set by statute at 50.0 percent of the public stipend rate.

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

¹ The "excess state revenues cap" is equal to the highest annual total state revenues from FY 2005-06 through FY 2009-10, adjusted each subsequent fiscal year for inflation, the percentage change in state population, enterprises, and debt service changes.

Governing Boards	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$2,022,084,675	\$0	\$1,339,370,474	\$314,669,728	\$368,044,473	20,563.6
Long Bill supplemental	<u>48,293,937</u>	<u>0</u>	<u>48,293,937</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
FY 2009-10 Adjusted Appropriation	\$2,070,378,612	\$0	\$1,387,664,411	\$314,669,728	\$368,044,473	20,563.6
Recommended Changes from Adjusted FY 2009-10 Appropriation						
Stipends and fee-for-service contracts	223,000,719	0	0	223,000,719	0	0.0
Tuition	125,943,656	0	125,943,656	0	0	0.0
Academic fees	13,805,169	0	13,805,169	0	0	0.0
Limited gaming	7,524,792	0	7,524,792	0	0	0.0
FTE Adjustment	0	0	0	0	0	470.4
Federal stimulus	(282,452,437)	0	0	0	(282,452,437)	0.0
Tobacco	(1,145,515)	0	(1,145,515)	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$2,157,054,996	\$0	\$1,533,792,513	\$537,670,447	\$85,592,036	21,034.0
\$ Change from prior year	\$86,676,384	\$0	\$146,128,102	\$223,000,719	(\$282,452,437)	470.4
% Change from prior year	4.2%	n/a	10.5%	70.9%	(76.7)%	2.3%

Issue Descriptions

Long Bill supplemental: The recommendation increases the stipends for students attending state-operated institutions by \$9,076,320 General Fund to reflect a projected increase in the eligible population over the appropriated level, and reduces the General Fund for fee-for-service contracts by a like amount to offset the increased cost of the stipends. Also, the recommendation provides an additional \$44.6 million spending authority for tuition and \$3.7 million spending authority for academic fees based on a more recent projection of revenue, and based on increases in graduate and nonresident tuition rates implemented by the governing boards that exceed the assumptions in the FY 2009-10 Long Bill.

Stipends and fee-for-service contracts: The recommendation includes reappropriated funds spending authority for General Fund received by the institutions through stipends and fee-for-service contracts. The stipend spending authority reflects a \$540 increase in the stipend rate for full-time students attending public higher education institutions (from \$1,320 per 30 credit hours to \$1,860 per 30 credit hours) and a projected increase of 3,843, or 2.7 percent, in the stipend-eligible student FTE (from 139,961 to 143,804). The fee-for-service contract spending authority provides General Fund so that the total for stipends and fee-for-service contracts combined equals the combined total in FY 2005-06. As a condition of accepting federal funds through the American Recovery and Reinvestment Act of 2009 (ARRA), the state must maintain at least the FY 2005-06 General Fund appropriation level for the higher education institutions. In FY 2009-10 Colorado meets the criteria for a waiver from this maintenance of effort requirement, and the General Fund appropriation is below the FY 2005-06 threshold. For FY 2010-11, Colorado does not meet the waiver criteria, and an increase in General Fund is required to meet the federal maintenance of effort requirement.

Stipends and Fee-for-service Contracts				
Governing Board	FY 2009-10*	FY 2010-11	Difference	Percent
Adams	<u>\$14,608,449</u>	<u>\$13,447,945</u>	<u>(\$1,160,504)</u>	<u>-7.9%</u>
Stipends	1,995,840	2,869,980	874,140	43.8%
Fee-for-service	5,281,159	9,279,342	3,998,183	75.7%
ARRA	7,331,450	1,298,623	(6,032,827)	-82.3%
Mesa	<u>24,005,607</u>	<u>22,087,052</u>	<u>(1,918,555)</u>	<u>-8.0%</u>
Stipends	6,771,600	9,962,160	3,190,560	47.1%
Fee-for-service	5,327,698	9,926,232	4,598,534	86.3%
ARRA	11,906,309	2,198,660	(9,707,649)	-81.5%
Metro	<u>49,713,412</u>	<u>44,067,731</u>	<u>(5,645,681)</u>	<u>-11.4%</u>
Stipends	23,191,080	33,176,820	9,985,740	43.1%
Fee-for-service	1,339,995	6,601,748	5,261,753	392.7%
ARRA	25,182,337	4,289,163	(20,893,174)	-83.0%
Western	<u>12,173,017</u>	<u>11,208,881</u>	<u>(964,136)</u>	<u>-7.9%</u>
Stipends	1,841,400	2,568,660	727,260	39.5%
Fee-for-service	4,035,352	7,323,487	3,288,135	81.5%
ARRA	6,296,265	1,316,734	(4,979,531)	-79.1%
CSU System	<u>146,891,512</u>	<u>132,060,260</u>	<u>(14,831,252)</u>	<u>-10.1%</u>
Stipends	27,107,520	38,987,460	11,879,940	43.8%
Fee-for-service	38,580,334	74,632,568	36,052,234	93.4%
ARRA	81,203,658	18,440,232	(62,763,426)	-77.3%
Fort Lewis	<u>12,736,330</u>	<u>11,503,271</u>	<u>(1,233,059)</u>	<u>-9.7%</u>
Stipends	3,024,120	4,238,940	1,214,820	40.2%
Fee-for-service	1,876,108	4,518,882	2,642,774	140.9%
ARRA	7,836,102	2,745,449	(5,090,653)	-65.0%
CU Regents	<u>23,237,386</u>	<u>21,456,245</u>	<u>(1,781,141)</u>	<u>-7.7%</u>
Stipends	38,101,800	55,346,160	17,244,360	45.3%
Fee-for-service	50,109,292	103,757,822	53,648,530	107.1%
ARRA	120,888,357	33,361,538	(87,526,819)	-72.4%
Mines	<u>23,237,386</u>	<u>21,456,245</u>	<u>(1,781,141)</u>	<u>-7.7%</u>
Stipends	3,705,240	5,327,040	1,621,800	43.8%
Fee-for-service	6,889,073	13,466,585	6,577,512	95.5%
ARRA	12,643,073	2,662,620	(9,980,453)	-78.9%
UNC	<u>44,086,311</u>	<u>40,624,090</u>	<u>(3,462,221)</u>	<u>-7.9%</u>
Stipends	10,662,960	15,646,320	4,983,360	46.7%
Fee-for-service	9,852,819	19,530,558	9,677,739	98.2%
ARRA	23,570,532	5,447,212	(18,123,320)	-76.9%
Com. Colleges	<u>143,787,197</u>	<u>131,965,957</u>	<u>(11,821,240)</u>	<u>-8.2%</u>
Stipends	68,346,960	99,351,900	31,004,940	45.4%
Fee-for-service	4,253,847	18,782,252	14,528,405	341.5%
ARRA	71,186,390	13,831,805	(57,354,585)	-80.6%
TOTAL	<u>\$680,338,670</u>	<u>\$620,886,952</u>	<u>(\$59,451,718)</u>	<u>-8.7%</u>
Stipends	184,748,520	267,475,440	82,726,920	44.8%
Fee-for-service	127,545,677	267,819,476	140,273,799	110.0%
ARRA	368,044,473	85,592,036	(282,452,437)	-76.7%

* As adjusted by the supplemental add-on.

Tuition: The recommendation provides a 9.0 percent increase in resident undergraduate tuition spending authority. It assumes a 9.0 percent increase in resident graduate tuition and a 5.0 percent increase in nonresident tuition spending authority. The recommendation also reflects projected enrollment changes. See the tuition footnote for more detail.

Tuition Spending Authority					FY 2009-10 Resident Undergraduate Full-time (30 credits) Rate
	FY 2009-10 Appropriation	Updated Estimate	Recommende d Increases	FY 2010-11 Recommende d Appropriation	
Adams	\$7,946,868	\$11,231,927	\$1,160,373	\$12,392,300	\$2,712
Mesa	27,732,023	31,225,774	4,041,411	35,267,185	\$4,692
Metro	61,493,135	62,493,493	6,450,061	68,943,554	\$2,850
Western	9,347,471	9,215,455	585,085	9,800,540	\$3,140
CSU System	229,249,116	226,513,160	18,413,728	244,926,888	\$4,822
Fort Lewis	27,606,152	28,116,299	631,645	28,747,944	\$3,102
CU Regents	596,692,241	608,474,045	57,921,764	666,395,809	\$6,446
Mines	66,680,711	67,916,700	7,900,060	75,816,760	\$10,590
UNC	56,013,623	61,387,761	6,946,690	68,334,451	\$4,296
Com Colleges	171,765,547	192,539,559	21,892,839	214,432,398	\$2,649
TOTAL	\$1,254,526,887	\$1,299,114,173	\$125,943,656	\$1,425,057,829	

Academic fees: The recommendation includes an enrollment adjustment for academic fees and academic facility fees at all facilities, and spending authority for new or increased fees at Adams, Metro, Western, CSU, and Mines. These new or increased fees are primarily for construction projects approved by the Capital Development Committee with the exception of Metropolitan State College at Denver (Metro), which is considering a \$100-\$200 fee for peer mentoring support services for at-risk students, and Western State College (Western), which is considering a new \$20 per course lab and studio fees. Academic fees and academic facility fees are a small subset of total fees charged by campuses. These fees directly support the academic mission of the institutions. Fees for auxiliary programs like housing, food services, parking, and student government are not appropriated in the Long Bill.

Academic Fees and Academic Facility Fees			
	FY 2009-10*	FY 2010-11	Difference
Adams	\$1,750,998	\$2,120,308	\$369,310
Mesa	516,069	538,354	22,285
Metro	8,699,054	12,665,327	3,966,273
Western	26,000	110,760	84,760
CSU System	12,233,700	19,582,601	7,348,901
Fort Lewis	1,000,000	995,955	(4,045)
CU Regents	31,520,444	32,387,627	867,183
Mines	2,778,488	3,500,000	721,512
UNC	4,433,337	4,605,826	172,489
Com Colleges	8,442,148	8,698,649	256,501
TOTAL	\$71,400,238	\$85,205,407	\$13,805,169

* As adjusted by the supplemental add-on.

Limited gaming: The recommendation includes an estimate of the limited gaming funds that will be distributed to higher education institutions with a 2-year mission pursuant to 12-47.1-701.5 (3) (c) (I), C.R.S.

Estimated Allocation of Amendment 50 Moneys by Governing Board			
Institution	FY08-09 Resident FTE	FY08-09 Percentage of Total	FY10-11 Projected Allocation
Arapahoe	4,370	8.4%	706,379
Colorado Northwestern	686	1.3%	110,887
Aurora	3,338	6.5%	539,563
Denver	4,933	9.5%	797,384
Front Range	9,945	19.2%	1,607,537
Lamar	674	1.3%	108,947
Morgan	999	1.9%	161,481
Northeastern	1,343	2.6%	217,086
Otero	1,123	2.2%	181,525
Pikes Peak	7,624	14.7%	1,232,364
Pueblo	3,761	7.3%	607,938
Red Rocks	4,841	9.4%	782,512
Trinidad State	1,283	2.5%	207,388
Community Colleges	44,920	86.8%	7,260,991
Aims	3,031	5.9%	489,939
Colorado Mountain College	2,143	4.1%	346,400
Local District Total	5,174	10.0%	836,339
Adams State College	197	0.4%	31,844
Mesa State College	1,435	2.8%	231,957
Total	51,726	100.0%	8,361,132

Note: this distribution is based on FY08-09 resident FTE, the most recent year available, per Section 12-47.1-701.5, (3) (c) (I), C.R.S.).

FTE adjustment: The FTE for the higher education institutions are included in the Long Bill for informational purposes only. Pursuant to statute, each governing board retains control over the number of employees hired. Historically, projections submitted by the schools of employment in the current year have been used in the Long Bill. Thus, the FTE reported lags funding decisions.

Full-time Equivalent Employees				
	FY 2009-10 Long Bill	Estimate in FY 2010-11 Request	Difference	Percent
Adams	271.2	274.4	3.2	1.2%
Mesa	508.9	519.2	10.3	2.0%
Metro	1,196.9	1,266.1	69.2	5.8%
Western	242.3	243.2	0.9	0.4%
CSU System	4,228.0	4,136.9	(91.1)	-2.2%
Fort Lewis	461.9	418.2	(43.7)	-9.5%
CU Regents	6,914.5	6,920.9	6.4	0.1%
Mines	667.5	684.2	16.7	2.5%
UNC	983.4	986.9	3.5	0.4%
Com. Colleges	5,089.0	5,584.0	495.0	9.7%
TOTAL	20,563.6	21,034.0	470.4	2.3%

Federal stimulus: The recommendation reflects anticipated federal funds through the American Recovery and Reinvestment Act of 2009. See the table under stipends and fee-for-service contracts for the allocation by governing board.

Tobacco: The recommendation reflects the projection of tobacco revenues distributed by statute to the University of Colorado Health Sciences Center.

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

Local District Junior Colleges	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$15,890,257	\$7,350,751	\$0	\$0	\$8,539,506	0.0
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Limited gaming	836,339	0	836,339	0	0	0.0
Federal maintenance of effort	(1,258,867)	5,251,183	0	0	(6,510,050)	0.0
Total FY 2010-11 JBC Recommendation	\$15,467,729	\$12,601,934	\$836,339	\$0	\$2,029,456	0.0
\$ Change from prior year	(\$422,528)	\$5,251,183	\$836,339	\$0	(\$6,510,050)	0.0
% Change from prior year	(2.7)%	71.4%	n/a	n/a	(76.2)%	n/a

Issue Descriptions

Limited gaming: The recommendation includes an estimate of the limited gaming funds that will be distributed to higher education institutions with a 2-year mission pursuant to 12-47.1-701.5 (3) (c) (I), C.R.S.

Federal maintenance of effort: The recommendation includes an increase in General Fund to match the FY 2005-06 appropriation. The recommendation also reflects anticipated federal funds through the American Recovery and Reinvestment Act of 2009 (ARRA). As a condition of accepting federal funds through ARRA, the state must maintain at least the FY 2005-06 General Fund appropriation level for the higher education institutions. In FY 2009-10 Colorado meets the criteria for a waiver from this maintenance of effort requirement, and the General Fund appropriation is below the FY 2005-06 threshold. For FY 2010-11, Colorado does not meet the waiver criteria, and an increase in General Fund is required to meet the federal maintenance of effort requirement.

Division of Occupational Education: This division supervises and administers the occupational education programs of the state and approves the allocation and distribution of state and federal vocational education funds to the community colleges, local district junior colleges, area vocational schools, secondary school districts, and any other appropriate state and local educational agencies or institutions. This division also

coordinates resources available for the promotion of job development, job training, and job retraining in the state.

Division of Occupational Education	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$53,508,107	\$4,417,273	\$0	\$26,708,808	\$22,382,026	32.0
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Career and Technical Education	106,933	0	0	106,933	0	0.0
Fund source adjustment	0	(105,405)	0	105,405	0	0.0
Area vocational school support	(771,371)	3,080,286	0	0	(3,851,657)	0.0
Total FY 2010-11 JBC Recommendation	\$52,843,669	\$7,392,154	\$0	\$26,921,146	\$18,530,369	32.0
\$ Change from prior year	(\$664,438)	\$2,974,881	\$0	\$212,338	(\$3,851,657)	0.0
% Change from prior year	(1.2)%	67.3%	n/a	0.8%	(17.2)%	0.0%

Issue Descriptions

Career and Technical Education: The recommendation includes a \$106,933, or 0.5 percent, increase in the transfer from the Department of Education to secondary career and technical education programs. The reappropriated funds originate as General Fund or State Education Funds in the Department of Education.

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

Area vocational school support: The recommendation includes an increase in General Fund to match the FY 2005-06 appropriation. The recommendation also reflects anticipated federal funds through the American Recovery and Reinvestment Act of 2009 (ARRA). As a condition of accepting federal funds through ARRA, the state must maintain at least the FY 2005-06 General Fund appropriation level for the higher education institutions. In FY 2009-10 Colorado meets the criteria for a waiver from this maintenance of effort requirement, and the General Fund appropriation is below the FY 2005-06 threshold. For FY 2010-11, Colorado does not meet the waiver criteria, and an increase in General Fund is required to meet the federal maintenance of effort requirement.

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

Auraria Higher Education Center	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$17,670,252	\$0	\$0	\$17,670,252	\$0	191.3
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
FTE Adjustment	0	0	0	0	0	(25.0)

Auraria Higher Education Center	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Total FY 2010-11 JBC Recommendation	\$17,670,252	\$0	\$0	\$17,670,252	\$0	166.3
\$ Change from prior year	\$0	\$0	\$0	\$0	\$0	(25.0)
% Change from prior year	0.0%	n/a	n/a	0.0%	n/a	(13.1)%

Issue Descriptions

FTE adjustment: The FTE for the higher education institutions are included in the Long Bill for informational purposes only. Pursuant to statute, each governing board retains control over the number of employees hired. Historically, projections submitted by the schools of employment in the current year have been used in the Long Bill. Thus, the FTE reported lags funding decisions.

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

State Historical Society	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$24,094,770	\$202,500	\$22,974,620	\$0	\$917,650	128.9
Recommended Changes from FY 2009-10 Appropriation						
Statewide preservation grant program	3,965,838	0	3,965,838	0	0	0.0
Gaming cities distribution	551,519	0	551,519	0	0	0.0
Restore FY 2009-10 furlough reductions	182,872	0	164,941	0	17,931	0.0
Statewide information technology common policy adjustments	(221,314)	0	(221,314)	0	0	(3.0)
State PERA contribution reduction	(147,668)	0	(134,483)	0	(13,185)	0.0
Total FY 2010-11 JBC Recommendation	\$28,426,017	\$202,500	\$27,301,121	\$0	\$922,396	125.9
\$ Change from prior year	\$4,331,247	\$0	\$4,326,501	\$0	\$4,746	(3.0)
% Change from prior year	18.0%	0.0%	18.8%	n/a	0.5%	(2.3)%

Issue Descriptions

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

Gaming cities distribution: The recommendation reflects anticipated distributions to gaming cities for historic preservation based on projected gaming revenues and the constitutional distribution formula.

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Statewide information technology common policy adjustments: The recommendation includes adjustments to line item appropriations for the following: the purchase of services from computer center; multiuse network payments; management and administration of the Office of Information Technology; and communication services payments.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Department of Human Services

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

Summary Table for Department of Human Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation /1	\$2,148,885,838	\$656,173,799	\$351,344,575	\$438,925,287	\$702,442,177	5,509.2
Long Bill Supplemental	(4,295,546)	(4,144,613)	0	(877,069)	726,136	(18.1)
H.B. 09-1293 Conditional /2 Appropriation and Adjustments	90,815	(92,031)	117,065	35,775	30,006	0.0
H.B. 10-1384 Noncitizen Eligibility for Old Age Pension	<u>46,000</u>	<u>11,347</u>	<u>2,143</u>	<u>17,309</u>	<u>15,201</u>	<u>0.0</u>
FY 2009-10 Adjusted Appropriation	\$2,144,727,107	\$651,948,502	\$351,463,783	\$438,101,302	\$703,213,520	5,491.1
<i>Recommended Changes from Adjusted FY 2009-10 by Long Bill Division</i>						
Executive Director's Office	(2,093,777)	(1,205,351)	(390,301)	(559,708)	61,583	0.4
Office of Information Technology Services	4,029,708	326,464	39,039	152,470	3,511,735	(163.3)
Office of Operations	(1,000,604)	698,352	(554,604)	(1,386,489)	242,137	(9.0)
County Administration	(1,791,015)	(404,559)	(955,859)	0	(430,597)	0.0
Division of Child Welfare	(6,731,951)	(8,769,505)	944,862	(289,681)	1,382,373	7.5
Division of Child Care	(14,533,497)	(1,169,731)	(118,521)	0	(13,245,245)	0.2
Office of Self Sufficiency	42,052,264	(646,653)	6,171,089	(2,149,832)	38,677,660	(32.8)
Mental Health and ADAD Services	(7,967,711)	(5,460,306)	(1,371,125)	(1,151,902)	15,622	(64.4)
Services for People with Disabilities	1,758,361	1,744,791	1,315,642	(3,723,990)	2,421,918	(49.1)
Adult Assistance Programs	1,750,214	(306,184)	1,455,612	537	600,249	0.0
Division of Youth Corrections	1,692,424	388,462	421	701,710	601,831	(3.2)
Total FY 2010-11 Long Bill Recommendation	\$2,161,891,523	\$637,144,282	\$358,000,038	\$429,694,417	\$737,052,786	5,177.4
H.B. 10-1384 Noncitizen Eligibility for Old Age Pension	(14,063,056)	11,288	(14,106,685)	17,220	15,121	0.0

Total FY 2010-11						
JBC Recommendation	\$2,147,828,467	\$637,155,570	\$343,893,353	\$429,711,637	\$737,067,907	5,177.4
\$ Change from prior year	\$3,101,360	(\$14,792,932)	(\$7,570,430)	(\$8,389,665)	\$33,854,387	(313.7)
% Change from prior year	0.1%	(2.3)%	(2.2)%	(1.9)%	4.8%	(5.7)%

¹ This amount does not include the conditional appropriation clause in H.B. 09-1293.

² This amount includes the conditional appropriation clause in H.B. 09-1293.

Recommendation Highlights:

Changes to FY 2009-10 Appropriations:

1. Adds \$0.5 million, including \$0.2 million General Fund for new community placements for people with developmental disabilities moving out of the skilled nursing facility at the Grand Junction Regional Center.
2. Reduces \$3.5 million, including a reduction of \$4.1 million General Fund offset with federal funds increases, for purchase of contract placements in the Division of Youth Corrections. Adjustments are associated with operating youth corrections facilities at 120 percent of capacity, re-licensing of the Ridge View Youth Services Center (which allows for draw-down of federal funds), and the FY 2009-10 caseload projection for the commitment population.
3. Reduces \$1.3 million Medicaid funds for closure of the skilled nursing facility at the Grand Junction Regional Center.

Recommendations for FY 2010-11 Appropriations:

1. Adds \$5.7 million General Fund to compensate for reductions in federal Title IV-E funding for child welfare services.
2. Adds \$4.1 million, including \$1.9 million net General Fund, for new community placements for people with developmental disabilities moving out of the skilled nursing facility at the Grand Junction Regional Center. Of the total, \$172,064 Medicaid funds is appropriated to the Department of Health Care Policy and Financing for community nursing home placements and the remainder is appropriated for Adult Comprehensive Services in the Department of Human Services. Of the total, \$0.5 million, including \$0.2 million General Fund, is part of the supplemental add-on amending FY 2009-10 appropriations, and then the FY 2010-11 appropriation reflects the full annual savings.
3. Adds \$2.6 million in cash and federal funds for state child support enforcement initiatives by temporarily redirecting \$0.8 million cash funds from county incentive payments. The source of the cash funds is the state share of child support enforcement recoveries.
4. Provides \$2.4 million Medicaid funds for new placements for people with developmental disabilities.
5. Adds \$1.9 million federal Temporary Assistance for Needy Families (TANF) funds for refugee services and reduces funding for the Colorado Works Program Maintenance Fund by the same amount.

6. Provides \$1.7 million General Fund for a projected increase in the population eligible for Early Intervention Services for people with developmental disabilities.
7. Reflects an anticipated \$1.5 million additional cash funds from private insurance payments to the Early Intervention Services Trust Fund pursuant to H.B. 09-1237 and 1.0 FTE for administration.
8. Adds \$1.0 million General Fund for Title IV-E related county administrative activities to improve Title IV-E claiming.
9. Includes an increase of \$700,000 federal funds to implement Temporary Assistance for Needy Families (TANF) specific changes in the Colorado Benefits Management System (CBMS) to aid the implementation of the Colorado Works Program in accordance with federal requirements.
10. Adds \$488,702 total funds, including \$120,551 General Fund, for increases in benefits program-generated client correspondence.
11. Refinances \$7.0 million General Fund with \$7.0 million federal Temporary Assistance for Needy Families (TANF) funds in the Division of Child Welfare. Makes associated reductions of \$6.0 million federal TANF funds for the Colorado Works Statewide Strategic Use Fund and \$0.9 million federal TANF funds for the Colorado Works Program Maintenance Fund to offset the increase in TANF funding for child welfare.
12. Refinances \$1.5 million General Fund with \$1.5 million from federal Child Care Development Fund reserves.
13. Reflects eliminating one-time American Recovery and Reinvestment Act funding, including reductions of \$29.0 million for TANF-funded programs in the Office of Self Sufficiency (support for subsidized employment, homeless prevention, low-income energy assistance, and refugee services) and \$13.6 million for child care assistance and child care quality initiatives.
14. Includes the transfer of \$28.7 million total funds to the Governor's Office of Information Technology (OIT) for the technical operation of the Colorado Benefits Management System (CBMS).
15. Reduces \$18.2 million total funds, including \$6.9 million General Fund, in the base appropriation for all community provider contracts in the Department.
16. Reduces \$8.8 million total funds, including \$3.4 General Fund and 96.8 FTE, as part of the annualization of the treatment division closures at the Colorado Mental Health Institute at Fort Logan.
17. Reflects a reduction of \$5.9 million total funds, including \$3.6 million General Fund, due to a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.
18. Reduces \$5.0 million, including \$2.2 million net General Fund, associated with the closure of the skilled nursing facility for people with developmental disabilities at the Grand Junction Regional Center. Of the reduction, \$1.3 million, including \$0.6 million net General Fund, is part of the supplemental add-on amending FY 2009-10 appropriations, and the FY 2010-11 appropriation reflects the full annual savings.

19. Includes a reduction of \$1.5 million total funds, including \$0.7 million General Fund, and 197.1 FTE, due to the transfer of information technology staff resources to the Governor's Office of Information Technology (OIT).
20. Reduces \$0.8 million total funds, including \$0.5 million General Fund, for a Department-wide decrease in operating expenditures.

JBC Budget Package Legislation:

H.B. 10-1384 Noncitizen Eligibility for Old Age Pension: This bill resolves conflicting state statutory provisions regarding determining the eligibility of noncitizens for Colorado's Old Age Pension (OAP) program. It more closely aligns state eligibility criteria for this program with federal policy on the provision of public assistance to noncitizens. The bill is anticipated to reduce Old Age Pension Cash Fund expenditures in the Department of Human Services by \$14.1 million in FY 2010, effectively increasing General Fund revenue available for other purposes. Costs associated with changes to the Colorado Benefits Management System are reflected for both FY 2009-10 and FY 2010-11.

Budget Recommendation Detail by Long Bill Division

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

Executive Director's Office	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$63,799,157	\$34,786,410	\$2,257,616	\$16,653,108	\$10,102,023	149.6
Long Bill Supplemental	<u>(280,492)</u>	<u>0</u>	<u>0</u>	<u>(280,492)</u>	<u>0</u>	<u>0.0</u>
FY 2009-10 Adjusted Appropriation	\$63,518,665	\$34,786,410	\$2,257,616	\$16,372,616	\$10,102,023	149.6
<i>Recommended Changes from FY 2009-10 Adjusted Appropriation</i>						
Centrally-appropriated line items	629,824	390,258	(231,742)	(86,888)	558,196	0.0
Restore FY 2009-10 furlough reductions	434,579	201,407	21,724	64,893	146,555	0.0
Statewide IT staff consolidation	(1,741,874)	(938,835)	(32,116)	(213,063)	(557,860)	(1.0)
Annualize Fort Logan treatment division closures	(634,919)	(634,919)	0	0	0	0.0
Annualize Grand Junction Regional Center unit closure	(406,930)	0	0	(406,930)	0	0.0
State PERA contribution reduction	(223,676)	(92,994)	(12,894)	(31,865)	(85,923)	0.0

Executive Director's Office	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Capital outlay and operating reduction	(132,447)	(129,147)	0	(3,300)	0	0.0
Other	(18,334)	(1,121)	(135,273)	117,445	615	1.4
Total FY 2010-11 JBC Recommendation	\$61,424,888	\$33,581,059	\$1,867,315	\$15,812,908	\$10,163,606	150.0
\$ Change from prior year	(\$2,093,777)	(\$1,205,351)	(\$390,301)	(\$559,708)	\$61,583	0.4
% Change from prior year	(3.3)%	(3.5)%	(17.3)%	(3.4)%	0.6%	0.3%

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

Issue Descriptions

Long Bill Supplemental: The recommendation includes supplemental reductions to centrally-appropriated line items, associated with the closure of the Skilled Nursing Facility at the Grand Junction Regional Center.

Centrally-appropriated line items: The recommendation includes adjustments to centrally-appropriated line items for the following: health, life, and dental benefits; short-term disability; amortization equalization disbursement; supplemental amortization equalization disbursement; shift differential; workers' compensation; legal services; administrative law judge services; and payment to risk management and property funds.

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Statewide IT staff consolidation: The recommendation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources in OIT results in a ten percent cost savings statewide.

Annualize Fort Logan treatment division closures: The recommendation annualizes reductions to centrally-appropriated line items associated with the closure of three treatment divisions at the Fort Logan mental health facility.

Annualize Grand Junction Regional Center unit closure: The recommendation annualizes reductions to centrally-appropriated line items associated with closing the 32-bed Skilled Nursing Facility at the Grand Junction Regional Center.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Capital outlay and operating reduction: The recommendation includes a reduction for centrally-appropriated capital outlay as part of a Department-wide plan to reduce non-food non-medical General Fund and Medicaid operating expenses by 5.0 percent.

Other: The recommendation includes annualization of FY 2009-10 legislation and adjustments associated with an upgrade to mail services equipment in the Department of Personnel.

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

Office of Information Technology Services	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation/1	\$52,221,303	\$21,226,279	\$1,355,179	\$11,427,894	\$18,211,951	163.3
H.B. 09-1293 Conditional Appropriation and Adjustments	90,815	(92,031)	117,065	35,775	30,006	0.0
H.B. 10-1384 Noncitizen Eligibility for Old Age Pension	<u>46,000</u>	<u>11,347</u>	<u>2,143</u>	<u>17,309</u>	<u>15,201</u>	<u>0.0</u>
FY 2009-10 Adjusted Appropriation	\$52,358,118	\$21,145,595	\$1,474,387	\$11,480,978	\$18,257,158	163.3
Recommended Changes from FY 2009-10 Adjusted Appropriation						
Statewide IT staff consolidation	3,150,948	904,805	17,390	43,516	2,185,237	(163.3)
Annualize prior year funding	897,758	(111,384)	372,160	325,670	311,312	0.0
CHATS transfer and refinance	870,540	(321,400)	(13,940)	(112,701)	1,318,581	0.0
TANF-Specific CBMS changes	700,000	0	0	0	700,000	0.0
CBMS client correspondence increase	488,703	120,551	22,761	183,899	161,492	0.0
Restore FY 2009-10 furlough reductions	383,648	216,533	9,070	53,003	105,042	0.0
Statewide IT common policy adjustments	(1,801,147)	(322,041)	(232,680)	(168,493)	(1,077,933)	0.0
State PERA contribution reduction	(279,312)	(157,645)	(6,603)	(38,588)	(76,476)	0.0
CBMS adjustments	(154,554)	(38,125)	(7,199)	(58,158)	(51,072)	0.0
Reverse H.B. 09-1293 conditional appropriation	(90,815)	92,031	(117,065)	(35,775)	(30,006)	0.0
Operating adjustments	(90,061)	(45,514)	(2,712)	(22,594)	(19,241)	0.0
Noncitizen Eligibility for Old Age Pension legislation	(46,000)	(11,347)	(2,143)	(17,309)	(15,201)	0.0
Total FY 2010-11 JBC Recommendation	\$56,387,826	\$21,472,059	\$1,513,426	\$11,633,448	\$21,768,893	0.0
\$ Change from prior year	\$4,029,708	\$326,464	\$39,039	\$152,470	\$3,511,735	(163.3)
% Change from prior year	7.7%	1.5%	2.9%	1.3%	19.3%	(100.0)%

/1 Includes HB 09-1293 appropriation if waiver is not approved by May 5, 2010. If the waiver is approved on or before that date, the appropriation for HB 09-1293 would be adjusted as shown below.

Note: The Reappropriated Funds amounts reflected in this section of the budget include Medicaid funds transferred from the Department of Health Care Policy and Financing (HCPF).

Issue Descriptions

Statewide IT staff consolidation: The recommendation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources in OIT results in a ten percent cost savings statewide.

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

CHATS transfer and refinance: The recommendation includes the transfer of costs associated with the operation of the Child Care Automated Tracking System (CHATS) from the Division of Child Care to the Office of Information Technology Services. The recommendation also refinances the costs of CHATS into one line item, rather than spread over several information technology line items.

TANF-Specific CBMS changes: The recommendation adds \$700,000 federal funds to the CBMS budget for system adjustments to enable Colorado Works Program to comply with federal guidelines.

CBMS client correspondence increase: The recommendation includes an increase of \$488,703 total funds, including \$120,551 General Fund, to support the increased in benefits program-generated client correspondence.

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Statewide IT common policy adjustments: The recommendation includes adjustments to line item appropriations for the following: the purchase of services from computer center; multiuse network payments; management and administration of the Office of Information Technology; and communication services payments.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

CBMS adjustments: The recommendation includes a reduction of \$154,553 total funds, including \$38,125 General Fund, as part of savings associated with transferring the technical operation of CBMS to the Governor's Office of Information Technology (OIT).

Reverse H.B. 09-1293 conditional appropriation: The recommendation eliminates adjustments for the conditional appropriation for H.B. 09-1293.

Operating adjustments: The recommendation includes a decrease of \$90,061, including \$45,514 General Fund, as part of the statewide reduction in operating expenditures.

Noncitizen Eligibility for Old Age Pension legislation: Calculations for the Long Bill recommendation exclude the FY 2009-10 costs for the Noncitizen Eligibility for Old Age Pension legislation.

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

Office of Operations	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$41,020,242	\$22,576,541	\$2,567,011	\$11,434,867	\$4,441,823	465.3
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Restore FY 2009-10 furlough reductions	552,531	260,356	44,159	208,681	39,335	0.0
Centrally-appropriated line items	112,781	69,728	28,386	16,242	(1,575)	0.0
Fund source adjustment	0	(250,000)	0	0	250,000	0.0
Annualize prior year funding	(592,122)	(54,596)	(488,353)	(41,061)	(8,112)	(2.0)
State PERA contribution reduction	(526,376)	(248,283)	(41,991)	(198,591)	(37,511)	0.0
Grand Junction Regional Center closure	(319,295)	0	0	(319,295)	0	(4.7)
Operating adjustments	(137,882)	(116,636)	0	(21,246)	0	0.0
Annualize Fort Logan treatment division closures	(66,699)	1,061,325	(96,805)	(1,031,219)	0	(1.5)
Closure of CMHIP General Hospital	(23,542)	(23,542)	0	0	0	(0.8)
Total FY 2010-11 JBC Recommendation	\$40,019,638	\$23,274,893	\$2,012,407	\$10,048,378	\$4,683,960	456.3
\$ Change from prior year	(\$1,000,604)	\$698,352	(\$554,604)	(\$1,386,489)	\$242,137	(9.0)
% Change from prior year	(2.4)%	3.1%	(21.6)%	(12.1)%	5.5%	(1.9)%

Note: The reappropriated funds amounts reflected in this section of the budget include Medicaid funds transferred from the Department of Health Care Policy and Financing (HCPF).

Issue Descriptions

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Centrally-appropriated line items: The recommendation includes adjustments to centrally-appropriated line items for the following: health, life, and dental benefits; short-term disability; amortization equalization disbursement; supplemental amortization equalization disbursement; shift differential; workers' compensation; legal services; administrative law judge services; payment to risk management and property funds; vehicle lease payments; and Capitol complex leased space.

Fund source adjustment: The recommendation includes an increase in federal funds offset by a decrease in General Fund.

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

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Grand Junction Regional Center closure: The recommendation reduces funding and 4.7 FTE for housekeeping and maintenance as part of the closure of the Grand Junction Regional Center for individuals with developmental disabilities.

Operating adjustments: The recommendation includes a decrease of \$137,882, including \$116,636 General Fund, as part of the statewide reduction in operating expenditures.

Annualize Fort Logan treatment division closures: The recommendation annualizes the cost reductions associated with the closure of three treatment divisions at the Fort Logan mental health facility.

Closure of CMHIP General Hospital: The recommendation reduces funding and 0.8 FTE for housekeeping and maintenance as part of the closure of the General Hospital at the Colorado Mental Health Institute at Pueblo (CMHIP).

County Administration: This section contains appropriations for 64 county departments of social services to administer several programs including: Food Stamps, Adult Cash Assistance Programs (except Old Age Pension), Adult Protection, Low Income Energy Assistance, and Child Support Enforcement. Administration for the Colorado Works Program, child welfare, and child care programs are included in the respective sections for these programs.

County Administration	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$63,213,245	\$22,928,627	\$18,754,752	\$0	\$21,529,866	0.0
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Provider rate decrease	(1,022,778)	(404,559)	(187,622)	0	(430,597)	0.0
Reduce county incentive payments	(768,237)	0	(768,237)	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$61,422,230	\$22,524,068	\$17,798,893	\$0	\$21,099,269	0.0
\$ Change from prior year	(\$1,791,015)	(\$404,559)	(\$955,859)	\$0	(\$430,597)	0.0
% Change from prior year	(2.8)%	(1.8)%	(5.1)%	n/a	(2.0)%	n/a

Issue Descriptions

Provider rate decrease: The recommendation includes a 2.0 percent provider rate decrease for county administration.

Reduce county incentive payments: The recommendation reduces incentive payments to counties for child support enforcement. The recommendation temporarily redirects this amount (which derives from the state's share of intercepted and recovered funds from child support enforcement activities) to statewide child support enforcement initiatives.

Division of Child Welfare: This section provides funding and state staff associated with the state supervision and county administration of programs that protect children from harm and assist families in caring for and protecting their children.

Division of Child Welfare	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$412,279,855	\$201,231,836	\$72,974,991	\$14,641,650	\$123,431,378	49.5

Division of Child Welfare	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Reflect decline in Title IV-E federal revenue and provide backfill	1,352,857	5,689,483	317,310	0	(4,653,936)	0.0
Title IV-E related county administrative activities	1,000,000	1,000,000	0	0	0	0.0
Annualize FY 2009-10 increases for child welfare staffing and training academy	934,449	586,059	0	0	348,390	7.5
Restore FY 2009-10 furlough reductions	86,518	48,899	0	4,155	33,464	0.0
Refinance child welfare with TANF	0	(7,000,000)	0	0	7,000,000	0.0
Provider rate decrease (2.0 percent)	(7,583,672)	(4,578,074)	(1,462,268)	(290,165)	(1,253,165)	0.0
Reflect no revenue for Excess Federal Title IV-E Cash Fund allocations	(1,701,252)	0	(1,701,252)	0	0	0.0
Annualize one-time funding	(301,250)	(101,250)	(200,000)	0	0	0.0
Annualize prior year legislation	(249,950)	(4,178,534)	3,991,072	0	(62,488)	0.0
Transfer to Health Care Policy	(165,000)	(165,000)	0	0	0	0.0
State PERA contribution reduction	(82,575)	(49,698)	0	(3,025)	(29,852)	0.0
Operating adjustments	(22,076)	(21,390)	0	(646)	(40)	0.0
Total FY 2010-11 JBC Recommendation	\$405,547,904	\$192,462,331	\$73,919,853	\$14,351,969	\$124,813,751	57.0
\$ Change from prior year	(\$6,731,951)	(\$8,769,505)	\$944,862	(\$289,681)	\$1,382,373	7.5
% Change from prior year	(1.6)%	(4.4)%	1.3%	(2.0)%	1.1%	15.2%

Note: Reappropriated Funds amounts reflected in this section of the budget are Medicaid funds transferred from the Department of Health Care Policy and Financing (HCPF).

Issue Descriptions

Reflect decline in Title IV-E federal revenue and provide backfill: Reflect ongoing decline in federal revenue that provides at least 50.0 percent reimbursement for out-of-home placements for very low-income children. Backfill with General Fund, Title XX funds transferred from the Division of Child Care, and Title IV-E enhanced match available through the American Recovery and Reinvestment Act of 2009.

Title IV-E-related county administrative activities: The recommendation includes funding to promote county efforts to identify children and expenditures eligible for federal Title IV-E reimbursement.

Annualize FY 2009-10 increases for child welfare staffing and training academy: The recommendation annualizes funding for additional FTE for child welfare administration and for the new child welfare training academy added in FY 2009-10.

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Refinance child welfare with TANF: The recommendation reduces General Fund appropriations for Child Welfare Services and increases funding from the federal Temporary Assistance to Needy Families (TANF) block grant by the same amount. This is feasible due to reductions to TANF-funded programs in the Office of Self Sufficiency.

Provider rate decrease (2.0 percent): The recommendation includes a 2.0 percent decrease to provider rates for county-administered child welfare services.

Reflect no revenue for Excess Federal Title IV-E Cash Fund allocations: The recommendation eliminates the line item for Excess Federal Title IV-E Reimbursements for Related County Administrative Activities due to the lack of anticipated revenue for FY 2010-11.

Annualize one-time funding: The recommendation eliminates funding for the Child Welfare Action Committee (which has completed its work) and initial one-time appropriations related to claiming Title IV-E reimbursement for child placement agency activities.

Annualize prior year legislation: The recommendation annualizes the impact of S.B. 09-267 which increased the county share for out-of-home placements and S.B. 09-245 which conformed state child welfare law to new federal legislation.

Transfer to Health Care Policy: The recommendation transfers \$165,000 General Fund to the Department of Health Care Policy and Financing to draw down federal matching funds for administrative case management.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Operating adjustments: The recommendation includes a reduction of \$22,210 associated with the statewide reduction to operating expenses and an increase of \$134 associated with an upgrade to mail services equipment in the Department of Personnel.

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

Division of Child Care	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$104,595,761	\$18,531,569	\$10,069,229	\$0	\$75,994,963	65.8
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Restore FY 2009-10 furlough reductions	124,603	60,781	17,519	0	46,303	0.0
Refinance General Fund with federal Child Care Development Fund reserves	0	(1,250,000)	0	0	1,250,000	0.0

Division of Child Care	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Annualize prior year refinance	0	110,000	(110,000)	0	0	0.0
Annualize ARRA funding	(13,579,077)	0	0	0	(13,579,077)	0.0
Move to ITS for Child Care Automated Tracking System	(889,147)	0	0	0	(889,147)	0.0
State PERA contribution reduction	(90,717)	(44,252)	(12,755)	0	(33,710)	0.0
Provider rate reduction (2.0 percent)	(41,104)	0	0	0	(41,104)	0.0
Annualize prior year staffing adjustments	(33,967)	(33,130)	(1,285)	0	448	0.2
Operating adjustments	(12,088)	(13,130)	0	0	1,042	0.0
Fines cash funds spending adjustment	(12,000)	0	(12,000)	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$90,062,264	\$17,361,838	\$9,950,708	\$0	\$62,749,718	66.0
\$ Change from prior year	(\$14,533,497)	(\$1,169,731)	(\$118,521)	\$0	(\$13,245,245)	0.2
% Change from prior year	(13.9)%	(6.3)%	(1.2)%	n/a	(17.4)%	0.3%

Issue Descriptions

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Refinance General Fund with federal Child Care Development Fund reserves: The recommendation provides for a spend-down of federal Child Care Development Fund reserves, offsetting \$1.25 million General Fund that would otherwise be required. In addition to the refinance of General Fund, adjustments include a refinance of \$900,000 federal Title XX block grant funds with \$900,000 federal Child Care Development Funds, enabling the Title XX funds to be applied in the Division of Child Welfare.

Annualize prior year refinance: The recommendation reverses a one-time FY 2009-10 refinance of General Fund with child care licensing fees, based on amounts in reserve.

Annualize ARRA funding: The recommendation eliminates funding received pursuant to the American Recovery and Reinvestment Act of 2009 (ARRA) that was available in FY 2008-09 and FY 2009-10 only.

Move to ITS for Child Care Automated Tracking System: The recommendation reflects funding adjustments for the roll-out of a new Child Care Automated Tracking System in December 2010. The recommendation reduces funding for the Child Care Assistance Program and transfers these amounts to the Office of Information Technology Services (ITS) for ongoing support of the computer system.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Provider rate reduction (2.0 percent): The recommendation includes a 2.0 percent decrease to provider rates for child care licensing.

Annualize prior year staffing adjustments: The recommendation annualizes adjustments to eliminate 3.5 FTE licensing positions and to add 2.0 Child Care Assistance Program oversight positions mid-year in FY 2009-10. The combined impact of annualizing these adjustments in FY 2010-11 is 0.2 FTE.

Operating adjustments: The recommendation includes a reduction of \$13,130 associated with the statewide reduction to operating expenses and an increase of \$1,042 associated with an upgrade to mail services equipment in the Department of Personnel.

Fines cash fund spending adjustment: The recommendation includes an adjustment to reflect anticipated expenditure of amounts received for fines assessed against child care licenses.

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

Office of Self Sufficiency	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$346,166,283	\$6,378,081	\$26,094,639	\$2,184,598	\$311,508,965	289.0
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Administration	(15,257)	10,179	0	0	(25,436)	0.0
Colorado Works Program	4,917,214	0	1,098	0	4,916,116	0.0
Special Purpose Welfare Programs	37,763,165	2,219	5,401,754	(2,149,832)	34,509,024	(1.0)
Child Support Enforcement	319,850	(659,051)	768,237	0	210,664	(23.0)
Disability Determination Services	(932,708)	0	0	0	(932,708)	(8.8)
Total FY 2010-11 JBC Recommendation	\$388,218,547	\$5,731,428	\$32,265,728	\$34,766	\$350,186,625	256.2
\$ Change from prior year	\$42,052,264	(\$646,653)	\$6,171,089	(\$2,149,832)	\$38,677,660	(32.8)
% Change from prior year	12.1%	(10.1)%	23.6%	(98.4)%	12.4%	(11.3)%

Subsection Detail

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

Administration	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$1,786,684	\$754,322	\$0	\$0	\$1,032,362	22.0
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Restore FY 2009-10 furlough reductions	44,328	44,328	0	0	0	0.0
State PERA contribution reduction	(32,273)	(32,273)	0	0	0	0.0
Annualize prior year funding	(25,460)	0	0	0	(25,460)	0.0
Operating adjustments	(1,852)	(1,876)	0	0	24	0.0
Total FY 2010-11 JBC Recommendation	\$1,771,427	\$764,501	\$0	\$0	\$1,006,926	22.0

<i>Administration</i>	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
\$ Change from prior year	(\$15,257)	\$10,179	\$0	\$0	(\$25,436)	0.0
% Change from prior year	(0.9)%	1.3%	n/a	n/a	(2.5)%	0.0%

Issue Descriptions

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Annualize prior year funding: The recommendation eliminates one-time funding for the destruction of obsolete forms in FY 2009-10.

Operating adjustments: The recommendation includes a reduction of \$1,960 associated with the statewide reduction to operating expenses and an increase of \$84 associated with an upgrade to mail services equipment in the Department of Personnel and Administration.

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

<i>Colorado Works Program</i>	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$256,426,639	\$72,222	\$23,992,868	\$0	\$232,361,549	23.7
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Reflect county TANF reserves	35,279,032	0	0	0	35,279,032	0.0
Restore FY 2009-10 furlough reductions	58,763	0	4,578	0	54,185	0.0
Annualize ARRA funding	(16,000,000)	0	0	0	(16,000,000)	0.0
Refinance child welfare services	(6,863,249)	0	0	0	(6,863,249)	0.0
Annualize one-time funding	(5,524,726)	0	0	0	(5,524,726)	0.0
Reduce Works Maintenance Fund	(1,989,484)	0	0	0	(1,989,484)	0.0
State PERA contribution reduction	(42,783)	0	(3,333)	0	(39,450)	0.0
Postage adjustment	(339)	0	(147)	0	(192)	0.0
Total FY 2010-11 JBC Recommendation	\$261,343,853	\$72,222	\$23,993,966	\$0	\$237,277,665	23.7
\$ Change from prior year	\$4,917,214	\$0	\$1,098	\$0	\$4,916,116	0.0
% Change from prior year	1.9%	0.0%	0.0%	n/a	2.1%	0.0%

Issue Descriptions

Reflect county TANF reserves: Includes an adjustment to reflect county reserves of Temporary Assistance to Needy Families (TANF) funds as of September 2009 that are applied to Colorado Works, child welfare, and child care programs.

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Annualize ARRA funding: The recommendation eliminates TANF appropriations that were based on funds available under American Recovery and Reinvestment Act of 2009 (ARRA). The ARRA funding was used for subsidized employment and homeless prevention programs in FY 2009-10. Although additional funding is not available in FY 2010-11, a portion of the FY 2009-10 appropriation may be rolled-forward for use in the first quarter of FY 2010-11.

Refinance child welfare services: The recommendation reduces the appropriation to the Colorado Works Program Maintenance Fund by \$863,249 and to the Colorado Works Statewide Strategic Use Fund by \$6,000,000 to allow for a refinance of \$7.0 million General Fund in the Division of Child Welfare.

Annualize one-time funding: The recommendation eliminates an additional payment to counties in FY 2009-10 related to the TANF maintenance of effort requirement. Due to a federal delay, an FY 2008-09 payment was made in FY 2009-10, so that FY 2009-10 funding was doubled. This extra funding is eliminated in FY 2010-11.

Reduce Works Maintenance Fund: The recommendation reduces the appropriation to the Colorado Works Program Maintenance Fund to allow for an increase of the same amount for refugee services in the Self Sufficiency, Special Purpose Welfare Programs section.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Postage adjustment: The recommendation includes an adjustment associated with an upgrade to mail services equipment in the Department of Personnel.

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

<i>Special Purpose Welfare Programs</i>	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$57,071,709	\$1,199,313	\$1,675,272	\$2,184,598	\$52,012,526	38.4
Recommended Changes from FY 2009-10 Appropriation						
Reflect federal funds	45,546,720	0	0	0	45,546,720	0.0
Reflect Severance Tax revenues	3,250,000	0	3,250,000	0	0	0.0
Increase funding for refugee services	1,989,484	0	0	0	1,989,484	0.0
Restore FY 2009-10 furlough reductions	54,408	11,589	7,574	0	35,245	0.0

<i>Special Purpose Welfare Programs</i>	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Fund source adjustment	0	0	2,149,832	(2,149,832)	0	0.0
Annualize ARRA funding	(12,957,513)	0	0	0	(12,957,513)	0.0
Statewide IT staff consolidation	(77,754)	0	0	0	(77,754)	(1.0)
State PERA contribution reduction	(39,612)	(8,437)	(5,514)	0	(25,661)	0.0
Postage adjustment	(2,568)	(933)	(138)	0	(1,497)	0.0
Total FY 2010-11 JBC Recommendation	\$94,834,874	\$1,201,532	\$7,077,026	\$34,766	\$86,521,550	37.4
\$ Change from prior year	\$37,763,165	\$2,219	\$5,401,754	(\$2,149,832)	\$34,509,024	(1.0)
% Change from prior year	66.2%	0.2%	322.4%	(98.4)%	66.3%	(2.6)%

Issue Descriptions

Reflect federal funds: The recommendation includes an increase of \$36,501,895 to more accurately reflect federal Low-income Home Energy Assistance funds received in recent years. The recommendation also includes an increase of \$9,044,825 to more accurately reflect funds received from the federal Office of Refugee Resettlement in recent years.

Reflect Severance Tax Revenues: The recommendation includes an increase of \$3,250,000 to reflect Severance Tax Funds anticipated to be available for low-income energy assistance in FY 2010-11, based on current statute. Pursuant to H.B. 10-1319, no Severance Tax funding for energy assistance is provided in FY 2009-10.

Increase funding for refugee services: The recommendation includes an increase to provide social services and supports to TANF-eligible refugee families.

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Fund source adjustment: The recommendation reclassifies funds from Energy Outreach Colorado as cash funds.

Annualize ARRA funding: The recommendation eliminates TANF appropriations that were based on funds available under American Recovery and Reinvestment Act of 2009 (ARRA). The additional funding for FY 2009-10, including \$8,574,001 for low income energy assistance and \$4,383,512 for refugee assistance, is not available in FY 2010-11.

Statewide IT staff consolidation: The recommendation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources in OIT results in a ten percent cost savings statewide.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Postage adjustment: The recommendation includes an adjustment associated with an upgrade to mail services equipment in the Department of Personnel.

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

<i>Child Support Enforcement</i>	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$13,227,037	\$4,352,224	\$426,499	\$0	\$8,448,314	64.4
Recommended Changes from FY 2009-10 Appropriation						
State child support enforcement initiatives	2,259,521	0	768,237	0	1,491,284	0.0
Postage adjustment	49,040	16,100	1,681	0	31,259	0.0
Restore FY 2009-10 furlough reductions	86,764	30,071	(1,681)	0	58,374	0.0
Statewide IT staff consolidation	(1,880,695)	(639,435)	0	0	(1,241,260)	(23.0)
State PERA contribution reduction	(97,055)	(32,999)	0	0	(64,056)	0.0
Operating reduction	(53,847)	(18,308)	0	0	(35,539)	0.0
Adjust funding allocation for state IT infrastructure	(43,878)	(14,480)	0	0	(29,398)	0.0
Total FY 2010-11 JBC Recommendation	\$13,546,887	\$3,693,173	\$1,194,736	\$0	\$8,658,978	41.4
\$ Change from prior year	\$319,850	(\$659,051)	\$768,237	\$0	\$210,664	(23.0)
% Change from prior year	2.4%	(15.1)%	180.1%	n/a	2.5%	(35.7)%

Issue Descriptions

State child support enforcement initiatives: The recommendation redirects a portion of the state share of child support recoveries from the county administration section to the state child support enforcement program. This enables the State to draw down matching federal funds. The additional funding will enable the state to contract with a private vendor to process and monitor notices to employers to add children to their parents' health insurance and to clean county files so that the state may switch to a different measure for demonstrating to federal authorities the percent of out-of-wedlock births for which paternity is established.

Postage adjustment: The recommendation includes an adjustment associated with an upgrade to mail services equipment in the Department of Personnel.

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Statewide IT staff consolidation: The recommendation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources in OIT results in a ten percent cost savings statewide.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Operating reduction: The recommendation includes a General Fund reduction as part of a department plan to reduce non-food, non-medical General Fund operating expenses department-wide by 5.0 percent.

Adjust funding allocation for state IT infrastructure: The recommendation reallocates costs for maintaining the state's information technology infrastructure among Department programs and funding sources.

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

<i>Disability Determination Services</i>	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$17,654,214	\$0	\$0	\$0	\$17,654,214	140.5
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Postage adjustment	83	0	0	0	83	0.0
Statewide IT staff consolidation	(752,159)	0	0	0	(752,159)	(8.8)
State PERA contribution reduction	(180,632)	0	0	0	(180,632)	0.0
Total FY 2010-11 JBC Recommendation	\$16,721,506	\$0	\$0	\$0	\$16,721,506	131.7
\$ Change from prior year	(\$932,708)	\$0	\$0	\$0	(\$932,708)	(8.8)
% Change from prior year	(5.3)%	n/a	n/a	n/a	(5.3)%	(6.3)%

Issue Descriptions

Postage adjustment: The recommendation includes adjustments associated with an upgrade to mail services equipment in the Department of Personnel.

Statewide IT staff consolidation: The recommendation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources in OIT results in a ten percent cost savings statewide.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Mental Health and Alcohol and Drug Abuse Services: This section includes mental health community programs, the mental health institutes, alcohol and drug abuse programs, and funds for the central administration of these programs.

Mental Health and Alcohol and Drug Abuse Services	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$223,570,154	\$136,729,335	\$17,642,662	\$11,432,114	\$57,766,043	1,333.2
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Administration	16,922	11,570	(14,471)	3,930	15,893	(0.3)

Mental Health and Alcohol and Drug Abuse Services	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Mental Health Community Programs	(1,399,834)	(837,832)	(559,617)	(2,385)	0	0.0
Mental Health Institutes	(6,280,615)	(4,354,185)	(813,782)	(1,112,648)	0	(64.1)
Alcohol and Drug Abuse Division	(304,184)	(279,859)	16,745	(40,799)	(271)	0.0
Total FY 2010-11 JBC Recommendation	\$215,602,443	\$131,269,029	\$16,271,537	\$10,280,212	\$57,781,665	1,268.8
\$ Change from prior year	(\$7,967,711)	(\$5,460,306)	(\$1,371,125)	(\$1,151,902)	\$15,622	(64.4)
% Change from prior year	(3.6)%	(4.0)%	(7.8)%	(10.1)%	0.0%	(4.8)%

Subsection Detail

Administration: This subsection contains appropriations for the central administration of mental health and alcohol and drug abuse services for adults and children. It includes funding for federal housing programs for low-income and indigent persons who require specialized care.

<i>Administration</i>	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$24,900,101	\$948,548	\$247,380	\$332,898	\$23,371,275	55.4
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Restore FY 2009-10 furlough reductions	123,985	48,225	0	16,075	59,685	0.0
State PERA contribution reduction	(90,266)	(35,110)	0	(11,703)	(43,453)	0.0
Annualize prior year funding	(14,991)	(181)	(14,471)	0	(339)	(0.3)
Operating adjustments	(1,806)	(1,364)	0	(442)	0	0.0
Total FY 2010-11 JBC Recommendation	\$24,917,023	\$960,118	\$232,909	\$336,828	\$23,387,168	55.1
\$ Change from prior year	\$16,922	\$11,570	(\$14,471)	\$3,930	\$15,893	(0.3)
% Change from prior year	0.1%	1.2%	(5.9)%	1.2%	0.1%	(0.5)%

Issue Descriptions

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

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

Operating adjustments: The recommendation includes a decrease of \$1,806 General Fund for operating expenditures.

Mental Health Community Programs: This subsection includes funds for mental health services for the medically indigent population (those who are not eligible for Medicaid). The programs are primarily delivered through the state's 17 community mental health centers, and serve over 12,000 cases.

<i>Mental Health Community Programs</i>	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$52,845,457	\$40,817,320	\$5,513,434	\$281,134	\$6,233,569	0.0
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Annualize Fort Logan treatment division closures	90,089	90,089	0	0	0	0.0
Fund source adjustment	0	(19,613)	19,613	0	0	0.0
Community provider base decrease	(796,880)	(781,328)	(13,167)	(2,385)	0	0.0
Sunset of Veteran Mental Health Pilot Program	(285,529)	0	(285,529)	0	0	0.0
Decrease in tobacco litigation settlement revenue	(280,534)	0	(280,534)	0	0	0.0
Annualize Enhanced Mental Health Pilot Services for Detained Youth Program Elimination	(126,980)	(126,980)	0	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$51,445,623	\$39,979,488	\$4,953,817	\$278,749	\$6,233,569	0.0
\$ Change from prior year	(\$1,399,834)	(\$837,832)	(\$559,617)	(\$2,385)	\$0	0.0
% Change from prior year	(2.6)%	(2.1)%	(10.2)%	(0.8)%	0.0%	n/a

Issue Descriptions

Annualize Fort Logan treatment division closures: The recommendation annualizes the costs associated with the closure of three treatment divisions at the Fort Logan mental health facility.

Fund source adjustment: The recommendation includes an increase in cash funds offset by a decrease in General Fund.

Community provider base decrease: The recommendation includes decreases in the base appropriations for all community providers of mental health services.

Sunset of Veteran Mental Health Pilot Program: The recommendation includes a reduction due to the elimination of the pilot program to serve the families of military men and women.

Decrease in tobacco litigation settlement revenue: The recommendation reflects a decrease in the amount of tobacco litigation settlement dollars that the State anticipates to receive for FY 2010-11.

Annualize Enhanced Mental Health Pilot Services for Detained Youth Program Elimination: The recommendation annualizes the previous year elimination of the pilot program conducted in the Jefferson and Mesa counties.

Mental Health Institutes: The state provides inpatient mental health services at its two mental health institutes, located in Pueblo and at Fort Logan in Denver. There are a total of 566 beds between the two institutes. During January 2010, the mental health institute in Pueblo operated with an occupancy rate of 89.1 percent, while the Fort Logan facility operated with an occupancy rate of 84.6 percent. The Institutes subsection also includes funds for the State's Institute for Forensic Psychology, which treats individuals who are considered to be incompetent to proceed at trial or who have been adjudicated not guilty by reason of insanity.

<i>Mental Health Institutes</i>	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$95,335,827	\$79,919,986	\$7,755,075	\$7,660,766	\$0	1,247.0
Recommended Changes from FY 2009-10 Appropriation						
Restore FY 2009-10 furlough reductions	851,648	851,648	0	0	0	0.0
Annualize prior year funding	626	626	0	0	0	0.0
Annualize Fort Logan treatment division closures	(4,226,604)	(2,658,165)	(741,156)	(827,283)	0	(46.9)
State PERA contribution reduction	(1,596,255)	(1,596,255)	0	0	0	0.0
Closure of CMHIP General Hospital	(1,216,234)	(878,605)	(72,626)	(265,003)	0	(17.2)
Operating adjustments	(93,796)	(73,434)	0	(20,362)	0	0.0
Total FY 2010-11 JBC Recommendation	\$89,055,212	\$75,565,801	\$6,941,293	\$6,548,118	\$0	1,182.9
\$ Change from prior year	(\$6,280,615)	(\$4,354,185)	(\$813,782)	(\$1,112,648)	\$0	(64.1)
% Change from prior year	(6.6)%	(5.4)%	(10.5)%	(14.5)%	n/a	(5.1)%

Issue Descriptions

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

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

Annualize Fort Logan treatment division closures: The recommendation annualizes the cost reductions associated with the closure of three treatment divisions at the Fort Logan mental health facility.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Closure of CMHIP General Hospital: The recommendation reduces funding and FTE in the division as part of the closure of the General Hospital at the Colorado Mental Health Institute at Pueblo (CMHIP).

Operating adjustments: The recommendation includes a decrease of \$93,796 General Fund for operating expenditures.

Alcohol and Drug Abuse Division: This subsection contains appropriations for alcohol and drug abuse prevention, intervention, and treatment services. Treatment, prevention, and detoxification services are provided primarily through four managed service organizations, each of which is responsible for managing the services delivery in six single state planning areas across the state.

<i>Alcohol and Drug Abuse Division</i>	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$50,488,769	\$15,043,481	\$4,126,773	\$3,157,316	\$28,161,199	30.8
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Annualize H.B. 09-1119	88,443	0	88,443	0	0	0.0
Restore FY 2009-10 furlough reductions	60,334	60,334	0	0	0	0.0
Community provider base decrease	(337,066)	(296,267)	0	(40,799)	0	0.0
State PERA contribution reduction	(43,926)	(43,926)	0	0	0	0.0
Decrease in tobacco litigation settlement revenue	(70,134)	0	(70,134)	0	0	0.0
Annualize prior year funding	(1,835)	0	(1,564)	0	(271)	0.0
Total FY 2010-11 JBC Recommendation	\$50,184,585	\$14,763,622	\$4,143,518	\$3,116,517	\$28,160,928	30.8
\$ Change from prior year	(\$304,184)	(\$279,859)	\$16,745	(\$40,799)	(\$271)	0.0
% Change from prior year	(0.6)%	(1.9)%	0.4%	(1.3)%	0.0%	0.0%

Issue Descriptions

Annualize H.B. 09-1119: The recommendation includes the second year impact of H.B. 09-1119, which created a program to address rural substance abuse issues.

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Community provider base decrease: The recommendation includes decreases in the base appropriations for all community providers of substance abuse services.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Decrease in tobacco litigation settlement revenue: The recommendation reflects a decrease in the amount of funds from the tobacco litigation settlement which are distributed to alcohol and drug abuse programs in FY 2010-11.

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

Services for People with Disabilities: This section includes funding for Community Services for People with Developmental Disabilities, Regional Centers for People with Developmental Disabilities, the Work Therapy

Program, the Division of Vocational Rehabilitation, and Homelake Domiciliary and the State and Veterans Nursing Homes.

Services for People with Disabilities	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$554,619,304	\$38,137,706	\$86,412,165	\$367,266,003	\$62,803,430	1,963.4
Long Bill Supplemental	<u>(554,680)</u>	<u>0</u>	<u>0</u>	<u>(554,680)</u>	<u>0</u>	<u>(18.1)</u>
FY 2009-10 Adjusted Appropriation	\$554,064,624	\$38,137,706	\$86,412,165	\$366,711,323	\$62,803,430	1,945.3
Recommended Changes from FY 2009-10 Appropriation						
Community Services for People with Developmental Disabilities	(641,962)	1,823,560	1,874,713	(2,606,441)	(1,733,794)	1.0
Regional Centers for People with Developmental Disabilities	(2,961,291)	718	(206,254)	(2,755,755)	0	(50.1)
Work Therapy Program	0	0	0	0	0	0.0
Division of Vocational Rehabilitation	5,361,614	(79,487)	(352,817)	1,638,206	4,155,712	0.0
Homelake Domiciliary and State and Veterans Nursing Homes	0	0	0	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$555,822,985	\$39,882,497	\$87,727,807	\$362,987,333	\$65,225,348	1,896.2
\$ Change from prior year	\$1,758,361	\$1,744,791	\$1,315,642	(\$3,723,990)	\$2,421,918	(49.1)
% Change from prior year	0.3%	4.6%	1.5%	(1.0)%	3.9%	(2.5)%

Subsection Detail

Community Services for People with Developmental Disabilities: This section includes all funding associated with community-based services available to adults and children with developmental disabilities. Twenty Community Centered Boards (CCBs) located throughout the state provide case management and much of the direct services for about 12,000 Coloradans with developmental disabilities. This includes "comprehensive" (24-hour residential care), and supported living services (day-time care and employment support) for adults with developmental disabilities, early intervention services for infants and toddlers, children's extensive support services for children with intensive in-home supervision needs, and family support services (flexible assistance to families caring for a child with a developmental disability). The majority of funding supports adult residential care.

Community Services for People with Developmental Disabilities	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$390,165,332	\$31,398,584	\$36,759,860	\$311,610,047	\$10,396,841	41.5
Long Bill Supplemental	<u>443,295</u>	<u>0</u>	<u>23,793</u>	<u>419,502</u>	<u>0</u>	0.0
FY 2009-10 Adjusted Appropriation	\$390,608,627	\$31,398,584	\$36,783,653	\$312,029,549	\$10,396,841	41.5
Recommended Changes from FY 2009-10 Appropriation						
Annualize supplemental to close SNF	3,440,964	0	184,613	3,256,351	0	0.0
Annualize new placements added for six months in FY 2009-10	2,581,957	0	208,250	2,373,707	0	0.0
Early intervention population increase	1,700,000	1,700,000	0	0	0	0.0
Annualize H.B. 09-1237	1,483,750	0	1,483,750	0	0	1.0

<i>Community Services for People with Developmental Disabilities</i>	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Annualize one-time funding	444,224	462,884	0	(18,660)	0	0.0
Restore FY 2009-10 furlough reductions	93,879	8,122	0	72,100	13,657	0.0
Fund source adjustment	0	(52,054)	0	52,054	0	0.0
Community provider rate adjustment	(8,566,383)	(289,479)	(74)	(8,276,830)	0	0.0
One-time federal ARRA funds	(1,737,534)	0	0	0	(1,737,534)	0.0
State PERA contribution reduction	(70,175)	(5,913)	(1,826)	(52,493)	(9,943)	0.0
Operating base reduction	(12,632)	0	0	(12,632)	0	0.0
Postage adjustment	(12)	0	0	(38)	26	0.0
Total FY 2010-11 JBC Recommendation	\$389,966,665	\$33,222,144	\$38,658,366	\$309,423,108	\$8,663,047	42.5
\$ Change from prior year	(\$641,962)	\$1,823,560	\$1,874,713	(\$2,606,441)	(\$1,733,794)	1.0
% Change from prior year	(0.2)%	5.8%	5.1%	(0.8)%	(16.7)%	2.4%

Note: Most reappropriated funds amounts reflected in this section of the budget are Medicaid funds transferred from the Department of Health Care Policy and Financing (HCPF).

Issue Descriptions

Long Bill Supplemental: The recommendation includes additional Medicaid funds for Adult Comprehensive Services for people transitioning mid-year from the Skilled Nursing Facility (SNF) at the Grand Junction Regional Center (GJRC) to community placements.

Annualize supplemental to close SNF: The recommendation includes additional Medicaid funds for Adult Comprehensive Services for people who were moved in the middle of FY 2009-10 from the Skilled Nursing Facility (SNF) at the Grand Junction Regional Center (GJRC) to community placements.

Annualize new placements added for six months in FY 2009-10: The recommendation includes additional funds for new placements approved last fiscal year, including a total of 57.0 Adult Comprehensive Services placements and 29.0 Adult Supported Living Services placements (the increase is half these amounts to add half a year of funding).

Early Intervention population increase: The recommendation includes funding for a projected increase in the population eligible for early intervention services.

Annualize H.B. 09-1237: The recommendation reflects an expected increase in private insurance payments to the Early Intervention Services Trust Fund pursuant to H.B. 09-1237 and 1.0 FTE for additional administrative costs.

Annualize one-time funding: The recommendation includes an increase of \$462,884 General Fund to restore a one-time reduction in FY 2009-10 that was based on money available and rolled forward from FY 2008-09, a decrease of \$13,477 Medicaid funds for one-time computer programming costs to bring the on-line Supports Intensity Scale assessment tool in house, and a decrease of \$5,183 Medicaid funds for one-time costs associated

with implementing S.B. 08-002 that allowed the Department to pay family members of people with developmental disabilities as service providers.

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Fund source adjustment: The recommendation realigns fund sources for the Community Services Administration to match the sources of funds for programs overseen by the Administration Division.

Community provider rate adjustment: The recommendation includes a reduction of \$2.0 million Medicaid funds to annualize a 2.5 percent community provider rate reduction implemented in October 2009, a reduction of \$6.8 million (\$0.5 million General Fund and \$6.3 million Medicaid funds) for a new 2.0 community provider rate reduction effective July 2010, and \$0.3 million General Fund for a reduction to Family Support Services to match the rate reductions for other major services.

One-time federal ARRA funds: The recommendation reflects the anticipated phased reduction in available federal funds through the American Recovery and Reinvestment Act of 2009 (ARRA).

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Operating base reduction: The recommendation includes a decrease as part of a department-wide plan to reduce non-food and non-medical operating expenses from the General Fund and Medicaid funds in aggregate by 5.0 percent.

Postage adjustment: The recommendation includes adjustments associated with an upgrade to mail services equipment in the Department of Personnel.

Regional Centers for People with Developmental Disabilities: This section contains appropriations for three regional centers operated by the Department for persons with developmental disabilities. Persons served by the regional centers in Wheat Ridge, Grand Junction, and Pueblo usually have multiple disabling conditions that may include maladaptive behaviors or severe, chronic medical conditions that require specialized and intensive levels of services. The reappropriated funds amounts reflected in this section of the budget are Medicaid funds transferred from the Department of Health Care Policy and Financing (HCPF).

<i>Regional Centers for People with Developmental Disabilities</i>	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$52,994,369	\$85,371	\$2,290,436	\$50,618,562	\$0	995.8
Long Bill Supplemental	<u>(997,975)</u>	<u>0</u>	<u>(23,793)</u>	<u>(974,182)</u>	<u>0</u>	<u>(18.1)</u>
FY 2009-10 Adjusted Appropriation	\$51,996,394	\$85,371	\$2,266,643	\$49,644,380	\$0	977.7
Recommended Changes from FY 2009-10 Adjusted Appropriation						
Restore FY 2009-10 furlough reductions	866,478	2,638	0	863,840	0	0.0
Annualize prior year decisions	279,167	0	0	279,167	0	0.8
Postage adjustment	112	0	0	112	0	0.0

<i>Regional Centers for People with Developmental Disabilities</i>	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Annualize supplemental to close SNF	(2,988,782)	0	(206,254)	(2,782,528)	0	(50.9)
State PERA contribution reduction	(962,496)	(1,920)	0	(960,576)	0	0.0
Operating base reduction	(125,770)	0	0	(125,770)	0	0.0
Wheat Ridge leased space	(30,000)	0	0	(30,000)	0	0.0
Total FY 2010-11 JBC Recommendation	\$49,035,103	\$86,089	\$2,060,389	\$46,888,625	\$0	927.6
\$ Change from prior year	(\$2,961,291)	\$718	(\$206,254)	(\$2,755,755)	\$0	(50.1)
% Change from prior year	(5.7)%	0.8%	(9.1)%	(5.6)%	n/a	(5.1)%

Issue Descriptions

Long Bill Supplemental: The recommendation includes a supplemental reduction for the closure of the Skilled Nursing Facility (SNF) at the Grand Junction Regional Center (GJRC).

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Annualize prior year decisions: The recommendation includes an increase of \$415,000 Medicaid funds to restore a one-time reduction associated with an excessively late supplemental, an increase of \$28,417 General Fund and 0.8 FTE to annualize staff added to address quality of care and staffing ratios, and a reduction of \$164,250 Medicaid funds for one-time funding provided for maintenance issues.

Postage adjustment: The recommendation provides funding associated with an upgrade to mail services equipment in the Department of Personnel.

Annualize supplemental to close SNF: The recommendation includes reductions in personal services and operating expenses associated with closing the 32-bed Skilled Nursing Facility (SNF) at the Grand Junction Regional Center (GJRC) and transferring the clients to community based facilities.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Operating base reduction: The recommendation includes a decrease as part of a department-wide plan to reduce non-food and non-medical operating expenses from the General Fund and Medicaid funds in aggregate by 5.0 percent.

Wheat Ridge leased space: The recommendation includes a reduction of \$30,000 for leased space no longer needed by the Wheat Ridge Regional Center due to downsizing.

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

<i>Work Therapy Program</i>	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$467,116	\$0	\$467,116	\$0	\$0	1.5
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
None	0	0	0	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$467,116	\$0	\$467,116	\$0	\$0	1.5
\$ Change from prior year	\$0	\$0	\$0	\$0	\$0	0.0
% Change from prior year	0.0%	n/a	0.0%	n/a	n/a	0.0%

Issue Descriptions

None: The recommendation includes no changes for FY 2010-11.

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

<i>Division of Vocational Rehabilitation</i>	Total	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$55,578,346	\$5,667,621	\$4,440,904	\$5,037,394	\$40,432,427	251.2
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Match additional available federal funds	7,867,465	0	0	1,675,770	6,191,695	0.0
Restore FY 2009-10 furlough reductions	411,179	83,440	4,710	1,475	321,554	0.0
Postage adjustment	750	154	(19)	15	600	0.0
Fund source adjustment	0	(40,039)	0	0	40,039	0.0
One-time federal ARRA funds	(1,887,490)	0	0	0	(1,887,490)	0.0
Traumatic Brain Injury Trust Fund	(353,900)	0	(353,900)	0	0	0.0
State PERA contribution reduction	(299,356)	(60,748)	(3,429)	(1,074)	(234,105)	0.0
Community provider rate adjustment	(289,787)	(46,977)	(179)	(37,980)	(204,651)	0.0
Operating base reduction	(87,247)	(15,317)	0	0	(71,930)	0.0
Total FY 2010-11 JBC Recommendation	\$60,939,960	\$5,588,134	\$4,088,087	\$6,675,600	\$44,588,139	251.2
\$ Change from prior year	\$5,361,614	(\$79,487)	(\$352,817)	\$1,638,206	\$4,155,712	0.0
% Change from prior year	9.6%	(1.4)%	(7.9)%	32.5%	10.3%	0.0%

Issue Descriptions

Match additional available federal funds: The recommendation includes an increase in local cash funds spending authority to match the projected available federal funds for FY 2010-11.

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Postage adjustment: The recommendation provides funding associated with an upgrade to mail services equipment in the Department of Personnel.

Fund source adjustment: The recommendation refinances the administration of the state employment program for people with developmental disabilities created pursuant to S.B. 08-004 from General Fund to a mix of General Fund and federal funds for vocational rehabilitation.

One-time federal ARRA funds: The recommendation reflects the anticipated phased reduction in available federal funds through the American Recovery and Reinvestment Act of 2009 (ARRA).

Traumatic Brain Injury Trust Fund: The recommendation includes an increase of \$146,100 cash funds for an expected increase in surcharges paid to the Traumatic Brain Injury Trust Fund pursuant to S.B. 09-133 and an offsetting decrease of \$500,000 for one-time spending authority provided in FY 2009-10 to reduce the balance in the Traumatic Brain Injury Trust Fund.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Community provider rate adjustment: The recommendation includes a reduction for a new 2.0 percent community provider rate decrease effective July 2010.

Operating base reduction: The recommendation includes a decrease as part of a department-wide plan to reduce non-food and non-medical operating expenses from the General Fund and Medicaid funds in aggregate by 5.0 percent.

Homelake Domiciliary and State and Veterans Nursing Homes: This section reflects funding for: (1) Homelake Domiciliary, a 46-bed group living facility which serves residents who do not require continuous nursing or medical care but who may need assistance with meals, housekeeping, personal care, laundry, and access to a physician; and (2) the six state nursing homes, five of which are classified as veterans nursing homes and are eligible for federal Veterans Administration support. Homelake Domiciliary and the State and Veterans Nursing Homes are enterprises that have been granted continuous spending authority; therefore, with the exception of any General Fund appropriations, amounts shown are for informational purposes only. Cash funds amounts reflect estimated resident payments for services; federal funds amounts reflect estimated U.S. Veteran's Administration per diem support.

<i>Homelake Domiciliary and State and Veterans Nursing Homes</i>	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$55,414,141	\$986,130	\$42,453,849	\$0	\$11,974,162	673.4
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
None	0	0	0	0	0	0.0

<i>Homelake Domiciliary and State and Veterans Nursing Homes</i>	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Total FY 2010-11 JBC Recommendation	\$55,414,141	\$986,130	\$42,453,849	\$0	\$11,974,162	673.4
\$ Change from prior year	\$0	\$0	\$0	\$0	\$0	0.0
% Change from prior year	0.0%	0.0%	0.0%	n/a	0.0%	0.0%

Issue Descriptions

None: The recommendation includes no changes for FY 2010-11.

Adult Assistance Programs: This section includes funding for the Old Age Pension Program, for various adult cash assistance programs and for community services for the elderly, including Older Americans Act programs. Additional detail on funding changes in Adult Assistance Programs is reflected in the subsection tables and narratives below.

Adult Assistance Programs	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$153,159,827	\$24,443,675	\$113,125,613	\$105,280	\$15,485,259	28.5
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Administration	3,115	543	0	537	2,035	0.0
Old Age Pension	1,147,860	0	1,147,860	0	0	0.0
Other Grant Programs	0	0	0	0	0	0.0
Community Services for the Elderly	599,239	(306,727)	307,752	0	598,214	0.0
Total FY 2010-11 JBC Recommendation	\$154,910,041	\$24,137,491	\$114,581,225	\$105,817	\$16,085,508	28.5
\$ Change from prior year	\$1,750,214	(\$306,184)	\$1,455,612	\$537	\$600,249	0.0
% Change from prior year	1.1%	(1.3)%	1.3%	0.5%	3.9%	0.0%

Subsection Detail

Administration: This subsection of Adult Assistance Programs includes funding and staffing for management of all programs within Adult Assistance and for oversight of programs within the Other Grant Programs subsection.

<i>Administration</i>	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$581,997	\$102,884	\$0	\$103,480	\$375,633	6.0
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Restore FY 2009-10 furlough reductions	11,761	2,070	0	2,082	7,609	0.0
State PERA contribution reduction	(8,536)	(1,507)	0	(1,516)	(5,513)	0.0
Postage adjustment	(110)	(20)	0	(29)	(61)	0.0

<i>Administration</i>	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Total FY 2010-11 JBC Recommendation	\$585,112	\$103,427	\$0	\$104,017	\$377,668	6.0
\$ Change from prior year	\$3,115	\$543	\$0	\$537	\$2,035	0.0
% Change from prior year	0.5%	0.5%	n/a	0.5%	0.5%	0.0%

Issue Descriptions

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Postage adjustment: The recommendation includes adjustments associated with an upgrade to mail services equipment in the Department of Personnel.

Old Age Pension Program: This program, authorized by the State Constitution, provides cash assistance, up to a maximum of \$699 per person, per month (as of January 2009) to eligible individuals age 60 and older. Revenue for the Old Age Pension Fund is generated through 85 percent of license fees, liquor and excise taxes; revenues that are not utilized for the OAP Program "spill over" into the General Fund. As the earmarked revenues are continuously appropriated by the State Constitution, the Long Bill simply reflects anticipated program expenditures for informational purposes.

<i>Old Age Pension Program</i>	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$94,958,165	\$0	\$94,958,165	\$0	\$0	14.0
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
OAP caseload and average payment projection	1,025,096	0	1,025,096	0	0	0.0
County administration of OAP	116,189	0	116,189	0	0	0.0
Restore FY 2009-10 furlough reductions	24,631	0	24,631	0	0	0.0
State PERA contribution reduction	(17,933)	0	(17,933)	0	0	0.0
Postage adjustment	(123)	0	(123)	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$96,106,025	\$0	\$96,106,025	\$0	\$0	14.0
\$ Change from prior year	\$1,147,860	\$0	\$1,147,860	\$0	\$0	0.0
% Change from prior year	1.2%	n/a	1.2%	n/a	n/a	0.0%

Issue Descriptions

OAP caseload and average payment projection: The recommendation includes an increase for the projected caseload and average payment per case.

County administration of OAP: The recommendation includes an increase for county administration of the Old Age Pension based on recent year actual county activity.

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Postage adjustment: The recommendation includes adjustments associated with an upgrade to mail services equipment in the Department of Personnel.

Other Grant Programs: This subsection of Adult Assistance Programs contains appropriations for programs providing cash assistance to disabled individuals and individuals needing assistance with the activities of daily living.

<i>Other Grant Programs</i>	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$28,974,375	\$22,310,442	\$6,663,933	\$0	\$0	0.0
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
None	0	0	0	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$28,974,375	\$22,310,442	\$6,663,933	\$0	\$0	0.0
\$ Change from prior year	\$0	\$0	\$0	\$0	\$0	0.0
% Change from prior year	0.0%	0.0%	0.0%	n/a	n/a	n/a

Issue Descriptions

None: The recommendation includes no changes for FY 2010-11.

Community Services for the Elderly: This subsection of Adult Assistance Programs includes appropriations for programs associated with the Older Americans Act, including the Older Coloradans Program established by H.B. 00-1072. These programs are administered by 16 Area Agencies on Aging (AAA) located throughout the state. Services include: supportive services, senior centers, nutrition services, in-home services for persons above the eligibility thresholds for Medicaid, and disease prevention and health promotion services.

<i>Community Services for the Elderly</i>	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$28,645,290	\$2,030,349	\$11,503,515	\$1,800	\$15,109,626	8.5
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Reallocate General Fund to access additional federal funds	594,492	0	0	0	594,492	0.0
Restore FY 2009-10 furlough reductions	17,263	3,719	0	0	13,544	0.0

<i>Community Services for the Elderly</i>	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Refinance General Fund with Older Coloradans Cash Funds	0	(307,752)	307,752	0	0	0.0
State PERA contribution reduction	(12,569)	(2,708)	0	0	(9,861)	0.0
Other	53	14	0	0	39	0.0
Total FY 2010-11 JBC Recommendation	\$29,244,529	\$1,723,622	\$11,811,267	\$1,800	\$15,707,840	8.5
\$ Change from prior year	\$599,239	(\$306,727)	\$307,752	\$0	\$598,214	0.0
% Change from prior year	2.1%	(15.1)%	2.7%	0.0%	4.0%	0.0%

Issue Descriptions

Reallocate General Fund to access additional federal funds: The recommendation reallocates General Fund among line items to allow the State to draw down an additional \$594,492 federal funds to support Older Americans Act programs and the Area Agencies on Aging.

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Refinance General Fund with Older Coloradans Cash Funds: The recommendation reduces the General Fund appropriation for State Funding for Senior Services and replaces this with reserves from interest earnings on the Older Coloradans Cash Fund.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Other: The recommendation includes adjustments associated with an upgrade to mail services equipment in the Department of Personnel.

Division of Youth Corrections: The Division of Youth Corrections (DYC) is responsible for the supervision, care, and treatment of: (1) detained juveniles awaiting adjudication; (2) juveniles committed or sentenced to the Department of Human Services by courts; and (3) juveniles on parole from a facility operated or contracted for by the Division. The Division is not responsible for juveniles sentenced as adults to the Department of Corrections' Youthful Offender System. In addition to treating incarcerated and paroled juveniles, DYC administers the S.B. 91-94 grant program intended to divert juveniles from detention and commitment, or to reduce their length of stay. DYC maintains institutional centers and augments this capacity with contracts for community placements, secure placements, and detention placements.

Division of Youth Corrections	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$134,240,707	\$129,203,740	\$90,718	\$3,779,773	\$1,166,476	1,001.6
Long Bill Supplemental	<u>(3,460,374)</u>	<u>(4,144,613)</u>	<u>0</u>	<u>(41,897)</u>	<u>726,136</u>	<u>0.0</u>
FY 2009-10 Adjusted Appropriation	\$130,780,333	\$125,059,127	\$90,718	\$3,737,876	\$1,892,612	1,001.6
<i>Recommended Changes from FY 2009-10 Adjusted Appropriation</i>						

Division of Youth Corrections	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Eliminate savings from operating facilities at 120 percent of capacity	3,899,021	3,732,550	0	166,471	0	0.0
Restore FY 2009-10 furlough reductions	582,942	571,884	1,587	1,346	8,125	0.0
Restore IMPACT funding	200,000	200,000	0	0	0	0.0
Annualize impact of licensing change for Ridge View facility	0	(1,194,793)	0	576,917	617,876	0.0
State PERA contribution reduction	(1,254,508)	(1,246,379)	(1,166)	(990)	(5,973)	0.0
Caseload adjustment	(743,159)	(740,888)	0	(29,700)	27,429	0.0
Annualize 2.0 percent provider rate reduction	(640,188)	(582,228)	0	(12,334)	(45,626)	0.0
Annualize change to case management ratios	(214,080)	(214,080)	0	0	0	(3.2)
Operating adjustments	(71,122)	(71,122)	0	0	0	0.0
Annualize elimination of mental health pilot for detention	(66,482)	(66,482)	0	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$132,472,757	\$125,447,589	\$91,139	\$4,439,586	\$2,494,443	998.4
\$ Change from prior year	\$1,692,424	\$388,462	\$421	\$701,710	\$601,831	(3.2)
% Change from prior year	1.3%	0.3%	0.5%	18.6%	51.6%	(0.3)%

Note: The Reappropriated Funds amounts reflected in this section of the budget include Medicaid funds transferred from the Department of Health Care Policy and Financing (HCPF).

Issue Descriptions

Eliminate savings from operating facilities at 120 percent of capacity: The Division of Youth Corrections operated state facilities at 120 percent of capacity in FY 2009-10. The recommendation eliminates this requirement and associated savings for FY 2010-11.

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Restore IMPACT funding: The recommendation partially restores a FY 2009-10 reduction to the managed care pilot project in Boulder county known as IMPACT.

Annualize impact of licensing change for Ridge View facility: The recommendation extends to a full year the impact of a FY 2009-10 licensing change for the Ridge View Youth Services Center. The licensing change enables the State to access federal Title IV-E and Medicaid funding for medical services and room and board costs for youth at the facility.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Caseload adjustment: The recommendation reflects the contract beds required based on the Legislative Council Staff December 2009 youth corrections commitment forecast and the assumption that facilities will operate at 110 percent of capacity as they have historically.

Annualize 2.0 percent provider rate reduction: The recommendation includes 2.0 percent provider rate reductions throughout the Division. For most providers, rates were reduced by 2.0 percent for nine months of FY 2009-10, and the amount shown reflects extending the FY 2009-10 reduction to a full year.

Annualize change to case management ratios: The recommendation reflects extending to a full year a reduction of 9.6 FTE client management positions. The reduction is associated with applying ratios of one client manager to 25 youth for those youth in residential placement and one client manager to 18 youth for youth on parole.

Operating adjustments: The recommendation includes a decrease of \$70,992 as part of a department-wide plan to reduce non-food and non-medical operating expenses from the General Fund and Medicaid funds by 5.0 percent in aggregate. It also includes adjustments associated with an upgrade to mail services equipment in the Department of Personnel.

Annualize elimination of mental health pilot for detention: The recommendation eliminates funding for a program, terminated in mid-FY 2009-10, to provide mental health assessments and post-release mental health services for youth in detention in Mesa and Jefferson counties.

Judicial Department

Department Description: The Judicial Branch is comprised of four agencies, each falling under the jurisdiction of the Colorado Supreme Court. However, each agency is independent, has its own Director, and submits its own budget request with its own prioritized decision items. The *Judicial Department* is the largest of the four agencies, and is comprised of the Supreme Court, Court of Appeals, the State Court Administrator's Office, attorney regulation, victims programs, collections programs, Trial Courts, and Probation. The *Public Defender's Office* and the *Office of Alternate Defense Counsel* provide legal representation for indigent criminal defendants. These cases are first assigned to the Public Defender's Office, and cases are referred to the Alternate Defense Counsel if there is a conflict of interest. The *Office of the Child's Representative* oversees the provision of legal services to children entitled to legal representation at state expense (such as those involved in dependency and neglect cases), and is responsible for ensuring quality representation.

Summary Table for Judicial Department						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$441,595,052	\$323,814,931	\$105,630,825	\$7,718,876	\$4,430,420	3,947.8
Recommended Changes from FY 2009-10 by Long Bill Division						
Supreme Court/Court of Appeals	(746,621)	(712,106)	(34,515)	0	0	(10.0)
Courts Administration	42,583,823	9,320,140	31,112,145	(232,784)	2,384,322	132.7
Trial Courts	(39,019,007)	(10,571,864)	(28,447,143)	0	0	(105.3)
Probation and Related Services	915,193	921,164	(5,971)	0	0	34.9
Public Defender	5,399,591	5,383,336	23,755	(7,500)	0	70.5
Alternate Defense Counsel	864,524	864,524	0	0	0	0.0
Office of the Child's Representative	915,728	915,728	0	0	0	0.1
Total FY 2010-11 Recommendation	\$452,508,283	\$329,935,853	\$108,279,096	\$7,478,592	\$6,814,742	4,070.7
\$ Change from prior year	\$10,913,231	\$6,120,922	\$2,648,271	(\$240,284)	\$2,384,322	122.9
% Change from prior year	2.5%	1.9%	2.5%	(3.1)%	53.8%	3.1%

Recommendation Highlights:

1. Restores \$8.3 million General Fund in one-time funding reductions taken in FY 2009-10, primarily due to the Trial Courts, Probation, and the Public Defender's Office delaying hiring new staff that were authorized for FY 2009-10 and holding open existing positions that become vacant.
2. Adds \$4.1 million (including \$3.9 million General Fund) for centrally-appropriated line items, primarily for employee insurance and retirement benefits.
3. Adds \$4.0 million (including \$1.6 million General Fund) and 50.3 FTE for the delayed implementation of H.B. 07-1054 (which increased the number of state court judges).
4. Adds \$3.9 million (including \$3.5 million General Fund) to restore a one-time 1.82 percent reduction in personal services funding.

5. Adds \$2.8 million cash funds to operate the public access system and provide user support, and to begin developing an e-filing system.
6. Adds \$2.6 million (including \$245,000 General Fund and \$2.4 million federal funds) to expand the capacity of existing adult drug courts and DUI courts.
7. Adds \$1.8 million General Fund for court-appointed counsel to address caseload and cost per case increases, including \$892,000 for the Office of the Child's Representative and \$864,000 for the Alternate Defense Counsel.
8. Adds \$1.3 million General Fund for increased leased space costs.
9. Reflects a \$9.6 million reduction in personal services funding (including \$9.4 million General Fund) and the elimination of 170.0 FTE for the Supreme Court, the Court of Appeals, the State Court Administrator's Office, and the Trial Courts.
10. Reflects a \$5.8 million reduction in funding (including \$5.0 million General Fund) due to a 2.5 percent reduction in the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.
11. Eliminates \$1,150,000 cash funds for furnishing new and refurbished courthouse facilities.
12. Eliminates \$463,000 (including \$217,000 General Fund) in funding for facility maintenance at the Judicial Heritage Center.
13. Adds 122.9 FTE, including the following changes:
 - In connection with reductions in personal services funding, the elimination of 64.2 FTE (including 42.2 FTE for trial courts, 12.0 FTE for the State Court Administrator's Office, and 10.0 FTE for the Supreme Court and the Court of Appeals);
 - The restoration of 59.9 FTE probation staff that were eliminated mid-year in FY 2009-10 to reflect the number of vacant positions that are being held open in FY 2009-10;
 - An increase of 50.3 FTE for continued implementation of H.B. 07-1054 (which increased the number of state court judges);
 - The restoration of 38.7 FTE public defender staff who were initially authorized to be hired in FY 2009-10 to work toward meeting minimum case staffing standards (these positions have not yet been filled);
 - An increase of 18.0 FTE information technology staff, including 10.0 FTE to operate the public access system and provide user support, and 8.0 FTE to begin developing an e-filing system;
 - An increase of 15.0 FTE shown for informational purposes, as these staff will be supported by a federal grant to expand the capacity of existing problem-solving courts;

- An increase of 5.1 FTE to address the workload associated with expanding the capacity of existing problem-solving courts; and,
- An increase of 0.1 FTE for the Office of the Child’s Representative to review and process court appointed counsel payments in a timely manner.

Budget Recommendation Detail by Long Bill Division

Supreme Court/Court of Appeals: This section provides funding for the Colorado Supreme Court and the Colorado Appeals Court. The Supreme Court is the court of last resort, and its decisions are binding on the Court of Appeals and all county and district courts. While requests to review decisions of the Colorado Court of Appeals constitute the majority of the Supreme Court's filings, the Court also has direct appellate jurisdiction over other types of cases, such as those cases in which a statute has been held to be unconstitutional. The Supreme Court also oversees the regulation of attorneys and the practice of law. The Supreme Court is composed of seven justices who serve renewable 10-year terms. The Chief Justice, selected by the justices of the Court, is the executive head of the Department.

Created by statute, the Court of Appeals is generally the first court to hear appeals of judgements and orders in criminal, juvenile, civil, domestic relations, and probate matters. The Court of Appeals also has initial jurisdiction to review actions and decisions of several state agencies, boards, and commissions. Its determination of an appeal is final unless the Colorado Supreme Court agrees to review the matter. The Court of Appeals is currently composed of 22 judges who serve renewable 8-year terms.

Supreme Court/Court of Appeals	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$19,603,524	\$10,747,137	\$8,856,387	\$0	\$0	198.7
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Restore FY 2009-10 personal services and operating expense reductions	148,371	136,452	11,919	0	0	0.0
Long Bill reorganization transfers from the Courts Administration, Central Appropriations section	37,100	37,100	0	0	0	0.0
Reduce personal services	(682,031)	(670,112)	(11,919)	0	0	(10.0)
State PERA contribution reduction	(250,061)	(215,546)	(34,515)	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$18,856,903	\$10,035,031	\$8,821,872	\$0	\$0	188.7
\$ Change from prior year	(\$746,621)	(\$712,106)	(\$34,515)	\$0	\$0	(10.0)
% Change from prior year	(3.8)%	(6.6)%	(0.4)%	n/a	n/a	(5.0)%

Issue Descriptions

Restore FY 2009-10 personal services and operating expense reductions: The recommendation restores a one-time 1.82 percent reduction in personal services funding (\$133,335) and a one-time \$15,036 General Fund reduction in operating expenses.

Long Bill reorganization transfers from the Courts Administration, Central Appropriations section: The recommendation reflects the transfer of funding for appellate reports publication from the Administration section of the Long Bill.

Reduce personal services: The recommendation reflects a reduction in personal services funding and FTE for Appellate Court Programs. When Supreme Court justices and appellate judges are excluded, this 10.0 FTE reduction represents an 8.5 percent reduction in staff.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Courts Administration: The justices of the Supreme Court appoint a State Court Administrator to oversee the daily administration of the Department and provide technical and administrative support to the courts and probation. The Courts Administration section of the FY 2009-10 Long Bill is comprised of three subdivisions: Administration, Administrative Special Purpose, and Integrated Information Services. The Long Bill structure has been reorganized for FY 2010-11, and includes the following three subdivisions: (A) Administration and Technology; (B) Central Appropriations; and (C) Centrally Administered Programs. Each of these subdivisions is described below, and the transfers that were necessary to reorganize the Long Bill are detailed in each applicable table.

Courts Administration	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$59,408,692	\$37,129,387	\$19,547,079	\$2,726,806	\$5,420	200.7
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Administration (renamed Administration and Technology)	4,802,876	7,438,264	(2,619,927)	(13,730)	(1,731)	117.9
Administrative Special Purpose (renamed Central Appropriations)	(4,928,918)	210,791	(4,182,172)	(957,537)	0	(84.2)
Integrated Information Services (eliminated subdivision)	(7,328,288)	(4,381,445)	(2,729,133)	(217,710)	0	(45.9)
Centrally Administered Programs (new subdivision)	50,038,153	6,052,530	40,643,377	956,193	2,386,053	144.9
Total FY 2010-11 JBC Recommendation	\$101,992,515	\$46,449,527	\$50,659,224	\$2,494,022	\$2,389,742	333.4
\$ Change from prior year	\$42,583,823	\$9,320,140	\$31,112,145	(\$232,784)	\$2,384,322	132.7
% Change from prior year	71.7%	25.1%	159.2%	(8.5)%	43991.2%	66.1%

Subdivision Detail

Administration and Technology: This subdivision provides funding and staff associated with central administration of the State's judicial system, including information technology systems and support.

Administration (FY09-10)/ Administration and Technology (FY10-11)	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$16,831,328	\$5,595,577	\$9,678,772	\$1,551,559	\$5,420	70.6
Recommended Changes from FY 2009-10 Appropriation						
Long Bill reorganization transfers from the Administration, Integrated Information Services subdivision	8,967,354	3,261,393	5,488,251	217,710	0	57.9
Long Bill reorganization transfers from the Trial Courts section	3,279,251	3,344,251	(65,000)	0	0	44.5
Long Bill reorganization transfers from the Probation and Related Services section	2,188,958	2,188,958	0	0	0	25.0
H.B. 07-1054 (new judges)	850,000	0	850,000	0	0	0.0
Courthouse security grants	199,000	0	199,000	0	0	0.0
Long Bill reorganization transfers from the Administration, Central Appropriations section	195,554	130,554	65,000	0	0	0.0
Restore FY 2009-10 personal services and operating expense reductions	107,761	84,766	2,726	20,269	0	0.0
Public access system operations / E-filing system development	60,016	0	60,016	0	0	1.0
Indirect cost assessment	44,726	(44,726)	46,457	44,726	(1,731)	0.0
Long Bill reorganization transfers to the Administration, Centrally Administered Programs subdivision	(8,825,164)	(750,000)	(8,075,164)	0	0	(3.5)
Courthouse furnishings	(1,150,000)	0	(1,150,000)	0	0	0.0
Reduce personal services	(485,305)	(462,310)	(2,726)	(20,269)	0	(4.0)
Judicial Heritage Program reduction	(463,062)	(217,146)	0	(245,916)	0	(3.0)
State PERA contribution reduction	(118,339)	(79,602)	(8,487)	(30,250)	0	0.0
Eliminate funding for biennial public awareness poll	(30,000)	0	(30,000)	0	0	0.0
Reduce operating expenses	(15,000)	(15,000)	0	0	0	0.0
Other	(2,874)	(2,874)	0	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$21,634,204	\$13,033,841	\$7,058,845	\$1,537,829	\$3,689	188.5
\$ Change from prior year	\$4,802,876	\$7,438,264	(\$2,619,927)	(\$13,730)	(\$1,731)	117.9
% Change from prior year	28.5%	132.9%	(27.1)%	(0.9)%	(31.9)%	167.0%

Issue Descriptions

Long Bill reorganization transfers from the Administration, Integrated Information Services subdivision: The recommendation reflects the transfer of funding from the Integrated Information Services subdivision of this section including the following: \$4,447,293 (including \$2,810,695 General Fund, \$1,418,888 cash funds, and \$217,710 reappropriated funds) and 57.9 FTE for personal services; \$250,915

(including \$47,604 General Fund and \$203,311 cash funds) for operating expenses; and \$4,269,146 (including \$403,094 General Fund and \$3,866,052 cash funds) for information technology infrastructure.

Long Bill reorganization transfers from the Trial Courts section: The recommendation reflects the transfer of funding between this section and the Trial Courts section of the Long Bill including the following transfers from the Trial Courts section: \$3,184,805 General Fund and 44.5 FTE for personal services; and \$159,446 General Fund for operating expenses. In addition, \$65,000 cash funds are transferred from this section to the Trial Courts section for operating expenses.

Long Bill reorganization transfers from the Probation and Related Services section: The recommendation reflects the transfer of funding from the Probation and Related Services section of the Long Bill including the following: \$2,178,958 General Fund and 25.0 FTE for personal services; and \$10,000 General Fund for operating expenses.

H.B. 07-1054 (new judges): The recommendation includes \$850,000 cash funds from the Judicial Stabilization Cash Fund to cover the state share of the costs of furnishing courthouse facilities for the new judges added in FY 2010-11 pursuant to H.B. 07-1054.

Courthouse security grants: The recommendation increases spending authority from the Court Security Cash Fund for the provision of grants for security equipment, training, and personnel.

Long Bill reorganization transfers from the Administration, Central Appropriations section: The recommendation reflects the transfer of \$195,554 (including \$130,554 General Fund and \$65,000 cash funds) from the Central Appropriations subdivision of this section for operating expenses.

Restore FY 2009-10 personal services and operating expense reductions: The recommendation restores a one-time 1.82 percent reduction in personal services funding (\$100,619) and a one-time \$7,142 General Fund reduction in operating expenses.

Public access system operations / E-filing system development: The recommendation includes an increase of \$60,016 cash funds spending authority and 1.0 FTE project manager for the Public Access System and the E-filing System development project. [For a description of these systems, please see the Integrated Information Services subsection within this section.]

Indirect cost assessment: The recommendation reflects a net increase of \$44,726 related to statewide and departmental indirect cost recoveries. The recommendation also reflects fund source adjustments (a reduction of \$44,726 General Fund offset by an increase of \$44,726 reappropriated funds) based on projected indirect cost recoveries.

Long Bill reorganization transfers to the Administration, Centrally Administered Programs subdivision: The recommendation reflects transfer of funding to the new Centrally Administered Programs subdivision of this section including the following: \$3,869,622 cash funds and 1.0 FTE for courthouse security; \$2,800,000 cash funds for courthouse capital and infrastructure maintenance; \$893,430 (including \$750,000 General Fund and \$143,430 cash funds) for family violence justice grants; \$887,112 cash funds and 2.0 FTE for the Office of Judicial Performance Evaluation; and \$375,000 cash funds and 0.5 FTE for the Family Friendly Court Program.

Courthouse furnishings: The recommendation includes a reduction of \$1.15 million cash funds for furnishing new and refurbished courthouse facilities in FY 2010-11.

Reduce personal services: The recommendation reflects an 8.8 percent reduction in personal services funding.

Judicial Heritage Program reduction: The recommendation reflects the elimination of funding for facility maintenance at the Judicial Heritage Center. This complex, which currently houses the Supreme Court, the Court of Appeals, and the Colorado History Museum, is scheduled to be demolished beginning May 2010.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to PERA pursuant to S.B. 10-146.

Eliminate funding for biennial public awareness poll: The recommendation eliminates funding for the biennial public awareness poll concerning the judicial performance evaluation system, consistent with S.B. 08-54.

Reduce operating expenses: The recommendation reflects a reduction in operating expenses.

Other: The recommendation includes an adjustment related to the mail equipment upgrade.

Central Appropriations: This subdivision includes funding related to employee benefits, leased space, and services purchased from other agencies such as legal and technology services.

Administrative Special Purpose (FY09-10)/ Central Appropriations (FY10-11)	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$35,249,076	\$27,152,365	\$7,139,174	\$957,537	\$0	84.2
Recommended Changes from FY 2009-10 Appropriation						
Centrally-appropriated line items	2,730,112	2,565,474	164,638	0	0	0.0
Long Bill reorganization transfers from the Administration, Integrated Information Services subdivision and the independent agencies	578,001	578,001	0	0	0	0.0
Leased space	115,768	115,768	0	0	0	0.0
Long Bill reorganization transfers to the Administration, Centrally Administered Programs subdivision	(7,067,829)	(1,924,218)	(4,187,418)	(956,193)	0	(84.2)
Reduce personal services	(955,888)	(955,888)	0	0	0	0.0
Long Bill reorganization transfers to the Administration, Administration and Technology section	(195,554)	(130,554)	(65,000)	0	0	0.0
State PERA contribution reduction	(96,428)	(692)	(94,392)	(1,344)	0	0.0
Long Bill reorganization transfers to the Supreme Court/ Court of Appeals section	(37,100)	(37,100)	0	0	0	0.0

Administrative Special Purpose (FY09-10)/ Central Appropriations (FY10-11)	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Total FY 2010-11 JBC Recommendation	\$30,320,158	\$27,363,156	\$2,957,002	\$0	\$0	0.0
\$ Change from prior year	(\$4,928,918)	\$210,791	(\$4,182,172)	(\$957,537)	\$0	(84.2)
% Change from prior year	(14.0)%	0.8%	(58.6)%	(100.0)%	n/a	(100.0)%

Issue Descriptions

Centrally-appropriated line items: The recommendation includes adjustments to centrally-appropriated line item appropriations for the following: health, life, and dental benefits; short-term disability; amortization equalization disbursement; supplemental amortization equalization disbursement; workers' compensation; legal services; payment to risk management and property funds; and vehicle lease payments.

Long Bill reorganization transfers from the Administration, Integrated Information Services subdivision and the independent agencies: The recommendation reflects transfers of funding from the Integrated Information Services subdivision of the Long Bill including the following: \$273,625 General Fund for the purchase of services from the computer center; \$270,664 General Fund for multiuse network payments; and \$11,377 General Fund for communication services payments. The recommendation also includes the consolidation and transfer of appropriations totaling \$22,335 for the purchase of services from computer center from the Public Defender, Alternate Defense Counsel, and Office of the Child's Representative sections of the Long Bill.

Leased space: The recommendation includes funding for three leased space contracts in Denver.

Long Bill reorganization transfers to the Administration, Centrally Administered Programs subdivision: The recommendation reflects the transfer of funding to the new Centrally Administered Programs subdivision of the Long Bill including the following: \$5,084,959 (including \$4,187,418 cash funds and \$897,541 reappropriated funds) and 83.2 FTE for collections investigators; \$1,894,006 General Fund for the senior judge program; and \$88,864 (including \$30,212 General Fund and \$58,652 reappropriated funds) and 1.0 FTE for child support enforcement activities.

Reduce personal services: The recommendation reflects a reduction in funding for health, life, and dental benefits associated with various staffing reductions affecting the Supreme Court, the Court of Appeals, the State Court Administrator's Office, and the Trial Courts.

Long Bill reorganization transfers to the Administration, Administration and Technology section: The recommendation reflects the transfer of \$195,554 (including \$130,554 General Fund and \$65,000 cash funds) to the Administration and Technology subdivision of this section for various administrative purposes.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to PERA pursuant to S.B. 10-146.

Long Bill reorganization transfers to the Supreme Court/ Court of Appeals section: The recommendation reflects the transfer of funding for appellate reports publication to the Supreme Court/ Court of Appeals section of the Long Bill.

Integrated Information Services: This subdivision previously reflected funding to develop and maintain information technology systems used by the courts. For FY 2010-11, this subdivision has been eliminated; funding and staff have been transferred to the Administration and Technology and the Central Appropriations subdivisions, as detailed in the table below.

Integrated Information Services (FY 09-10 only)	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$7,328,288	\$4,381,445	\$2,729,133	\$217,710	\$0	45.9
Recommended Changes from FY 2009-10 Appropriation						
Public access system operations / E-filing system development	2,791,237	0	2,791,237	0	0	17.0
Restore FY 2009-10 personal services and operating expense reductions	83,304	83,304	0	0	0	0.0
Long Bill reorganization transfers to the Courts Administration, Administration and Technology subdivision	(8,967,354)	(3,261,393)	(5,488,251)	(217,710)	0	(57.9)
Long Bill reorganization transfers to the Courts Administration, Central Appropriations subdivision	(555,666)	(555,666)	0	0	0	0.0
Reduce personal services	(456,214)	(456,214)	0	0	0	(5.0)
State PERA contribution reduction	(96,690)	(64,406)	(32,284)	0	0	0.0
Reduce operating expenses	(80,000)	(80,000)	0	0	0	0.0
Statewide information technology common policy adjustments	(47,070)	(47,070)	0	0	0	0.0
Other	165	0	165	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$0	\$0	\$0	\$0	\$0	0.0
\$ Change from prior year	(\$7,328,288)	(\$4,381,445)	(\$2,729,133)	(\$217,710)	\$0	(45.9)
% Change from prior year	(100.0)%	(100.0)%	(100.0)%	(100.0)%	n/a	(100.0)%

Issue Descriptions

Public access system operations / E-filing system development: The recommendation includes an increase of \$2,594,733 cash funds spending authority and 17.0 FTE for two systems:

- The Public Access System provides access to non-protected court data for the public, government agencies, the media, and background search companies. Government users are provided free access to the system, and all other users pay a fee to access the system. Fee revenue provides for system operations and user support.
- The E-filing system is an electronic document management system that allows attorneys to file documents electronically, and allows judges and court personnel to access court documents electronically. Attorneys are charged a fee for each e-filing transaction, and fee revenue provides for systems operation and user support.

First, the recommendation includes funding to provide a full 12 months of funding for 4.0 FTE added in the last three months of FY 2009-10. These staff will migrate government users, prior to July 1, 2010, from the current vendor-operated public access system to the new in-house system developed by the Department. The recommendation also adds funding to support another 7.0 FTE to maintain the public access system and provide support to system users in FY 2010-11.

Second, the recommendation includes funding to support 8.0 FTE to begin developing an in-house e-filing system. Development of the e-filing system will be supported by public access fee revenue. Once operational in FY 2013-14, system operations and maintenance and user support will be supported by e-filing fee revenue.

Finally, the recommendation includes \$1,413,510 for associated information technology infrastructure, operating, training, and travel expenses associated with both systems.

Restore FY 2009-10 personal services and operating expense reductions: The recommendation restores a one-time 1.82 percent reduction in personal services funding (60,544 General Fund), and a one-time reduction in operating expenses (\$22,760 General Fund).

Long Bill reorganization transfers to the Courts Administration, Administration and Technology subdivision: The recommendation reflects the transfer of funding to the Administration and Technology subdivision of this section including the following: \$4,447,293 (including \$2,810,695 General Fund, \$1,418,888 cash funds, and \$217,710 reappropriated funds) and 57.9 FTE for personal services; \$250,915 (including \$47,604 General Fund and \$203,311 cash funds) for operating expenses; and \$4,269,146 (including \$403,094 General Fund and \$3,866,052 cash funds) for information technology infrastructure.

Long Bill reorganization transfers to the Courts Administration, Central Appropriations subdivision: The recommendation reflects the transfer of funding to the Central Appropriations subdivision of this section including the following: \$273,625 General Fund for the purchase of services from the computer center; \$270,664 General Fund for multiuse network payments; and \$11,377 General Fund for communication services payments.

Reduce personal services: The recommendation reflects a 12.9 percent reduction in personal services funding.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to PERA pursuant to S.B. 10-146.

Reduce operating expenses: The recommendation reflects a reduction in operating expenses.

Statewide information technology common policy adjustments: The recommendation includes adjustments to line item appropriations for the following: the purchase of services from computer center; multiuse network payments; and communication services payments.

Other: The recommendation includes an adjustment related to the mail equipment upgrade.

Centrally Administered Programs: This new subdivision includes line items that support specific functions, grant programs, and distributions that are administered centrally through the State Court Administrator’s Office.

Centrally Administered Programs (FY 10-11)	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$0	\$0	\$0	\$0	\$0	0.0
Recommended Changes from FY 2009-10 Appropriation						
Long Bill reorganization transfers from the Trial Courts section	30,643,472	3,378,312	27,265,160	0	0	25.0
Long Bill reorganization transfers from the Administration, Administration subdivision	8,825,164	750,000	8,075,164	0	0	3.5
Long Bill reorganization transfers from the Administration, Administrative Special Purpose subdivision	7,067,829	1,924,218	4,187,418	956,193	0	84.2
Problem-solving courts	3,501,688	0	1,115,635	0	2,386,053	32.2
Total FY 2010-11 JBC Recommendation	\$50,038,153	\$6,052,530	\$40,643,377	\$956,193	\$2,386,053	144.9
\$ Change from prior year	\$50,038,153	\$6,052,530	\$40,643,377	\$956,193	\$2,386,053	144.9
% Change from prior year	n/a	n/a	n/a	n/a	n/a	n/a

Issue Descriptions

Long Bill reorganization transfers from the Trial Courts section: The recommendation reflects the transfer of funding from the Trial Courts section of the Long Bill including the following: \$15,095,039 cash funds for victim assistance; \$12,120,121 cash funds for victim compensation; and \$3,428,312 (including \$3,378,312 General Fund and \$50,000 cash funds) and 25.0 FTE for language interpreters.

Long Bill reorganization transfers from the Administration, Administration and Technology subdivision: The recommendation reflects the transfer of funding from the Administration and Technology subdivision of the Long Bill including the following: \$3,869,622 cash funds and 1.0 FTE for courthouse security; \$2,800,000 cash funds for courthouse capital and infrastructure maintenance; \$893,430 (including \$750,000 General Fund and \$143,430 cash funds) for family violence justice grants; \$887,112 cash funds and 2.0 FTE for the Office of Judicial Performance Evaluation; and \$375,000 cash funds and 0.5 FTE for the Family Friendly Court Program.

Long Bill reorganization transfers from the Administration, Central Appropriations subdivision: The recommendation reflects the transfer of funding from the Central Appropriations subdivision of the Long Bill including the following: \$5,084,959 (including \$4,187,418 cash funds and \$897,541 reappropriated funds) and 83.2 FTE for collections investigators; \$1,894,006 General Fund for the senior judge program; and \$88,864 (including \$30,212 General Fund and \$58,652 reappropriated funds) and 1.0 FTE for child support enforcement activities.

Problem-solving courts: The recommendation includes a new line item to identify funding designated for problem-solving courts (i.e., adult drug and DUI courts). This line item includes: \$1,115,635 cash funds and 17.2 FTE transferred from the Trial Courts section of the Long Bill; and \$2,386,053 federal funds and 15.0 FTE

to reflect a federal Byrne grant recently awarded to the Department to expand the capacity of problem-solving courts.

Trial Courts: State trial courts include district courts in 22 judicial districts, water courts, and county courts. *District courts* preside over felony criminal matters, civil claims, juvenile matters, probate, mental health, and divorce proceedings. In addition, district courts handle appeals from municipal and county courts, and review decisions of administrative boards and agencies. The General Assembly establishes judicial districts and the number of judges for each district in statute; these judges serve renewable six-year terms.

The General Assembly established seven *water divisions* in the State, one for each river basin. 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.

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.

Trial Courts	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$175,400,740	\$118,456,392	\$54,054,348	\$1,265,000	\$1,625,000	1,830.8
Recommended Changes from FY 2009-10 Appropriation						
Reverse FY 2009-10 supplemental	4,023,678	4,023,678	0	0	0	108.8
H.B. 07-1054 (new judges)	1,979,026	0	1,979,026	0	0	29.0
Restore FY 2009-10 personal services reductions	1,567,539	1,357,698	209,841	0	0	0.0
Long Bill reorganization transfers to the Administration, Centrally Administered Programs subdivision	(31,759,107)	(3,378,312)	(28,380,795)	0	0	(42.2)
Reduce personal services	(7,018,407)	(6,808,566)	(209,841)	0	0	(151.0)
Long Bill reorganization transfers to the Courts Administration section	(3,279,251)	(3,344,251)	65,000	0	0	(44.5)
State PERA contribution reduction	(2,676,216)	(2,243,749)	(432,467)	0	0	0.0
Eliminate one-time funding	(1,291,171)	0	(1,291,171)	0	0	0.0
Eliminate partial funding for H.B. 07-1054 (new judges) in FY 2009-10	(386,736)	0	(386,736)	0	0	(5.4)
Reduce operating expenses	(99,934)	(99,934)	0	0	0	0.0
Reduce funding for district attorney mandated costs	(78,428)	(78,428)	0	0	0	0.0

Trial Courts	Total Funds	General Fund	Cash Funds	Reappropriate d Funds	Federal Funds	FTE
Total FY 2010-11 JBC Recommendation	\$136,381,733	\$107,884,528	\$25,607,205	\$1,265,000	\$1,625,000	1,725.5
\$ Change from prior year	(\$39,019,007)	(\$10,571,864)	(\$28,447,143)	\$0	\$0	(105.3)
% Change from prior year	(22.2)%	(8.9)%	(52.6)%	0.0%	0.0%	(5.8)%

Issue Descriptions

Reverse FY 2009-10 supplemental: The recommendation restores mid-year reductions in funding for FY 2009-10 for personal services and operating expenses.

H.B. 07-1054 (new judges): The recommendation includes \$1,979,026 cash funds from the Judicial Stabilization Cash Fund and 29.0 FTE for the third year of implementing H.B. 07-1054 (which increased the number of state court judges). Originally, this act anticipated adding 12 district court judges and three county court judges on July 1, 2009. The initial FY 2009-10 budget anticipated delaying these 15 judgeships to May 1 and July 1 of 2010. The recommendation is based on further delaying these judgeships. Working with the affected judicial districts, the Department prepared a modified implementation schedule, which is detailed in the following table.

Summary of Recommendation to Further Delay 3rd Year Implementation of H.B. 07-1054							
Judicial District/ County		Originally Scheduled Judge Increase for 7/1/09	Proposed Timing of Increases (further delay)	FY 2010-11		FY 2011-12	
				Funding	FTE	Funding	FTE
District Courts							
1	Jefferson, Gilpin	+2	7/1/11 (12 mos.)	\$850,000	0.0	\$679,972	10.0
2	Denver	+1	1/1/11 (8 mos.)	170,817	2.5	339,986	5.0
		+1	1/1/11 (6 mos.)	170,817	2.5	339,986	5.0
4	El Paso, Teller	+1	1/1/11 (8 mos.)	170,817	2.5	339,986	5.0
		+1	1/1/11 (6 mos.)	170,817	2.5	339,986	5.0
8	Larimer, Jackson	+1	1/1/11 (6 mos.)	171,640	2.5	339,986	5.0
17	Adams, Broomfield	+1	1/1/11 (8 mos.)	170,817	2.5	339,986	5.0
		+1	1/1/11 (6 mos.)	170,817	2.5	339,986	5.0
18	Arapahoe, Douglas, Elbert, Lincoln	+1	1/1/11 (8 mos.)	171,640	2.5	339,986	5.0
19	Weld	+1	1/1/11 (6 mos.)	171,640	2.5	339,986	5.0
20	Boulder	+1	1/1/11 (6 mos.)	171,640	2.5	339,986	5.0

Summary of Recommendation to Further Delay 3rd Year Implementation of H.B. 07-1054							
Judicial District/ County		Originally Scheduled Judge Increase for 7/1/09	Proposed Timing of Increases (further delay)	FY 2010-11		FY 2011-12	
				Funding	FTE	Funding	FTE
County Courts							
	Adams	+1	1/1/11 (8 mos.)	133,784	2.0	264,273	4.0
	El Paso	+1	1/1/11 (8 mos.)	133,784	2.0	264,273	4.0
	Jefferson	+1	7/1/11 (12 mos.)	0	0.0	264,273	4.0
Statewide Total		15		2,829,030	29.0	4,872,651	72.0

TABLE 2 Summary of FY 2010-11 Savings Resulting From Recommended Judges Delay					
	Personal Services	Operating Expenses	Capital Outlay	Total	FTE
Cost of full implementation	\$4,758,201	\$114,450	\$850,000	\$5,722,651	72.0
Cost of proposal	<u>1,933,124</u>	<u>45,900</u>	<u>850,000</u>	<u>2,829,024</u>	<u>29.0</u>
Resulting one-time savings	2,825,077	68,550	0	2,893,627	43.0

Under the recommendation, ten district court judges and two county court judges would be added January 1, 2011. Based on a request from Jefferson County, two district court judges for the 1st Judicial District and one county court judge would be added July 1, 2011. To date, capital outlay funding has been provided to all judicial districts and counties except Jefferson County. Thus, the recommendation would provide capital outlay funding for the 1st Judicial District in FY 2010-11. As indicated in Table 2, above, compared to the costs of adding all 15 judgeships by July 1, 2010, this schedule provides one-time savings of nearly \$2.9 million cash funds. The recommendation proposes using these cash funds to cover the costs of providing furnishings for various local courthouse projects in FY 2010-11, thereby reducing the General Fund need.

Restore FY 2009-10 personal services reductions: The recommendation restores a one-time 1.82 percent reduction in personal services funding.

Long Bill reorganization transfers to the Administration, Centrally Administered Programs subdivision: The recommendation reflects the transfer of funding to the Administration, Centrally Administered Programs section of the Long Bill including the following: \$15,095,039 cash funds for victim assistance; \$12,120,121 cash funds for victim compensation; \$3,428,312 (including \$3,378,312 General Fund and \$50,000 cash funds) and 25.0 FTE for language interpreters; and \$1,115,635 cash funds and 17.2 FTE for problem-solving courts.

Reduce personal services: The recommendation reflects a 5.8 percent reduction in personal services funding.

Long Bill reorganization transfers to the Courts Administration section: The recommendation reflects the transfer of funding between this section and the Administration, Administration and Technology section of the Long Bill including the following transfers to the Courts Administration section: \$3,184,805 General Fund and

44.5 FTE for personal services; and \$159,446 General Fund for operating expenses. In addition, \$65,000 cash funds are transferred from the Administration section to this section for operating expenses.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State’s contribution to PERA pursuant to S.B. 10-146.

Eliminate one-time funding: The recommendation eliminates capital outlay funding provided in FY 2009-10 for: the final 15 judgeships authorized pursuant to H.B. 07-1054 (\$1,198,065 cash funds); and expanding and enhancing adult drug courts (\$93,106 cash funds).

Eliminate partial funding for H.B. 07-1054 (new judges) in FY 2009-10: The recommendation eliminates funding that was initially provided in FY 2009-10 for the new judges based on the revised implementation schedule.

Reduce operating expenses: The recommendation reflects a reduction in operating expenses.

Reduce funding for district attorney mandated costs: The recommendation reduces funding for mandated costs based on actual expenditures incurred in most recent three fiscal years.

Probation and Related Services: 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. Managed by the Chief Probation Officer in each judicial district, 1,100 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.

Probation and Related Services	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$93,153,215	\$63,606,879	\$23,026,766	\$3,719,570	\$2,800,000	1,143.7
Recommended Changes from FY 2009-10 Appropriation						
Reverse FY 2009-10 supplemental	3,409,721	3,409,721	0	0	0	59.9
Restore FY 2009-10 personal services reductions	1,319,723	1,141,307	178,416	0	0	0.0
Annualize prior year funding	66,004	66,004	0	0	0	0.0
Long Bill reorganization transfers to the Administration section	(2,188,958)	(2,188,958)	0	0	0	(25.0)
State PERA contribution reduction	(1,617,013)	(1,406,976)	(210,037)	0	0	0.0
Reduce operating expenses	(99,934)	(99,934)	0	0	0	0.0
Other	25,650	0	25,650	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$94,068,408	\$64,528,043	\$23,020,795	\$3,719,570	\$2,800,000	1,178.6
\$ Change from prior year	\$915,193	\$921,164	(\$5,971)	\$0	\$0	34.9
% Change from prior year	1.0%	1.4%	0.0%	0.0%	0.0%	3.1%

Issue Descriptions

Reverse FY 2009-10 supplemental: The recommendation restores mid-year reductions in funding for FY 2009-10 for personal services and operating expenses.

Restore FY 2009-10 personal services reductions: The recommendation restores a one-time 1.82 percent reduction in personal services funding.

Annualize prior year funding: The recommendation includes an increase to provide the 12th month of funding for 14.0 FTE staff positions initially added in FY 2009-10.

Long Bill reorganization transfers to the Administration section: The recommendation reflects the transfer of funding to the Administration, Administration and Technology section of the Long Bill including the following: \$2,178,958 General Fund and 25.0 FTE for personal services; and \$10,000 General Fund for operating expenses.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to PERA pursuant to S.B. 10-146.

Reduce operating expenses: The recommendation reflects a reduction in operating expenses.

Other: The recommendation reflects an increase related to the Alcohol and Drug Driving Safety Program Fund.

Public Defender: The Office of the State Public Defender (OSPD) is an independent agency within the Judicial Branch that provides legal representation for indigent defendants who are facing the possibility of incarceration. The OSPD is comprised of a central administrative office, an appellate office, and 21 regional trial offices.

Public Defender	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$51,956,300	\$51,822,555	\$126,245	\$7,500	\$0	539.6
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
H.B. 07-1054 (new judges)	1,588,606	1,588,606	0	0	0	26.7
Centrally-appropriated line items	1,300,995	1,300,995	0	0	0	0.0
Leased space	1,139,673	1,139,673	0	0	0	0.0
Reverse FY 2009-10 supplemental	813,844	813,844	0	0	0	38.7
Annualize prior year funding	696,565	696,565	0	0	0	0.0
Restore FY 2009-10 personal services reductions	673,907	673,907	0	0	0	0.0
Problem-solving courts	244,935	244,935	0	0	0	5.1
Mandated costs	126,206	126,206	0	0	0	0.0
State PERA contribution reduction	(922,908)	(922,908)	0	0	0	0.0

Public Defender	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Reduce funding for operating expenses and IT maintenance	(158,908)	(158,908)	0	0	0	0.0
Eliminate one-time funding	(100,000)	(100,000)	0	0	0	0.0
Long Bill reorganization transfers to the Courts Administration section	(19,579)	(19,579)	0	0	0	0.0
Other	16,255	0	23,755	(7,500)	0	0.0
Total FY 2010-11 JBC Recommendation	\$57,355,891	\$57,205,891	\$150,000	\$0	\$0	610.1
\$ Change from prior year	\$5,399,591	\$5,383,336	\$23,755	(\$7,500)	\$0	70.5
% Change from prior year	10.4%	10.4%	18.8%	(100.0)%	n/a	13.1%

Issue Descriptions

H.B. 07-1054 (new judges): The recommendation adds \$1,588,606 General Fund and 26.7 FTE for the implementation of H.B. 07-1054 (which increased the number of state court judges). This increase will allow the OSPD to hire 40.1 FTE for a partial year (starting in November 2010). These staff were originally scheduled to be added in FY 2009-10 to cover the increased workload resulting from the 28 judges that were added in FY 2007-08 and FY 2008-09. Please note that the recommendation does not include funding for the 34.5 FTE that will be needed to cover the workload resulting from the final 15 judges. Consistent with the proposal to delay adding these judges until January and July of 2011, the OSPD anticipates requesting these resources in FY 2011-12.

Centrally-appropriated line items: The recommendation includes adjustments to centrally-appropriated line items for the following: health, life, and dental benefits; short-term disability; amortization equalization disbursement; supplemental amortization equalization disbursement; and vehicle lease payments.

Leased space: The recommendation includes funding for annual leased space escalators and new leased space contracts for 23 locations statewide.

Reverse FY 2009-10 supplemental: The recommendation restores mid-year reductions in funding for FY 2009-10 for personal services and operating expenses. This restoration includes \$578,311 and 38.7 FTE who were originally authorized to be hired in FY 2009-10 to meet minimum case staffing standards.

Annualize prior year funding: The recommendation adds \$636,484 General Fund to provide a full 12 months of funding for the 38.7 FTE that were initially funded for a partial year in FY 2009-10, and the recommendation adds \$60,081 General Fund to provide a full 12 months of funding for the 5.4 FTE that were funded in FY 2009-10 to address workload increases associated with the expansion of adult drug courts.

Restore FY 2009-10 personal services reductions: The recommendation restores a one-time 1.82 percent reduction in personal services funding.

Problem-solving courts: The Judicial Department recently received a \$2.4 million federal grant to continue to expand the capacity of problem-solving courts operated in various judicial districts. The recommendation includes an increase of \$244,935 General Fund and 5.1 FTE to ensure that the Public Defender's Office has sufficient staff to represent defendants in these courts as they expand.

Mandated costs: The recommendation includes an increase to cover expenditures for mandated costs, including increases of \$215,572 for obtaining discoverable materials from district attorney offices and \$57,088 for transcripts. These increases are offset by planned reductions in spending for expert witnesses and travel.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State’s contribution to PERA pursuant to S.B. 10-146.

Reduce funding for operating expenses and IT maintenance: The recommendation includes a reduction of \$149,073 for operating expenses and \$9,835 General Fund for information technology equipment and software.

Eliminate one-time funding: The recommendation eliminates funding provided for capital outlay.

Long Bill reorganization transfers to the Courts Administration section: The recommendation reflects the consolidation and transfer of funding for the purchase of services from the computer center to the Courts Administration, Central Appropriations section of the Long Bill.

Other: The recommendation includes an increase of \$23,755 cash funds to annualize a partial-year grant that is anticipated to continue in FY 2010-11, and a decrease of \$7,500 reappropriated funds to eliminate spending authority associated with a grant that ended earlier this fiscal year.

Alternate Defense Counsel: The Office of Alternate Defense Counsel (OADC) is an independent agency within the Judicial Branch that provides legal representation for indigent defendants in criminal and juvenile delinquency cases in which the State Public Defender's Office is precluded from doing so because of an ethical conflict of interest. The OADC provides legal representation by contracting with licensed attorneys and investigators.

Alternate Defense Counsel	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$23,692,141	\$23,672,141	\$20,000	\$0	\$0	7.5
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Case cost and caseload growth increase	864,171	864,171	0	0	0	0.0
Centrally-appropriated line items	15,082	15,082	0	0	0	0.0
State PERA contribution reduction	(15,385)	(15,385)	0	0	0	0.0
Long Bill reorganization transfers to the Courts Administration section	(1,203)	(1,203)	0	0	0	0.0
Other	1,859	1,859	0	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$24,556,665	\$24,536,665	\$20,000	\$0	\$0	7.5
\$ Change from prior year	\$864,524	\$864,524	\$0	\$0	\$0	0.0
% Change from prior year	3.6%	3.7%	0.0%	n/a	n/a	0.0%

Issue Descriptions

Case cost and caseload growth increase: The recommendation includes funding to account for a projected caseload growth of 0.1 percent and a projected increase in the average costs per case of 3.9 percent. Most of the additional funding is for costs associated with attorney appointments in death penalty cases.

Centrally-appropriated line items: The recommendation includes adjustments to centrally-appropriated line items for the following: health, life, and dental benefits; short-term disability; amortization equalization disbursement; and supplemental amortization equalization disbursement.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to PERA pursuant to S.B. 10-146.

Long Bill reorganization transfers to the Courts Administration section: The recommendation reflects the consolidation and transfer of funding for the purchase of services from the computer center to the Courts Administration, Central Appropriations section of the Long Bill.

Other: The recommendation includes an increase due to a scheduled increase in leased space costs.

Office of the Child's Representative: The Office of the Child's Representative (OCR) is an independent agency within the Judicial Branch 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.

Office of the Child's Representative	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$18,380,440	\$18,380,440	\$0	\$0	\$0	26.8
Recommended Changes from FY 2009-10 Appropriation						
Caseload growth increase	891,763	891,763	0	0	0	0.0
Restore FY 2009-10 personal services reductions	33,627	33,627	0	0	0	0.0
Centrally-appropriated line items	17,237	17,237	0	0	0	0.0
Replace information technology equipment	8,887	8,887	0	0	0	0.0
Court appointed counsel payments	5,389	5,389	0	0	0	0.1
State PERA contribution reduction	(42,787)	(42,787)	0	0	0	0.0
Long Bill reorganization transfers to the Courts Administration section	(1,553)	(1,553)	0	0	0	0.0
Other	3,165	3,165	0	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$19,296,168	\$19,296,168	\$0	\$0	\$0	26.9
\$ Change from prior year	\$915,728	\$915,728	\$0	\$0	\$0	0.1
% Change from prior year	5.0%	5.0%	n/a	n/a	n/a	0.4%

Issue Descriptions

Case cost and caseload growth increase: The recommendation includes funding to account for a projected caseload growth of 1.4 percent. The additional funding is primarily for contract attorneys acting as guardians ad litem in dependency and neglect cases and juvenile delinquency cases.

Restore FY 2009-10 personal services reductions: The recommendation restores a one-time 1.82 percent reduction in personal services funding.

Centrally-appropriated line items: The recommendation includes adjustments to centrally-appropriated line item appropriations for the following: health, life, and dental benefits; short-term disability; amortization equalization disbursement; and supplemental amortization equalization disbursement.

Replace information technology equipment: The recommendation adds funding to replace one of three servers and three of 33 computer workstations.

Court appointed counsel payments: The recommendation adds funding and authorizes the OCR to increase the Office Manager to a full-time position in order to review and process court appointed counsel payments in a timely manner.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to PERA pursuant to S.B. 10-146.

Long Bill reorganization transfers to the Courts Administration section: The recommendation reflects the consolidation and transfer of funding for the purchase of services from the computer center to the Courts Administration, Central Appropriations section of the Long Bill.

Other: The recommendation includes the following increases: \$4,458 to provide the 12th month of funding for a staff position added in FY 2009-10; and \$2,705 due to a scheduled increase in leased space costs. These increases are offset by a reduction of \$3,998 to eliminate capital outlay funding provided for a staff position added in FY 2009-10.

Department of Labor and Employment

Department Description: The Department is responsible for: running state and federal funded employment and training programs; managing the state's unemployment insurance program, enforcing labor laws, regulating the petroleum industry, inspecting boilers, carnival ride, and conveyances, and administering the workers' compensation program.

Summary Table for Department of Labor and Employment						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$177,028,794	\$0	\$60,585,018	\$12,832,151	\$103,611,625	1,123.7
<i>Recommended Changes from FY 2009-10 by Long Bill Division</i>						
Executive Director's Office	726,802	0	(261,309)	6,305	981,806	(65.0)
Employment and Training	(20,647,503)	0	(275,330)	(11,247,585)	(9,124,588)	(8.2)
Labor	9,447	0	9,447	0	0	0.0
Oil and Public Safety	(326,587)	0	(420,013)	466	92,960	(5.0)
Workers' Compensation	(7,209)	0	(7,209)	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$156,783,744	\$0	\$59,630,604	\$1,591,337	\$95,561,803	1,045.5
\$ Change from prior year	(\$20,245,050)	\$0	(\$954,414)	(\$11,240,814)	(\$8,049,822)	(78.2)
% Change from prior year	(11.4)%	n/a	(1.6)%	(87.6)%	(7.8)%	(7.0)%

Recommendation Highlights:

1. Adds a total of \$885,086 to restore the FY 2009-10 furlough reductions.
2. Adds \$208,613 cash funds and 3.3 FTE to the expand the current Conveyance Section in the Division of Oil and Public Safety, to address the workload increase due to the addition of the Denver Conveyance Program.
3. Reduces 14.5 FTE in the Division of Employment and Training (6.2 FTE) and Division of Oil and Public Safety (8.3 FTE) due to prior year legislation.
4. Decreases a total of \$18,799,591, of which \$7,549,591 is federal funds, for one-time American Recovery and Reinvestment Act of 2009 moneys.
5. Decreases a total of \$5.2 million and transfers 67.0 FTE to the Governor's Office of Information Technology for the statewide IT staff consolidation.
6. Decreases a total of \$1,578,701 for the state PERA contribution reduction pursuant to S.B. 10-146.

Budget Recommendation Detail by Long Bill Division

Executive Director's Office: The Executive Director's Office provides funding for common services to all divisions including legal services from the Department of Law and services from the Computer Center. This Office also houses support services including: the Office of Government, Policy and Public Relations, the Office of Human Resources, and the budget and controller's offices.

Executive Director's Office	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$30,250,367	\$0	\$13,864,083	\$1,096,369	\$15,289,915	164.9
Recommended Changes from FY 2009-10 Appropriation						
Statewide IT common policy adjustments	5,513,673		2,205,469	220,647	3,087,557	0.0
Restore FY 2009-10 furlough reductions	294,005	0	113,483	12,966	167,556	0.0
Centrally-appropriated line items	360,967	0	143,350	6,860	210,757	0.0
Indirect Cost assessment	29,808	0	11,923	1,192	16,693	0.0
Annualize prior year funding	1,520	0	10,134	(105)	(8,509)	0.0
Fund source adjustment	0	0	(558,897)	(16,328)	575,225	0.0
Statewide IT staff consolidation	(5,210,170)	0	(2,084,068)	(208,407)	(2,917,695)	(65.0)
State PERA contribution reduction	(249,827)	0	(97,433)	(9,993)	(142,401)	0.0
Other	(13,174)	0	(5,270)	(527)	(7,377)	0.0
Total FY 2010-11 JBC Recommendation	\$30,977,169	\$0	\$13,602,774	\$1,102,674	\$16,271,721	99.9
\$ Change from prior year	\$726,802	\$0	(\$261,309)	\$6,305	\$981,806	(65.0)
% Change from prior year	2.4%	n/a	(1.9)%	0.6%	6.4%	(39.4)%

Issue Descriptions

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

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Centrally-appropriated line items: The recommendation includes adjustments to centrally-appropriated line items for the following: health, life and dental benefits; short-term disability; amortization equalization disbursement; supplemental amortization equalization disbursement; shift differential; workers' compensation; legal services; payment to risk management and property funds; vehicle lease payments; leased space; and Capitol complex leased space.

Indirect cost assessment: The recommendation includes a net increase in indirect cost assessments.

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

Fund source adjustment: The recommendation includes an increase in federal funds offset by a decrease in cash and reappropriated funds.

Statewide IT staff consolidation: The recommendation includes the impact of transferring information technology (IT) staff resources to the Governor's Office of Information Technology (OIT). The consolidation of IT staff resources in OIT results in a ten percent cost savings statewide.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Other: The recommendation includes other minor adjustments.

Employment and Training: This Division administers three programs: the Unemployment Insurance Programs and the Unemployment Insurance Fraud Program, employment and training programs, and Labor Market Information.

Employment and Training	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$117,261,321	\$0	\$17,778,972	\$11,716,732	\$87,765,617	753.8
Recommended Changes from FY 2009-10 Appropriation						
Unemployment Insurance Programs	(10,071,527)	0	(133,815)	0	(9,937,712)	(7.2)
Employment and Training	(10,590,874)	0	(141,515)	(11,247,585)	798,226	(1.0)
Labor Market Information	14,898	0	0	0	14,898	0.0
Total FY 2010-11 JBC Recommendation	\$96,613,818	\$0	\$17,503,642	\$469,147	\$78,641,029	745.6
\$ Change from prior year	(\$20,647,503)	\$0	(\$275,330)	(\$11,247,585)	(\$9,124,588)	(8.2)
% Change from prior year	(17.6)%	n/a	(1.5)%	(96.0)%	(10.4)%	(1.1)%

Subsection Detail

Unemployment Insurance Programs: The Unemployment insurance programs (UI Programs) provides temporary benefits to individuals who have lost their job through no fault of their own. Responsibilities of the UI Programs include tax collection from employers, benefit payments, employer tax audits, operating a call center, and processing claimants' appeal applications. Included in the UI Programs is the UI Fraud Program which identifies, investigates and prosecutes unqualified individuals who receive UI benefits, and employers who fail to pay UI premiums and taxes.

Unemployment Insurance Programs Subsection	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$44,481,211	\$0	\$7,534,519	\$0	\$36,946,692	476.8
Recommended Changes from FY 2009-10 Appropriation						
Postage adjustment	43,354	0	0	0	43,354	0.0
Eliminate one-time funding	(7,549,591)	0	0	0	(7,549,591)	0.0

Unemployment Insurance Programs Subsection	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Annualize prior year funding	(1,837,742)	0	0	0	(1,837,742)	(6.2)
State PERA contribution reduction	(652,363)	0	(133,815)	0	(518,548)	0.0
Statewide IT staff consolidation	(75,185)	0	0	0	(75,185)	(1.0)
Total FY 2010-11 JBC Recommendation	\$34,409,684	\$0	\$7,400,704	\$0	\$27,008,980	469.6
\$ Change from prior year	(\$10,071,527)	\$0	(\$133,815)	\$0	(\$9,937,712)	(7.2)
% Change from prior year	(22.6)%	n/a	(1.8)%	n/a	(26.9)%	(1.5)%

Issue Descriptions

Postage adjustment: The recommendation provides funding associated with an upgrade to mail services equipment in the Department of Personnel and Administration.

Eliminate one-time funding: The recommendation eliminates one-time funding made available through the American Recovery and Reinvestment Act of 2009 for UI administrative expenses.

Annualize prior year funding: The recommendation includes adjustments related to prior year legislation and budget actions. Senate Bill 09-247 (Tochtrop/Pace) appropriated 6.2 FTE for the Unemployment Insurance Programs for FY 2009-10 only.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Statewide IT staff consolidation: The recommendation includes the impact of transferring information technology (IT) staff resources to the Governor's Office of Information Technology (OIT). The consolidation of IT staff resources in OIT results in a ten percent cost savings statewide.

Employment and Training: The State offers job search assistance, additional job training, classes to improve interview and resume skills through state and county-run one-stop centers. Services are free to job seekers and employers seeking employees, and the goal is to match qualified job seekers with employers.

Employment and Training Subsection	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$70,799,284	\$0	\$10,232,944	\$11,716,732	\$48,849,608	246.7
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Federal funds adjustment	958,175	0	0	0	958,175	0.0
Restore FY 2009-10 furlough reductions	106,344	0	24,365	8,884	73,095	0.0
Annualize one-time money	(11,250,000)	0	0	(11,250,000)	0	0.0
State PERA contribution reduction	(326,552)	0	(128,404)	(6,469)	(191,679)	0.0
Statewide IT staff consolidation	(74,952)	0	(37,476)	0	(37,476)	(1.0)
Annualize prior year funding	(3,889)	0	0	0	(3,889)	0.0

Employment and Training Subsection	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Total FY 2010-11 JBC Recommendation	\$60,208,410	\$0	\$10,091,429	\$469,147	\$49,647,834	245.7
\$ Change from prior year	(\$10,590,874)	\$0	(\$141,515)	(\$11,247,585)	\$798,226	(1.0)
% Change from prior year	(15.0)%	n/a	(1.4)%	(96.0)%	1.6%	(0.4)%

Issue Descriptions

Federal funds adjustment: The recommendation reflects an anticipated decrease of \$3,440,380 federal funds.

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Annualize one-time money: The recommendation annualizes \$11.3 million federal funds granted through the American Recovery and Reinvestment Act used in FY 2009-10 for subsidized employment.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Statewide IT staff consolidation: The recommendation includes the impact of transferring information technology (IT) staff resources to the Governor's Office of Information Technology (OIT). The consolidation of IT staff resources in OIT results in a ten percent cost savings statewide.

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

Labor Market Information: Labor Market Information (LMI) provides information on employment trends across the state, monthly unemployment numbers, and job growth information. LMI collaborates with one-stop centers to provide relevant training classes in fields that have potential long-term growth in Colorado.

Labor Market Information Subsection	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$1,980,826	\$0	\$11,509	\$0	\$1,969,317	30.3
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Restore FY 2009-10 furlough reductions	62,505	0	0	0	62,505	0.0
State PERA contribution reduction	(45,506)	0	0	0	(45,506)	0.0
Annualize prior year funding	(2,101)	0	0	0	(2,101)	0.0
Total FY 2010-11 JBC Recommendation	\$1,995,724	\$0	\$11,509	\$0	\$1,984,215	30.3
\$ Change from prior year	\$14,898	\$0	\$0	\$0	\$14,898	0.0
% Change from prior year	0.8%	n/a	0.0%	n/a	0.8%	0.0%

Issue Descriptions

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

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

Division of Labor: The Division ensures compliance with Colorado's wage, youth, and labor laws, and facilitates labor dispute resolution and mediation.

Division of Labor	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$1,154,149	\$0	\$1,154,149	\$0	\$0	15.0
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Restore FY 2009-10 furlough reductions	34,740	0	34,740	0	0	0.0
State PERA contribution reduction	(25,293)	0	(25,293)	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$1,163,596	\$0	\$1,163,596	\$0	\$0	15.0
\$ Change from prior year	\$9,447	\$0	\$9,447	\$0	\$0	0.0
% Change from prior year	0.8%	n/a	0.8%	n/a	n/a	0.0%

Issue Descriptions

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

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 all boilers and pressure vessels in commercial and multi-unit residential buildings; regulates the distribution and storage of petroleum products; regulates the remediation of contamination caused by leaking underground storage tanks; enforces statutory requirements pertaining to carnival and amusement park rides; and regulates and monitors proper storage of explosives. The Inspector is responsible for monitoring and expediting the clean-up of leaking petroleum storage tanks and monitoring the sale and distribution of petroleum products.

Division of Oil and Public Safety	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$6,431,512	\$0	\$5,856,369	\$19,050	\$556,093	72.0
Recommended Changes from FY 2009-10 Appropriation						
Additional Conveyance Section funding	208,613	0	203,888	0	4,725	3.3
Restore FY 2009-10 furlough reductions	136,131	0	121,898	466	13,767	0.0
EPA LUST Grants	88,321	0	0	0	88,321	0.0
Annualize H.B. 09-1151	(634,649)	0	(634,649)	0	0	(8.0)
State PERA contribution reduction	(95,360)	0	(81,507)	0	(13,853)	0.0
Annualize prior year funding	(16,864)	0	(16,864)	0	0	(0.3)
Indirect cost assessment	(12,779)	0	(12,779)	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$6,104,925	\$0	\$5,436,356	\$19,516	\$649,053	67.0
\$ Change from prior year	(\$326,587)	\$0	(\$420,013)	\$466	\$92,960	(5.0)
% Change from prior year	(5.4)%	n/a	(7.7)%	2.4%	14.3%	(7.5)%

Issue Descriptions

Additional Conveyance Section funding: The recommendation reflects an increase of \$208,613 cash funds and 3.3 FTE to expand the Conveyance Section to handle the additional workload associated with the Division acquiring responsibility for the Denver Conveyance Program.

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

EPA LUST Grants: The recommendation includes an increase of \$88,321 to reflect grants the Division will receive for Leaking Underground Storage Tanks (LUST) from the Environmental Protection Agency (EPA).

Annualize H.B. 09-1151: The recommendation includes the transfer of school inspection FTE from the Division of Oil and Public Safety to the Department of Public Safety pursuant to H.B. 09-1151 (Todd/Heath).

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

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

Indirect Cost Assessment: The recommendation includes a net decrease in indirect cost assessments.

Division of Workers' Compensation: The Division of Workers' Compensation is comprised of five major sections: (1) Customer Service works with injured workers to submit their claim, (2) Dispute Resolution works with employers and injured workers to reach an agreement on claims, (3) Medical Cost Containment is designed to control the expenses of workers' compensation claims, (4) Employer Services works with

employers to ensure compliance with the Colorado Workers' Compensation Act, and (5) Special Funds which include the Major Medical Insurance Fund and the Subsequent Injury Fund.

Division of Workers' Compensation	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$21,931,445	\$0	\$21,931,445	\$0	\$0	118.0
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Restore FY 2009-10 furlough reductions	238,730	0	238,730	0	0	0.0
State PERA contribution reduction	(173,807)	0	(173,807)	0	0	0.0
ALJ Common Policy	(59,618)	0	(59,618)	0	0	0.0
Annualize prior year funding	(11,610)	0	(11,610)	0	0	0.0
Legal services rate	(904)	0	(904)	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$21,924,236	\$0	\$21,924,236	\$0	\$0	118.0
\$ Change from prior year	(\$7,209)	\$0	(\$7,209)	\$0	\$0	0.0
% Change from prior year	0.0%	n/a	0.0%	n/a	n/a	0.0%

Issue Descriptions

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

ALJ Common Policy: The recommendation includes a decrease of \$59,618 cash funds for administrative law judges (ALJ).

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

Legal services rate: The recommendation includes a decrease in the legal services rate.

Department of Law

Department Description: The Attorney General's Office represents and defends the legal interests of the people of the State of Colorado. It serves as chief legal counsel for state agencies and represents Colorado in state and federal courts. The office works concurrently with Colorado's 22 district attorneys and with other local, state and federal law enforcement authorities to carry out its criminal justice responsibilities and represents the State in criminal appeals. It has primary authority for enforcement of consumer protection laws, antitrust laws, and certain natural resource and environmental laws.

Summary Table for Department of Law						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$49,339,112	\$9,225,846	\$9,292,899	\$29,557,289	\$1,263,078	398.6
<i>Recommended Changes from FY 2009-10 by Long Bill Division</i>						
Administration	309,265	(42,236)	25,366	330,537	(4,402)	0.0
Legal Services to State Agencies	31,592	0	(118,152)	149,744	0	3.2
Criminal Justice and Appellate	336,205	387,263	(79,694)	25,651	2,985	2.5
Water and Natural Resources	(169,887)	160,425	(235,312)	(95,000)	0	(1.0)
Consumer Protection	114,241	111,507	5,161	(2,427)	0	0.5
Special Purpose	796,712	214,212	150,000	432,500	0	0.0
Total FY 2010-11 JBC Recommendation	\$50,757,240	\$10,057,017	\$9,040,268	\$30,398,294	\$1,261,661	403.8
H.B. 10-1329	0	(511,159)	511,159	0	0	0.0
H.B. 10-1385	0	0	748,954	(748,954)	0	0.0
Total FY 2010-11 JBC Recommendation	\$50,757,240	\$9,545,858	\$10,300,381	\$29,649,340	\$1,261,661	403.8
\$ Change from prior year	\$1,418,128	\$320,012	\$1,007,482	\$92,051	(\$1,417)	5.2
% Change from prior year	2.9%	3.5%	10.8%	0.3%	(0.1)%	1.3%

Recommendation Highlights:

1. Provides an additional \$968,453 reappropriated funds and 3.2 FTE for legal services and litigation expenses involving other departments.
2. Reduces personal services appropriations by a total of \$724,161 from all fund sources due to the state PERA contribution reduction.
3. Reduces General Fund appropriations for CERCLA superfund work by \$511,159, refinancing the work with cash funds from S.B. 10-1329 (Solid Waste User Fees).
4. Provides an additional \$217,750 General Fund for the state share of the salaries of local district attorneys.
5. Provides an additional \$174,893 cash funds for auto theft prevention.

6. Provides an additional \$150,000 cash funds for tobacco-settlement arbitration.
7. Reduces funding for the Colorado River Unit by \$133,329 cash funds and 1.0 FTE.

Separate JBC Legislation Summary:

H.B. 10-1329 (Solid Waste User Fees): This recommended bill includes a number of provisions related to the Hazardous Substance Response Fund, the Solid Waste Management Fund, and the fees that support both the Solid Waste Management Program and the State's Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) program. Among its provisions, the bill would impose a per-cubic-yard fee on hazardous waste haulers, up to 3.5 cents of which will support the Department of Law's CERCLA Unit. The bill will contain an appropriations clause that refinances the \$511,159 General Fund appropriation to the CERCLA Unit that is contained in the introduced version of the FY 2010-11 Long Bill with cash funds from this fee.

H.B. 10-1385 (Funding Insurance Fraud Cases): This bill would increase the fee paid by insurance entities regulated by the Division of Insurance in the Department of Regulatory Agencies. The additional revenue would replace \$170,000 of insurance premium tax revenue that currently supports the Department of Law's insurance fraud investigation and prosecution program. Since premium tax revenues flow to the General Fund, this would increase General Fund revenues by \$170,000.

Budget Recommendation Detail by Long Bill Division

Administration: This division contains the Office of the Attorney General, which includes the Attorney General and top deputies, as well as the Department's human resources, accounting/budgeting, information technology, and text management sections. The Division coordinates and oversees the operation of the Department's other divisions and provides support services to the entire department. The Division's reappropriated funds derive from indirect cost recoveries and from central appropriations that support other divisions. Federal funds reflect centralized appropriations for the Medicaid Fraud Control Unit.

Administration	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$8,132,251	\$1,426,437	\$415,658	\$6,154,447	\$135,709	42.2
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Restore temporary 2009-10 reductions	279,065	0	0	279,065	0	0.0
Centrally-appropriated line items	95,613	(4,714)	25,366	79,363	(4,402)	0.0
Fund source adjustment	0	(37,522)	0	37,522	0	0.0
State PERA contribution reduction	(65,413)	0	0	(65,413)	0	0.0
Total FY 2010-11 JBC Recommendation	\$8,441,516	\$1,384,201	\$441,024	\$6,484,984	\$131,307	42.2
\$ Change from prior year	\$309,265	(\$42,236)	\$25,366	\$330,537	(\$4,402)	0.0
% Change from prior year	3.8%	(3.0)%	6.1%	5.4%	(3.2)%	0.0%

Issue Descriptions

Restore temporary 2009-10 reductions: The Department's FY 2009-10 appropriation included one-time adjustments to save General Fund in FY 2009-10 that are no longer available.

Centrally-appropriated line items: The recommendation includes adjustments to centrally-appropriated line items for the following: health, life, and dental benefits; short-term disability; amortization equalization disbursement; supplemental amortization equalization disbursement; workers' compensation; payment to risk management and property funds; vehicle lease payments; Capitol complex leased space; other leased space, building security; ADP capital outlay; and communication services payments.

Fund source adjustment: The recommendation reflects an increase in the use of reappropriated funds from indirect cost recoveries and reduced use of General Fund.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Legal Services to State Agencies: The Department of Law provides legal services on a fee-for-service basis to state agencies and enterprises. The Legal Services to State Agencies division contains appropriations for the attorneys, paralegals, and support personnel who provide these services. In FY 2010-11, the Department expects to provide 346 thousand hours of service at an average billing rate of \$73.37 per hour, a 2.7 percent decrease from the 2009-10 average billing rate. The Division's cash funds come from legal services provided to state enterprises, while reappropriated funds come from legal services provided to other state agencies.

Legal Services to State Agencies	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$22,709,787	\$0	\$1,700,540	\$21,009,247	\$0	220.4
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Legal services	535,953	0	0	535,953	0	3.2
Fund source adjustment	0	0	(118,152)	118,152	0	0.0
State PERA contribution reduction	(414,871)	0	0	(414,871)	0	0.0
Indirect cost assessment	(89,490)	0	0	(89,490)	0	0.0
Total FY 2010-11 JBC Recommendation	\$22,741,379	\$0	\$1,582,388	\$21,158,991	\$0	223.6
\$ Change from prior year	\$31,592	\$0	(\$118,152)	\$149,744	\$0	3.2
% Change from prior year	0.1%	n/a	(6.9)%	0.7%	n/a	1.5%

Issue Descriptions

Legal services: The recommendation adjusts legal services in support of prior legislation and decision items for other departments.

Fund source adjustment: The recommendation aligns the appropriation with the expected need for legal services from client agencies that provide different types of funding to the Department.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Indirect cost assessment: The recommendation adjusts indirect cost assessments to reflect changes in the distribution of FTE and funding sources within the Department as well as changing costs for common policy items.

Criminal Justice and Appellate: This division includes the following units:

- Special Prosecutions Unit - Investigates and prosecutes insurance, securities and workers' compensation fraud; gang-related criminal activity; complex crimes; and environmental crimes. Also assists district attorneys investigating and prosecuting homicide cases; handles death-penalty appeals in state and federal courts; and handles foreign prosecutions.
- Appellate Unit - Represents Colorado when felony convictions are appealed in state and federal courts.
- Medicaid Fraud Control Unit - Investigates and prosecutes criminal fraud involving Colorado's Medicaid program as well as patient abuse at Medicaid-funded facilities in Colorado.
- Peace Officers Standards and Training (P.O.S.T.) Board - Certifies and helps train peace officers appointed by state and local law enforcement agencies.

Cash funds for workers' compensation fraud come from the State Compensation Insurance Authority, while cash funds for the P.O.S.T. Board come from fees paid by peace officers and from a statewide vehicle registration fee. Reappropriated funds for securities and insurance fraud activities come from the Department of Regulatory Agencies, while reappropriated funds for victim's assistance and auto theft prevention come from the Department of Public Safety. Federal moneys help support the Medicaid Fraud Control Unit.

Criminal Justice and Appellate	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$9,902,120	\$4,116,066	\$3,090,922	\$1,567,763	\$1,127,369	84.5
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Restore temporary 2009-10 reductions	216,165	467,872	367	(281,534)	29,460	0.0
Auto Theft Prevention Grant	174,893	0	(72,083)	246,976	0	1.5
Transfer Safe2Tell	98,351	98,351	0	0	0	1.0
Indirect cost assessment	1,403	0	6,894	599	(6,090)	0.0
Use indirect cost assessments to reduce use of General Fund by Appellate Unit	0	(82,830)	0	82,830	0	0.0
Consolidate Units	0	0	0	0	0	0.0
Fund source adjustment	0	(59)	0	0	59	0.0
State PERA contribution reduction	(154,607)	(96,071)	(14,872)	(23,220)	(20,444)	0.0
Total FY 2010-11 JBC Recommendation	\$10,238,325	\$4,503,329	\$3,011,228	\$1,593,414	\$1,130,354	87.0

Criminal Justice and Appellate	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
\$ Change from prior year	\$336,205	\$387,263	(\$79,694)	\$25,651	\$2,985	2.5
% Change from prior year	3.4%	9.4%	(2.6)%	1.6%	0.3%	3.0%

Issue Descriptions

Restore temporary 2009-10 reductions: The Department's FY 2009-10 appropriation included one-time adjustments to save General Fund in FY 2009-10 that are no longer available.

Auto Theft Prevention Grant: The recommendation provides spending authority that will allow the Department to spend the grant that it received from the Colorado Automobile Theft Prevention Authority, which is in the Department of Public Safety.

Transfer Safe2Tell: The recommendation transfers the Safe2Tell program from the Department of Public Safety to the Department of Law. Safe2Tell operates a toll-free hotline and a web site where students and others can anonymously provide tips on potential safety issues at school and elsewhere.

Indirect cost assessment: The recommendation adjusts indirect cost assessments to reflect changes in the distribution of FTE and funding sources within the Department as well as changing costs for common policy items.

Use indirect cost assessments to reduce use of General Fund by Appellate Unit: The recommendation uses some of the Department's indirect cost recoveries to offset the General Fund appropriation to the Appellate Unit.

Consolidate Units: The recommendation consolidates the Victims Assistance program into the Appellate Unit. Victims Assistance does about 80 percent of its work for the Appellate Unit.

Fund source adjustment: Changes the fund mix to reach the 25 percent General Fund/75 percent federal funds balance required for the Medicaid Fraud Control Unit.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Water and Natural Resources: This division contains two units:

- The Federal and Interstate Water Unit, which provides legal counsel and representation for cases involving federal water rights, compliance with federal regulatory programs, and interstate water allocation agreements such as the Colorado River Basin Compact.
- The CERCLA Unit, which leads enforcement actions at sites contaminated with hazardous substances under the federal Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA).

Cash funds come from the Colorado Water Conservation Board's Litigation Fund, the Hazardous Substance Response Fund, and attorney fees and costs recovered by the Department, while reappropriated funds come

from the Department of Public Health and Environment.

Water and Natural Resources	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$2,212,385	\$788,178	\$878,329	\$545,878	\$0	13.0
Recommended Changes from FY 2009-10 Appropriation						
Restore temporary 2009-10 reductions	33,994	178,994	(50,000)	(95,000)	0	0.0
Defense of the Colorado River Compact	(133,329)	0	(133,329)	0	0	(1.0)
Rocky Mountain Arsenal Natural Resource Damages	(45,000)	0	(45,000)	0	0	0.0
State PERA contribution reduction	(25,552)	(18,569)	(6,983)	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$2,042,498	\$948,603	\$643,017	\$450,878	\$0	12.0
\$ Change from prior year	(\$169,887)	\$160,425	(\$235,312)	(\$95,000)	\$0	(1.0)
% Change from prior year	(7.7)%	20.4%	(26.8)%	(17.4)%	n/a	(7.7)%

Issue Descriptions

Restore temporary 2009-10 reductions: The Department's FY 2009-10 appropriation included one-time adjustments to save General Fund in FY 2009-10 that are no longer available.

Defense of the Colorado River Compact: The recommendation reduces funding for the Colorado River Unit, reflecting the reduced grant support that the Unit has received from the Colorado Water Conservation Board.

Rocky Mountain Arsenal Natural Resource Damages: The state won \$35 million in its lawsuit to recover Natural Resource Damages at the Rocky Mountain Arsenal and must now use the award to acquire or improve natural resources similar to those that were damaged; the cost of implementing the settlement is declining.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Consumer Protection: The Consumer Protection section includes the following programs:

- Antitrust Program - Investigates and prosecutes antitrust violations involving such practices as price fixing, bid rigging, and attempts to monopolize a market or industry.
- Consumer Protection Program - Investigates and prosecutes deceptive or fraudulent trade and advertising practices in such areas as telephone solicitation, health clubs, automobile repossession, and manufactured home sales.
- Consumer Credit Program - Regulates debt collection agencies, debt management services, credit repair services, payday lending, rent-to-own agreements, and certain other lenders.

The Division's cash funds come from fees paid by regulated entities, custodial funds awarded to the Department in consumer protection lawsuits, and tobacco settlement moneys. Reappropriated funds come from the

Department of Regulatory Agencies.

Consumer Protection	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$3,357,953	\$795,549	\$2,282,450	\$279,954	\$0	38.5
Recommended Changes from FY 2009-10 Appropriation						
Restore temporary 2009-10 reductions	147,835	132,555	11,193	4,087	0	0.0
Funding and FTE for the Consumer Credit Unit	51,404	0	51,404	0	0	0.5
Combine Collection Agency Board and Uniform Consumer Credit Code Unit	0	0	0	0	0	0.0
State PERA contribution reduction	(63,718)	(21,048)	(37,896)	(4,774)	0	0.0
Indirect cost assessment	(21,280)	0	(19,540)	(1,740)	0	0.0
Total FY 2010-11 JBC Recommendation	\$3,472,194	\$907,056	\$2,287,611	\$277,527	\$0	39.0
\$ Change from prior year	\$114,241	\$111,507	\$5,161	(\$2,427)	\$0	0.5
% Change from prior year	3.4%	14.0%	0.2%	(0.9)%	n/a	1.3%

Issue Descriptions

Restore temporary 2009-10 reductions: The Department's FY 2009-10 supplemental bill included one-time adjustments to save General Fund in 2009-10 that are no longer available.

Funding and FTE for the Consumer Credit Unit: The added funding will finance enforcement efforts involving unlicensed internet payday lenders and debt management services.

Combine Collection Agency Board and Uniform Consumer Credit Code Unit: To enhance efficiency, the recommendation consolidates the two units into a single line item called the Consumer Credit Unit.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Indirect cost assessment: The recommendation adjusts indirect cost assessments to reflect changes in the distribution of FTE and funding sources within the Department as well as changing costs for common policy items.

Special Purpose: This section contains the appropriation that pays eighty percent of the base salaries of Colorado's twenty-two district attorneys, as well as appropriations for programs that do not fit elsewhere in the Department's budget, such as tobacco-settlement litigation. The Litigation Management and Technology Fund line item provides funding for unanticipated legal expenditures and for information technology projects. Cash funds derive from the surplus earned by the Legal Services to State Agencies program and from tobacco settlement moneys.

Special Purpose	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$3,024,616	\$2,099,616	\$925,000	\$0	\$0	0.0
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Lobato Litigation Expenses	432,500	0	0	432,500	0	0.0
Third year impact of H.B. 07-1170	217,750	217,750	0	0	0	0.0
Tobacco settlement litigation	150,000	0	150,000	0	0	0.0
HIPAA support	(3,538)	(3,538)	0	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$3,821,328	\$2,313,828	\$1,075,000	\$432,500	\$0	0.0
\$ Change from prior year	\$796,712	\$214,212	\$150,000	\$432,500	\$0	0.0
% Change from prior year	26.3%	10.2%	16.2%	n/a	n/a	n/a

Issue Descriptions

Lobato Litigation Expenses: The recommendation includes an appropriation to the Governor's Office for litigation expenses of the Lobato lawsuit concerning school funding adequacy. This appropriation gives the Department of Law the authority to spend moneys received from the Governor's Office.

Third year impact of H.B. 07-1170: House Bill 07-1170 (Compensation of Elected DA's) increased the base salaries of district attorneys, 80 percent of which is paid by the state, each year until 2012. This increase cannot constitutionally be avoided.

Tobacco settlement litigation: The recommendation increases funding for the tobacco-settlement arbitration proceeding that is expected to begin in FY 2010-11.

HIPAA support: The Department formerly received an appropriation that provided HIPAA (Health Insurance Portability and Accountability Act) legal support for General Fund programs. The recommendation eliminates this appropriation.

Legislative Branch

Department Description: The Legislative Branch includes the elected officials of the House of Representatives and the Senate and the necessary staff to support them in their duties and responsibilities. The staff includes those assigned to both the House and the Senate; the State Auditor's Office; the Joint Budget Committee; the Legislative Council; the Office of Legislative Legal Services; and the Colorado Reapportionment Commission. The majority of the legislative appropriation is contained in a separate legislative appropriation bill. However, several specific line items are contained in the Long Bill. This narrative only addresses the line items contained in the Long Bill.

Summary Table for Legislative Branch						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$2,913,687	\$2,663,687	\$0	\$250,000	\$0	0.0
<i>Recommended Changes from FY 2009-10 by Long Bill Division</i>						
Legislative Council	(250,000)	0	0	(250,000)	0	0.0
General Assembly	(30,843)	(30,843)	0	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$2,632,844	\$2,632,844	\$0	\$0	\$0	0.0
\$ Change from prior year	(\$280,843)	(\$30,843)	\$0	(\$250,000)	\$0	0.0
% Change from prior year	(9.6)%	(1.2)%	n/a	(100.0)%	n/a	n/a

Recommendation Highlights:

1. Contains various changes in the centrally-appropriated line items that result in a decrease of \$30,843 General Fund.
2. Contains a decrease of \$250,000 reappropriated funds for the school district cost-of-living analysis.

Budget Recommendation Detail by Long Bill Division

Legislative Council: This section contains line items the Legislative Branch is required by statute or the Constitution to fund.

Legislative Council	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$1,380,500	\$1,130,500	\$0	\$250,000	\$0	0.0
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Cost-of-living analysis	(250,000)	0	0	(250,000)	0	0.0
Total FY 2010-11 JBC Recommendation	\$1,130,500	\$1,130,500	\$0	\$0	\$0	0.0
\$ Change from prior year	(\$250,000)	\$0	\$0	(\$250,000)	\$0	0.0
% Change from prior year	(18.1)%	0.0%	n/a	(100.0)%	n/a	n/a

Issue Descriptions

Cost-of-living analysis: Legislative Council staff, pursuant to Section 22-54-104 (5) (c) (III) (A), C.R.S., is required to certify the cost-of-living factor for each school district every two years based on a cost-of-living analysis that is typically conducted through a contract. This is the off-year in the cycle, therefore, no appropriation is required.

General Assembly: This section contains line items associated with statewide appropriations, such as workers' compensation, legal services, purchase of services from the computer center, risk management, and Capitol complex leased space.

General Assembly	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$1,533,187	\$1,533,187	\$0	\$0	\$0	0.0
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Operating adjustments	(30,843)	(30,843)	0	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$1,502,344	\$1,502,344	\$0	\$0	\$0	0.0
\$ Change from prior year	(\$30,843)	(\$30,843)	\$0	\$0	\$0	0.0
% Change from prior year	(2.0)%	(2.0)%	n/a	n/a	n/a	n/a

Issue Descriptions

Operating adjustments: The recommendation contains various changes in centrally-appropriated line items. These centrally-appropriated line items include workers' compensation, payments to risk management and property funds, legal services, purchase of services from the computer center, and Capitol complex leased space. Operating adjustments are a function of recoverable costs in the Department of Personnel and Administration or the Department of Law, as is the case with legal services, that are allocated to other departments based on a proportionate share of risk or utilization.

Department of Local Affairs

Department Description: The Department is responsible for building community and local government capacity by providing training, technical, and financial assistance to localities. Major divisions include the Executive Director's Office, Property Taxation, the Division of Housing, the Division of Local Government, and the Division of Emergency Management.

Summary Table for Department of Local Affairs						
	Total Funds	General Fund/1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$394,429,210	\$10,912,921	\$258,601,220	\$11,928,255	\$112,986,814	186.5
Recommended Changes from FY 2009-10 by Long Bill Division						
Executive Director's Office	739,382	91,737	(14,132)	255,104	406,673	0.5
Property Taxation	(218,109)	(163,257)	2,994	(57,846)	0	(3.6)
Division of Housing	(12,763,564)	2,366	(160,537)	(4,838,266)	(7,767,127)	(1.9)
Division of Local Government	(59,684,539)	(138,567)	(51,020,862)	(46,113)	(8,478,997)	(3.3)
Division of Emergency Management	(168,475)	(874)	0	2,343	(169,944)	(1.5)
Total FY 2010-11 JBC Recommendation	\$322,333,905	\$10,704,326	\$207,408,683	\$7,243,477	\$96,977,419	176.7
\$ Change from prior year	(\$72,095,305)	(\$208,595)	(\$51,192,537)	(\$4,684,778)	(\$16,009,395)	(9.8)
% Change from prior year	(18.3)%	(1.9)%	(19.8)%	(39.3)%	(14.2)%	(5.3)%

/1 This amount includes a General Fund Exempt appropriation.

Recommendation Highlights:

1. Reflects estimated cash fund decreases of \$27.5 million in severance tax revenues and \$26.6 million in federal mineral lease revenues based on the March 2010 Legislative Council Staff economic and revenue forecast.
2. Reflects the elimination of the one-time \$24.4 million allocation of moneys anticipated to be received from the American Recovery and Reinvestment Act (ARRA) of 2009.
3. Reflects a projected increase of \$3.4 million in disbursements from the Conservation Trust Fund for parks, recreation, and open space purposes based on projected lottery revenues.
4. Reflects an anticipated federal funds increase of \$3.7 million consisting of increases of \$2.6 million for Community Development Block Grants, \$807,000 for low-income rental assistance, \$500,000 for Community Services Block Grants, and \$41,624 for the emergency shelter program. These increases are offset by a decrease of \$290,931 related to federal affordable housing construction grants and loans.
5. Adds \$339,875, including \$82,888 General Fund, to restore one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

JBC Sponsored Bills:

H.B. 10-1388 Augment FY 2010-11 General Fund Revenues: This bill would transfer \$22.5 million from various cash fund sources to the General Fund for budget balancing purposes in FY 2010-11. Of this amount, \$10 million would be transferred from the Local Government Severance Tax Fund.

Budget Recommendation Detail by Long Bill Division

Executive Director's Office: This division is responsible for the management and administration of the Department, including accounting, budgeting, and human resources. The appropriation to this office includes centrally-appropriated funds which are further distributed to the various divisions. The Division also conducts several miscellaneous functions statutorily assigned to the Department, including administration of the Moffat Tunnel Improvement District.

Executive Director's Office	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$4,039,209	\$1,162,791	\$385,067	\$2,003,843	\$487,508	13.2
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Statewide information technology staff consolidation	794,399	176,970	0	246,383	371,046	0.5
Statewide information technology common policy adjustments	59,572	27,076	1,291	5,297	25,908	0.0
Restore FY 2009-10 furlough reductions	40,034	2,729	1,937	32,223	3,145	0.0
Vehicle lease payments	20,830	11,866	0	8,964	0	0.0
Office lease for south central region	6,240	0	0	6,240	0	0.0
Centrally-appropriated line items	(155,386)	(126,904)	(17,360)	(17,696)	6,574	0.0
State PERA contribution reduction	(26,307)	0	0	(26,307)	0	0.0
Total FY 2010-11 JBC Recommendation	\$4,778,591	\$1,254,528	\$370,935	\$2,258,947	\$894,181	13.7
\$ Change from prior year	\$739,382	\$91,737	(\$14,132)	\$255,104	\$406,673	0.5
% Change from prior year	18.3%	7.9%	(3.7)%	12.7%	83.4%	3.8%

Issue Descriptions

Statewide information technology staff consolidation: The recommendation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources in OIT results in a ten percent cost savings statewide.

Statewide information technology common policy adjustments: The recommendation includes adjustments to line item appropriations for the following: the purchase of services from computer center; multiuse network payments; management and administration of the Office of Information Technology; and communication services payments.

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Vehicle lease payments: The recommendation reflects an increase of \$20,830 for vehicle lease payments. The increase includes \$13,806 related to prior year budget actions for the purpose of augmenting the State's Pre-Disaster Mitigation program (three-to-one federal-to-state match for FTE and operating expenses) and \$7,204 related to one-time rebates for the purchase of hybrid vehicles that were applied in FY 2009-10.

Office lease for south central region: The recommendation includes increased spending authority to acquire leased office space for the purposes of accommodating a move of the Department's south central regional office from Monte Vista to Alamosa.

Centrally-appropriated line items: The recommendation includes adjustments to centrally-appropriated line items for the following: health, life, and dental benefits; short-term disability; amortization equalization disbursement; supplemental amortization equalization disbursement; workers' compensation; legal services; payment to risk management and property funds; and Capitol complex leased space.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Property Taxation: This section provides funding for the Division of Property Taxation, which: issues appraisal standards and provides training and technical assistance to county assessors; values multi-county companies; and grants taxation exemptions. This section also provides funding for the State Board of Equalization, which supervises the administration of property tax laws by local county assessors, as well as the Board of Assessment Appeals, which hears petitions for appeal on valuation, abatements, exemptions, and valuation of state-assessed properties.

Property Taxation	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$3,566,844	\$1,642,049	\$687,883	\$1,236,912	\$0	53.5
Recommended Changes from FY 2009-10 Appropriation						
Restore FY 2009-10 furlough reductions	74,826	30,054	16,884	27,888	0	0.0
Indirect cost assessment	25,482	0	0	25,482	0	0.0
Board of Assessment Appeals funding	0	(104,185)	0	104,185	0	0.0
Statewide information technology staff consolidation	(235,752)	(53,568)	0	(182,184)	0	(3.6)
State PERA contribution reduction	(71,815)	(24,708)	(13,890)	(33,217)	0	0.0
Operating reduction	(8,071)	(8,071)	0	0	0	0.0
Postage adjustment	(2,779)	(2,779)	0	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$3,348,735	\$1,478,792	\$690,877	\$1,179,066	\$0	49.9
\$ Change from prior year	(\$218,109)	(\$163,257)	\$2,994	(\$57,846)	\$0	(3.6)
% Change from prior year	(6.1)%	(9.9)%	0.4%	(4.7)%	n/a	(6.7)%

Issue Descriptions

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Indirect cost assessment: The recommendation includes a net increase in indirect cost assessments.

Board of Assessment Appeals funding: The recommendation includes a net decrease of General Fund and a commensurate increase in reappropriated funds made available from additional indirect cost recoveries which are being utilized to offset a portion of the appropriation made for the Board of Assessment Appeals.

Statewide information technology staff consolidation: The recommendation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources in OIT results in a ten percent cost savings statewide.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Operating reduction: The recommendation reflects a 5.0 percent reduction to eligible operating expenditures funded with General Fund.

Postage adjustment: The recommendation eliminates one-time increases associated with an upgrade to mail services equipment in the Department of Personnel.

Division of Housing: The Division provides financial and technical assistance to help communities provide affordable housing to low-income, elderly, and disabled individuals. The Division administers state and federal affordable housing programs, and regulates the manufacture of factory-built residential and commercial buildings.

Division of Housing	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$82,016,204	\$2,614,518	\$1,470,791	\$5,049,894	\$72,881,001	35.0
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Anticipated federal funding increase	557,693	0	0	0	557,693	0.0
Restore FY 2009-10 furlough reductions	72,169	9,879	26,744	2,795	32,751	0.0
Eliminate one-time funding	(13,004,036)	0	0	(4,850,000)	(8,154,036)	0.0
Indirect cost assessment	(177,852)	0	(171,303)	12,578	(19,127)	0.0
Statewide information technology staff consolidation	(163,107)	0	0	0	(163,107)	(1.9)
State PERA contribution reduction	(45,854)	(6,218)	(15,484)	(3,639)	(20,513)	0.0
Operating reduction	(1,295)	(1,295)	0	0	0	0.0
Postage adjustment	(1,282)	0	(494)	0	(788)	0.0

Division of Housing	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Total FY 2010-11						
JBC Recommendation	\$69,252,640	\$2,616,884	\$1,310,254	\$211,628	\$65,113,874	33.1
\$ Change from prior year	(\$12,763,564)	\$2,366	(\$160,537)	(\$4,838,266)	(\$7,767,127)	(1.9)
% Change from prior year	(15.6)%	0.1%	(10.9)%	(95.8)%	(10.7)%	(5.4)%

Issue Descriptions

Long Bill supplemental: The FY 2010-11 Long Bill contains a section that makes a technical fund source correction to the FY 2009-10 Private Activity Bond Allocation Committee line item letternote.

Anticipated federal funding increase: The recommendation reflects anticipated increases of federal funds including: (1) \$807,000 for low-income rental subsidies (Section 8 housing); and (2) \$41,624 related to the emergency shelter program. These increases are offset by an anticipated decrease of \$290,931 in federal funds related to affordable housing construction grant and loans.

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Eliminate one-time funding: The recommendation eliminates one-time funding for the following: (1) \$12,904,036 related to the Homeless Prevention and Rapid Re-Housing Program that was funded with moneys made available from the American Recovery and Reinvestment Act (ARRA) of 2009; and (2) \$100,000 cash funds spending authority from the Foreclosure Prevention Grant Fund.

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

Statewide information technology staff consolidation: The recommendation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources in OIT results in a ten percent cost savings statewide.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Operating reduction: The recommendation reflects a 5.0 percent reduction to eligible operating expenditures funded with General Fund.

Postage adjustment: The recommendation eliminates one-time increases associated with an upgrade to mail services equipment in the Department of Personnel.

Division of Local Government: This division provides information and training for local governments in budget development, purchasing, demographics, land use planning, and regulatory issues; and it manages federal and state funding programs to support infrastructure and local services development. To provide this assistance to local governments, the Division operates eight field offices.

Division of Local Government	Total Funds	General Fund/1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$284,857,480	\$4,921,004	\$251,546,491	\$3,559,158	\$24,830,827	55.4
Recommended Changes from FY 2009-10 Appropriation						
Conservation Trust Fund disbursements	3,403,443	0	3,403,443	0	0	0.0
Community Development Block Grant	2,647,981	0	0	0	2,647,981	0.0
Community Services Block Grant	500,000	0	0	0	500,000	0.0
Restore FY 2009-10 furlough reductions	98,338	27,931	13,267	38,533	18,607	0.0
Volunteer firefighter retirement plans	2,451	2,451	0	0	0	0.0
Indirect cost assessment	2,399	0	(20,484)	43,078	(20,195)	0.0
Waste tire programs	1,416	0	1,416	0	0	0.0
Search and rescue program	1,342	0	1,342	0	0	0.0
Field services technical adjustment	0	(9,126)	0	9,126	0	0.0
Local government mineral and energy impact grants and disbursements	(54,100,000)	0	(54,100,000)	0	0	0.0
Eliminate one-time FY 2009-10 ARRA allocation	(11,517,256)	0	0	0	(11,517,256)	0.0
Statewide information technology staff consolidation	(341,873)	(144,994)	0	(94,261)	(102,618)	(3.3)
Limited gaming impact grants	(308,674)	0	(308,674)	0	0	0.0
State PERA contribution reduction	(71,326)	(12,720)	(11,172)	(41,918)	(5,516)	0.0
Operating reduction	(2,109)	(2,109)	0	0	0	0.0
Postage adjustment	(671)	0	0	(671)	0	0.0
Total FY 2010-11 JBC Recommendation	\$225,172,941	\$4,782,437	\$200,525,629	\$3,513,045	\$16,351,830	52.1
\$ Change from prior year	(\$59,684,539)	(\$138,567)	(\$51,020,862)	(\$46,113)	(\$8,478,997)	(3.3)
% Change from prior year	(21.0)%	(2.8)%	(20.3)%	(1.3)%	(34.1)%	(6.0)%

/1 This amount includes a General Fund Exempt appropriation.

General Fund Summary	Total General Fund	General Fund	General Fund Exempt
FY 2009-10 Appropriation	\$4,921,004	\$4,921,004	\$0
Restore FY 2009-10 furlough reductions	27,931	27,931	0
Volunteer firefighter retirement plans adjustment	2,451	0	2,451
Statewide information technology staff consolidation	(144,994)	(144,994)	0
State PERA contribution reduction	(12,720)	(12,720)	0
Field services technical adjustment	(9,126)	(9,126)	0
Operating reduction	(2,109)	(2,109)	0

General Fund Summary	Total General Fund	General Fund	General Fund Exempt
Increase General Fund Exempt amount for volunteer firefighter retirement plans based on FY 2010-11 revenue projections	0	(4,141,912)	4,141,912
Total FY 2010-11 Long Bill Recommendation	\$4,782,437	\$638,074	\$4,144,363

General Fund Exempt

Referendum C, passed by Colorado voters in November 2005, allows the State to retain and spend all revenue that is collected in excess of the TABOR limit for FY 2005-06 through FY 2009-10. For FY 2010-11 and subsequent fiscal years, Referendum C allows the State to retain all revenues that are in excess of the TABOR limit, but less than the excess state revenues cap¹, for that fiscal year. This revenue must be placed in the General Fund Exempt Account. The above table shows the amount of General Fund Exempt that the Joint Budget Committee recommends be appropriated for FY 2009-10 and FY 2010-11 from the General Fund Exempt Account for volunteer firefighter retirement plans and death and disability insurance, pursuant to Section 24-77-103.6 (2) (c), C.R.S.

Issue Descriptions

Long Bill supplemental: The FY 2010-11 Long Bill contains a section that adjusts the FY 2008-09 appropriation for volunteer firefighter retirement plans and death and disability insurance to accurately reflect the portion of the appropriation that is from the General Fund Exempt Account based on the Legislative Council Staff March 2010 revenue forecast.

Conservation Trust Fund disbursements: The recommendation reflects a projected increase in disbursements from the Conservation Trust Fund for parks, recreation, and open space purposes based on projected lottery revenues.

Community Development Block Grant: The recommendation reflects a projected increase in federal funds for business and infrastructure development through the Community Development Block Grant program.

Community Services Block Grant: The recommendation reflects a projected increase in federal funds for the reduction of poverty through the Community Services Block Grant program.

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Volunteer firefighter retirement plans: The recommendation includes an increase for the State's contributions for local volunteer firefighter retirement plans and death and disability insurance.

¹ The "excess state revenues cap" is equal to the highest annual total state revenues from FY 2005-06 through FY 2009-10, adjusted each subsequent fiscal year for inflation, the percentage change in state population, enterprises, and debt service changes.

Indirect cost assessment: The recommendation includes a net increase in indirect cost assessments.

Waste tire programs: The recommendation adjusts the appropriation to reflect anticipated expenditures from funds administered by this Department based on projected revenues.

Search and rescue program: The recommendation adjusts the appropriation to reflect anticipated expenditures from the Search and Rescue Fund.

Field services technical adjustment: The recommendation includes a technical funding source adjustment related to mid-year changes to the appropriation for Field Services staff made in H.B. 10-1307.

Local government mineral and energy impact grants and disbursements: The recommendation reflects a reduced amount of funding for this program based on projected revenues that will be credited to the Local Government Severance Tax Fund and the Local Government Mineral Impact Fund in FY 2010-11.

Eliminate one-time FY 2009-10 ARRA allocation: The recommendation reflects the elimination of a one-time allocation of moneys made available from the American Recovery and Reinvestment Act (ARRA) of 2009. Of this reduction, \$8,684,648 were made available through the Community Services Block Grant program for the reduction of poverty, revitalization of low-income communities, and to assist low-income families and individuals to become fully self-sufficient; and \$2,832,608 were made available through the through the Community Development Block Grant program for critical infrastructure projects.

Statewide information technology staff consolidation: The recommendation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources in OIT results in a ten percent cost savings statewide.

Limited gaming impact grants: The recommendation includes a decrease in limited gaming impact grants based on projected limited gaming revenues that will be credited to the Local Government Limited Gaming Impact Fund.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Operating reduction: The recommendation reflects a 5.0 percent reduction to eligible operating expenditures funded with General Fund.

Postage adjustment: The recommendation eliminates one-time increases associated with an upgrade to mail services equipment in the Department of Personnel.

Emergency Management: This division assists local, state, and private organizations in disaster preparedness, response, recovery, and impact mitigation. The Division is responsible for preparing and maintaining a state disaster plan, as well as taking part in the development and revision of local and inter-jurisdictional disaster plans. The Colorado Emergency Planning Commission, established within this Department, is charged with designating local emergency planning districts (as required by federal law), as well as assisting in the appropriate training of personnel to react to emergency response situations.

Emergency Management	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$19,949,473	\$572,559	\$4,510,988	\$78,448	\$14,787,478	29.4
Recommended Changes from FY 2009-10 Appropriation						
Restore FY 2009-10 furlough reductions	54,508	12,295	0	1,204	41,009	0.0
Statewide information technology staff consolidation	(142,768)	0	0	0	(142,768)	(1.6)
State PERA contribution reduction	(42,382)	(10,968)	0	(877)	(30,537)	0.0
Annualize prior year funding	(19,615)	(2,201)	0	0	(17,414)	0.1
Indirect cost assessment	(17,296)	0	0	2,016	(19,312)	0.0
Postage adjustment	(922)	0	0	0	(922)	0.0
Total FY 2010-11 JBC Recommendation	\$19,780,998	\$571,685	\$4,510,988	\$80,791	\$14,617,534	27.9
\$ Change from prior year	(\$168,475)	(\$874)	\$0	\$2,343	(\$169,944)	(1.5)
% Change from prior year	(0.8)%	(0.2)%	0.0%	3.0%	(1.1)%	(5.1)%

Issue Descriptions

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Statewide information technology staff consolidation: The recommendation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources in OIT results in a ten percent cost savings statewide.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Annualize prior year funding: The recommendation includes a reduction of \$19,615 related to a prior year budget action related to Pre-Disaster Mitigation Program. Of this reduction, \$23,962 reflects the elimination of one-time operating and capital outlay expenditures which is offset by an increase of \$4,347 and 0.1 FTE in annualizations for personal services.

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

Postage adjustment: The recommendation eliminates one-time increases associated with an upgrade to mail services equipment in the Department of Personnel.

Department of Military and Veterans Affairs

Department Description: The Department provides trained and ready military forces for the U.S. active armed services, and for preserving life and property during natural disasters and civil emergencies in Colorado; supports federal and state homeland security missions; maintains equipment and facilities for state military forces; provides for safekeeping 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.

Summary Table for Department of Military and Veterans Affairs						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$203,227,824	\$5,407,887	\$1,407,940	\$803,509	\$195,608,488	1,386.9
<i>Recommended Changes from FY 2009-10 by Long Bill Division</i>						
Executive Director and Army National Guard	134,788	46,902	579	0	87,307	(1.0)
Division of Veterans Affairs	3,309	2,947	362	0	0	0.0
Air National Guard	(14,134)	(9,350)	0	0	(4,784)	0.0
Federal Funded Programs	18,067,883	0	0	0	18,067,883	0.0
Civil Air Patrol	(127,978)	(127,978)	0	0	0	(1.0)
Total FY 2010-11 JBC Long Bill Recommendation	\$221,291,692	\$5,320,408	\$1,408,881	\$803,509	\$213,758,894	1,384.9
\$ Change from prior year	\$18,063,868	(\$87,479)	\$941	\$0	\$18,150,406	(2.0)
% Change from prior year	8.9%	(1.6)%	0.1%	0.0%	9.3%	(0.1)%

Recommendation Highlights:

1. Decrease of 2.0 FTE in the Department as a result of the Statewide consolidation of information technology staff. Savings to the Department are \$7,362 General Fund, a reduction of 3.9 percent.
2. Increases funding by \$18.1 million to reflect estimated increases in federal funding of Colorado National Guard programs.
3. Includes a reduction of \$114,000 for the State PERA contribution.

Budget Recommendation Detail by Long Bill Division

Executive Director and Army National Guard: The federal government fully funds National Guard training and provides most of the funding for construction of armories and other military facilities. Under its cooperative agreements with the federal government, the Department provides 100 percent of maintenance and utilities costs at fifteen armories, and 20 or 25 percent of the costs at four other facilities. Most of the Department's General Fund personnel expenditures are for administrative and professional staff in the Executive Director/Army National Guard office, and for the labor trades and crafts employees who maintain and repair the armories and other military facilities.

Executive Director and Army National Guard	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$10,043,370	\$4,022,064	\$101,960	\$800,000	\$5,119,346	85.8
Recommended Changes from FY 2009-10 Appropriation						
Restructure Civil Air Patrol Division	127,978	127,978	0	0	0	1.0
Restore FY 2009-10 furlough reductions	40,554	36,356	69	0	4,129	0.0
Annualize prior year funding	22,004	19,771	(69)	0	2,302	0.0
Statewide information technology common policy adjustments	4,014	4,014	0	0	0	0.0
Changes to Army National Guard cooperative agreement	930	0	0	0	930	0.0
State PERA contribution reduction	(49,851)	(42,149)	0	0	(7,702)	0.0
Centrally-appropriated line items	(3,519)	(91,746)	579	0	87,648	0.0
Statewide information technology staff consolidation	(7,362)	(7,362)	0	0	0	(2.0)
Postage adjustment	(40)	(40)	0	0	0	0.0
Other	80	80	0	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$10,178,158	\$4,068,966	\$102,539	\$800,000	\$5,206,653	84.8
\$ Change from prior year	\$134,788	\$46,902	\$579	\$0	\$87,307	(1.0)
% Change from prior year	1.3%	1.2%	0.6%	0.0%	1.7%	(1.2)%

Issue Descriptions

Restructure Civil Air Patrol Division: The recommendation transfers \$128,000 General Fund and 1.0 FTE from the Civil Air Patrol Division to the Executive Director and Army National Guard Division.

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

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

Statewide information technology common policy adjustments: The recommendation includes adjustments to line item appropriations for the following: the purchase of services from computer center; multiuse network payments; management and administration of the Office of Information Technology; and communication services payments.

Changes to Army National Guard Cooperative Agreement: The recommendation reflects estimated changes to the funding provided by the federal government for the Army National Guard.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Centrally-appropriated line items: The recommendation includes adjustments to centrally-appropriated line items for the following: health, life and dental benefits; short-term disability; amortization equalization disbursement; supplemental amortization equalization disbursement; shift differential; workers' compensation; legal services; payment to risk management and property funds; vehicle lease payments; and Capitol complex leased space.

Statewide information technology staff consolidation: The recommendation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources in OIT results in a ten percent cost savings statewide.

Postage adjustment: The recommendation eliminates one-time increases associated with an upgrade to mail services equipment in the Department of Personnel.

Other: The recommendation includes other minor adjustments.

Division of Veterans Affairs: The Division represents veterans in federal benefits claims, provides information and training to county veterans service officers, and maintains the Western Slope Veterans' Cemetery in Grand Junction. The State Board of Veterans Affairs makes grants to veterans service organizations from the Veterans Trust Fund, which is derived from tobacco settlement proceeds.

Division of Veterans Affairs	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$2,227,576	\$867,087	\$1,305,980	\$3,509	\$51,000	12.5
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Restore FY 2009-10 furlough reductions	17,872	15,627	2,245	0	0	0.0
Changes in Colorado State Veterans Trust Fund expenditures	364	0	364	0	0	0.0
Annualize prior year funding	0	50,000	(50,000)	0	0	0.0
Refinance Veterans Service Operations	0	(50,000)	50,000	0	0	0.0
State PERA contribution reduction	(14,927)	(12,680)	(2,247)	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$2,230,885	\$870,034	\$1,306,342	\$3,509	\$51,000	12.5
\$ Change from prior year	\$3,309	\$2,947	\$362	\$0	\$0	0.0
% Change from prior year	0.1%	0.3%	0.0%	0.0%	0.0%	0.0%

Issue Descriptions

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Changes in Colorado State Veterans Trust Fund expenditures: The recommendation reflects changes in the estimate for Trust Fund receipts from the Master Tobacco Settlement and a refinance of veterans service operations.

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

Refinance veterans service operations: The recommendation refinances \$50,000 of General Fund with funding from the Colorado State Veterans Trust Fund expenditures.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Air National Guard: This division provides funding for personal services, operating expenses, and utilities for the Buckley and Greeley Air National Guard bases. The State's share of operating and maintenance costs varies under its agreements with the federal government, based on the type and use of the building and whether it is on state or federal land. The federal government pays the state to employ five full-time security guards at the space command facility at Greeley.

Air National Guard	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$3,250,414	\$390,758	\$0	\$0	\$2,859,656	48.6
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Annualize prior year funding	92,820	70,562	0	0	22,258	0.0
Restore FY 2009-10 furlough reductions	23,052	4,561	0	0	18,491	0.0
Operating adjustments	(81,167)	(81,167)	0	0	0	0.0
State PERA contribution reduction	(48,839)	(3,306)	0	0	(45,533)	0.0
Total FY 2010-11 JBC Recommendation	\$3,236,280	\$381,408	\$0	\$0	\$2,854,872	48.6
\$ Change from prior year	(\$14,134)	(\$9,350)	\$0	\$0	(\$4,784)	0.0
% Change from prior year	(0.4)%	(2.4)%	n/a	n/a	(0.2)%	0.0%

Issue Descriptions

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

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Operating adjustments: The recommendation includes a decrease of \$81,167 General Fund for reductions in maintenance and repair expense.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Federal Funded Programs: This section of the Long Bill is included for informational purposes only. It describes funding that is managed by the Department but which is not subject to state appropriation and does not flow through the state accounting system. These programs provide training each weekend and two weeks per year for members of the Colorado National Guard. The recommended level of federal funding reflects estimates of the federal appropriation for federal fiscal year 2011.

Federal Funded Programs	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$187,578,486	\$0	\$0	\$0	\$187,578,486	1,239.0
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Estimated changes in Federal funded programs	18,067,883	0	0	0	18,067,883	0.0
Restructure Federal funded programs line items	0	0	0	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$205,646,369	\$0	\$0	\$0	\$205,646,369	1,239.0
\$ Change from prior year	\$18,067,883	\$0	\$0	\$0	\$18,067,883	0.0
% Change from prior year	9.6%	n/a	n/a	n/a	9.6%	0.0%

Issue Descriptions

Estimated changes in Federal funded programs: The recommendation reflects an increase in the estimated federal funding of the Colorado National Guard.

Restructure Federal funded programs line items: The recommendation includes the restructuring of the Division's line items from four line items to one line item, called federal funded programs operations.

Civil Air Patrol: The Civil Air Patrol is a federally-chartered nonprofit corporation, created as an auxiliary to the U.S. Air Force and funded primarily by the U.S. Air Force and user fees. The statutory purposes of the organization include: encouraging citizens to contribute to developing aviation and maintaining air supremacy; providing aviation education and training; and fostering civil aviation in local communities. The Colorado Division of Civil Air Patrol was created to support the Civil Air Patrol, Colorado Wing. The recommendation eliminates the Division of Civil Air Patrol and transfers funding and FTE to the Executive Director and Army National Guard.

Civil Air Patrol	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$127,978	\$127,978	\$0	\$0	\$0	1.0
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Restructure Civil Air Patrol division	(127,978)	(127,978)	0	0	0	(1.0)
Total FY 2010-11 JBC Recommendation	\$0	\$0	\$0	\$0	\$0	0.0
\$ Change from prior year	(\$127,978)	(\$127,978)	\$0	\$0	\$0	(1.0)
% Change from prior year	(100.0)%	(100.0)%	n/a	n/a	n/a	(100.0)%

Issue Descriptions

Restructure Civil Air Patrol Division: The recommendation transfers \$128,000 General Fund and 1.0 FTE from the Civil Air Patrol Division to the Executive Director and Army National Guard Division. The Civil Air Patrol Division is eliminated in this recommendation.

Department of Natural Resources

Department Description: The Department is responsible for developing, protecting and enhancing Colorado's natural resources. The Department is comprised of the following agencies and divisions: Executive Director's Office; Reclamation, Mining, and Safety; Geological Survey; Oil and Gas Conservation Commission; State Board of Land Commissioners; Parks and Outdoor Recreation; Colorado Water Conservation Board; Water Resources (State Engineer's Office); and the Division of Wildlife.

Summary Table for Department of Natural Resources						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$225,920,833	\$26,634,588	\$174,744,140	\$7,305,823	\$17,236,282	1,538.8
<i>Recommended Changes from FY 2009-10 by Long Bill Division</i>						
Executive Director's Office	(4,009,638)	508,864	(5,519,570)	450,513	550,555	(15.0)
Reclamation, Mining, and Safety	(92,286)	0	16,278	0	(108,564)	(2.0)
Geological Survey	(12,774)	0	(32,188)	(8,975)	28,389	0.0
Oil and Gas Conservation Commission	(376,977)	0	(379,226)	0	2,249	(4.0)
State Board of Land Commissioners	170,102	0	(54,898)	225,000	0	(1.0)
Parks and Outdoor Recreation	8,613,406	(60,852)	7,313,294	0	1,360,964	(5.0)
Colorado Water Conservation Board	(5,617,852)	0	(5,620,234)	0	2,382	(2.0)
Water Resources Division	(1,135,634)	(663,267)	(511,360)	0	38,993	(15.0)
Division of Wildlife	103,878	0	(513,519)	0	617,397	(20.0)
Total FY 2010-11 JBC Recommendation	\$223,563,058	\$26,419,333	\$169,442,717	\$7,972,361	\$19,728,647	1,474.8
\$ Change from prior year	(\$2,357,775)	(\$215,255)	(\$5,301,423)	\$666,538	\$2,492,365	(64.0)
% Change from prior year	(1.0)%	(0.8)%	(3.0)%	9.1%	14.5%	(4.2)%

Recommendation Highlights:

1. Provides \$10.3 million cash and federal funds to reflect a transfer of funding from the capital budget to the operating budgets of State Parks and the Division of Wildlife as a budget reorganization.
2. Provides \$3.2 million total funds to restore a FY 2009-10 furlough.
3. Reduces \$2.2 million, including \$403,000 General Fund, for a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.
4. Eliminates \$13.9 million cash funds to annualize one-time funding provided through legislation in FY 2009-10.
5. Transfers 64.0 FTE to the Governor's Office of Information Technology.

Budget Recommendation Detail by Long Bill Division

Executive Director's Office: This office is responsible for the management and administration of the Department, including the following functional areas: departmental administration and policy development, human resources, accounting and purchasing, budgeting, and information technology services.

Executive Director's Office	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$41,224,301	\$5,436,120	\$28,369,157	\$6,141,225	\$1,277,799	58.8
Recommended Changes from FY 2009-10 Appropriation						
Statewide IT staff consolidation	3,329,843	777,957	2,509,048	(123,339)	166,177	(15.0)
Centrally-appropriated line items	872,281	(78,226)	232,813	342,228	375,466	0.0
Restore FY 2009-10 furlough reductions	221,807	149,193	59,811	3,891	8,912	0.0
Legal services for instream flow protection	106,828	0	106,828	0	0	0.0
Postage adjustment	13	0	0	13	0	0.0
Indirect cost assessment	0	(330,863)	0	330,863	0	0.0
Eliminate one-time funding	(8,378,070)	0	(8,378,070)	0	0	0.0
State PERA contribution reduction	(103,143)	0	0	(103,143)	0	0.0
Annualize prior year funding	(50,000)	0	(50,000)	0	0	0.0
Operating adjustments	(9,197)	(9,197)	0	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$37,214,663	\$5,944,984	\$22,849,587	\$6,591,738	\$1,828,354	43.8
\$ Change from prior year	(\$4,009,638)	\$508,864	(\$5,519,570)	\$450,513	\$550,555	(15.0)
% Change from prior year	(9.7)%	9.4%	(19.5)%	7.3%	43.1%	(25.5)%

Issue Descriptions

Statewide IT staff consolidation: The recommendation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources in OIT results in a ten percent cost savings statewide.

Centrally appropriated line items: The recommendation includes adjustments to centrally-appropriated line items for the following: health, life, and dental; short-term disability; amortization equalization disbursement; supplemental amortization equalization disbursement; shift differential; workers' compensation; legal services; purchase of services from computer center; multiuse network payments; management and administration of OIT; payment to risk management and property funds; leased space; capitol complex leased space; communication services; vehicle lease payments.

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Legal services for instream flow: The recommendation includes additional legal services hours for the Instream Flow protection section within the Colorado Water Conservation Board.

Postage adjustment: The recommendation provides funding associated with an upgrade to mail services equipment in the Department of Personnel.

Indirect cost assessment: The recommendation includes a funding mix adjustment related to indirect cost assessments.

Eliminate one-time funding: The recommendation eliminates one-time funding that was provided to the Department in FY 2009-10 through H.B. 09-1289 (Species Conservation Trust Fund).

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Annualize prior year funding: The recommendation includes an adjustment to prior year legislation contained in S.B. 09-158 (Concerning an Analysis of Conservation Programs on Private Lands).

Operating adjustments: The recommendation includes a budget balancing decrease of \$9,197 General Fund.

Division of Reclamation, Mining, and Safety: This division includes the following programs:

- Coal Land Reclamation -- This program issues and enforces mining and reclamation permits for coal mines in Colorado on state, federal, and private lands, including ensuring compliance with the requirements of the federal Surface Mining Control and Reclamation Act. The program is currently responsible for 40 permits and 115 exploration units (permitted areas covering 159,551 acres).
- Inactive Mines -- This program safeguards mine openings, inspects and monitors mine sites, and reclaims abandoned mines. There are over 23,000 hazardous mine openings in Colorado, of which only about 7,000 have been safeguarded.
- Minerals -- This program issues and enforces mining and reclamation permits for all non-coal mines in Colorado on state, federal, and private lands. The program permits and inspects the 1,562 non-coal mines in Colorado, (permitted areas covering 181,009 acres) and regulates 244 active prospecting operations.
- Mine Safety Training -- This program regulates active mines for safety, inspects tourist mines, performs safety audits, administers certification programs for mining employees, provides training in mine rescue and safety, and regulates underground diesel equipment and mining explosives.

Division of Reclamation, Mining, and Safety	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$7,774,918	\$0	\$4,306,591	\$30,000	\$3,438,327	72.9
Recommended Changes from FY 2009-10 Appropriation						
Restore FY 2009-10 furlough reductions	155,222	0	66,279	0	88,943	0.0
Indirect cost assessment	61,535	0	4,538	0	56,997	0.0
Statewide IT staff consolidation	(187,920)	0	0	0	(187,920)	(2.0)
State PERA contribution reduction	(120,517)	0	(54,094)	0	(66,423)	0.0
Postage adjustment	(606)	0	(445)	0	(161)	0.0
Total FY 2010-11 JBC Recommendation	\$7,682,632	\$0	\$4,322,869	\$30,000	\$3,329,763	70.9
\$ Change from prior year	(\$92,286)	\$0	\$16,278	\$0	(\$108,564)	(2.0)
% Change from prior year	(1.2)%	n/a	0.4%	0.0%	(3.2)%	(2.7)%

Issue Descriptions

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Indirect cost assessment: The recommendation includes a net increase in indirect cost assessments.

Statewide IT staff consolidation: The recommendation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources results in a ten percent cost savings statewide.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Postage adjustment: The recommendation eliminates one-time increases associated with an upgrade to mail services equipment in the Department of Personnel.

Geological Survey: This division includes the following three programs:

- Environmental Geology and Geological Hazards -- This program is designed to lessen the impact of, and increase the awareness and understanding of, geological hazards in Colorado.
- Mineral Resources and Mapping -- This program promotes the development of the state's mineral resources through the publication and distribution of maps, reports, and presentations on geological conditions, mineral potential, mineral reserves, and actual mineral production.
- Colorado Avalanche Information Center -- This program provides avalanche forecasting services and education to back country recreation users, industry, and travelers.

Geological Survey	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$4,808,972	\$0	\$3,012,911	\$838,571	\$957,490	35.4
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Restore FY 2009-10 furlough reductions	70,842	0	57,136	4,911	8,795	0.0
State PERA contribution reduction	(56,304)	0	(36,862)	(12,329)	(7,113)	0.0
Indirect cost assessment	(25,197)	0	(51,904)	0	26,707	0.0
Leased space	(1,557)	0	0	(1,557)	0	0.0
Postage adjustment	(558)	0	(558)	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$4,796,198	\$0	\$2,980,723	\$829,596	\$985,879	35.4
\$ Change from prior year	(\$12,774)	\$0	(\$32,188)	(\$8,975)	\$28,389	0.0
% Change from prior year	(0.3)%	n/a	(1.1)%	(1.1)%	3.0%	0.0%

Issue Descriptions

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

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

Leased space: The recommendation includes a transfer of leased space costs to the Executive Director's Office, Leased Space line item.

Postage adjustment: The recommendation eliminates one-time increases associated with an upgrade to mail services equipment in the Department of Personnel.

Oil and Gas Conservation Commission: The Commission is responsible for promoting the exploration, development, and conservation of Colorado's oil and natural gas resources. The Commission also has the authority to regulate oil and gas operations so as to protect public health, prevent significant adverse environmental impacts, and prevent waste. In addition to enforcement, this responsibility involves answering complaints and inquiries, responding to oil and gas spills and other environmental emergencies at production sites, managing plugging and reclamation work at abandoned well sites, and performing baseline water quality studies. The appropriation reflects the workload attributable to the increase in active wells statewide.

The bulk of the funding for the Oil and Gas Conservation Commission is from the Oil and Gas Conservation and Environmental Response Fund and its associated reserves, and secondarily from the Operational Account of the Severance Tax Trust Fund.

Oil and Gas Conservation Commission	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$9,155,871	\$0	\$9,055,663	\$0	\$100,208	73.0
Recommended Changes from FY 2009-10 Appropriation						
Fund vacant permitting FTE	269,538	0	269,538	0	0	0.0
Restore FY 2009-10 furlough reductions	139,040	0	139,040	0	0	0.0
Indirect cost assessment	98,107	0	95,858	0	2,249	0.0
Annualize S.B. 07-198	(445,200)	0	(445,200)	0	0	0.0
Statewide IT staff consolidation	(350,772)	0	(350,772)	0	0	(4.0)
State PERA contribution reduction	(87,332)	0	(87,332)	0	0	0.0
Postage adjustment	(358)	0	(358)	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$8,778,894	\$0	\$8,676,437	\$0	\$102,457	69.0
\$ Change from prior year	(\$376,977)	\$0	(\$379,226)	\$0	\$2,249	(4.0)
% Change from prior year	(4.1)%	n/a	(4.2)%	n/a	2.2%	(5.5)%

Issue Descriptions

Fund vacant permitting FTE: The recommendation includes resources to fill 4.0 vacant positions to assist with oil and gas permitting activities. Cash funds are evenly split between the Operational Account of the Severance Tax Trust Fund and the Oil and Gas Conservation and Environmental Response Fund.

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Indirect cost assessment: The recommendation includes a net increase in indirect cost assessments.

Annualize S.B. 07-198: The recommendation recognizes the elimination of funding associated with S.B. 07-198 (Severance Tax Coalbed Methane Seepage).

Statewide IT staff consolidation: The recommendation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources results in a ten percent cost savings statewide.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Postage adjustment: The recommendation eliminates one-time increases associated with an upgrade to mail services equipment in the Department of Personnel.

State Board of Land Commissioners: The State Board of Land Commissioners (State Land Board) manages properties for eight trusts set up in either the Colorado Constitution or in statute. By far the largest trust managed by the State Land Board is the Public School Trust (School Trust). Approximately 98 percent of the

revenue generated by the State Land Board is attributable to the School Trust.

Pursuant to H.B. 08-1335 (known as the BEST bill; see Section 22-43.7-104, C.R.S.) 50 percent of the gross amount of income received during the fiscal year from income and mineral royalties derived from state public school lands is deposited in the Public School Capital Construction Assistance (PSCCA) Fund. Up to \$11 million of rental income may be appropriated to the Department of Education for public schools. Any remaining revenue is deposited in the Public School Fund (the Permanent Fund) or reinvested by the State Land Board to purchase other lands.

State Board of Land Commissioners	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$3,908,221	\$0	\$3,908,221	\$0	\$0	38.0
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Public access program	225,000	0	0	225,000	0	0.0
Restore FY 2009-10 furlough reductions	74,161	0	74,161	0	0	0.0
Indirect cost assessment	12,543	0	12,543	0	0	0.0
Statewide IT staff consolidation	(77,568)	0	(77,568)	0	0	(1.0)
State PERA contribution reduction	(63,709)	0	(63,709)	0	0	0.0
Postage adjustment	(325)	0	(325)	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$4,078,323	\$0	\$3,853,323	\$225,000	\$0	37.0
\$ Change from prior year	\$170,102	\$0	(\$54,898)	\$225,000	\$0	(1.0)
% Change from prior year	4.4%	n/a	(1.4)%	n/a	n/a	(2.6)%

Issue Descriptions

Public access program: The recommendation provides an increase of reappropriated funds from the Division of Wildlife to support the rehabilitation and enhancement of lands enrolled in the public access hunting and fishing program. Spending in prior years was included in the Division of Wildlife's budget, and the request does not represent an increase in total spending on the program.

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Indirect cost assessment: The recommendation includes a net increase in indirect cost assessments.

Statewide IT staff consolidation: The recommendation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources results in a ten percent cost savings statewide.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Postage adjustment: The recommendation eliminates one-time increases associated with an upgrade to mail

services equipment in the Department of Personnel.

Parks and Outdoor Recreation: This division manages 43 parks and recreation programs. The division also manages statewide recreation programs, including the snowmobile program, the off-highway vehicle program, and river outfitters regulation. State parks are estimated to have approximately 12,158,938 visitors in FY 2009-10. The parks are supported by a mixture of General Fund, cash funds from fees, funds from the State Lottery and Great Outdoors Colorado, the Operational Account of the Severance Tax Trust Fund, (S.B. 08-226 and S.B. 08-13), and federal grants.

Parks and Outdoor Recreation	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$36,021,813	\$1,704,815	\$33,285,157	\$0	\$1,031,841	294.5
Recommended Changes from FY 2009-10 Appropriation						
Budget reorganization	8,100,000	0	6,750,000	0	1,350,000	0.0
Increase lottery funding	750,000	0	750,000	0	0	0.0
Restore FY 2009-10 furlough reductions	511,774	73,736	433,629	0	4,409	0.0
Indirect cost assessment	57,872	0	51,317	0	6,555	0.0
Postage adjustment	932	177	755	0	0	0.0
Statewide IT staff consolidation	(417,267)	(66,764)	(350,503)	0	0	(5.0)
State PERA contribution reduction	(356,348)	(51,232)	(305,116)	0	0	0.0
State fleet vehicle lease adjustment	(16,788)	0	(16,788)	0	0	0.0
Operating adjustments	(16,769)	(16,769)	0	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$44,635,219	\$1,643,963	\$40,598,451	\$0	\$2,392,805	289.5
\$ Change from prior year	\$8,613,406	(\$60,852)	\$7,313,294	\$0	\$1,360,964	(5.0)
% Change from prior year	23.9%	(3.6)%	22.0%	n/a	131.9%	(1.7)%

Issue Descriptions

Budget reorganization: The recommendation includes the transfer of funding from the Department of Natural Resources capital construction budget to the operating budget and the creation of three new line items in the operating budget titled "Off-highway Vehicle Grants", "Natural Resource Protection", and "Miscellaneous Small Projects".

Increase lottery funding: The recommendation reflects a State Parks Board decision to increase the lottery funding allocation to the State Park Operations line item.

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Indirect cost assessment: The recommendation includes a net increase in indirect cost assessments.

Postage adjustment: The recommendation provides funding associated with an upgrade to mail services equipment in the Department of Personnel.

Statewide IT staff consolidation: The recommendation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources results in a ten percent cost savings statewide.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

State fleet vehicle lease adjustment: The recommendation includes an adjustment to the division's funding for state fleet vehicles.

Operating adjustments: The recommendation includes a budget balancing decrease of \$16,769 General Fund.

Colorado Water Conservation Board: Under the guidance of the Board, this division is responsible for protecting, conserving, and developing the state's water resources, and minimizing the risk of flood damage and associated economic loss. The Colorado Water Conservation Board is divided into two main functional areas: administration and special purpose programs. The bulk of the funding for the Division is from reserves in the Colorado Water Conservation Board Construction Fund.

Colorado Water Conservation Board	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$14,252,328	\$0	\$13,819,327	\$296,027	\$136,974	47.7
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Restore FY 2009-10 furlough reductions	124,685	0	120,291	0	4,394	0.0
Indirect cost assessment	28,777	0	29,164	0	(387)	0.0
Annualize prior year funding	680	0	680	0	0	0.0
Postage adjustment	14	0	14	0	0	0.0
Eliminate one-time funding	(5,530,000)	0	(5,530,000)	0	0	0.0
Statewide IT staff consolidation	(163,521)	0	(163,521)	0	0	(2.0)
State PERA contribution reduction	(78,487)	0	(76,862)	0	(1,625)	0.0
Total FY 2010-11 JBC Recommendation	\$8,634,476	\$0	\$8,199,093	\$296,027	\$139,356	45.7
\$ Change from prior year	(\$5,617,852)	\$0	(\$5,620,234)	\$0	\$2,382	(2.0)
% Change from prior year	(39.4)%	n/a	(40.7)%	0.0%	1.7%	(4.2)%

Issue Descriptions

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Indirect cost assessment: The recommendation includes a net increase in indirect cost assessments.

Annualize prior year funding: The recommendation includes an adjustment to prior year legislation contained in H.B. 09-1129 (concerning beneficial use of captured precipitation in new real estate developments).

Postage adjustment: The recommendation provides funding associated with an upgrade to mail services equipment in the Department of Personnel.

Eliminate one-time funding: The recommendation eliminates one-time funding that was provided to the Department in FY 2009-10 through S.B. 09-125 (Colorado Water Conservation Board Projects).

Statewide IT staff consolidation: The recommendation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources results in a ten percent cost savings statewide.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Water Resources Division: This division, also called the Office of the State Engineer, is primarily responsible for administration of water resources. This includes daily oversight of water allocations within the state and downstream interstate compact compliance, monitoring of water supply through stream-flow measurements, and groundwater regulation. The Division administers 79,592 direct flow water rights. The Division is also responsible for dam safety inspections and groundwater well construction regulation.

Water Resources Division	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Adjusted Appropriation	\$21,656,448	\$19,493,653	\$2,066,728	\$0	\$96,067	267.1
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Restore FY 2009-10 furlough reductions	549,201	526,941	21,724	0	536	0.0
Federal grant	39,030	0	0	0	39,030	0.0
Postage adjustment	74	74	0	0	0	0.0
Fund source adjustment	0	(20,000)	20,000	0	0	0.0
Statewide IT staff consolidation	(966,473)	(787,784)	(178,689)	0	0	(15.0)
State PERA contribution reduction	(367,853)	(351,647)	(15,816)	0	(390)	0.0
Annualize prior year funding	(350,000)	0	(350,000)	0	0	0.0
Operating adjustments	(30,851)	(30,851)	0	0	0	0.0
Indirect cost assessment	(8,762)	0	(8,579)	0	(183)	0.0
Total FY 2010-11 JBC Recommendation	\$20,520,814	\$18,830,386	\$1,555,368	\$0	\$135,060	252.1
\$ Change from prior year	(\$1,135,634)	(\$663,267)	(\$511,360)	\$0	\$38,993	(15.0)
% Change from prior year	(5.2)%	(3.4)%	(24.7)%	n/a	40.6%	(5.6)%

Issue Descriptions

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Federal grant: The recommendation includes an anticipated increase in federal funding.

Postage adjustment: The recommendation provides funding associated with an upgrade to mail services equipment in the Department of Personnel.

Fund source adjustment: The recommendation reflects an increase in cash fund revenue to the Satellite Monitoring Program offsetting the need for General Fund.

Statewide IT staff consolidation: The recommendation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources results in a ten percent cost savings statewide.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Annualize prior year funding: The recommendation includes an adjustment to prior year legislation contained in S.B. 09-125 (Colorado Water Conservation Board Projects).

Operating adjustments: The recommendation includes a budget balancing decrease of \$30,851 General Fund.

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

Division of Wildlife: The division manages the state's 960 game and non-game wildlife species by issuing hunting and fishing licenses, enforcing wildlife regulations, protecting habitat and native wildlife populations and managing more than 250 state wildlife areas. The division appropriations contain funding for 13 major programs, including the following: Wildlife Habitat, Wildlife Species, Hunting Recreation, Fishing Recreation, Watchable Wildlife, Law Enforcement, Licensing, Wildlife Education, Wildlife Information, Customer Service, Public Policy, Human Resources, and Internal Systems.

Division of Wildlife	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$87,117,961	\$0	\$76,920,385	\$0	\$10,197,576	651.4
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Budget reorganization	2,231,880	0	2,231,880	0	0	0.0
Restore FY 2009-10 furlough reductions	1,333,929	0	1,129,961	0	203,968	0.0
Indirect cost assessment	225,635	0	(317,238)	0	542,873	0.0
Annualize S.B. 09-235	183,819	0	183,819	0	0	0.0

Division of Wildlife	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Postage adjustment	807	0	807	0	0	0.0
Statewide IT staff consolidation	(1,646,920)	0	(1,646,920)	0	0	(20.0)
Annualize prior year funding	(1,217,500)	0	(1,217,500)	0	0	0.0
State PERA contribution reduction	(1,007,772)	0	(878,328)	0	(129,444)	0.0
Total FY 2010-11 JBC Recommendation	\$87,221,839	\$0	\$76,406,866	\$0	\$10,814,973	631.4
\$ Change from prior year	\$103,878	\$0	(\$513,519)	\$0	\$617,397	(20.0)
% Change from prior year	0.1%	n/a	(0.7)%	n/a	6.1%	(3.1)%

Issue Descriptions

Budget reorganization: The recommendation includes the transfer of funding from the Department of Natural Resources capital construction budget to the operating budget and the creation of two new line items in the operating budget titled "Grants and Habitat Partnerships" and "Asset Maintenance and Repairs".

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Indirect cost assessment: The recommendation includes a net increase in indirect cost assessments.

Annualize S.B. 09-235: The recommendation includes an adjustment to prior year legislation contained in S.B. 09-235 (Concerning Division of Wildlife Fees).

Postage adjustment: The recommendation provides funding associated with an upgrade to mail services equipment in the Department of Personnel.

Statewide IT staff consolidation: The recommendation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources results in a ten percent cost savings statewide.

Annualize prior year funding: The recommendation includes an adjustment to the Game Damage Claims and Prevention program related to prior year legislation and budget actions.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Department of Personnel and Administration

Department Description: The Department of Personnel and Administration is responsible for administering the state personnel system, which includes approximately 31,000 full time equivalent (FTE) staff, excluding the Department of Higher Education. In addition, the Department provides general support services for state agencies. These functions include: control of the State's purchasing activities; oversight of state financial activities; maintenance of state archives and public records; maintenance of the buildings in the Capitol complex and two other campuses; provision of central services to agencies in the Denver metropolitan area; provision of administrative law judge services; coordination of capital construction and controlled maintenance projects; management of the State's motor vehicle fleet; centralized lease management for state agencies; administration of the State's selection, classification, and compensation programs; administration of the State's employee benefit programs; and oversight of the State's liability, property, and workers' compensation insurance program.

Summary Table for Department of Personnel and Administration						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$176,453,522	\$5,621,500	\$10,782,083	\$160,049,939	\$0	393.6
Long Bill Supplemental	<u>48,949</u>	<u>(50,312)</u>	<u>46,784</u>	<u>52,477</u>	<u>0</u>	<u>0.0</u>
FY 2009-10 Adjusted Appropriation	\$176,502,471	\$5,571,188	\$10,828,867	\$160,102,416	\$0	393.6
Recommended Changes from FY 2009-10 by Long Bill Division						
Executive Director's Office	2,203,634	(448,394)	525,568	2,126,460	0	(2.7)
Human Resources	(9,464,392)	0	23,435	(9,487,827)	0	(3.8)
Constitutionally Independent Entities	(7,456)	(11,941)	(14,993)	19,478	0	0.0
Central Services	5,418,939	105,812	(24,506)	5,337,633	0	0.0
Division of Accounts and Control - Controller	(2,203,640)	402,383	(1,231,669)	(1,374,354)	0	4.5
Administrative Courts	(44,332)	0	(342)	(43,990)	0	0.0
Total FY 2010-11 JBC Recommendation	\$172,405,224	\$5,619,048	\$10,106,360	\$156,679,816	\$0	391.6
\$ Change from prior year	(\$4,097,247)	\$47,860	(\$722,507)	(\$3,422,600)	\$0	(2.0)
% Change from prior year	(2.3)%	0.9%	(6.7)%	(2.1)%	n/a	(0.5)%

Recommendation Highlights:

1. Increases the appropriation for Office of Information Technology statewide services by \$2.0 million. This includes an overall increase of \$2.4 million General Fund and \$200,000 cash funds, which is offset by a reduction of \$600,000 reappropriated funds.
2. Increases the appropriation for the Division of Central Services by \$1.8 million reappropriated funds to provide a 20.0 percent contingency spending authority for certain services.
3. Restores the reductions for furloughs during FY 2009-10, which increases the appropriation by a total of \$700,000.

4. Reduces the appropriation for statewide Risk Management and Workers' Compensation premiums by a total of \$8.9 million reappropriated funds. These reductions are reflected in reduced billings to departments for these statewide services.
5. Eliminates funds and refinancing that occurred during FY 2009-10 for services related to the American Recovery and Reinvestment Act (ARRA). Reduces the appropriation by a total of \$1.9 million.
6. Reduces the appropriation by a total of \$700,000 to account for the second-year impact of legislation enacted during 2009.
7. Reduces the appropriation by a total of \$560,000 to reflect the 2.5 percent reduction to the State's contribution rate to the Public Employees Retirement Association (PERA).

Budget Recommendation Detail by Long Bill Division

Executive Director's Office: This division is responsible for reviewing the Department's overall management and programs. The division also provides centralized accounting, personnel, and budgeting services for the department. The division includes the Colorado State Employees Assistance Program (C-SEAP), the Office of the State Architect, and the Colorado State Archives.

Executive Director's Office	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$12,429,734	\$4,002,486	\$394,172	\$8,033,076	\$0	45.2
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Purchase of OIT services	2,563,798	919,638	358,622	1,285,538	0	0.0
Capitol complex leased space	119,017	(573,264)	0	692,281	0	0.0
Restore furlough reduction	117,335	32,515	2,856	81,964	0	0.0
Centrally-appropriated line items	102,639	52,689	390,097	(340,147)	0	0.0
Annual fleet vehicle replacements	32,857	0	0	32,857	0	0.0
Annualize mail equipment upgrade	1,000	0	0	1,000	0	0.0
Employment security contract	600	375	0	225	0	0.0
Reallocate FTE	0	0	0	0	0	(1.5)
Refinance	0	(629,793)	122,952	506,841	0	0.0
Adjust risk management for volatility	(321,376)	(107,946)	(10,676)	(202,754)	0	0.0
Annualize prior-year funding and FTE reduction	(149,124)	(59,292)	14	(89,846)	0	(1.2)
Annualize ARRA funds	(124,241)	6,250	(212,985)	82,494	0	0.0
HIPAA security remediation	(108,008)	0	0	(108,008)	0	0.0
State PERA contribution reduction	(51,931)	0	0	(51,931)	0	0.0
Operating expenses	(33,798)	0	(50,980)	17,182	0	0.0
Indirect cost assessment	(29,579)	0	0	(29,579)	0	0.0

Executive Director's Office	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Operating reduction	(9,008)	(3,967)	0	(5,041)	0	0.0
Legal services	(6,072)	(4,641)	0	(1,431)	0	0.0
Annualize prior year legislation	(5,244)	0	(5,244)	0	0	0.0
Other	104,769	(80,958)	(69,088)	254,815	0	0.0
Total FY 2010-11 JBC Recommendation	\$14,633,368	\$3,554,092	\$919,740	\$10,159,536	\$0	42.5
\$ Change from prior year	\$2,203,634	(\$448,394)	\$525,568	\$2,126,460	\$0	(2.7)
% Change from prior year	17.7%	(11.2)%	133.3%	26.5%	n/a	(6.0)%

Issue Descriptions

Purchase of OIT services: The recommendation includes an increased appropriation for statewide computer services that are provided by the Governor's Office of Information Technology (OIT).

Capitol complex leased space: The recommendation includes an increase in the Department's portion of the statewide costs for operating the Capitol complex, as well as the refinancing of General Fund with indirect cost recoveries.

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Centrally-appropriated line items: The recommendation includes adjustments to centrally appropriated line items for the following: health, life, and dental benefits; short-term disability; amortization equalization disbursement; supplemental amortization equalization disbursement; shift differential; and administrative law judges.

Annual fleet vehicle replacements: The recommendation reflects costs associated with fleet vehicle replacements.

Annualize mail equipment upgrade: The recommendation reflects the change in the second-year's appropriation for the Department's five-year lease agreement to upgrade its mail equipment.

Employment security contract: The recommendation reflects an increase in the cost of the Employment Security Contract payments.

Reallocate FTE: The recommendation reflects the Department's request to transfer 2.0 FTE, and associated funds, from this division to the Division of Accounts and Control.

Refinance: The recommendation includes a technical change to recategorize certain cash funds as reappropriated funds.

Adjust risk management for volatility: The recommendation reduces the appropriation for risk management premiums (property and liability) because of a reduction in anticipated claims.

Annualize prior-year funding and FTE reduction: The recommendation reflects the second-year impact of adjustments that occurred during FY 2009-10.

Annualize ARRA funds: The recommendation restores line items that were refinanced with funds from the American Recovery and Reinvestment Act (ARRA) to their original appropriation amounts and fund sources.

HIPAA security remediation: The recommendation reflects the elimination of the Health Insurance Portability and Accountability Act (HIPAA) - Security Remediation line item. The Department has already implemented the majority of HIPAA's requirements, and the remaining functions can be absorbed by other programs within the division.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution rate to the Public Employees' Retirement Association (PERA), pursuant to S.B. 10-146.

Operating expenses: The recommendation reflects a reduction in the Department's operating expenses, as well as the refinancing of certain funds from cash funds to reappropriated funds.

Indirect cost assessment: The recommendation reduces the appropriation for the indirect costs line item.

Operating reduction: The recommendation reflects the Department's request to reduce certain operating expenses line items by 5.0 percent.

Legal services: The recommendation reduces the appropriation to reflect reduced legal services rates charged to departments by the Department of Law.

Annualize prior year legislation: The recommendation accounts for the second-year impact of transferring the management of certain retirement benefit services from the Department to the Public Employees' Retirement Association (PERA).

Other: Reflects numerous small changes within the Executive Director's Office, as well as using statewide indirect cost recoveries to refinance General Fund with reappropriated funds.

Division of Human Resources: This division is responsible for the administration of: (1) the State's personnel system; (2) the State's employee benefit programs; and (3) the risk management program for all state agencies, including all components of property, liability, and workers' compensation claims.

Division of Human Resources	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$70,424,068	\$46,784	\$2,663,917	\$67,713,367	\$0	43.0
Long Bill Supplemental	<u>0</u>	<u>(46,784)</u>	<u>46,784</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
FY 2009-10 Adjusted Appropriation	\$70,424,068	\$0	\$2,710,701	\$67,713,367	\$0	43.0
Recommended Changes from FY 2009-10 Appropriation						
Restore FY 2009-10 furlough reductions	88,597	0	22,787	65,810	0	0.0
Refinance	0		192,367	(192,367)		
Workers' compensation and risk management premiums	(8,917,257)	0	0	(8,917,257)	0	0.0
Supplemental state contribution	(129,314)	0	(129,314)	0	0	0.0
Indirect cost assessment	(90,828)	0	0	(90,828)	0	0.0
Annualize prior year supplemental	(89,859)	0	0	(89,859)	0	(1.3)
State PERA contribution reduction	(67,931)	0	0	(67,931)	0	0.0
Legal services	(64,039)	0	0	(64,039)	0	0.0
Reallocate FTE	(62,648)	0	0	(62,648)	0	(2.0)
Operating expenses reduction	(45,860)	0	0	(45,860)	0	0.0
Annualize prior year legislation	(41,676)	0	0	(41,676)	0	(0.5)
Annualize ARRA supplemental	(36,403)	0	(62,405)	26,002	0	0.0
Annualize indirect cost recoveries	(7,174)	0	0	(7,174)	0	0.0
Total FY 2010-11 JBC Recommendation	\$60,959,676	\$0	\$2,734,136	\$58,225,540	\$0	39.2
\$ Change from prior year	(\$9,464,392)	\$0	\$23,435	(\$9,487,827)	\$0	(3.8)
% Change from prior year	(13.4)%	n/a	0.9%	(14.0)%	n/a	(8.8)%

Issue Descriptions

Long Bill Supplemental: The recommendation corrects an error in how funds from the American Recovery and Reinvestment Act were categorized for FY 2009-10.

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Refinance: The recommendation includes a technical correction to recategorize cash funds to reappropriated funds.

Workers' Compensation and Risk Management premiums: The recommendation includes reductions for the statewide premiums for Workers' Compensation (reduced \$5,593,122), Property (reduced \$1,107,488), and Liability (reduced \$2,216,647). The reductions are in comparison to the final FY 2009-10 appropriations.

Supplemental state contribution: The recommendation reflects a reduction in available funds from the tobacco litigation settlement dollars. The funding formula is defined in statute.

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

Annualize prior year supplemental: The recommendation reflects the second-year impact of a FY 2009-10 supplemental to eliminate several positions.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution rate to the Public Employees' Retirement Association (PERA), pursuant to S.B. 10-146.

Legal services: The recommendation reflects a reduction in the per hour legal services rate that the Department of Law charges to departments.

Reallocate FTE: The recommendation reflects the Department's request to transfer 2.0 FTE, and associated funds, from this division to the Division of Accounts and Control.

Operating expenses reduction: The recommendation includes a 5.0 percent reduction for some of the Operating Expenses line items. It also reflects the Department's request to reduce the appropriation because it is able to implement certain legislation at a lower cost than initially anticipated.

Annualize prior year legislation: The recommendation accounts for the second year of legislation that transferred the management of the Defined Contribution and Defined Compensation plans to the Public Employees Retirement Association (PERA).

Annualize ARRA supplemental: The recommendation reinstates line items that were refinanced to their original appropriation amounts, including fund splits.

Annualize indirect cost recoveries: The recommendation reflects the second year's adjustment to correct the Department's indirect cost recoveries.

Constitutionally Independent Entities: This division includes the State Personnel Board and the Independent Ethics Commission. The five-member *State Personnel Board* has the authority to adopt, by rule, a uniform grievance procedure to be used by all state agencies for classified employees in the state personnel system. The Board adjudicates employment disputes within the state classified system and is responsible for promulgating rules to ensure that state employment is based on merit. The *Independent Ethics Commission* is responsible for the implementation of Article XXIX of the Colorado Constitution and Section 24-18.5-101, C.R.S. The Commission's purpose is to hear complaints, issue findings and assess penalties in appropriate cases, and also to issue advisory opinions on ethics issues arising under Article XXIX of the Colorado Constitution.

Constitutionally Independent Entities	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$752,022	\$739,391	\$16,159	(\$3,528)	\$0	6.8
Long Bill Supplemental	<u>0</u>	<u>(3,528)</u>	<u>0</u>	<u>3,528</u>	<u>0</u>	<u>0.0</u>
FY 2009-10 Appropriation	\$752,022	\$735,863	\$16,159	\$0	\$0	6.8
Recommended Changes from FY 2009-10 Appropriation						
Restore FY 2009-10 furlough reductions	16,753	16,716	37	0	0	0.0

Constitutionally Independent Entities	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Fund source adjustment	3,540	(12,410)	0	15,950	0	0.0
State PERA contribution reduction	(17,140)	(17,110)	(30)	0	0	0.0
Annualize ARRA supplemental	(8,750)	6,250	(15,000)	0	0	0.0
Operating reduction	(1,859)	(1,859)	0	0	0	0.0
Other	0	(3,528)	0	3,528	0	0.0
Total FY 2010-11 JBC Recommendation	\$744,566	\$723,922	\$1,166	\$19,478	\$0	6.8
\$ Change from prior year	(\$7,456)	(\$11,941)	(\$14,993)	\$19,478	\$0	0.0
% Change from prior year	(1.0)%	(1.6)%	(92.8)%	n/a	n/a	0.0%

Issue Descriptions

Long Bill supplemental: The recommendation corrects a technical error in the appropriations clause of H.B. 09-1150.

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Fund source adjustment: The recommendation uses indirect cost recoveries, which are categorized as reappropriated funds, to offset the need for General Fund in this division.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution rate to the Public Employees' Retirement Association (PERA), pursuant to S.B. 10-146.

Annualize ARRA supplemental: The recommendation reinstates line items that were refinanced to their original appropriation amounts, including fund splits.

Operating reduction: The recommendation reflects a 5.0 percent operating expenses reduction for General Fund.

Other: The recommendation reflects various actions such as refinancing and annualizing prior year actions.

Central Services: This division is responsible for providing services such as: (1) management of the statewide travel program; (2) processing of incoming and outgoing mail; (3) mail delivery and messenger services; (4) copying, printing and graphics design; (5) management of the State's motor vehicle fleet; and (6) operation and maintenance of buildings in the Capitol complex and other state-owned facilities.

Central Services	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$79,111,175	\$50,206	\$67,405	\$78,993,564	\$0	193.1
Long Bill supplemental	<u>48,949</u>	<u>0</u>	<u>0</u>	<u>48,949</u>	<u>0</u>	<u>0.0</u>
FY 2009-10 Adjusted Appropriation	\$79,160,124	\$50,206	\$67,405	\$79,042,513	\$0	193.1
Recommended Changes from FY 2009-10 Appropriation						
Vehicle lease payments	3,653,953	0	0	3,653,953	0	0.0
Contingency funds	1,856,651	0	0	1,856,651	0	0.0
Indirect cost assessment	558,337	0	0	558,337	0	0.0
Restore FY 2009-10 furlough reductions	209,096	0	0	209,096	0	0.0
Mail equipment upgrade	196,149	105,812	0	90,337	0	0.0
Capitol complex security	28,244	0	0	28,244	0	0.0
Statewide IT staff consolidation	(512,124)	0	0	(512,124)	0	0.0
Eliminate prior year reimbursement	(279,869)	0	0	(279,869)	0	0.0
State PERA contribution reduction	(223,242)	0	(437)	(222,805)	0	0.0
Eliminate one-time funds	(44,187)	0	0	(44,187)	0	0.0
Eliminate spending authority	(24,069)	0	(24,069)	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$84,579,063	\$156,018	\$42,899	\$84,380,146	\$0	193.1
\$ Change from prior year	\$5,418,939	\$105,812	(\$24,506)	\$5,337,633	\$0	0.0
% Change from prior year	6.9%	210.8%	(36.4)%	6.8%	n/a	0.0%

Issue Descriptions

Vehicle lease payments: The recommendation reflects the additional funds required for the State to enter into lease-purchase agreements for the replacement of existing vehicles (175 total vehicle replacements, including 150 with the Department of Public Safety), as well as additional vehicles (18 new vehicles, including 12 for the Department of Public Safety and 6 for the Department of Corrections).

Contingency funds: The recommendation updates the 20.0 percent contingency funds spending authority for certain programs. The numbers represent spending authority, not the appropriation of actual dollars. The funds are first appropriated to other departments, then transferred to this division to purchase services.

Indirect cost assessment: The recommendation includes an increase for indirect costs that are attributed to this division.

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Mail equipment upgrade: The recommendation reflects the annualization of the Department's request to enter into a 5-year lease-purchase agreement for the upgrade of its mail equipment.

Capitol complex security: The recommendation includes an increase for Capitol complex security, to reflect the increased billing from the Department of Public Safety.

Statewide IT staff consolidation: The recommendation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources in OIT results in a 10.0 percent cost savings statewide.

Eliminate prior year reimbursement: The recommended appropriation eliminates one-time spending authority for the Department to reimburse the federal government for its portion of cash fund transfers.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution rate to the Public Employees' Retirement Association (PERA), pursuant to S.B. 10-146.

Eliminate one-time funds: The recommendation eliminates one-time funds for FY 2009-10.

Eliminate spending authority: The recommendation eliminates a program's name, and its associated spending authority, from the Long Bill because the intended fund source has not materialized.

Division of Accounts and Control - Controller: This division includes the Office of the State Controller, which manages the financial affairs of all of the departments. The Division also: (1) administers a statewide procurement program through the State Purchasing Office; (2) meets the product and service needs of state agencies by negotiating contracts for goods and services; (3) conducts statewide financial reporting, policy and procedural guidance; (4) manages contracts; (5) develops the statewide indirect cost allocation plan; and (6) is responsible for the collection of debts due to the State.

Division of Accounts and Control - Controller	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$10,059,773	\$782,633	\$7,612,827	\$1,664,313	\$0	65.5
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Indirect cost assessment	170,468	0	(68,481)	238,949	0	0.0
Restore FY 2009-10 furlough reduction	126,873	(13,413)	70,483	69,803	0	0.0
FTE reallocation	62,648	0	0	62,648	0	3.5
Mail equipment upgrade	106	106	0	0	0	0.0
Annualize refinancing	0	(132,584)	0	132,584	0	0.0
Fund source adjustment	0	332,385	1,542,534	(1,874,919)	0	0.0
Annualize ARRA supplemental	(1,681,448)	250,265	(1,931,713)	0	0	0.0
Annualize prior year funding	(701,888)	0	(701,888)	0	0	1.0
State PERA contribution reduction	(104,830)	(19,120)	(72,824)	(12,886)	0	0.0
Statewide IT staff consolidation	(69,780)	0	(69,780)	0	0	0.0
Operating reduction	(5,789)	(15,256)	0	9,467	0	0.0
Total FY 2010-11 JBC Recommendation	\$7,856,133	\$1,185,016	\$6,381,158	\$289,959	\$0	70.0
\$ Change from prior year	(\$2,203,640)	\$402,383	(\$1,231,669)	(\$1,374,354)	\$0	4.5

Division of Accounts and Control - Controller	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
% Change from prior year	(21.9)%	51.4%	(16.2)%	(82.6)%	n/a	6.9%

Issue Descriptions

Indirect cost assessment: The recommendation adjusts for an increase in indirect costs assessed to this division, as well as a change in the line item's fund sources.

Restore FY 2009-10 furlough reduction: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

FTE reallocation: The recommendation reallocates FTE and corresponding funds from elsewhere in the Department to this division.

Mail equipment upgrade: The recommendation annualizes a request for the Department to upgrade its mail equipment.

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

Fund source adjustment: The recommendation recategorizes funds from reappropriated funds to cash funds beginning in FY 2010-11.

Annualize ARRA supplemental: The recommendation reinstates line items that were refinanced to their original appropriation amounts, including fund splits.

Annualize special legislation: The recommendation accounts for the second year's impact of S.B. 09-099.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution rate to the Public Employees' Retirement Association (PERA), pursuant to S.B. 10-146.

Statewide IT staff consolidation: The recommendation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources in OIT results in a 10.0 percent cost savings statewide.

Operating reduction: The recommendation reflects a 5.0 percent reduction in the Department's operating expenses for certain line items.

Administrative Courts: This division provides an independent administrative law adjudication system for state agencies in order to resolve cases with topics such as workers' compensation, human resources, and regulatory law. The Division offers a full range of alternative dispute resolution options, including evidentiary hearings, settlement conferences, and mediation. Approximately one-half of all hearings are related to workers' compensation cases.

Administrative Courts	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$3,676,750	\$0	\$27,603	\$3,649,147	\$0	40.0

Administrative Courts	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Restore FY 2009-10 furlough reduction	120,297	0	424	119,873	0	0.0
Mail equipment upgrade	208	0	0	208	0	0.0
Indirect cost assessment	(82,993)	0	0	(82,993)	0	0.0
State PERA contribution reduction	(76,616)	0	(766)	(75,850)	0	0.0
Annualize staffing adjustment	(5,228)	0	0	(5,228)	0	0.0
Total FY 2010-11 JBC Recommendation	\$3,632,418	\$0	\$27,261	\$3,605,157	\$0	40.0
\$ Change from prior year	(\$44,332)	\$0	(\$342)	(\$43,990)	\$0	0.0
% Change from prior year	(1.2)%	n/a	(1.2)%	(1.2)%	n/a	0.0%

Issue Descriptions

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Mail equipment upgrade: The recommendation reflects the annualization of a request to upgrade the Department's mail equipment.

Indirect cost assessment: The recommendation reflects a decrease in indirect cost assessments.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution rate to the Public Employees' Retirement Association (PERA), pursuant to S.B. 10-146.

Annualize staffing adjustment: The recommendation accounts for the second year of a staffing adjustment for the division.

Department of Public Health and Environment

Department Description: The Department of Public Health and Environment is responsible for protecting and improving the health of the people of Colorado and protecting the quality of Colorado's environment.

Summary Table for Department of Public Health and Environment						
	Total Funds	General Fund /1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$429,048,743	\$27,130,170	\$145,304,938	\$33,233,774	\$223,379,861	1,289.5
Long Bill Supplemental - Amendment 35 immunization revenues	(108,000)	(54,000)	(54,000)	0	0	0.0
FY 2009-10 Adjusted Appropriation	\$428,940,743	\$27,076,170	\$145,250,938	\$33,233,774	\$223,379,861	1,289.5
Recommended Changes from FY 2009-10 by Long Bill Division						
Administration and Support	8,031,951	6,649,931	3,406,245	(2,512,495)	488,270	12.4
Center for Health and Environmental Information and Statistics	5,428,055	258,583	1,532,715	386,432	3,250,325	(11.5)
Laboratory Services	(1,129,388)	(7,119)	(157,478)	(37,622)	(927,169)	(7.3)
Local Public Health Planning and Support	(9,479,191)	(6,513,409)	(2,715,697)	0	(250,085)	(8.4)
Air Quality Control Division	(441,004)	0	(197,493)	0	(243,511)	(6.0)
Water Quality Control Division	(628,116)	(89,746)	(102,282)	0	(436,088)	(8.9)
Hazardous Materials and Waste Management Division	(239,277)	0	230,045	38,553	(507,875)	(2.4)
Consumer Protection	64,990	4,871	58,148	350	1,621	0.9
Disease Control and Environmental Epidemiology Division	(11,640,416)	(198,328)	55,359	0	(11,497,447)	(33.0)
Prevention Services Division	37,372,893	(520,164)	(2,171,285)	146	40,064,196	(20.2)
Health Facilities and Emergency Medical Services Division	1,263,374	(1,049)	484,439	(149,005)	928,989	5.2
Emergency Preparedness and Response Division	3,227,477	881,721	0	0	2,345,756	10.6
Total FY 2010-11 Long Bill Recommendation	\$460,772,091	\$27,541,461	\$145,673,654	\$30,960,133	\$256,596,843	1,220.9
S.J.R. 10-010 and H.B. 10-1381	(25,691,418)	0	(25,691,418)	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$435,080,673	\$27,541,461	\$119,982,236	\$30,960,133	\$256,596,843	1,220.9
\$ Change from prior year	\$6,139,930	\$465,291	(\$25,268,702)	(\$2,273,641)	\$33,216,982	(68.6)
% Change from prior year	1.4%	1.7%	(17.4)%	(6.8)%	14.9%	(5.3)%

/1 Includes General Fund Exempt.

Recommendation Highlights:

- Increases the amount of federal funds that are reflected in the Long Bill by \$33.0 million to improve alignment with federal funding that the Department has received in recent years.

2. Provides \$25.7 million of Amendment 35 moneys to the Department of Health Care Policy and Financing (HCPF) that otherwise would have supported grant programs in the Department of Public Health and Environment and reduces the General Fund appropriation in HCPF by \$25.7 million.
 3. Transfers \$9.7 million of appropriations and 12.4 FTE from several divisions into the Administration Division to better reflect the internal structure of the Department.
 4. Restores a total of \$2.3 million of FY 2009-10 furlough reductions from all fund sources.
 5. Reduces appropriations from all fund sources by a total of \$2.0 million due to the State PERA contribution reduction.
 6. Provides an additional \$1.2 million cash funds and 12.0 FTE for the Medical Marijuana Registry.
 7. Provides an additional \$881,167 of General Fund as increased state matching funds for federal emergency preparedness and response grants.
 8. Provides an additional \$705,354 cash funds and 9.6 FTE for the second year impact of a 2009-session Long Bill initiative that expanded oversight of licensed health care facilities.
 9. Reflects an additional 10.6 federally funded FTE in the Emergency Preparedness and response division.
 10. Reduces appropriations by a total of \$619,275 from all fund sources and transfers 65.8 FTE to the OIT as part of the statewide IT staff consolidation.
 11. Reduces appropriation for tobacco-settlement supported programs by \$377,189, reflecting the expected reduction in tobacco-settlement revenues.
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JBC Sponsored Legislation Summary:

S.J.R. 10-010 (Declare Fiscal Emergency Tobacco Tax) and H. B. 10-1381 (Tobacco Revenues Offset Medical Services): The joint resolution would declare a state fiscal emergency, which would allow Amendment 35 tobacco tax moneys to be used for any health-related purpose. The bill would appropriate \$25.7 million of Amendment 35 money to the Department of Health Care Policy and Financing (HCPF) for Medical Services Premiums. This Amendment 35 money would otherwise support Department of Public Health and Environment grant programs for Health Disparities; Cancer, Cardiovascular Disease, and Pulmonary Disease; and Tobacco Education, Prevention, and Cessation. The appropriation to HCPF would provide \$25.7 million of cash funds for Medical Services Premiums that would be used to decrease the General Fund appropriation for Medical Services Premiums by \$25.7 million. The bill would decrease the appropriations for Health Disparities Grants by \$4.5 reappropriated funds, for Tobacco Education, Prevention, and Cessation Grants by \$15.4 million cash funds, and for Cancer Cardiovascular and Pulmonary Disease grants by \$5.6 million cash funds. It would also decrease appropriations to the Department of Public Health and Environment for personal services and operating expenses by \$270,000.

Budget Recommendation Detail by Long Bill Division

Administration and Support: This division includes the Executive Director, the Chief Medical Officer, the Office of Policy and Public/Private Initiatives, the Office of Health Disparities, Local Public Health Planning and Support, and several multi-area environmental programs. The division provides human resources services, business services, and support services to the Department, including accounting, budgeting, contracts, payroll, and purchasing, internal audit, management analysis, building operations, and telecommunications. The division's primary source of reappropriated funds is indirect cost recoveries. Cash funds derive from a variety of sources and include central administrative appropriations for the Department's many cash funded programs.

Administration and Support	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$37,791,107	\$779,945	\$7,224,774	\$24,431,991	\$5,354,397	77.3
Recommended Changes from FY 2009-10 Appropriation						
Long Bill realignment - transfer Local Public Health Planning and Support division	9,190,029	6,514,579	2,424,206	0	251,244	8.4
Centrally-appropriated line items	1,056,823	64,260	537,136	(114,195)	569,622	0.0
Long Bill realignment - transfer from Water Quality Control Division	415,613	100,000	315,613	0	0	3.0
Medical Marijuana Registry	256,248	0	35,771	220,477	0	0.0
Restore FY 2009-10 furlough reductions	240,834	7,082	32,699	143,171	57,882	0.0
Long Bill realignment - transfer from Air Pollution Control Division	120,693	0	120,693	0	0	1.0
Amendment 35 programs	(2,300,271)	0	0	(2,300,271)	0	0.0
Statewide IT staff consolidation	(619,900)	(34,859)	(68,961)	(189,672)	(326,408)	0.0
State PERA contribution reduction	(133,699)	(1,131)	(6,389)	(110,975)	(15,204)	0.0
Annualize prior year funding	(79,353)	0	25,477	(104,830)	0	0.0
Legal Services	(66,200)	0	(10,000)	(56,200)	0	0.0
Federal funds adjustment	(48,866)	0	0	0	(48,866)	0.0
Total FY 2010-11 JBC Recommendation	\$45,823,058	\$7,429,876	\$10,631,019	\$21,919,496	\$5,842,667	89.7
\$ Change from prior year	\$8,031,951	\$6,649,931	\$3,406,245	(\$2,512,495)	\$488,270	12.4
% Change from prior year	21.3%	852.6%	47.1%	(10.3)%	9.1%	16.0%

Issue Descriptions

Long Bill realignment - transfer Local Public Health Planning and Support division: The recommendation combines the Long Bill appropriation for the Local Public Health Planning and Support division into the Administration and Support Division.

Centrally-appropriated line items: The recommendation includes adjustments to centrally-appropriated line items for the following: health, life, and dental benefits; short-term disability; amortization equalization disbursement; supplemental amortization equalization disbursement; workers' compensation; payment to risk

management and property funds; vehicle lease payments; Capitol complex leased space; other leased space, building security; ADP capital outlay; and communication services payments.

Long Bill realignment - transfer from Water Quality Control Division: The recommendation transfers \$415,613, including \$100,000 General Fund and \$315,613 cash funds, and 3.0 FTE from the Water Quality Control Division to the Animal Feeding Operations line item (formerly Housed Commercial Swine Feeding Operations) to consolidate animal feeding operations-related work within the Special Environmental Programs.

Medical Marijuana Registry: The recommendation provides increased funding for the Medical Marijuana registry.

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Long Bill realignment - transfer from Air Pollution Control Division: The recommendation transfers \$194,741 and 2.0 FTE from the Air Pollution Control Division to the newly created Oil and Gas Consultation line items within the Special Environmental Programs. In addition, the recommendation reduces the transferred appropriation by \$74,048 and 1.0 FTE to reflect lower than anticipated oil and gas consultation workloads, resulting in an appropriation of \$120,693 and 1.0 FTE to the new line items.

Amendment 35 Programs: Amendment 35 tobacco taxes support the Health Disparities program. The recommendation reflects the expected decline in tobacco-tax revenues.

Statewide IT staff consolidation: The recommendation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources results in a ten percent cost savings statewide.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

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

Legal services: The recommendation reduces the legal services appropriation to reflect the recommended reduction in the Department of Law's billing rate and changes to the legal services fund mix.

Federal funds adjustment: The recommendation aligns the federal funding reflected in the Long Bill with federal funding that the Department has recently received.

Center for Health and Environmental Information and Statistics: This division's Information Technology Services subdivision is responsible for technology planning, networking, user support, applications development and maintenance, and Internet support. The section obtains most of its support from reappropriated funds that derive from indirect cost recoveries. The Health Statistics and Vital Records subdivision is comprised of (1) a registration section, which records births, deaths, marriages, divorces, fetal deaths, and abortions; (2) a certification section, which issues birth and death certificates, corrects and updates records, and administers the Medical Marijuana Registry and the Voluntary Adoption Registry; and (3) a health statistics section, which analyzes vital records collected by the Department and provides information to internal

and external users. The Health Statistics and Vital Records subdivision is primarily cash funded with most cash funds deriving from the Vital Statistics Records Cash Fund.

Center for Health and Environmental Information and Statistics	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$7,486,216	\$0	\$3,222,740	\$2,952,405	\$1,311,071	78.9
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Statewide IT staff consolidation	3,785,796	258,583	563,721	339,271	2,624,221	(23.5)
Medical Marijuana Registry	975,339	0	958,690	16,649	0	12.0
Federal funds adjustment	605,462	0	0	0	605,462	0.0
Restore FY 2009-10 furlough reductions	134,354	0	46,678	38,476	49,200	0.0
State PERA contribution reduction	(72,896)	0	(36,374)	(7,964)	(28,558)	0.0
Total FY 2010-11 JBC Recommendation	\$12,914,271	\$258,583	\$4,755,455	\$3,338,837	\$4,561,396	67.4
\$ Change from prior year	\$5,428,055	\$258,583	\$1,532,715	\$386,432	\$3,250,325	(11.5)
% Change from prior year	72.5%	n/a	47.6%	13.1%	247.9%	(14.6)%

Issue Descriptions

Statewide IT staff consolidation: The recommendation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources results in a ten percent cost savings statewide.

Medical Marijuana Registry: The recommendation provides increased funding for the Medical Marijuana registry.

Federal funds adjustment: The recommendation aligns the federal funding reflected in the Long Bill with federal funding that the Department has recently received.

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Laboratory Services. This division conducts tests and provides analysis and advice for the Department's health and environmental programs and for outside clients. It provides scientific support for communicable disease outbreak and control, performs genetic screening tests for newborn babies, and certifies private medical laboratories, environmental laboratories, dairy on-site laboratories, DUI testing laboratories, and law enforcement breath alcohol-testing devices throughout the state. The division's cash funds derive from fees that it charges for its services, including newborn screening fees.

Laboratory Services	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$11,602,357	\$1,075,231	\$7,444,517	\$303,045	\$2,779,564	84.0
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Restore FY 2009-10 furlough reductions	41,121	6,453	20,105	764	13,799	0.0
Annualize prior year funding	18,078	0	18,078	0	0	0.0
Federal funds adjustment	(914,795)	0	0	0	(914,795)	(5.1)
Statewide IT staff consolidation	(163,686)	0	(125,789)	(37,897)	0	(2.2)
State PERA contribution reduction	(94,989)	(13,572)	(54,755)	(489)	(26,173)	0.0
Indirect cost assessment	(15,117)	0	(15,117)	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$10,472,969	\$1,068,112	\$7,287,039	\$265,423	\$1,852,395	76.7
\$ Change from prior year	(\$1,129,388)	(\$7,119)	(\$157,478)	(\$37,622)	(\$927,169)	(7.3)
% Change from prior year	(9.7)%	(0.7)%	(2.1)%	(12.4)%	(33.4)%	(8.7)%

Issue Descriptions

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Annualize prior year funding: The recommendation includes an increase resulting from a 2009 Long Bill initiative that provided additional funding for newborn blood screening and a decrease following a one-time expenditure to acquire replacement servers for the newborn screening program.

Federal funds adjustment: The recommendation aligns the federal funding reflected in the Long Bill with federal funding that the Department has recently received.

Statewide IT staff consolidation: The recommendation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources results in a ten percent cost savings statewide.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Indirect cost assessment: The recommendation adjusts indirect cost assessments to reflect changes in the distribution of cash and federal expenditures within the Department as well as changing costs for common policy items and administration-division costs.

Local Public Health Planning and Support: This division provides technical and financial support for health and environmental services that are provided by local health agencies around the state. The division is supported by the General Fund, cash funds from tobacco-settlement revenues, and federal funds.

Local Public Health Planning and Support	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$9,479,191	\$6,513,409	\$2,715,697	\$0	\$250,085	8.4
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Restore FY 2009-10 furlough reductions	14,580	6,244	1,901	0	6,435	0.0
Move this division into the Administration division	(9,190,029)	(6,514,579)	(2,424,206)	0	(251,244)	(8.4)
Distributions to local health agencies	(291,847)	0	(291,847)	0	0	0.0
State PERA contribution reduction	(11,848)	(5,074)	(1,545)	0	(5,229)	0.0
Federal funds adjustment	(47)	0	0	0	(47)	0.0
Total FY 2010-11 JBC Recommendation	\$0	\$0	\$0	\$0	\$0	0.0
\$ Change from prior year	(\$9,479,191)	(\$6,513,409)	(\$2,715,697)	\$0	(\$250,085)	(8.4)
% Change from prior year	(100.0)%	(100.0)%	(100.0)%	n/a	(100.0)%	(100.0)%

Issue Descriptions

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Move this division into the Administration division: The recommendation consolidates the Local Public Health Planning and Support division into the Administration division, which better reflects the internal structure of the Department.

Distributions to local health agencies: Tobacco-settlement revenues support distributions to local health agencies. The recommendation reflects the expected decline in these revenues.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Federal funds adjustment: The recommendation aligns the federal funding reflected in the Long Bill with federal funding that the Department has recently received.

Air Pollution Control Division: This division is responsible for identifying the nature and impact of Colorado's air pollution, and for implementing measures to prevent, control, and abate air pollution, under the direction of the Air Quality Control Commission. The Division is divided into four programs: Administration, Technical Services, Mobile Sources, and Stationary Sources. The Division's major sources of cash funds are fees charged for air pollution permits.

Air Pollution Control Division	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$18,690,963	\$0	\$15,397,878	\$0	\$3,293,085	167.1
<i>Recommended Changes from FY 2009-10 Appropriation</i>						

Air Pollution Control Division	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Restore FY 2009-10 furlough reductions	354,334	0	284,611	0	69,723	0.0
North Front Range emissions technical center	88,366	0	88,366	0	0	1.0
Annualize prior year funding	55,611	0	55,611	0	0	1.0
Statewide IT staff consolidation	(471,818)	0	(206,490)	0	(265,328)	(6.0)
State PERA contribution reduction	(272,756)	0	(224,850)	0	(47,906)	0.0
Long Bill realignment	(194,741)	0	(194,741)	0	0	(2.0)
Total FY 2010-11 JBC Recommendation	\$18,249,959	\$0	\$15,200,385	\$0	\$3,049,574	161.1
\$ Change from prior year	(\$441,004)	\$0	(\$197,493)	\$0	(\$243,511)	(6.0)
% Change from prior year	(2.4)%	n/a	(1.3)%	n/a	(7.4)%	(3.6)%

Issue Descriptions

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

North Front Range emissions technical center: The recommendation includes staff and funding to support an emissions technical center associated with the regulatory expansion of vehicle emissions testing into Larimer and Weld Counties.

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

Statewide IT staff consolidation: The recommendation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources results in a ten percent cost savings statewide.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Long Bill realignment: The recommendation 1) renames the Division the Air Pollution Control Division to reflect the Division's name outside of the Long Bill and 2) transfers funding and staff associated with the coordination of the Department's consultation role in the oil and gas permitting process to Administration and Support, Special Environmental Programs subdivision.

Water Quality Control Division: This division enforces the water quality regulations under the direction of the Water Quality Control Commission and the State Board of Health. Its responsibilities include developing stream classifications and standards, issuing permits to ensure that discharges comply with water quality standards, and performing monitoring and enforcement activities. This division also oversees water quality management planning, manages state and federal construction grant assistance programs, and provides technical assistance to local governments. In the area of drinking water, it conducts surveillance of public and non-public drinking water consistent with minimum federal and state standards, and reviews designs and specifications of new or expanding treatment facilities. It also is responsible for enforcing water quality

regulations at commercial hog facilities. The Division's major sources of cash funds are fees charged for water quality permits. The Division receives reappropriated funds from the Department of Agriculture for groundwater protection.

Water Quality Control Division	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$15,975,598	\$2,635,571	\$5,157,761	\$40,632	\$8,141,634	142.8
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Restore FY 2009-10 furlough reductions	281,358	54,695	193,335	0	33,328	0.0
Fund 3.0 vacant FTE	194,573	0	194,573	0	0	0.0
Indirect cost assessment	57,748	0	(93,292)	0	151,040	0.0
Statewide IT staff consolidation	(479,953)	0	0	0	(479,953)	(5.9)
Long Bill realignment	(415,613)	(100,000)	(315,613)	0	0	(3.0)
State PERA contribution reduction	(266,229)	(44,441)	(81,285)	0	(140,503)	0.0
Total FY 2010-11 JBC Recommendation	\$15,347,482	\$2,545,825	\$5,055,479	\$40,632	\$7,705,546	133.9
\$ Change from prior year	(\$628,116)	(\$89,746)	(\$102,282)	\$0	(\$436,088)	(8.9)
% Change from prior year	(3.9)%	(3.4)%	(2.0)%	0.0%	(5.4)%	(6.2)%

Issue Descriptions

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Fund 3.0 vacant FTE: The recommendation provides funding to fill 3.0 vacant FTE to assist with water discharge permit processing.

Indirect cost assessment: The recommendation includes a net increase in indirect cost assessments.

Statewide IT staff consolidation: The recommendation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources results in a ten percent cost savings statewide.

Long Bill realignment: The recommendation 1) consolidates two existing subdivisions ((B) Watershed Assessment, Outreach, and Assistance and (C) Permitting and Compliance Assurance) into the Clean Water Program; 2) transfers \$415,613 total funds (including \$100,000 General Fund) and 3.0 FTE associated with the Division's animal feeding operations programs to Administration and Support, Special Environmental Programs, to be combined with the Housed Commercial Swine Feeding Operations program; and 3) transfers \$423,451 total funds (including \$50,000 General Fund) and 6.5 FTE from the Drinking Water Program subdivision to the Administration subdivision to accurately reflect management costs within the Division.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Hazardous Materials and Waste Management Division: This division regulates the treatment, storage, and disposal of solid and hazardous wastes under the direction of the Hazardous Waste Commission. The Division is responsible for inspecting solid waste facilities; overseeing large- and small-quantity hazardous waste generators, transporters, and storage facilities; responding to public complaints about such facilities; reviewing corrective action plans for technical compliance with applicable state environmental regulations; and regulating commercial radioactive materials in Colorado.

Hazardous Materials and Waste Management Division	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$19,193,562	\$0	\$11,223,852	\$227,050	\$7,742,660	134.2
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Restore FY 2009-10 furlough reductions	251,510	0	144,511	4,798	102,201	0.0
Indirect cost assessment	0	0	(9,800)	0	9,800	0.0
State PERA contribution reduction	(200,546)	0	(115,932)	(3,790)	(80,824)	0.0
Statewide IT staff consolidation	(128,511)	0	(71,318)	(2,455)	(54,738)	(2.0)
Legal services adjustments	(107,631)	0	(82,917)	0	(24,714)	0.0
Annualize prior year funding	(54,099)	0	365,501	40,000	(459,600)	(0.4)
Total FY 2010-11 JBC Recommendation	\$18,954,285	\$0	\$11,453,897	\$265,603	\$7,234,785	131.8
\$ Change from prior year	(\$239,277)	\$0	\$230,045	\$38,553	(\$507,875)	(2.4)
% Change from prior year	(1.2)%	n/a	2.1%	17.0%	(6.6)%	(1.8)%

Issue Descriptions

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Indirect cost assessment: The recommendation includes a net-zero change in the fund sources for indirect cost assessments.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Statewide IT staff consolidation: The recommendation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources results in a ten percent cost savings statewide.

Legal services adjustments: The recommendation adjusts for changes in the statewide blended legal services rate and eliminates one-time funding for legal services provided through FY 2009-10 supplemental appropriations.

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

Consumer Protection: This division is responsible for enforcing sanitation standards to prevent and control diseases transmitted by food and insects; eliminating unsanitary conditions in public accommodations; and preventing injuries to persons using potentially dangerous consumer products. The Division's major sources of cash funds are from license fees for businesses, such as retail and wholesale food licenses. The Division's reappropriated funds are from the Departments of Corrections and Human Services for the inspection of institutions and child care facilities.

Consumer Protection	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$2,627,202	\$1,162,573	\$1,031,582	\$96,218	\$336,829	29.6
Recommended Changes from FY 2009-10 Appropriation						
Restore FY 2009-10 furlough reductions	79,194	25,980	33,600	1,863	17,751	0.0
Annualize prior year funding	55,465	0	55,465	0	0	0.9
State PERA contribution reduction	(41,270)	(21,109)	(11,627)	(1,513)	(7,021)	0.0
Indirect cost assessment	(28,399)	0	(19,290)	0	(9,109)	0.0
Total FY 2010-11 JBC Recommendation	\$2,692,192	\$1,167,444	\$1,089,730	\$96,568	\$338,450	30.5
\$ Change from prior year	\$64,990	\$4,871	\$58,148	\$350	\$1,621	0.9
% Change from prior year	2.5%	0.4%	5.6%	0.4%	0.5%	3.0%

Issue Descriptions

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

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

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

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

Disease Control and Environmental Epidemiology Division: This division works to track, control and prevent the spread of communicable diseases with a special emphasis on hepatitis, tuberculosis, sexually transmitted infections, and HIV/AIDS. It also runs an immunization program and collects birth defects data, which helps reduce the incidence of such defects and helps prevent secondary disabilities by connecting children and their families with available services. Staff members also assess risks from environmental contaminants that pose a threat to human health and the environment. The bulk of the division's cash funds derive from tobacco-settlement payments.

Disease Control and Environmental Epidemiology Division	Total Funds	General Fund /1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$68,691,105	\$5,770,753	\$8,026,956	\$305,574	\$54,587,822	183.5

Disease Control and Environmental Epidemiology Division	Total Funds	General Fund /1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Long Bill Supplemental - Amendment 35 immunization revenues	(108,000)	(54,000)	(54,000)	0	0	0.0
FY 2009-10 Adjusted Appropriation	\$68,583,105	\$5,716,753	\$7,972,956	\$305,574	\$54,587,822	183.5
Recommended Changes from FY 2009-10 Appropriation						
Restore FY 2009-10 furlough reductions	359,679	25,396	2,077	0	332,206	0.0
Tobacco-settlement programs	66,490	0	66,490	0	0	0.0
Indirect cost assessment	36,654	0	0	0	36,654	0.0
Annualize prior year funding	4,856	4,856	0	0	0	0.1
Federal funds adjustments	(11,189,887)	0	0	0	(11,189,887)	(26.7)
Statewide IT staff consolidation	(542,960)	(134,705)	(8,805)	0	(399,450)	(6.4)
State PERA contribution reduction	(299,248)	(20,875)	(1,403)	0	(276,970)	0.0
General Fund reductions	(70,000)	(70,000)	0	0	0	0.0
Amendment 35 funding for immunizations	(6,000)	(3,000)	(3,000)	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$56,942,689	\$5,518,425	\$8,028,315	\$305,574	\$43,090,375	150.5
\$ Change from prior year	(\$11,640,416)	(\$198,328)	\$55,359	\$0	(\$11,497,447)	(33.0)
% Change from prior year	(17.0)%	(3.5)%	0.7%	0.0%	(21.1)%	(18.0)%

/1 Includes General Fund Exempt.

General Fund Summary - Appropriation to the Disease Control and Environmental Epidemiology Division	Total General Fund	General Fund	General Fund Exempt
FY 2009-10 General Fund Appropriation	\$5,770,753	5,266,753	\$504,000
Long Bill Supplemental	(54,000)	0	(54,000)
Adjusted FY 2009-10 General Fund Appropriation	\$5,716,753	\$5,266,753	\$450,000
Recommended Change	(198,328)	(195,328)	(3,000)
FY 2010-11 Recommendation	\$5,518,425	\$5,071,425	\$447,000

General Fund Exempt: Amendment 35 to the Colorado Constitution imposes taxes on tobacco products. As implemented by Section 24-22-117 (1) (c) (I) (B), C.R.S., the amendment requires that 0.3 percent of the tax revenue be appropriated to the General Fund and then be reappropriated for immunizations. Because Amendment 35 moneys are not subject to the limitation on state fiscal year spending imposed by the Taxpayer's Bill of Rights (TABOR), these General Fund appropriations are classified as General Fund Exempt.

Issue Descriptions

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Tobacco-settlement programs: Tobacco-settlement revenues, which are expected to decline, support three programs in the division: the Colorado Immunization Fund (CIF), the AIDS Drug Assistance Program (ADAP),

and the Colorado HIV and AIDS Prevention Grant Program (CHAPP). The recommendation reduces the CIF appropriation, but uses CHAPP reserves to maintain the ADAP appropriation while increasing CHAPP grants.

Indirect cost assessment: The recommendation adjusts indirect cost assessments to reflect changes in the distribution of cash and federal expenditures within the Department as well as changing costs for common policy items and administration-division costs.

Annualize prior year funding: The recommendation includes an adjustments related a 2009 Long Bill initiative that increased public health surveillance and response capabilities.

Federal funds adjustment: The recommendation aligns the federal funding reflected in the Long Bill with federal funding that the Department has recently received.

Statewide IT staff consolidation: The recommendation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources in OIT results in a ten percent cost savings statewide.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

General Fund reduction: The recommendation temporarily reduces the General Fund appropriation for operating expenses of the Division's administrative section and its immunizations program. No reduction in services is expected.

Amendment 35 funding for immunizations: The recommendation reflects the expected decline in Amendment 35 tobacco tax revenue, which supports immunizations.

Prevention Services Division: This division is comprised of: (A) Prevention Programs, which includes the cancer registry, chronic disease and cancer prevention grants, which includes the breast and cervical cancer screening program, suicide prevention, the cancer, cardiovascular and pulmonary disease grant program, and the tobacco cessation, education and prevention program, and oral health programs; (B) Women's Health - Family Planning; (C) The Primary Care Office, which includes federal grants for rural health care; (D) Prevention Partnerships, which includes the Tony Grampsas Youth Services Grant Program and the Colorado Children's Trust; (E) Family and Community Health, which includes maternal and child health, the Nurse Home Visitor Program, School-based Health Centers, the Health Care Program for Children with Special Needs, and Genetics Counseling; (F) Nutrition Services, which includes the Women, Infants and Children Supplemental Food Grant (WIC) program and the Child and Adult Food Care program; and (G) Federal Grants, which includes federally funded programs that do not fit elsewhere. The division's cash funds derive from Amendment 35 tobacco taxes, tobacco settlement moneys, the Colorado Children's Trust, and newborn screening fees.

Prevention Services Division	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$195,479,406	\$6,625,488	\$69,748,206	\$327,100	\$118,778,612	187.9
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Federal Funds adjustment	40,637,408	0	0	0	40,637,408	(11.6)
Restore FY 2009-10 furlough reductions	329,043	36,596	7,172	780	284,495	0.0
Adult stem cells funding	140,000	0	140,000	0	0	0.0
Reorganization of subdivisions	0	0	0	0	0	0.0
Amendment 35 and tobacco settlement revenues	(2,278,348)	0	(2,278,348)	0	0	0.0
Statewide IT staff consolidation	(727,413)	(100,856)	0	0	(626,557)	(8.6)
Dental program reduction	(397,531)	(397,531)	0	0	0	0.0
State PERA contribution reduction	(301,628)	(29,735)	(40,109)	(634)	(231,150)	0.0
General Fund reductions	(28,638)	(28,638)	0	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$232,852,299	\$6,105,324	\$67,576,921	\$327,246	\$158,842,808	167.7
\$ Change from prior year	\$37,372,893	(\$520,164)	(\$2,171,285)	\$146	\$40,064,196	(20.2)
% Change from prior year	19.1%	(7.9)%	(3.1)%	0.0%	33.7%	(10.8)%

Issue Descriptions

Federal funds adjustment: The recommendation aligns the federal funding reflected in the Long Bill with federal funding that the Department has recently received.

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Adult stem cells funding: House Bill 08-1372 created an income tax checkoff to fund the Adult Stem Cells Cure Fund. The recommendation appropriates the expected revenues.

Reorganization of subdivisions: The recommendation moves the appropriation for several programs from one subdivision to another without changing appropriations.

Amendment 35 and tobacco settlement revenues: In the Prevention Services Division, Amendment 35 tobacco-tax revenue supports Cancer, Cardiovascular Disease and Pulmonary Disease Grants; Tobacco Education, Prevention, and Cessation Grants; and Breast and Cervical Cancer Screening. Tobacco settlement revenues support Short Term Grants for Innovative Health Programs, the Dental Loan Program, the Tony Grampas Youth Services Program, and the Nurse Home Visitor Program. The recommendation reflects the expected decline in revenues from both sources for FY 2010-11.

Statewide IT staff consolidation: The recommendation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources in OIT results in a ten percent cost savings statewide.

Dental program reduction: The recommendation eliminates funding for the Old Age Pension (OAP) dental program.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

General Fund reduction: The recommendation temporarily reduces the General Fund appropriation for operating expenses of the Health Care Program for Children with Special Needs program. No reduction in services is expected.

Health Facilities and Emergency Medical Services Division: This division establishes and enforces standards for the operation of health care facilities and the provision of emergency medical and trauma services. The division licenses hospitals and other health care facilities; certifies health care facilities for Medicaid and Medicare; trains individuals to administer medications in residential and non-residential care facilities; trains and certifies emergency medical personnel; provides technical assistance and grants to local emergency medical service providers; and oversees the state's trauma care system. The division's cash funds derive from fees paid by licensees and from the Highway Users Tax Fund, while reappropriated funds come from the Department of Health Care Policy and Financing.

Health Facilities and Emergency Medical Services Division	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$23,967,359	\$1,688,986	\$14,110,975	\$4,549,759	\$3,617,639	163.9
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Federal funds adjustment	1,162,624	0	0	0	1,162,624	0.4
Annualize prior year funding	736,741	0	736,741	0	0	10.6
Restore FY 2009-10 furlough reductions	159,006	7,377	54,158	57,513	39,958	0.0
Statewide IT staff consolidation	(457,766)	(2,062)	(124,998)	(130,124)	(200,582)	(5.8)
State PERA contribution reduction	(201,506)	(6,364)	(45,737)	(76,394)	(73,011)	0.0
Indirect cost assessment	(135,725)	0	(135,725)	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$25,230,733	\$1,687,937	\$14,595,414	\$4,400,754	\$4,546,628	169.1
\$ Change from prior year	\$1,263,374	(\$1,049)	\$484,439	(\$149,005)	\$928,989	5.2
% Change from prior year	5.3%	(0.1)%	3.4%	(3.3)%	25.7%	3.2%

Issue Descriptions

Federal funds adjustment: The recommendation aligns the federal funding reflected in the Long Bill with federal funding that the Department has recently received.

Annualize prior year funding: The recommendation includes adjustments for S.B. 08-153 (License Home Health Care) and a 2009 Long Bill initiative that expanded oversight of licensed health care facilities.

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Statewide IT staff consolidation: The recommendation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources in OIT results in a ten percent cost savings statewide.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Indirect cost assessment: The recommendation adjusts indirect cost assessments to reflect changes in the distribution of cash and federal expenditures within the Department as well as changing costs for common policy items and administration-division costs.

Emergency Preparedness and Response Division: This division helps the state prepare for a wide variety of disasters, natural as well as man-made, including floods, wildfires, tornados, infectious disease epidemics, food and water borne disease outbreaks, and terrorist attacks.

Emergency Preparedness Division	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$18,064,677	\$878,214	\$0	\$0	\$17,186,463	31.9
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Federal funds adjustment	2,780,394	0	0	0	2,780,394	15.8
Increased federal match requirement	881,167	881,167	0	0	0	0.1
Restore FY 2009-10 furlough reductions	40,703	2,953	0	0	37,750	0.0
Statewide IT staff consolidation	(448,342)	0	0	0	(448,342)	(5.3)
State PERA contribution reduction	(26,445)	(2,399)	0	0	(24,046)	0.0
Total FY 2010-11 JBC Recommendation	\$21,292,154	\$1,759,935	\$0	\$0	\$19,532,219	42.5
\$ Change from prior year	\$3,227,477	\$881,721	\$0	\$0	\$2,345,756	10.6
% Change from prior year	17.9%	100.4%	n/a	n/a	13.6%	33.2%

Federal funds adjustment: The recommendation aligns the federal funding reflected in the Long Bill with federal funding that the Department has recently received.

Increased federal match requirement: The recommendation provides increased state matching funds for federal emergency preparedness and response grants. Federal law increased the match percentage from 5 percent to 10 percent.

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Statewide IT staff consolidation: The recommendation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources in OIT results in a ten percent cost savings statewide.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Department of Public Safety

Department Description: The Department promotes safety and protects human life by enforcing traffic laws. It operates the law enforcement training academy; assists state and local law enforcement in investigating crime and in enforcing criminal laws; maintains fingerprint records and DNA profiles, operates the statewide crime reporting program, and arranges for scientific laboratory services and facilities, utilizing existing facilities and services wherever feasible. It assists in solving fire safety problems, administers a uniform statewide fire reporting system, and trains firefighters and first responders; coordinates the state's response to the threat of terrorism; investigates organized crime; and administers adult and youth community corrections programs.

Summary Table for Department of Public Safety						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$249,790,343	\$81,989,417	\$119,897,125	\$21,337,368	\$26,566,433	1,358.5
<i>Recommended Changes from FY 2009-10 by Long Bill Division</i>						
Executive Director's Office	1,247,659	569,734	1,297,744	(447,870)	(171,949)	(2.0)
Colorado State Patrol	2,593,709	(80,071)	2,236,237	472,038	(34,495)	(8.0)
Office of Preparedness, Security, and Fire Safety	671,664	(96,763)	784,903	(2,577)	(13,899)	7.0
Division of Criminal Justice	833,437	(69,530)	(1,694)	1,866	902,795	(3.5)
Colorado Bureau of Investigation	6,053	(1,434,719)	1,434,678	4,571	1,523	(15.3)
Total FY 2010-11 JBC Recommendation	\$255,142,865	\$80,878,068	\$125,648,993	\$21,365,396	\$27,250,408	1,336.7
\$ Change from prior year	\$5,352,522	(\$1,111,349)	\$5,751,868	\$28,028	\$683,975	(21.8)
% Change from prior year	2.1%	(1.4)%	4.8%	0.1%	2.6%	(1.6)%

Recommendation Highlights:

1. Provides \$2.0 million cash funds HUTF "Off-the-Top" for the State Patrol to establish an IT asset maintenance budget for the replacement and on-going maintenance of the Patrol's communications systems.
2. Provides 3.8 FTE and \$1.5 million cash funds to annualize S.B. 09-241 (DNA Testing of Adults Arrested for a Felony).
3. Provides \$1.1 million cash funds HUTF "Off-the-Top" for DUI enforcement grants.
4. Provides 8.0 FTE and \$635,000 cash funds to annualize H.B. 09-1151 (School Building Inspections).
5. Provides 4.0 FTE and \$476,519 reappropriated funds for additional gaming troopers.
6. Reduces \$2.1 million including \$379,000 General Fund for a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.
7. Transfers 33.0 FTE to the Office of Information Technology within the Governor's Office.

8. Transfers the Safe 2 Tell Program to the Department of Law totaling 1.0 FTE and \$98,351 General Fund in personal services costs.
9. Reflects the reduction of 2.2 FTE and 989,245 in federal grant funding.
10. Reflects the reduction of 1.4 FTE for the annualization of prior year budget actions.

Budget Recommendation Detail by Long Bill Division

Executive Director's Office: This office manages the following five divisions: Colorado State Patrol; Law Enforcement Training Academy; Colorado Bureau of Investigation; Division of Criminal Justice; and Office of Preparedness, Security, and Fire Safety; and two special programs, the Witness Protection Program and the School Resources Center. In addition, the office administers the Colorado Integrated Criminal Justice Information System (CICJIS).

Executive Director's Office	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$25,516,528	\$5,145,787	\$10,133,541	\$9,271,031	\$966,169	44.7
Recommended Changes from FY 2009-10 Appropriation						
Statewide IT staff consolidation	2,207,140	1,142,030	1,081,277	(16,167)	0	(2.0)
Restore FY 2009-10 furlough reductions	142,571	21,628	15,131	103,109	2,703	0.0
Additional fleet vehicles	28,538	3,240	16,538	0	8,760	0.0
Annualize prior year funding	552	0	552	0	0	0.0
Postage adjustment	67	0	0	67	0	0.0
Centrally-appropriated line items	(1,034,710)	(573,045)	184,246	(462,499)	(183,412)	0.0
State PERA contribution reduction	(76,940)	(4,560)	0	(72,380)	0	0.0
Operating adjustments	(15,579)	(15,579)	0	0	0	0.0
Transfer Safe 2 Tell Program	(3,980)	(3,980)	0	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$26,764,187	\$5,715,521	\$11,431,285	\$8,823,161	\$794,220	42.7
\$ Change from prior year	\$1,247,659	\$569,734	\$1,297,744	(\$447,870)	(\$171,949)	(2.0)
% Change from prior year	4.9%	11.1%	12.8%	(4.8)%	(17.8)%	(4.5)%

Issue Descriptions

Statewide IT staff consolidation: The recommendation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources in OIT results in a ten percent cost savings statewide.

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Additional fleet vehicles: The recommendation includes funding for four additional state fleet vehicles for Colorado State Patrol troopers in the and six additional state fleet vehicles for Division of Fire Safety fire inspectors.

Annualize prior year funding: The recommendation includes an increase of \$552 cash funds for H.B. 09-1151 School Building Inspections.

Postage adjustment: The recommendation provides funding associated with an upgrade to mail services equipment in the Department of Personnel.

Centrally appropriated line items: The recommendation includes adjustments to centrally-appropriated line items for the following: health, life, and dental; short-term disability; amortization equalization disbursement; supplemental amortization equalization disbursement; workers' compensation; purchase of services from computer center; multiuse network payments; management and administration of OIT; payment to risk management and property funds; capitol complex leased space; communication services; vehicle lease payments.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Operating adjustments: The recommendation includes a budget balancing decrease of \$15,579 General Fund to the Executive Director's Office operating expenses line item.

Transfer Safe 2 Tell Program: The recommendation reflects a transfer of the Safe 2 Tell Program from the Office of Preparedness, Security, and Fire Safety to the Department of Law.

Colorado State Patrol: The Patrol enforces traffic laws on approximately 9,000 miles of state and federal highways and 57,000 miles of county roads, and has special safety programs for hazardous materials transport and for commercial vehicles. The patrol is in the sixth year of implementation of a traffic safety improvement plan, which includes using saturation patrols on the most dangerous highway segments, targeting the most hazardous traffic violations, and increasing trooper visibility statewide. The Alive-at-25 and other safety training programs support the traffic safety improvement plan. The budget is driven largely by state highway supervision needs, which are funded from the Highway Users Tax Fund.

Colorado State Patrol	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$113,628,177	\$4,635,980	\$97,238,246	\$7,523,587	\$4,230,364	995.0
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Replace CAD, RMS, and MDC IT Systems	2,000,000	0	2,000,000	0	0	0.0
Vehicle lease adjustments	1,721,797	0	1,694,043	5,148	22,606	0.0
DUI enforcement grants	1,082,980	0	1,082,980	0	0	0.0

Colorado State Patrol	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Gaming troopers	476,519	0	0	476,519	0	4.0
Restore FY 2009-10 furlough reductions	378,680	606	356,366	8,227	13,481	0.0
Officer safety equipment package	278,420	0	278,420	0	0	0.0
E-470 patrol funding increase	78,511	0	78,511	0	0	0.0
Annualize prior year funding	47,429	0	47,429	0	0	0.0
Postage adjustment	268	0	268	0	0	0.0
State PERA contribution reduction	(1,583,305)	(57,551)	(1,394,275)	(71,504)	(59,975)	0.0
Statewide IT staff consolidation	(1,136,693)	0	(1,136,693)	0	0	(12.0)
Indirect cost assessment	(726,810)	0	(731,216)	16,240	(11,834)	0.0
Operating adjustments	(23,126)	(23,126)	0	0	0	0.0
Fund source adjustment	(961)	0	(39,596)	37,408	1,227	0.0
Total FY 2010-11 JBC Recommendation	\$116,221,886	\$4,555,909	\$99,474,483	\$7,995,625	\$4,195,869	987.0
\$ Change from prior year	\$2,593,709	(\$80,071)	\$2,236,237	\$472,038	(\$34,495)	(8.0)
% Change from prior year	2.3%	(1.7)%	2.3%	6.3%	(0.8)%	(0.8)%

Issue Descriptions

Replace CAD, RMS, and MDC IT Systems: The recommendation includes \$2,000,000 HUTF "Off-the-Top" in order to establish an IT asset maintenance budget for the replacement and on-going maintenance of the Colorado State Patrol (CSP) communications systems which consist of a Computer-aided Dispatch (CAD) system, Records Management System (RMS), and Mobile Data Computer (MDC) system.

Vehicle lease adjustments: The recommendation includes increases associated with vehicle lease payments.

DUI enforcement grants: The recommendation includes funding for programs previously supported by the Law Enforcement Assistance Fund (LEAF) within the Department of Transportation.

Gaming troopers: The recommendation includes funding for troopers to patrol roads leading to gaming communities.

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Officer safety equipment package: The recommendation includes funding for on-going replacement of ballistic vests as well as an increase to mobile data air time rates.

E-470 patrol funding increase: The recommendation includes an increase in funding from the E-470 toll road authority to account for actual trooper expenditures patrolling E-470.

Annualize prior year funding: The recommendation includes an adjustment for a one-time prior balancing action.

Postage adjustment: The recommendation provides funding associated with an upgrade to mail services equipment in the Department of Personnel.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Statewide IT staff consolidation: The recommendation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources in OIT results in a ten percent cost savings statewide.

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

Operating adjustments: The recommendation includes a budget balancing decrease of \$23,126 General Fund.

Fund source adjustment: The recommendation includes funding split adjustments to the communications program due to an update to the billing methodology.

Office of Preparedness, Security, and Fire Safety: The Office of Preparedness, Security, and Fire Safety consists of the Division of Fire Safety and the Office of Anti-terrorism Planning and Training. The Division of Fire Safety provides technical assistance to local governments, maintains a state-wide reporting system, performs public school construction inspections through the Public School Construction and Inspection Section, administers various voluntary certification and training programs, oversees fireworks and fire suppression system regulation. The Office of Anti-terrorism Planning and Training is responsible for coordinating the State's response to the threat of terrorism. This Office includes: (1) the Colorado Intelligence Analysis Center; (2) the Critical Infrastructure Protection and Planning Unit; and (3) the Colorado State Patrol Homeland Security Unit.

Office of Preparedness, Security, and Fire Safety	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$2,773,461	\$343,323	\$1,776,120	\$195,451	\$458,567	28.0
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Annualize H.B. 09-1151 School Building Inspections	634,649	0	634,649	0	0	8.0
Indirect cost assessment	171,783	0	175,050	(3,948)	681	0.0
Restore FY 2009-10 furlough reductions	30,678	9,181	14,601	5,043	1,853	0.0
Postage adjustment	59	(25)	42	0	42	0.0
Transfer Safe 2 Tell Program	(98,351)	(98,351)	0	0	0	(1.0)
State PERA contribution reduction	(37,461)	(6,684)	(10,630)	(3,672)	(16,475)	0.0
Additional fleet vehicles	(28,809)	0	(28,809)	0	0	0.0

Office of Preparedness, Security, and Fire Safety	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Operating adjustments	(884)	(884)	0	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$3,445,125	\$246,560	\$2,561,023	\$192,874	\$444,668	35.0
\$ Change from prior year	\$671,664	(\$96,763)	\$784,903	(\$2,577)	(\$13,899)	7.0
% Change from prior year	24.2%	(28.2)%	44.2%	(1.3)%	(3.0)%	25.0%

Issue Descriptions

Annualize H.B. 09-1151 School Building Inspections: The recommendation annualizes funding for H.B. 09-1151 which created the Public School Construction and Inspection Section within the Division of Fire Safety and transferred responsibilities previously held by the Division of Oil and Public Safety in the Department of Labor and Employment.

Indirect cost assessment: The recommendation includes a net increase in indirect cost assessments.

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Postage adjustment: The recommendation provides funding associated with an upgrade to mail services equipment in the Department of Personnel.

Transfer Safe 2 Tell Program: The recommendation reflects a transfer of the Safe 2 Tell Program from the Office of Preparedness, Security, and Fire Safety to the Department of Law.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Additional fleet vehicles: The recommendation reflects savings from providing fire inspectors state fleet vehicles and not reimbursing them for the use of personal vehicles.

Operating adjustments: The recommendation includes a budget balancing decrease of \$884 General Fund.

Division of Criminal Justice: This division collects criminal justice system data and analyzes that information for planning, research, coordination, and technical assistance purposes. Technical assistance is provided to local and state criminal justice agencies in the areas of crime prevention, needs assessment, jail planning, information dissemination, and management studies. The Division manages several types of federal funds in the areas of juvenile justice, anti-drug programs, victim assistance, and victim compensation. The Division also administers the Victims Assistance and Law Enforcement Fund Program. Additionally, the Division is responsible for the administration of community corrections contracts for both transition and diversion programs, and for the management of juvenile diversion programs.

Division of Criminal Justice	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$80,086,023	\$55,330,887	\$3,894,411	\$785,425	\$20,075,300	62.4
Recommended Changes from FY 2009-10 Appropriation						
Grant funding	989,245	0	0	0	989,245	(2.2)
Restore FY 2009-10 furlough reductions	72,016	51,555	8,485	10,585	1,391	0.0
State PERA contribution reduction	(87,775)	(37,534)	(6,178)	(8,719)	(35,344)	0.0
Statewide IT staff consolidation	(48,333)	(48,333)	0	0	0	(1.0)
Indirect cost assessment	(44,843)	0	(4,001)	0	(40,842)	0.0
Annualize prior year funding	(19,578)	(18,636)	0	0	(942)	(0.3)
Fleet vehicles	(14,736)	(3,974)	0	0	(10,762)	0.0
Operating reduction	(12,315)	(12,315)	0	0	0	0.0
Postage adjustment	(244)	(293)	0	0	49	0.0
Total FY 2010-11 JBC Recommendation	\$80,919,460	\$55,261,357	\$3,892,717	\$787,291	\$20,978,095	58.9
\$ Change from prior year	\$833,437	(\$69,530)	(\$1,694)	\$1,866	\$902,795	(3.5)
% Change from prior year	1.0%	(0.1)%	0.0%	0.2%	4.5%	(5.6)%

Issue Descriptions

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

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Statewide IT staff consolidation: The recommendation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources in OIT results in a ten percent cost savings statewide.

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

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

Fleet vehicles: The recommendation includes reductions to internally fund the addition of two fleet vehicles.

Operating reduction: The recommendation reflects a 5.0 percent reduction for operating expenses.

Postage adjustment: The recommendation includes adjustments associated with an upgrade to mail services equipment in the Department of Personnel.

Colorado Bureau of Investigation: The Bureau provides information technology, laboratory, and investigative services to local, state, and federal law enforcement agencies upon request. The Colorado Crime Information Center (CCIC) provides information around the clock to law enforcement agencies on wants, warrants, case status, stolen property, vehicle registration, known offenders, and drivers licenses. The Bureau also operates the State's "instacheck" criminal background check program for the firearms industry. In FY 2008-09, the program performed background checks for more than 227,000 firearm transfer requests. The laboratory analyzes DNA, fingerprint, firearms and toolmarks, physiological fluids, chemical, document, and digital evidence, as well as trace evidence and shoe and tire track evidence.

Colorado Bureau of Investigation	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$27,786,154	\$16,533,440	\$6,854,807	\$3,561,874	\$836,033	228.4
Recommended Changes from FY 2009-10 Appropriation						
Annualize S.B. 09-241 DNA Testing of Adults Arrested for a Felony	1,504,580	0	1,504,580	0	0	3.8
Restore FY 2009-10 furlough reductions	372,488	331,046	11,113	24,900	5,429	0.0
InstaCheck spending authority increase	13,325	0	13,325	0	0	0.0
Vehicle lease adjustments	9,728	9,728	0	0	0	0.0
Postage adjustment	196	85	111	0	0	0.0
Statewide IT staff consolidation	(1,262,039)	(1,234,790)	(27,249)	0	0	(18.0)
State PERA contribution reduction	(326,970)	(272,253)	(36,459)	(14,352)	(3,906)	0.0
Operating adjustments	(188,451)	(188,451)	0	0	0	0.0
Annualize FTE reductions	(80,084)	(80,084)	0	0	0	(1.1)
Indirect cost assessment	(36,720)	0	(30,743)	(5,977)	0	0.0
Total FY 2010-11 JBC Recommendation	\$27,792,207	\$15,098,721	\$8,289,485	\$3,566,445	\$837,556	213.1
\$ Change from prior year	\$6,053	(\$1,434,719)	\$1,434,678	\$4,571	\$1,523	(15.3)
% Change from prior year	0.0%	(8.7)%	20.9%	0.1%	0.2%	(6.7)%

Issue Descriptions

Annualize S.B. 09-241 Testing of Adults Arrested for a Felony: The recommendation annualizes funding including 3.8 FTE for S.B. 09-241, which requires testing of DNA samples from every individual arrested or charged for a felony after September 30, 2010.

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

InstaCheck spending authority increase: The recommendation reflects an increase in spending authority for the InstaCheck program due to an increase in the number of firearm transactions requiring a background check.

Vehicle lease adjustments: The recommendation includes increases associated with vehicle lease payments.

Postage adjustment: The recommendation includes adjustments associated with an upgrade to mail services equipment in the Department of Personnel.

Statewide IT staff consolidation: The recommendation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources in OIT results in a ten percent cost savings statewide.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Operating adjustments: The recommendation includes an operating reduction totaling \$188,451.

Annualize FTE reductions: The recommendation reflects annualization of a prior year budget action to reduce 2.0 laboratory agent positions and 1.0 criminal investigator position mid-year.

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

Department of Regulatory Agencies

Department Description: The Department of Regulatory Agencies protects the citizens of Colorado from fraudulent or dangerous businesses and professionals by regulating the banks and credit unions, insurance providers and agents, public utilities, over forty various professions, securities, real estate agents and mortgage brokers, and enforcing Colorado's equal rights laws.

Summary Table for Department of Regulatory Agencies						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$79,893,774	\$1,457,251	\$68,839,045	\$8,382,793	\$1,214,685	595.4
Recommended Changes from FY 2009-10 by Long Bill Division						
Executive Director's Office and Administrative Services	(458,396)	71,877	1,542,143	(2,098,721)	26,305	(24.8)
Division of Banking	(201,822)	0	(201,822)	0	0	0.0
Civil Rights Division	(11,282)	(18,693)	0	24,877	(17,466)	0.0
Office of Consumer Counsel	(24,218)	0	(24,218)	0	0	0.0
Division of Financial Services	(65,617)	0	(65,617)	0	0	0.0
Division of Insurance	(310,656)	0	(318,198)	0	7,542	0.0
Public Utilities Commission	(123,066)	0	(123,066)	0	0	0.0
Division of Real Estate	(189,611)	0	(189,611)	0	0	0.0
Division of Registrations	(955,907)	0	(878,990)	(77,249)	332	0.2
Division of Securities	(23,521)	0	(23,521)	0	0	1.0
Total FY 2010-11 JBC Recommendation	\$77,529,678	\$1,510,435	\$68,556,145	\$6,231,700	\$1,231,398	571.8
\$ Change from prior year	(\$2,364,096)	\$53,184	(\$282,900)	(\$2,151,093)	\$16,713	(23.6)
% Change from prior year	(3.0)%	3.7%	(0.4)%	(25.7)%	1.4%	(4.0)%

Recommendation Highlights:

1. Adds \$1,246,187, including \$31,640 General Fund to restore the FY 2009-10 furlough reductions.
2. Provides \$67,848 cash funds and 1.0 FTE to the Division of Securities for investigation of violations of securities laws.
3. Reduces \$1,870,248 reappropriated funds and 24.8 FTE for the transfer of information technology staff to the Office of Information Technology.
4. Reduces \$851,172, including \$27,315 General Fund, for the 2.5 percent reduction to the State's Public Employees Retirement Association (PERA) contribution.

Budget Recommendation Detail by Long Bill Division

Executive Director's Office and Administrative Services: The Executive Director's Office performs Department-wide administrative functions, including accounting, budgeting, data processing, personnel, purchasing, facilities planning, and management reporting. The Office of Policy, Research and Regulatory Reform is located within this Office and is responsible for conducting sunrise and sunset studies for state agencies.

Executive Director's Office and Administrative Services	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$21,605,350	\$411,528	\$15,060,332	\$5,893,438	\$240,052	52.3
Recommended Changes from FY 2009-10 Appropriation						
Statewide IT common policy adjustments	1,870,138	70,146	1,664,118	108,371	27,503	0.0
Restore FY 2009-10 furlough reductions	119,712	453	659	118,600	0	0.0
Mail equipment costs	133	0	0	133	0	0.0
Fund source adjustment	0	(8,072)	(13,159)	21,231	0	0.0
Statewide IT staff consolidation	(1,870,248)	0	0	(1,870,248)	0	(24.8)
Centrally-appropriated line items	(359,219)	9,350	60,350	(427,721)	(1,198)	0.0
Annualize prior year funding	(169,843)	0	(169,825)	(18)	0	0.0
Leased space adjustments	(112,790)	(3,704)	(90,661)	(16,906)	(1,519)	0.0
State PERA contribution reduction	(49,069)	0	0	(49,069)	0	0.0
Other	112,790	3,704	90,661	16,906	1,519	0.0
Total FY 2010-11 JBC Recommendation	\$21,146,954	\$483,405	\$16,602,475	\$3,794,717	\$266,357	27.5
\$ Change from prior year	(\$458,396)	\$71,877	\$1,542,143	(\$2,098,721)	\$26,305	(24.8)
% Change from prior year	(2.1)%	17.5%	10.2%	(35.6)%	11.0%	(47.4)%

Issue Descriptions

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

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Mail equipment costs: The recommendation increases an increase for mail equipment costs paid to the Department of Personnel and Administration.

Fund source adjustment: The recommendation includes an increase in federal funds offset by a decrease in cash and reappropriated funds.

Statewide IT staff consolidation: The recommendation includes the impact of transferring information technology (IT) staff resources to the Governor's Office of Information Technology (OIT). The consolidation of IT staff resources in OIT results in a ten percent cost savings statewide.

Centrally-appropriated line items: The recommendation includes adjustments to centrally-appropriated line items for the following: health, life and dental benefits; short-term disability; amortization equalization disbursement; supplemental amortization equalization disbursement; workers' compensation; legal services; payment to risk management and property funds; vehicle lease payments; and Capitol complex leased space.

Annualize prior year funding: The recommendation includes adjustments related to one-time moneys appropriated for hardware/software maintenance in 2009 legislation and prior year budget actions.

Leased space adjustments: The recommendation includes a decrease in leased space expenses due to a decrease in leased space operating expenses.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Other: The recommendation includes adjustments to various line items.

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 institutions and ensure compliance with the Public Deposit Protection Act. All funding for this Division is 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 2009-10 Appropriation	\$4,227,168	\$0	\$4,227,168	\$0	\$0	44.0
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Restore FY 2009-10 furlough reductions	82,221	0	82,221	0	0	0.0
Mail equipment costs	255	0	255	0	0	0.0
Indirect cost assessment	(192,591)	0	(192,591)	0	0	0.0
State PERA contribution reduction	(60,303)	0	(60,303)	0	0	0.0
Annualize prior year funding	(31,404)	0	(31,404)	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$4,025,346	\$0	\$4,025,346	\$0	\$0	44.0
\$ Change from prior year	(\$201,822)	\$0	(\$201,822)	\$0	\$0	0.0
% Change from prior year	(4.8)%	n/a	(4.8)%	n/a	n/a	0.0%

Issue Descriptions

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Mail equipment costs: The recommendation increases an increase for mail equipment costs paid to the Department of Personnel and Administration.

Indirect cost assessment: The recommendation includes a net decrease in indirect cost assessments due to decreased appropriations to centrally-appropriated line items in the Executive Director's Office.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Annualize prior year funding: The recommendation includes adjustments related to annualize one-time moneys appropriated in 2009 legislation and one-time moneys appropriated for the addition of banking examiners.

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, martial status, or sexual orientation.

Civil Rights Division	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$1,768,154	\$1,045,723	\$0	\$272,752	\$449,679	31.4
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Restore FY 2009-10 furlough reductions	51,209	29,909	0	7,609	13,691	0.0
Mail equipment costs	54	54	0	0	0	0.0
Fund source adjustment	0	(17,268)	0	17,268	0	0.0
State PERA contribution reduction	(38,249)	(27,316)	0	0	(10,933)	0.0
Indirect cost assessment	(20,224)	0	0	0	(20,224)	
Operating reduction	(3,081)	(3,081)	0	0	0	0.0
Annualize prior year funding	(991)	(991)	0	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$1,756,872	\$1,027,030	\$0	\$297,629	\$432,213	31.4
\$ Change from prior year	(\$11,282)	(\$18,693)	\$0	\$24,877	(\$17,466)	0.0
% Change from prior year	(0.6)%	(1.8)%	n/a	9.1%	(3.9)%	0.0%

Issue Descriptions

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Mail equipment costs: The recommendation increases an increase for mail equipment costs paid to the Department of Personnel and Administration.

Fund source adjustment: The recommendation includes an increase in federal funds offset by a decrease in cash and reappropriated funds.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Indirect cost assessment: The recommendation includes a net decrease in indirect cost assessments due to decreased appropriations to centrally-appropriated line items in the Executive Director's Office.

Operating reduction: The recommendation reflects a 5.0 percent reduction in operating expenses funded with General Fund.

Annualize prior year funding: The recommendation includes adjustments related to annualize one-time moneys appropriated in 2009 legislation and one-time moneys appropriated for the addition of banking examiners.

Office of Consumer Counsel: The Office of Consumer Counsel represents the interests of residential, agricultural and small business consumers at electric, gas and telecommunications rate and service proceedings before the Public Utility Commission. All funding for this Division is 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 2009-10 Appropriation	\$921,480	\$0	\$921,480	\$0	\$0	7.0
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Restore FY 2009-10 furlough reductions	20,101	0	20,101	0	0	0.0
Indirect cost assessment	(29,721)	0	(29,721)	0	0	0.0
State PERA contribution reduction	(14,635)	0	(14,635)	0	0	0.0
Other	37	0	37	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$897,262	\$0	\$897,262	\$0	\$0	7.0
\$ Change from prior year	(\$24,218)	\$0	(\$24,218)	\$0	\$0	0.0
% Change from prior year	(2.6)%	n/a	(2.6)%	n/a	n/a	0.0%

Issue Descriptions

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Indirect cost assessment: The recommendation includes a net decrease in indirect cost assessments due to decreased appropriations to centrally-appropriated line items in the Executive Director's Office.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Other: The recommendation includes a minor adjustment.

Division of Financial Services: This Division regulates state-chartered credit unions, life care institutions, and savings and loan associations. Division staff conduct examinations of institutions to ensure continued compliance with regulatory standards. All funding for this Division is 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 2009-10 Appropriation	\$1,465,087	\$0	\$1,465,087	\$0	\$0	15.0
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Restore FY 2009-10 furlough reductions	31,760	0	31,760	0	0	0.0
Mail equipment costs	78	0	78	0	0	0.0
Indirect cost assessment	(63,689)	0	(63,689)	0	0	0.0
State PERA contribution reduction	(23,299)	0	(23,299)	0	0	0.0
Annualize prior year funding	(10,467)	0	(10,467)	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$1,399,470	\$0	\$1,399,470	\$0	\$0	15.0
\$ Change from prior year	(\$65,617)	\$0	(\$65,617)	\$0	\$0	0.0
% Change from prior year	(4.5)%	n/a	(4.5)%	n/a	n/a	0.0%

Issue Descriptions

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Mail equipment costs: The recommendation increases an increase for mail equipment costs paid to the Department of Personnel and Administration.

Indirect cost assessment: The recommendation includes a net decrease in indirect cost assessments due to decreased appropriations to centrally-appropriated line items in the Executive Director's Office.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

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

Division of Insurance: This Division is responsible for the licensing of insurance agents and adjusters, regulation insurance companies, non-profit hospitals, prepaid dental plans, health maintenance organizations, workers' compensation self-insurance pools, bail bondsmen, and pre-need funeral contractions.

Division of Insurance	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$8,850,352	\$0	\$8,331,890	\$0	\$518,462	86.7
Recommended Changes from FY 2009-10 Appropriation						
Restore FY 2009-10 furlough reductions	181,731	0	181,731	0	0	0.0
CAPCO Administration	397	0	397	0	0	0.0
Mail equipment costs	254	0	254	0	0	0.0
Indirect cost assessment	(348,616)	0	(357,320)	0	8,704	0.0
State PERA contribution reduction	(132,311)	0	(131,149)	0	(1,162)	0.0
Insurance fraud prosecution	(12,076)	0	(12,076)	0	0	0.0
Annualize prior year funding	(35)	0	(35)	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$8,539,696	\$0	\$8,013,692	\$0	\$526,004	86.7
\$ Change from prior year	(\$310,656)	\$0	(\$318,198)	\$0	\$7,542	0.0
% Change from prior year	(3.5)%	n/a	(3.8)%	n/a	1.5%	0.0%

Issue Descriptions

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

CAPCO Administration: The recommendation includes an increase to the Transfer to CAPCO Administration line item which appropriates money for the CAPCO Administration line item in the Governor's Office budget to accommodate adjustments to personal services.

Mail equipment costs: The recommendation increases an increase for mail equipment costs paid to the Department of Personnel and Administration.

Indirect cost assessment: The recommendation includes a net decrease in indirect cost assessments due to decreased appropriations to centrally-appropriated line items in the Executive Director's Office.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Insurance fraud prosecution: The recommendation includes a decrease for the insurance fraud prosecution unit in the Department of Law.

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

Public Utilities Commission: The Public Utilities Commission regulates the rates and services of fixed utilities and transportation utilities located in the state and administers the Colorado Telecommunications High Cost Program, the Low-Income Telephone Assistance Program, the Highway Crossing Protection Program, and the Disabled Telephone Users Program.

Public Utilities Commission	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$15,893,696	\$0	\$15,893,696	\$0	\$0	100.5
Recommended Changes from FY 2009-10 Appropriation						
Adjustments to Commission for the Deaf and Hard of Hearing	254,048	0	254,048	0	0	0.0
Restore FY 2009-10 furlough reductions	249,204	0	249,204	0	0	0.0
Mail equipment costs	351	0	351	0	0	0.0
Indirect cost assessment	(431,331)	0	(431,331)	0	0	0.0
State PERA contribution reduction	(184,833)	0	(184,833)	0	0	0.0
Annualize prior year funding	(10,505)	0	(10,505)	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$15,770,630	\$0	\$15,770,630	\$0	\$0	100.5
\$ Change from prior year	(\$123,066)	\$0	(\$123,066)	\$0	\$0	0.0
% Change from prior year	(0.8)%	n/a	(0.8)%	n/a	n/a	0.0%

Issue Descriptions

Adjustments to Commission for the Deaf and Hard of Hearing: The recommendation includes an increase to the Commission for the Deaf and Hard of Hearing line item in the Department of Human Services, Services for People with Disabilities Division to accommodate changes to personal services.

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Mail equipment costs: The recommendation increases an increase for mail equipment costs paid to the Department of Personnel and Administration.

Indirect cost assessment: The recommendation includes a net decrease in indirect cost assessments due to decreased appropriations to centrally-appropriated line items in the Executive Director's Office.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

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

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 works to be responsive 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.

Division of Real Estate	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$4,310,729	\$0	\$4,310,729	\$0	\$0	50.1
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Restore FY 2009-10 furlough reductions	85,946	0	85,946	0	0	0.0
Mail equipment costs	189	0	189	0	0	0.0
Indirect cost assessment	(201,177)	0	(201,177)	0	0	0.0
State PERA contribution reduction	(63,288)	0	(63,288)	0	0	0.0
Mortgage broker consumer protection	(6,026)	0	(6,026)	0	0	0.0
Annualize prior year funding	(5,255)	0	(5,255)	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$4,121,118	\$0	\$4,121,118	\$0	\$0	50.1
\$ Change from prior year	(\$189,611)	\$0	(\$189,611)	\$0	\$0	0.0
% Change from prior year	(4.4)%	n/a	(4.4)%	n/a	n/a	0.0%

Issue Descriptions

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Mail equipment costs: The recommendation increases an increase for mail equipment costs paid to the Department of Personnel and Administration.

Indirect cost assessment: The recommendation includes a net decrease in indirect cost assessments due to decreased appropriations to centrally-appropriated line items in the Executive Director's Office.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Mortgage broker consumer protection: The recommendation includes an increase for the mortgage broker consumer protection unit in the Department of Law.

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

Division of Registrations: This Division regulates over 300,000 licensees in more than forty professions and occupations. Boards and Commissions establish regulatory standards to ensure a minimal level of competency and rules to ensure a safe environment for professionals and customers.

Division of Registrations	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$18,130,540	\$0	\$15,907,445	\$2,216,603	\$6,492	186.4
<i>Recommended Changes from FY 2009-10 Appropriation</i>						

Division of Registrations	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Restore FY 2009-10 furlough reductions	329,996	0	290,226	39,770	0	0.0
Mail equipment costs	1,175	0	1,175	0	0	0.0
Fund source adjustment	0	0	88,064	(88,064)	0	0.0
Indirect cost assessment	(930,056)	0	(930,388)	0	332	0.0
State PERA contribution reduction	(245,019)	0	(216,064)	(28,955)	0	0.0
Annualize prior year funding	(112,003)	0	(112,003)	0	0	0.2
Total FY 2010-11 JBC Recommendation	\$17,174,633	\$0	\$15,028,455	\$2,139,354	\$6,824	186.6
\$ Change from prior year	(\$955,907)	\$0	(\$878,990)	(\$77,249)	\$332	0.2
% Change from prior year	(5.3)%	n/a	(5.5)%	(3.5)%	5.1%	0.1%

Issue Descriptions

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Mail equipment costs: The recommendation increases an increase for mail equipment costs paid to the Department of Personnel and Administration.

Fund source adjustment: The recommendation includes an increase in cash funds offset by a decrease in reappropriated funds.

Indirect cost assessment: The recommendation includes a net decrease in indirect cost assessments due to decreased appropriations to centrally-appropriated line items in the Executive Director's Office.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

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

Division of Securities: This Division monitors the conduct of state-licensed broker-dealers and sales representatives, as well as investigating complaints and other indications of investment fraud. Division staff also perform examinations of dealer offices and investment advisory firms.

Division of Securities	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$2,721,218	\$0	\$2,721,218	\$0	\$0	22.0
<i>Recommended Changes from FY 2009-10 Appropriation</i>						

Division of Securities	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Additional investigator	67,848	0	67,848	0	0	1.0
Restore FY 2009-10 furlough reductions	53,271	0	53,271	0	0	0.0
Mail equipment costs	50	0	50	0	0	0.0
Indirect cost assessment	(86,113)	0	(86,113)	0	0	0.0
State PERA contribution reduction	(40,167)	0	(40,167)	0	0	0.0
Annualize prior year funding	(10,463)	0	(10,463)	0	0	0.0
Securities fraud prosecution	(7,947)	0	(7,947)	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$2,697,697	\$0	\$2,697,697	\$0	\$0	23.0
\$ Change from prior year	(\$23,521)	\$0	(\$23,521)	\$0	\$0	1.0
% Change from prior year	(0.9)%	n/a	(0.9)%	n/a	n/a	4.5%

Issue Descriptions

Additional investigator: The recommendation includes an increase of \$67,848 cash funds and 1.0 FTE to maintain regulatory standards through investigations of violations of securities laws.

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Mail equipment costs: The recommendation increases an increase for mail equipment costs paid to DPA.

Indirect cost assessment: The recommendation includes a net decrease in indirect cost assessments due to decreased appropriations to centrally-appropriated line items in the Executive Director's Office.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

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

Securities fraud prosecution: The recommendation includes an increase for the Securities Fraud Prosecution unit in the Department of Law.

Department of Revenue

Department Description: The Department is organized into three functional groups: Taxation, Motor Vehicles, and Enforcement. The Taxation group collects revenue for the state and for local governments; the Division of Motor Vehicles, which also oversees Motor Carrier Services, regulates motor vehicle safety, issues personal identification documents, and regulates commercial vehicles; and the Enforcement group regulates alcohol, tobacco, and gambling. The three functional areas are supported by the Executive Director's Office, Central Department Operations and Information Technology Divisions. The Department also operates the State Lottery, a TABOR enterprise supported by lottery ticket sales, and accounts for almost 70 percent of the Department's annual budget.

Summary Table for Department of Revenue						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$692,706,965	\$74,220,949	\$615,561,703	\$1,398,939	\$1,525,374	1,495.2
Long Bill Supplemental	(633,610)	(471,610)	(162,000)	0	0	(4.5)
FY 2009-10 Adjusted Appropriation	\$692,073,355	\$73,749,339	\$615,399,703	\$1,398,939	\$1,525,374	1,490.7
Recommended Changes from FY 2009-10 by Long Bill Division						
Executive Director's Office	7,119,544	8,007,688	(1,357,887)	469,743	0	0.0
Central Department Operations Division	270,677	255,816	(690)	15,551	0	(1.6)
Information Technology Division	(8,093,266)	(4,121,680)	(3,588,115)	(383,471)	0	(106.2)
Taxation Business Group	335,244	440,528	(62,699)	(411)	(42,174)	16.0
Division of Motor Vehicles	(864,603)	11,886,508	(12,729,562)	(21,549)	0	3.0
Motor Carrier Services	(151,218)	(39,326)	(111,892)	0	0	(1.0)
Enforcement Business Group	2,180,771	(801)	2,165,549	16,023	0	16.0
State Lottery Division	40,440	0	40,440	0	0	0.0
Total FY 2010-11 Long Bill Recommendation	\$692,910,944	\$90,178,072	\$599,754,847	\$1,494,825	\$1,483,200	1,416.9
H.B. 10-1193: Collection of sales taxes on purchases made from out-of- state retailers	161,584	161,584	0	0	0	0.0
H.B. 10-1387: Refinance Division of Motor Vehicles	0	(19,961,127)	19,961,127	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$693,072,528	\$70,378,529	\$619,715,974	\$1,494,825	\$1,483,200	1,416.9
\$ Change from prior year	\$999,173	(\$3,370,810)	\$4,316,271	\$95,886	(\$42,174)	(73.8)
% Change from prior year	0.1%	(4.6)%	0.7%	6.9%	(2.8)%	(5.0)%

Recommendation Highlights:

1. Includes \$808,000 General Fund and 9.9 FTE for the second year of a two-year program to expand the State's out-of-state tax compliance and enforcement program.

2. Includes \$1.2 million General Fund and 3.7 FTE for a program to eliminate the current backlog of conservation easement appraisals within five years. The addition of moneys and FTE will increase General Fund revenue by 4.1 million per year for five years.
3. Includes \$326,000 General Fund and 5.5 FTE for several tax code compliance initiatives that are made easier with the implementation of the Colorado Integrated Tax Architecture project. These initiatives are expected to increase General Fund revenues by \$15.4 million in FY 2010-11 and by \$4.9 million in FY 2011-12.
4. Reflects a decrease of \$920,000 (including \$476,000 General Fund) which reflect the transfer of 106.2 FTE to the Office of Information Technology as part of the Statewide consolidation of information technology staff.
5. Reflects a projected decrease of \$800,000 General Fund for the Cigarette Tax Rebate, based on the March 2010 Legislative Council Economic forecast.
6. Reflects a projected decrease of \$400,000 for the Old Age Heat & Fuel & Property Tax Assistance Grants, based on the March 2010 Legislative Council Economic forecast.

JBC Budget Package Legislation Summary:

1. House Bill 10-1193 requires out-of-state retailers who sell to Colorado residents to report the sales as taxable to the purchaser and requires the retailer to provide a report to the State showing the amount of purchases made by each resident. The bill provides an appropriation of \$161,584 General Fund to the Department of Revenue, of which \$40,000 is reappropriated to the Department of Law.
2. House Bill 10-1387 permanently refinances the funding of driver's license offices with funding from driver's license and associated fees and allows the use of the Highway Users Tax Fund "off-the-top" appropriation for FY 2010-11 only. For FY 2010-11, the bill would reduce General Fund by \$20.0 million.

Budget Recommendation Detail by Long Bill Division

Executive Director's Office	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$28,732,444	\$13,041,688	\$15,137,497	\$553,259	\$0	47.8
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Statewide information technology staff consolidation	6,910,842	3,610,310	2,855,193	445,339	0	0.0
Conservation easement backlog	389,371	389,371	0	0	0	0.0
Statewide information technology common policy adjustments	272,137	144,201	140,920	(12,984)	0	0.0
Restore FY 2009-10 furlough reductions	77,160	41,301	25,066	10,793	0	0.0
Tax code compliance initiatives	20,400	20,400	0	0	0	0.0
Annualize prior year funding	11,204	19,249	(8,045)	0	0	0.0

Executive Director's Office	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Indirect costs adjustments	0	(17,873)	(14,547)	32,420	0	0.0
Centrally-appropriated line items	(459,863)	3,810,629	(4,270,492)	0	0	0.0
Operating adjustments	(98,121)	(43,751)	(54,370)	0	0	0.0
State PERA contribution reduction	(87,099)	(22,329)	(51,418)	(13,352)	0	0.0
Other	83,513	56,180	19,806	7,527	0	0.0
Total FY 2010-11 Long Bill Recommendation	\$35,851,988	\$21,049,376	\$13,779,610	\$1,023,002	\$0	47.8
\$ Change from prior year	\$7,119,544	\$8,007,688	(\$1,357,887)	\$469,743	\$0	0.0
% Change from prior year	24.8%	61.4%	(9.0)%	84.9%	n/a	0.0%

Issue Descriptions

Statewide information technology staff consolidation: The recommendation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources in OIT results in a ten percent cost savings statewide.

Conservation easement backlog: The recommendation includes funding to address a backlog in appraisals of gross conservation easements. The Department estimates that this funding will increase General Fund revenues by approximately \$4.1 million per year over five years.

Statewide information technology common policy adjustments: The recommendation includes adjustments to line item appropriations for the following: the purchase of services from computer center; multiuse network payments; management and administration of the Office of Information Technology; and communication services payments.

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Tax code compliance initiatives: The recommendation provides funding for several tax code compliance initiatives that are projected by the Department to increase General Fund revenue by \$15.4 million in FY 2010-11 and \$4.9 million in FY 2011-12.

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

Indirect costs adjustments: The recommendation includes an adjustment to the indirect costs reimbursements to the Executive Director's Office. The recommendation decreases General Fund and cash funds which are offset by an increase in reappropriated funds.

Centrally-appropriated line items: The recommendation includes adjustments to centrally-appropriated line items for the following: health, life, and dental benefits; short-term disability; amortization equalization disbursement; supplemental amortization equalization disbursement; shift differential; workers' compensation;

legal services; administrative law judge services; payment to risk management and property funds; vehicle lease payments; and Capitol complex leased space.

Operating adjustments: The recommendation includes decreases in General Fund and cash funds for several decision items that have their primary funding in other divisions.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Other: The recommendation includes other minor adjustments.

Central Department Operations Division: This division records and maintains transactions that enable the Department to meet various statutory responsibilities, many of which are related to taxes, licensing and various other fee payments. Such transactions also include the deposit of tax remittances; the processing of tax documents from the receipt of returns through the issuance of applicable refunds; and the processing of income tax refund warrants. This division also performs a variety of incoming and outgoing mail services.

Central Department Operations Division	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$11,706,300	\$10,918,955	\$720,091	\$67,254	\$0	103.6
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Delinquency billings program	163,849	163,849	0	0	0	0.0
Treasury offset program	152,230	152,230	0	0	0	0.0
Restore FY 2009-10 furlough reductions	107,168	99,693	6,164	1,311	0	0.0
Tax code compliance initiatives	21,145	21,145	0	0	0	0.0
Indirect costs adjustments	0	(18,684)	3,141	15,543	0	0.0
State PERA contribution reduction	(112,270)	(98,231)	(12,255)	(1,784)	0	0.0
Annualize prior year funding	(65,530)	(65,530)	0	0	0	(1.6)
Other	4,085	1,344	2,260	481	0	0.0
Total FY 2010-11 JBC Recommendation	\$11,976,977	\$11,174,771	\$719,401	\$82,805	\$0	102.0
\$ Change from prior year	\$270,677	\$255,816	(\$690)	\$15,551	\$0	(1.6)
% Change from prior year	2.3%	2.3%	(0.1)%	23.1%	n/a	(1.5)%

Issue Descriptions

Delinquency billings program: The recommendation provides funding to provide additional notices to delinquent taxpayers. The program is estimated to provide \$4.2 million of General Fund revenue in FY 2010-11.

Treasury offset program: The recommendation provides funding for a program to intercept federal tax refunds of Colorado taxpayers that owe the state. The Department projects that the program will increase General Fund revenue by \$4.2 million in FY 2010-11.

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Tax code compliance initiatives: The recommendation provides funding for several tax code compliance initiatives made possible by the Colorado Integrated Tax Architecture (CITA) project. In total, these initiatives are projected to increase General Fund revenue by \$15.4 million in FY 2010-11 and \$4.9 million in FY 2011-12.

Indirect costs adjustments: The recommendation includes an adjustment to the indirect costs reimbursements to the Executive Director's Office. The recommendation decreases General Fund and cash funds which are offset by an increase in reappropriated funds.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

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

Other: The recommendation includes other minor adjustments.

Information Technology Division: This division is divided into two subsections: Systems Support, which provides the bulk of the Department's various information technology requirements; and the Colorado State Titling and Registration System (CSTARS), which was created in 1983 to automate the distribution of vehicle registration taxes among the State, the counties, and the Highway Users Tax Fund (HUTF). The recommendation includes the transfer of 106.2 FTE to the Office of Information Technology.

Information Technology Division	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$12,860,925	\$4,960,011	\$7,504,670	\$396,244	\$0	108.4
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Restore FY 2009-10 furlough reductions	171,038	88,241	75,072	7,725	0	0.0
Programming costs for 2010 session legislation	17,392	6,242	11,150	0	0	0.0
Indirect costs adjustments	0	(58,597)	(42,025)	100,622	0	0.0
Statewide information technology staff consolidation	(7,614,091)	(3,998,607)	(3,131,286)	(484,198)	0	(106.2)
Annualize prior year funding	(498,676)	(71,235)	(430,444)	3,003	0	0.0
State PERA contribution reduction	(168,929)	(87,724)	(70,582)	(10,623)	0	0.0

Information Technology Division	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Total FY 2010-11						
JBC Recommendation	\$4,767,659	\$838,331	\$3,916,555	\$12,773	\$0	2.2
\$ Change from prior year	(\$8,093,266)	(\$4,121,680)	(\$3,588,115)	(\$383,471)	\$0	(106.2)
% Change from prior year	(62.9)%	(83.1)%	(47.8)%	(96.8)%	n/a	(98.0)%

Issue Descriptions

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Programming costs for 2010 session legislation: The recommendation adjusts the funding to provide sufficient funding for known programming cost during FY 2010-11.

Indirect costs adjustments: The recommendation reallocates funding between funds to properly account for the source of funds for programs.

Statewide information technology consolidation: The recommendation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources in OIT results in a ten percent cost savings statewide.

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

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Taxation Business Group: This division is responsible for implementing programs related to the collection of taxes; the provision of customer service to taxpayers; the resolution of tax disputes; and the administration of certain tax rebate and assistance programs.

Taxation Business Group	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$46,915,835	\$43,456,804	\$2,528,013	\$168,594	\$762,424	339.5
Long Bill Supplemental	(633,610)	(471,610)	(162,000)	0	0	(4.5)
FY 2009-10 Adjusted Appropriation	\$46,282,225	\$42,985,194	\$2,366,013	\$168,594	\$762,424	335.0
Recommended Changes from FY 2009-10 Appropriation						
Annualize prior year funding	821,184	747,284	111,530	0	(37,630)	6.8
Conservation easement backlog	739,909	739,909	0	0	0	3.7
Restore FY 2009-10 furlough reductions	362,014	360,237	1,777	0	0	0.0
Tax code compliance initiatives	284,605	284,605	0	0	0	5.5
Treasury offset program	6,450	6,450	0	0	0	0.0

Taxation Business Group	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Program adjustments /a	(1,471,000)	(1,300,000)	(171,000)	0	0	0.0
State PERA contribution reduction	(402,963)	(398,821)	(4,142)	0	0	0.0
Federal funding adjustment	(4,544)	0	0	0	(4,544)	0.0
Indirect cost adjustments	(411)	864	(864)	(411)	0	0.0
Total FY 2010-11 JBC Recommendation	\$46,617,469	\$43,425,722	\$2,303,314	\$168,183	\$720,250	351.0
\$ Change from prior year	\$335,244	\$440,528	(\$62,699)	(\$411)	(\$42,174)	16.0
% Change from prior year	0.7%	1.0%	(2.7)%	(0.2)%	(5.5)%	4.8%

/a For purposes of complying with the limitation on state fiscal year spending imposed by Article X, Section 20 of the State Constitution, these moneys are included for informational purposes. These amounts are continuously appropriated by a permanent statute or constitutional provision and shall not be deemed to be an appropriation subject to the limitations of Section 24-75-201.1, C.R.S.

Issue Descriptions

Long Bill Supplemental: The FY 2010-11 Long Bill contains a section that adjusts two FY 2009-10 appropriations. Specifically, the recommendation: (1) reverses, because of economies of scale, the appropriations on five of the six sales tax bills that passed during the 2010 session; and (2) reflects the latest economic forecast from Legislative Council regarding the Amendment 35 distribution to local governments.

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

Conservation easement backlog: The recommendation includes funding to address a backlog in appraisals of gross conservation easements. The Department estimates that this funding will result in an increase in General Fund revenues of approximately \$4.1 million per year over five years.

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Tax code compliance initiatives: The recommendation provides funding for several tax code compliance initiatives that were made possible by the implementation of the Colorado Integrated Tax Architecture project. The first initiative will compare over-claimed estimated tax payments or unbilled balance due accounts. The second project will allow the state to compare "1099" forms (non-wage income reports) forms that are filed with the state with tax returns to determine if taxpayers are claiming the income on the forms. The third is a voluntary compliance program to reach the estimated 100,000 taxpayers who have received low dollar "1099" income forms of the requirement to pay taxes on those amounts. These initiatives are expected to increase General Fund revenue by \$15.4 million in FY 2010-11 and by \$4.9 million in FY 2011-12.

Treasury offset program: The recommendation provides funding for a "treasury offset program" which allow the State to intercept the federal tax refunds of Colorado taxpayers who owe the State taxes. The program will increase General Fund revenue by \$4.2 million per year.

Program adjustments: The recommendation reflects reductions in three programs administered by the Department of Revenue based on the March 2010 Legislative Council economic forecast. The programs are: the Cigarette Tax Rebate program (reduction of \$800,000 General Fund); the Old Age Heat & Fuel & Property

Tax Assistance grants (a reduction of \$400,000 General Fund); and the Amendment 35 distribution to local governments (a reduction of \$171,000 cash funds).

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

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

Federal funding adjustment: The recommendation includes an adjustment in federal funding for the Mineral Audit program, which conduct audits of mineral and other extraction industries.

Indirect costs adjustments: The recommendation reallocates funding between funds to properly account for the source of funds for programs.

Division of Motor Vehicles: This division is responsible for licensing drivers; titling and registering motor vehicles; regulating commercial driving schools; enforcing the state's emissions program; and administering the Motorist Insurance Identification Database program.

Division of Motor Vehicles	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$33,703,539	\$1,028,020	\$32,653,970	\$21,549	\$0	446.5
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Restore FY 2009-10 furlough reductions	355,299	0	355,299	0	0	0.0
Emission program enhancement	119,020	0	119,020	0	0	2.0
Indirect cost funding adjustment	0	(7,110)	7,110	0	0	0.0
Program section for ignition interlock subsidy program	0	0	0	0	0	0.0
Annualize prior year funding	(918,479)	11,893,618	(12,790,548)	(21,549)	0	1.0
State PERA contribution reduction	(420,443)	0	(420,443)	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$32,838,936	\$12,914,528	\$19,924,408	\$0	\$0	449.5
\$ Change from prior year	(\$864,603)	\$11,886,508	(\$12,729,562)	(\$21,549)	\$0	3.0
% Change from prior year	(2.6)%	1156.3%	(39.0)%	(100.0)%	n/a	0.7%

Issue Descriptions

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Emission program enhancement: The recommendation provides funding for the expansion of enhanced vehicle emission testing in Larimer and Weld counties.

Indirect costs adjustments: The recommendation reallocates funding between funds to properly account for the source of funds for programs.

Program section for the ignition interlock subsidy program. The recommendation creates a new program section for the ignition interlock subsidy program, which assists first-time drunk driving offenders with obtaining an interlock system for their vehicles so they can go to their jobs and other essential driving. The funding and FTE are transferred from Driver and Vehicle Services.

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

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Interactive voice response system: The recommendation includes funding for an interactive voice response system that will allow the hearings division to conduct more hearing by telephone, saving time and expenses as well as allowing hearing participants to save travel and time to attend the hearings.

Other: The recommendation includes other minor adjustments.

Motor Carrier Services: This division is responsible for registering motor carriers; collecting registration fees charged to fuel distributors, petroleum storage companies, and interstate carriers; ensuring compliance with vehicle safety regulations; and enforcing laws concerning both owners and operators of motor carriers.

Motor Carrier Services	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$8,888,915	\$632,896	\$7,409,225	\$83,844	\$762,950	144.2
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Restore FY 2009-10 furlough reductions	136,382	12,241	124,141	0	0	0.0
Increase for dispatch services	81,494	0	81,494	0	0	0.0
Annualize prior year funding	(205,302)	(39,522)	(165,780)	0	0	(1.0)
State PERA contribution reduction	(163,792)	(12,045)	(151,747)	0	0	0.0
Total FY 2010-11 Long Bill Recommendation	\$8,737,697	\$593,570	\$7,297,333	\$83,844	\$762,950	143.2
\$ Change from prior year	(\$151,218)	(\$39,326)	(\$111,892)	\$0	\$0	(1.0)
% Change from prior year	(1.7)%	(6.2)%	(1.5)%	0.0%	0.0%	(0.7)%

Issue Descriptions

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Increase for dispatch services: The recommendation provides increased funding for the dispatch services provided by the Colorado State Patrol to the Motor Carrier Services Division.

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

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Enforcement Business Group: This division regulates the limited gaming industry; regulates horse and dog racing events; enforces the state's liquor and tobacco laws; and licenses liquor retailers, wholesalers, and manufacturers. This division regulates the distribution of motor vehicles; and manages adjudication hearings related to drivers licenses, certain racing licenses, and some tax disputes.

Enforcement Business Group	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$42,611,695	\$182,575	\$42,320,925	\$108,195	\$0	179.2
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Gaming Commission increase	1,467,468	0	1,467,468	0	0	16.0
Annualize prior year funding	640,154	0	640,154	0	0	0.0
Restore FY 2009-10 furlough reductions	222,818	0	222,818	0	0	0.0
Indirect cost assessment	138,490	(1,610)	124,293	15,807	0	0.0
State PERA contribution reduction	(270,160)	(3,351)	(264,009)	(2,800)	0	0.0
Statewide information technology staff consolidation	(30,029)	0	(30,029)	0	0	0.0
Interactive voice response system	(4,840)	0	(4,840)	0	0	0.0
Other	16,870	4,160	9,694	3,016	0	0.0
Total FY 2010-11 JBC Recommendation	\$44,792,466	\$181,774	\$44,486,474	\$124,218	\$0	195.2
\$ Change from prior year	\$2,180,771	(\$801)	\$2,165,549	\$16,023	\$0	16.0
% Change from prior year	5.1%	(0.4)%	5.1%	14.8%	n/a	8.9%

Issue Descriptions

Gaming Commission increase: The recommendation reflects increased funding and FTE for the Limited Gaming Division for the costs associated with the increased responsibilities of the Division for implementing the provision of Amendment 50, which expanded the number of games available, increased the betting limits, and expanded the hours of operation for casinos. The proceeds of the increased gaming are dedicated to the state's community colleges.

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

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Indirect cost assessment: The recommendation includes a net increase in indirect cost assessments.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Statewide information technology consolidation: The recommendation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources in OIT results in a ten percent cost savings statewide.

Interactive voice response system: The recommendation includes transfers funding from personal services in the Hearing Division to operating expenses in the Executive Director's Office and the Hearings Division to install and operate an interactive voice response (IVR) system. The IVR allows the division to conduct additional hearings by telephone, allowing the hearing attendees to participate in the hearings without having to travel as extensively.

Other: The recommendation includes other minor adjustments.

State Lottery Division: This division regulates and administers the State Lottery. This Division is designated as an enterprise under the provisions of TABOR per Article X, Section 20 of the Colorado Constitution.

State Lottery Division	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$507,287,312	\$0	\$507,287,312	\$0	\$0	126.0
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Restore FY 2009-10 furlough reductions	172,688	0	172,688	0	0	0.0
Indirect cost assessment	45,353	0	45,353	0	0	0.0
State PERA contribution reduction	(166,428)	0	(166,428)	0	0	0.0
Statewide information technology staff consolidation	(19,453)	0	(19,453)	0	0	0.0
Other	8,280	0	8,280	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$507,327,752	\$0	\$507,327,752	\$0	\$0	126.0
\$ Change from prior year	\$40,440	\$0	\$40,440	\$0	\$0	0.0
% Change from prior year	0.0%	n/a	0.0%	n/a	n/a	0.0%

Issue Descriptions

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Indirect cost assessment: The recommendation includes a net increase in indirect cost assessments.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Statewide information technology consolidation: The recommendation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources in OIT results in a ten percent cost savings statewide.

Other: The recommendation includes other minor adjustments.

Department of State

Department Description: The Department of State is responsible for the following activities: (1) administers statutory provisions that pertain to elections; (2) collects, maintains, and provides public access to filings by business and nonprofit entities, such as annual reports, articles of incorporation, and liens; (3) registers lobbyists and monitors the filing of required disclosure reports; (4) regulates charitable gaming laws; (5) regulates notaries public and enforces related laws; (6) implements the provisions of the federal Help America Vote Act (HAVA); (7) administers the initiative and referendum process, including signature verification; (8) manages the statewide IT disaster recovery data facility; and (9) manages the statewide computerized voter registration database.

Summary Table for Department of State						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$21,022,851	\$0	\$21,022,851	\$0	\$0	134.4
<i>Recommended Changes from FY 2009-10 by Long Bill Division</i>						
Administration	45,506	0	45,506	0	0	4.2
Special Purpose	551,493	0	551,493	0	0	(4.0)
Information Technology Services	(392,951)	0	(392,951)	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$21,226,899	\$0	\$21,226,899	\$0	\$0	134.6
\$ Change from prior year	\$204,048	\$0	\$204,048	\$0	\$0	0.2
% Change from prior year	1.0%	n/a	1.0%	n/a	n/a	0.1%

Recommendation Highlights:

1. Increases the appropriation for the Help America Vote Act program.
2. Increases the appropriation by \$100,000 to reflect an increase in the number of elections-related petitions that are submitted to the Department.
3. Reduces the appropriation by \$323,069 to reflect the 2.5 percent reduction in the State's contribution for the Public Employees' Retirement Association (PERA).

Budget Recommendation Detail by Long Bill Division

Administration: The Administration Division provides general management supervision for the entire Department, including budgeting, accounting, and human resources services. Most of the Department's functions are carried out by sections within this Division, including Business Filings, Elections, and Licensing and Enforcement.

Administration	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$9,205,240	\$0	\$9,205,240	\$0	\$0	91.3

Administration	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
HAVA funding	307,030	0	307,030	0	0	4.0
Indirect cost assessment	58,196	0	58,196	0	0	0.0
Address Confidentiality Program	18,300	0	18,300	0	0	0.2
State PERA contribution reduction	(219,369)	0	(219,369)	0	0	0.0
Centrally-appropriated line items	(77,359)	0	(77,359)	0	0	0.0
Legal services	(14,307)	0	(14,307)	0	0	0.0
Annualize prior-year legislation	(10,518)	0	(10,518)	0	0	0.0
Other	(16,467)	0	(16,467)	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$9,250,746	\$0	\$9,250,746	\$0	\$0	95.5
\$ Change from prior year	\$45,506	\$0	\$45,506	\$0	\$0	4.2
% Change from prior year	0.5%	n/a	0.5%	n/a	n/a	4.6%

Issue Descriptions

HAVA funding: The recommendation provides cash funds from the Department of State Cash Fund for the Department's Help America Vote Act (HAVA) program. Previous appropriations for the HAVA program were from the Federal Elections Assistance Fund.

Indirect cost assessment: The recommendation reflects an increase in the Department's statewide indirect cost recoveries assessment.

Address Confidentiality Program: The recommendation increases the appropriation for the Address Confidentiality Program due to its growing enrollment.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution rate to the Public Employees' Retirement Association (PERA), pursuant to S.B. 10-146.

Centrally-appropriated line items: The recommendation includes adjustments to centrally-appropriated line items for state contributions to health, life, and dental benefits, state contributions to the Public Employees' Retirement Association (PERA) pension fund, workers' compensation, legal services, administrative law judge services, purchase of services from the state's computer center, the multiuse network, payments to risk management and property funds, and vehicle leases.

Legal services: The recommendation reduces the appropriation to reflect the Department of Law's reduced billing rate to the departments.

Annualize prior-year legislation: The recommendation reduces the appropriation to reflect the impact of legislation that passed during the 2009 legislative session.

Other: The recommendation includes various small changes for items such as statewide common policies and legislation.

Special Purpose: This division includes funds for the following: (1) Help America Vote Act (HAVA) program; (2) reimbursements for certain local election expenses; and (3) administering the State's initiative and referendum laws.

Special Purpose	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$4,336,209	\$0	\$4,336,209	\$0	\$0	10.0
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Help America Vote Act	555,717	0	555,717	0	0	(4.0)
Initiative and referendum	100,000	0	100,000	0	0	0.0
Eliminate one-time funding	(100,000)	0	(100,000)	0	0	0.0
Annualize prior year funding	(4,224)	0	(4,224)	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$4,887,702	\$0	\$4,887,702	\$0	\$0	6.0
\$ Change from prior year	\$551,493	\$0	\$551,493	\$0	\$0	(4.0)
% Change from prior year	12.7%	n/a	12.7%	n/a	n/a	(40.0)%

Issue Descriptions

Help America Vote Act (HAVA): The recommendation increases the appropriation for the Department's activities related to the Help America Vote Act. Pursuant to Section 1-1.5-106 (2) (b), C.R.S., these funds are continuously appropriated and are included in the Long Bill for informational purposes only.

Initiative and referendum: The recommendation increases the appropriation by \$100,000 because a greater number of initiative petitions are submitted during an even-year election.

Eliminate one-time funding: The recommendation eliminates a one-time appropriation that was required in order for the State to receive additional HAVA dollars.

Annualize prior year funding: The recommendation reflects cost savings due to the online campaign finance filing system.

Information Technology Services: This Division provides information technology (IT) support for the rest of the Department. It also manages the statewide IT disaster recovery facility (the Enterprise Facility for Readiness/Response/Recovery and Transition Services, or e-FOR³T), and maintains the statewide computerized voter registration database.

Information Technology Services	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$7,481,402	\$0	\$7,481,402	\$0	\$0	33.1
Recommended Changes from FY 2009-10 Appropriation						
Refinance HAVA funds	95,381	0	95,381	0	0	1.0
Increase leased space	55,728		55,728			
Annualize prior year funding	(309,292)	0	(309,292)	0	0	(1.0)
Complete special projects	(135,244)	0	(135,244)	0	0	0.0
State PERA contribution reduction	(103,700)	0	(103,700)	0	0	0.0
Other	4,176	0	4,176	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$7,088,451	\$0	\$7,088,451	\$0	\$0	33.1
\$ Change from prior year	(\$392,951)	\$0	(\$392,951)	\$0	\$0	0.0
% Change from prior year	(5.3)%	n/a	(5.3)%	n/a	n/a	0.0%

Issue Descriptions

HAVA funding: The recommendation provides cash funds from the Department of State Cash Fund for the Department's Help America Vote Act (HAVA) program. Previous appropriations for the HAVA program were from the Federal Elections Assistance Fund.

Increase leased space: The recommendation reflects a contractual increase in the cost of lease space for the data recovery center, which is located off-site from the Department.

Annualize prior year funding: The recommendation removes one-time funding that was made available due to legislation passed during the 2009 legislative session. The funds were primarily for programming related to the Department's campaign finance filing system.

Complete special projects: The recommendation reduces the appropriation following the completion of two special projects. The appropriation was reduced by \$75,000, which was last year's cost for a new internal accounting system, and by \$60,244, which was appropriated to assist the Department to become compliant with the Colorado Information Security Act.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's contribution rate to the Public Employees' Retirement Association (PERA), pursuant to S.B. 10-146.

Other: The recommendation includes various small adjustments to the appropriation.

Department of Transportation

Department Description: The Department is responsible for operating and maintaining Colorado's 9,156-mile state highway system under the policy direction of the eleven-member Transportation Commission, and maintaining the statewide aviation system plan. These responsibilities include managing highway construction projects, implementing the state's Highway Safety Plan, repairing and maintaining roads, providing technical support to local airports regarding aviation safety, and administering reimbursement of aviation fuel tax revenues and discretionary grants to local airports.

Summary Table for Department of Transportation						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$973,508,750	\$0	\$614,161,434	\$3,950,128	\$355,397,188	3,366.5
<i>Recommended Changes from FY 2009-10 by Long Bill Division</i>						
Administration	(2,522,277)	0	(2,456,838)	(65,439)	0	(30.7)
Construction, Maintenance, and Operations	32,452,648	0	17,646,984	1,101,464	13,704,200	(28.3)
High Performance Transportation Enterprise	300,000	0	300,000	0	0	0.0
First Time Drunk Driving Offenders Account	(705,276)	0	(705,276)	0	0	0.0
Statewide Bridge Enterprise	29,383,324	0	29,383,324	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$1,032,417,169	\$0	\$658,329,628	\$4,986,153	\$369,101,388	3,307.5
\$ Change from prior year	\$58,908,419	\$0	\$44,168,194	\$1,036,025	\$13,704,200	(59.0)
% Change from prior year	6.1%	n/a	7.2%	26.2%	3.9%	(1.8)%

Recommendation Highlights:

1. Reflects a \$44.2 million increase in the Department's estimated share of cash funds relative to the FY 2009-10 appropriation, including an additional \$29.4 million in revenues for the Statewide Bridge Enterprise created by S.B. 09-108.
2. Reflects a \$13.7 million increase in the Department's estimated allocation of federal funds.
3. Includes a refinance of drunk driving enforcement activities from Law Enforcement Assistance Fund revenues, which are diverted to the General Fund in FY 2010-11, to Highway Users Tax Fund revenues reappropriated from the Department of Public Safety.
4. Includes a reduction of \$2.6 million from the Administration line item, largely as a result of reductions in centrally-appropriated line items. Savings from the Administration line item transfer to the Construction, Maintenance, and Operations line item.
5. Includes a reduction of 82.0 FTE (30.7 in Administration and 51.3 in Construction, Maintenance, and Operations) as a result of the statewide information technology staff consolidation. The reduction is

partially offset by increases in FTE in the non-appropriated Construction, Maintenance, and Operations line item.

Budget Recommendation Detail by Long Bill Division

Administration: The Administration section consists of the following: the Transportation Commission; the Office of the Executive Director; the Office of Public Information; the Office of Financial Management and Budget; the Highways Administration; the Division of Human Resources and Administration; the Division of Audit; the Office of Policy; and other centralized administrative costs for the Department.

Administration	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$26,152,680	\$0	\$24,116,892	\$2,035,788	\$0	223.2
Recommended Changes from FY 2009-10 Appropriation						
Restore FY 2009-10 furlough reductions	475,461	0	454,890	20,571	0	0.0
Indirect cost assessment	6,873	0	6,873	0	0	0.0
Fund mix adjustment	0	0	71,596	(71,596)	0	0.0
Centrally-appropriated line items	(2,335,719)	0	(2,335,719)	0	0	0.0
State PERA contribution reduction	(332,891)	0	(318,477)	(14,414)	0	0.0
Statewide IT staff consolidation	(299,521)	0	(299,521)	0	0	(30.7)
Transportation base adjustment	(36,480)	0	(36,480)	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$23,630,403	\$0	\$21,660,054	\$1,970,349	\$0	192.5
\$ Change from prior year	(\$2,522,277)	\$0	(\$2,456,838)	(\$65,439)	\$0	(30.7)
% Change from prior year	(9.6)%	n/a	(10.2)%	(3.2)%	n/a	(13.8)%

Issue Descriptions

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Indirect cost assessment: The recommendation includes a net increase in indirect cost assessments.

Fund mix adjustment: The recommendation reflects an adjustment to allocate funds to the programs within the Administration Division that are funded with reappropriated funds (the Print Shop and the multi-agency fleet vehicle maintenance garage).

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

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction to the State's

contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.

Statewide IT staff consolidation: The recommendation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources results in a ten percent cost savings statewide. The funding associated with the FTE being transferred to OIT will remain in CDOT and be paid to OIT on a fee for service basis.

Transportation base adjustment: The recommendation includes adjustments to the organizations within the Administration program line item to reflect changes made by the Department over the past several years. The adjustments result in a net decrease of \$36,480 cash funds.

Construction, Maintenance, and Operations: This division is responsible for transportation planning, inter-modal transportation programs, and all phases of highway operation including engineering, construction, and maintenance.

Construction, Maintenance, and Operations	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$901,002,251	\$0	\$543,690,723	\$1,914,340	\$355,397,188	3,142.3
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Cash funds (aeronautics, locals, miscellaneous)	34,065,116	0	34,065,116	0	0	0.0
Federal funds	13,704,200	0	0	0	13,704,200	0.0
Drunk driving enforcement	832,741	0	(250,239)	1,082,980	0	0.0
Internal cash funds	18,484	0	0	18,484	0	0.0
FTE reconciliation	0	0	0	0	0	23.0
State Highway Funds (HUTF)	(16,167,893)	0	(16,167,893)	0	0	0.0
Statewide IT staff consolidation	0	0	0	0	0	(51.3)
Total FY 2010-11 JBC Recommendation	\$933,454,899	\$0	\$561,337,707	\$3,015,804	\$369,101,388	3,114.0
\$ Change from prior year	\$32,452,648	\$0	\$17,646,984	\$1,101,464	\$13,704,200	(28.3)
% Change from prior year	3.6%	n/a	3.2%	57.5%	3.9%	(0.9)%

Issue Descriptions

Cash funds (aeronautics, locals, miscellaneous): The recommendation reflects the Department's current estimate of revenues available from cash fund sources other than the State Highway Fund, including funding for the Division of Aeronautics, funding from local government matches, and miscellaneous cash funds including those for the Motorcycle Operator Safety Training (MOST) program.

Federal funds: This recommendation reflects the Department's estimated apportionment of federal funds in FY 2010-11.

Drunk Driving Enforcement: The recommendation reflects an increase in reappropriated funds transferred from the Department of Public Safety's Highway Users Tax Fund "Off-the-Top" allocation to offset the

diversion of the Department of Transportation's allocation of Law Enforcement Assistance Fund (LEAF) revenues to the General Fund as a budget balancing measure in FY 2010-11.

Internal cash funds: The recommendation represents an increase in internal cash fund assessments for the Construction, Operations, and Maintenance section.

FTE reconciliation: The recommendation reflects FTE added by the Transportation Commission above the level recognized in the FY 2009-10 appropriation.

State Highway Funds (HUTF): The recommendation represents the Department's forecasted share of Highway User Tax Fund (HUTF) revenues per statutory formula.

Statewide IT staff consolidation: The recommendation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources results in a ten percent cost savings statewide. The funding associated with the FTE being transferred to OIT will remain in CDOT and be paid to OIT on a fee for service basis.

High Performance Transportation Enterprise: This section, created in S.B. 09-108, replaced the Statewide Tolling Enterprise created pursuant to S.B. 02-179 and H.B. 02-1310. In addition to taking over the responsibilities of the former Tolling Enterprise, the High Performance Transportation Enterprise was established to pursue public-private partnerships and other means of completing surface transportation projects, including collecting tolls on existing roadways if such projects are approved by local transportation entities. The section is granted enterprise status as long as it retains the authority to issue revenue bonds and receives less than 10 percent of its total revenues from grants from state and local governments. The amounts shown are revenue estimates from the existing toll lanes on Interstate 25 and are included for information purposes only.

High Performance Transportation Enterprise	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$2,200,000	\$0	\$2,200,000	\$0	\$0	1.0
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Revenue estimate adjustment	300,000	0	300,000	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$2,500,000	\$0	\$2,500,000	\$0	\$0	1.0
\$ Change from prior year	\$300,000	\$0	\$300,000	\$0	\$0	0.0
% Change from prior year	13.6%	n/a	13.6%	n/a	n/a	0.0%

Issue Description

Revenue estimate adjustment: The recommendation reflects the Department's current estimate of revenues to be collected by the High Performance Transportation Enterprise in FY 2010-11.

First Time Drunk Driving Offender Account: This section provides funding for increased high visibility drunk driving law enforcement action undertaken pursuant to H.B. 08-1194.

First Time Drunk Driving Offender Account	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$1,705,276	\$0	\$1,705,276	\$0	\$0	0.0
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
First Time Drunk Driving Offender Account	(705,276)	0	(705,276)	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$1,000,000	\$0	\$1,000,000	\$0	\$0	0.0
\$ Change from prior year	(\$705,276)	\$0	(\$705,276)	\$0	\$0	0.0
% Change from prior year	(41.4)%	n/a	(41.4)%	n/a	n/a	n/a

Issue Description

First Time Drunk Driving Offender Account: The recommendation eliminates \$705,276 in one-time funding provided through the FY 2009-10 supplemental appropriation.

Statewide Bridge Enterprise: This section was created by S.B. 09-108 and is funded through the bridge safety surcharge created in S.B. 09-108. The enterprise's purpose is to facilitate the repair or replacement of bridges rated as in poor condition and either structurally deficient or functionally obsolete. The enterprise is funded through the bridge safety surcharge created in S.B. 09-108 and has the authority to issue revenue bonds and borrow funds from the Transportation Commission. The section can maintain enterprise status as long as it retains the authority to issue revenue bonds and receives less than 10 percent of its total revenues from grants from state and local governments. The amounts shown are revenue estimates and are included for information purposes only.

Statewide Bridge Enterprise	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$42,448,543	\$0	\$42,448,543	\$0	\$0	0.0
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Statewide Bridge Enterprise	29,383,324	0	29,383,324	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$71,831,867	\$0	\$71,831,867	\$0	\$0	0.0
\$ Change from prior year	\$29,383,324	\$0	\$29,383,324	\$0	\$0	0.0
% Change from prior year	69.2%	n/a	69.2%	n/a	n/a	n/a

Issue Description

Statewide Bridge Enterprise: The recommendation reflects the Department's estimate of revenues for the Statewide Bridge Enterprise in FY 2010-11.

Department of the Treasury

Department Description: The Department has the following duties: (1) acts as the State's banker and investment officer, providing investment, accounting, and cash management services and preparing related reports; (2) administers the Unclaimed Property Program and transmits moneys from the Unclaimed Property Trust Fund to CoverColorado; (3) disburses Senior Citizen and Disabled Veteran Property Tax Exemption payments to local governments; (4) provides short-term interest-free financing to school districts by issuing tax and revenue anticipation notes and making loans from the General Fund; (5) assists charter schools with long-term financing by making direct bond payments; (6) transfers moneys to the Fire and Police Pension Association (FPPA) for local "old hire" pension plans; (7) distributes Highway Users Tax Fund (HUTF) revenues to counties and municipalities; and (8) distributes federal "mineral leasing funds" received for the State's share of sales, bonuses, royalties, and rentals of public lands within Colorado.

Summary Table for Department of the Treasury						
	Total Funds	General Fund/1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$295,616,667	\$1,680,359	\$293,936,308	\$0	\$0	31.5
Long Bill Supplemental	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
FY 2009-10 Adjusted Appropriation	\$295,616,667	\$1,680,359	\$293,936,308	\$0	\$0	31.5
Recommended Changes from FY 2009-10 by Long Bill Division						
Administration	(12,014)	198,976	(210,990)	0	0	0.0
Unclaimed Property Program	2,057	0	2,057	0	0	0.0
Special Purpose	153,122,305	92,400,000	60,722,305	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$448,729,015	\$94,279,335	\$354,449,680	\$0	\$0	31.5
\$ Change from prior year	\$153,112,348	\$92,598,976	\$60,513,372	\$0	\$0	0.0
% Change from prior year	51.8%	5510.7%	20.6%	n/a	n/a	0.0%

/1 Includes amounts (\$1,000,000 for FY 2009-10 and \$93,400,000 for FY 2010-11) that are not subject to the statutory limitation on General Fund appropriations set forth in Section 24-75-201.1, C.R.S. See Division Detail for more information.

Recommendation Highlights:

1. Reflects a \$92.4 million General Fund¹ increase in payments to local governments to offset the local property tax revenues that will be foregone for tax year 2010 due to the resumption of the senior citizen property tax exemption.
2. Reflects a \$53.7 million cash funds increase in the projected disbursements of Highway Users Tax Fund revenues to counties and municipalities, *compared to amounts reflected in the FY 2009-10 Long Bill.*
3. Reflects a \$7.0 million increase in the amount that is anticipated to be transferred from the Unclaimed Property Trust Fund to CoverColorado.

¹ This amount is not subject to the statutory limit on General Fund appropriations.

Budget Recommendation Detail by Long Bill Division

Administration: This office is responsible for the operation and oversight of the Department. The Division provides accounting, cash management, and investment services for the State.

Administration	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$1,871,204	\$680,359	\$1,190,845	\$0	\$0	16.0
Long Bill supplemental	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
FY 2009-10 Adjusted Appropriation	\$1,871,204	\$680,359	\$1,190,845	\$0	\$0	16.0
Recommended Changes from FY 2009-10 Appropriation						
Centrally-appropriated line items	58,553	21,540	37,013	0	0	0.0
Restore FY 2009-10 furlough reductions	38,508	37,994	514	0	0	0.0
Fund source adjustment	0	144,742	(144,742)	0	0	0.0
Reverse adjustment related to ARRA	(62,049)	41,726	(103,775)	0	0	0.0
State PERA contribution reduction	(28,946)	(28,946)	0	0	0	0.0
Statewide information technology common policy adjustments	(17,956)	(17,956)	0	0	0	0.0
Postage adjustment	(124)	(124)	0	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$1,859,190	\$879,335	\$979,855	\$0	\$0	16.0
\$ Change from prior year	(\$12,014)	\$198,976	(\$210,990)	\$0	\$0	0.0
% Change from prior year	(0.6)%	29.2%	(17.7)%	n/a	n/a	0.0%

Issue Descriptions

Long Bill supplemental: The FY 2010-11 Long Bill contains a section that adjusts the FY 2009-10 Long Bill by amendment footnote #48a concerning indirect cost recoveries from the American Recovery and Reinvestment Act of 2009.

Centrally-appropriated line items: The recommendation includes adjustments to centrally-appropriated line item appropriations for the following: health, life, and dental benefits; short-term disability; amortization equalization disbursement; supplemental amortization equalization disbursement; workers' compensation; legal services; payment to risk management and property funds; and Capitol complex leased space.

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Fund source adjustment: The recommendation reverses one-time fund source adjustments made in FY 2009-10 to reflect the amount of revenue available from cash management transaction fees.

Reverse adjustment related to ARRA: The recommendation reverses one-time adjustments made in FY 2009-10 to reflect administrative costs spending authority from federal American Recovery and Reinvestment Act (ARRA) funds.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction in the State’s contribution to the Public Employees’ Retirement Association (PERA) pursuant to S.B. 10-146.

Statewide information technology common policy adjustments: The recommendation includes adjustments to the appropriation for the purchase of services from computer center.

Postage adjustment: The recommendation includes an adjustment associated with an upgrade to mail services equipment in the Department of Personnel and Administration.

Unclaimed Property Program: Pursuant to the Unclaimed Property Act, the State takes possession of dormant properties held by a wide range of institutions and attempts to return the properties to their rightful owners. The Department deposits recovered moneys in the Unclaimed Property Trust Fund, using the principal and interest to pay claims as well as the costs of operating the program. The remaining principal and interest help support the CoverColorado health insurance program. The Department holds recovered securities for at least a year and then sells those that have not been returned, depositing sales proceeds in the Unclaimed Property Tourism Promotion Trust Fund. The State uses the interest earned by this fund to promote tourism and the State Fair. The fund source for this section is the Unclaimed Property Trust Fund.

Unclaimed Property Program	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$1,936,768	\$0	\$1,936,768	\$0	\$0	15.5
Recommended Changes from FY 2009-10 Appropriation						
Restore FY 2009-10 furlough reductions	16,867	0	16,867	0	0	0.0
Leased space	1,733	0	1,733	0	0	0.0
Postage adjustment	281	0	281	0	0	0.0
State PERA contribution reduction	(16,824)	0	(16,824)	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$1,938,825	\$0	\$1,938,825	\$0	\$0	15.5
\$ Change from prior year	\$2,057	\$0	\$2,057	\$0	\$0	0.0
% Change from prior year	0.1%	0.0%	0.1%	n/a	n/a	0.0%

Issue Descriptions

Restore FY 2009-10 furlough reductions: The recommendation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

Leased space: The recommendation reflects an increase due to escalators in the program’s lease agreement.

Postage adjustment: The recommendation includes an adjustment associated with an upgrade to mail services equipment in the Department of Personnel and Administration.

State PERA contribution reduction: The recommendation reflects a 2.5 percent reduction in the State's contribution to PERA pursuant to S.B. 10-146.

Special Purpose: This section reflects various disbursements and transfers the Treasurer is required to make, including the following: (1) reimbursements to local governments for property taxes lost due to the senior citizen and disabled veteran property tax exemption; (2) transmittals from the Unclaimed Property Trust Fund to CoverColorado; (3) transfers to the Fire and Police Pension Association (FPPA) for "old hire" fire and police pension plans; and (4) allocations of Highway Users Tax Fund (HUTF) revenues to local governments. The General Fund and General Fund Exempt appropriations for the senior citizen and disabled veteran property tax exemption and FPPA are not subject to the six percent statutory limit on General Fund appropriations.

Special Purpose	Total Funds	General Fund/1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation	\$291,808,695	\$1,000,000	\$290,808,695	\$0	\$0	0.0
<i>Recommended Changes from FY 2009-10 Appropriation</i>						
Senior citizen and disabled veterans property tax exemption	92,400,000	92,400,000	0	0	0	0.0
HUTF disbursements	53,722,305	0	53,722,305	0	0	0.0
Transfer to CoverColorado	7,000,000	0	7,000,000	0	0	0.0
Total FY 2010-11 JBC Recommendation	\$444,931,000	\$93,400,000	\$351,531,000	\$0	\$0	0.0
\$ Change from prior year	\$153,122,305	\$92,400,000	\$60,722,305	\$0	\$0	0.0
% Change from prior year	52.5%	9,240.0%	20.9%	n/a	n/a	n/a

/1 Includes amounts (\$1,000,000 for FY 2009-10 and \$93,400,000 for FY 2010-11) that are not subject to the statutory limitation on General Fund appropriations set forth in Section 24-75-201.1, C.R.S., for the senior citizen and disabled veteran property tax exemption (enactment of Article X, Section 3.5 of the State Constitution constitutes voter approval of a weakening of the limitation). Senate Bill 09-276 suspends the exemption for one fiscal year (FY 2009-10) for senior citizens, but continues the exemption for disabled veterans.

Issue Descriptions

Senior citizen and disabled veterans property tax exemption: The recommendation reflects a \$92.4 million increase in payments to local governments to offset the local property tax revenues that will be foregone for tax year 2010 pursuant to Article X, Section 3.5, of the Colorado Constitution. Pursuant to Section 39-3-203 (1), C.R.S., this property tax exemption for seniors was suspended for tax year 2009, but will resume for tax year 2010.

Highway Users Tax Fund (HUTF) disbursements: The recommendation reflects a \$53.7 million increase in the projected disbursements of HUTF revenues to counties and municipalities, *compared to amounts reflected in the FY 2009-10 Long Bill*. [Please note that based on revised projections for FY 2009-10 (which are not reflected in FY 2009-10 appropriations), these disbursements are anticipated to increase from \$312.6 million in FY 2009-10 to \$317.5 million in FY 2010-11 (1.6 percent).]

Transfer to CoverColorado: The recommendation reflects a \$7.0 million increase in the amount that is anticipated to be transferred from the Unclaimed Property Trust Fund to CoverColorado, compared to the amount reflected in the FY 2009-10 Long Bill. The recommended amount is based on projections of program costs as well as other sources of revenues available to CoverColorado.

CAPITAL CONSTRUCTION

	Appropriations from the Capital Construction Fund					Cumulative
	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	
Prior Appropriations	\$135,658,867	\$258,329,285	\$150,251,265	\$53,413,857	\$3,219,762	\$600,873,036
Recommended Changes						
Long Bill	0	0	0	(13,317,845)	16,762,506	3,444,661
JBC Recommendation	\$135,658,867	\$258,329,285	\$150,251,265	\$40,096,012	\$19,982,268	\$604,317,697
\$ Change	\$0	\$0	\$0	(\$13,317,845)	\$16,762,506	\$3,444,661
% Change	0.0%	0.0%	0.0%	-24.9%	N.A.	0.6%

Recommendation Highlights:

1. Provides \$16.8 million spending authority from the Capital Construction Fund in FY 2010-11 for:
 - a. Statutory appropriations for sentencing bills
 - b. Lease purchase payments
 - c. Level I (life safety) Controlled Maintenance
 - d. Colorado Integrated Tax Architecture

2. Transfers \$1.3 million from capital construction related funds to the General Fund. This change is made through H.B. 10-1389.

The table on the following page summarizes the state funds available for capital construction, the recommended expenditures, and the recommended transfer to the General Fund.

Recommended Transfers to the General Fund						
	Fund Source					
	State Funds	Capital Construction Fund	Corrections Expansion Reserve	Public Building Trust Fund	FML Revenues Fund	Fitzsimons Trust Fund
Uncommitted balance from prior year	\$15,585,537	\$5,137,000	\$0	\$0	\$7,000,000	\$3,448,537
Corrections Expansion Reserve Fund balance	3,970,667	0	3,970,667	0	0	0
Statutory General Fund transfers - sentencing bills	2,684,165	2,684,165	0	0	0	0
Interest (projection of FY 2009-10 earnings)	2,500,000	2,500,000	0	0	0	0
Tobacco distribution	7,698,527	0	0	0	0	7,698,527
State Land Board funds	7,433,999	0	0	7,433,999	0	0
Higher Education Federal Mineral Lease Revenues Fund	<u>8,318,127</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8,318,127</u>	<u>0</u>
Funds Available for Construction	\$48,191,022	\$10,321,165	\$3,970,667	\$7,433,999	\$15,318,127	\$11,147,064
Statutory appropriations for sentencing bills	0	(2,684,165)	2,684,165	0	0	0
Lease Purchase of Academic Facilities at Fitzsimons	(9,694,676)	(1,996,149)	0	0	0	(7,698,527)
Lease Purchase of Colorado State Penitentiary II	(8,048,292)	(1,393,460)	(6,654,832)	0	0	0
Higher Education Federal Mineral Lease Revenues Fund (lease purchase of various academic buildings)	(8,318,127)	0	0	0	(8,318,127)	0
Level I (life safety) Controlled Maintenance	(10,129,588)	(2,695,589)	0	(7,433,999)	0	0
Colorado Integrated Tax Architecture	(10,177,308)	(10,177,308)	0	0	0	0
Highway Construction Projects	<u>(500,000)</u>	<u>(500,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Recommended Expenditures	(\$46,867,991)	(\$19,446,671)	(\$3,970,667)	(\$7,433,999)	(\$8,318,127)	(\$7,698,527)
Recommended Transfers to the General Fund	\$1,323,031	(\$9,125,506)	\$0	\$0	\$7,000,000	\$3,448,537

General Fund Summary	Total General Fund	General Fund	General Fund Exempt
FY 2009-10 Appropriations & Transfers	\$53,413,857	\$53,413,857	\$0
Capital Construction transfer bill	<u>(13,317,845)</u>	<u>(13,317,845)</u>	<u>0</u>
FY 2009-10 Adjusted Appropriations & Transfers	\$40,096,012	\$40,096,012	\$0
Statutory transfers for sentencing bills	\$3,219,762	\$3,219,762	\$0
Capital Construction transfer bill	<u>16,762,506</u>	<u>16,262,506</u>	<u>500,000</u>
Total FY 2010-11 Appropriations & Transfers	\$19,982,268	\$19,482,268	\$500,000

General Fund Exempt

Referendum C, passed by Colorado voters in November 2005, allows the State to retain and spend all revenue that is collected in excess of the TABOR limit for FY 2005-06 through FY 2009-10. For FY 2010-11 and subsequent fiscal years, Referendum C allows the State to retain all revenues that are in excess of the TABOR limit, but less than the excess state revenues cap¹, for that fiscal year. This revenue must be placed in the General Fund Exempt Account. The above table shows the amount of General Fund Exempt that the Joint Budget Committee recommends be appropriated for FY 2009-10 and FY 2010-11 from the General Fund Exempt Account for strategic transportation projects pursuant to Section 24-77-103.6 (2) (d), Colorado Revised Statutes.

¹ The "excess state revenues cap" is equal to the highest annual total state revenues from FY 2005-06 through FY 2009-10, adjusted each subsequent fiscal year for inflation, the percentage change in state population, enterprises, and debt service changes.

**APPENDIX A - SUMMARY OF SECTIONS
ADJUSTING PRIOR YEAR APPROPRIATIONS**

Bill Section	Year	Department	Description
4	2008-09	Education	Adjusts appropriations between the General Fund and General Fund Exempt accounts.
5	2008-09	Health Care Policy & Financing	Adjusts appropriations between the General Fund and General Fund Exempt accounts.
6	2008-09	Higher Education	Adjusts appropriations between the General Fund and General Fund Exempt accounts.
7	2008-09	Local Affairs	Adjusts appropriations between the General Fund and General Fund Exempt accounts.
8	2009-10	Education	See description of FY 2009-10 supplemental adjustments in the Narrative section for the Department of Education.
9	2009-10	Governor	See Narrative section for the Governor-Lieutenant Governor-OSPB.
10	2009-10	Health Care Policy & Financing	See Narrative section for the Department of Health Care Policy and Financing.
11	2009-10	Higher Education	See Narrative section for the Department of Higher Education.
12	2009-10	Human Services	See Narrative section for the Department of Human Services.
13	2009-10	Local Affairs	Corrects letter note in FY 2009-10 appropriation to the Department of Local Affairs.
14	2009-10	Personnel & Administration	See Narrative section for the Department of Personnel and Administration.
15	2009-10	Public Health & Environment	See Narrative section for the Department of Public Health and Environment.
16	2009-10	Revenue	See Narrative section for the Department of Revenue.

17	2009-10	Treasury	See Narrative section for the Treasury Department.
18	2005-06	Capital Construction	Adjusts prior-year capital construction appropriations to the Department of Higher Education
19	2006-07	Capital Construction	Adjusts prior-year capital construction appropriations to the Departments of Military and Veterans Affairs and Public Health and Environment.
20	2007-08	Capital Construction	Adjusts prior-year capital construction appropriations to the Departments of Higher Education and Public Health and Environment.
21	2008-09	Capital Construction	Adjusts prior-year capital construction appropriations to the Departments of Higher Education, Human Services and Revenue.
22	2009-10	Capital Construction	Adjusts prior-year capital construction appropriations to the Departments of Corrections, Higher Education, Human Services, Public Health and Environment, Revenue and Treasury.
23	2009	Health Care Policy & Financing	Adjusts appropriation in section 9 of chapter 204, Session Laws 2009 (SB 09-264)
24	2009	Personnel & Administration	Adjusts appropriation in section 8 of chapter 309, Session Laws 2009 (HB 09-1150)
25	2010-11	Revenue	Repeals appropriation in HB10-1190
26	2010-11	Revenue	Repeals appropriation in HB10-1191
27	2010-11	Revenue	Repeals appropriation in HB10-1192
28	2010-11	Revenue	Repeals appropriation in HB10-1194
29	2010-11	Revenue	Repeals appropriation in HB10-1195

APPENDIX B

Appendix B included bill summaries for bills in the Joint Budget Committee's budget balancing package. The bills are included in numeric order.

JOINT BUDGET COMMITTEE BUDGET BALANCING BILL

SUMMARY OF H.B. 10-1377: CONCERNING THE TEMPORARY FUNDING OF CERTAIN AGRICULTURE PROGRAMS ENTIRELY WITH CASH FUNDS, AND MAKING AN APPROPRIATION THEREFOR.

Prime Sponsors: Representative Lambert and Senator Tapia

Bill Summary

This bill refinances all of the Inspection and Consumer Services Programs in the Department of Agriculture with cash funds for FY 2010-11 and FY 2011-12. Inspection and Consumer Services Programs include: the fertilizer, feed, large scales, measurement standards, farm products, and the commodity handlers programs. Pursuant to H.B. 07-1198, a portion of the cost of each program is paid by General Fund, as outlined in the following table.

Program	General Fund	Cash Fund
Fertilizer	50.0%	50.0%
Feed	50.0%	50.0%
Large Scales	25.0%	75.0%
Measurement Standards	75.0%	25.0%
Farm Products	25.0%	75.0%
Commodity Handlers	25.0%	75.0%

The following table outlines the estimated fee increases for each program.

Program	Current Fee	Fee with H.B. 10-1377
<u>Feed Program</u>		
Company Registration, Registration Late Fee	\$50	\$100
Small Package Inspection Fee Per Product, Small Package Inspection Late Fee Per Product	\$25	\$60
Commercial Feed Inspection Fee Per Ton	\$0.050	\$0.100
Comercial Feed Inspection Fee for Wet By-products Per Ton	\$0.025	\$0.050
Tonnage Late Fee	10% of fee or \$50 minimum	10% of fee or \$100 minimum
<u>Fertilizer Program</u>		
Compost Manufacturing Facility Registration, Compost	\$50	\$100

JOINT BUDGET COMMITTEE BUDGET BALANCING BILL

Program	Current Fee	Fee with H.B. 10-1377
Registration Late Fee		
Penalty for Failure to Register	\$50	\$100
Product Registration	\$50	\$75
Minimum Inspection (Tonnage) Fee	\$50	\$100
Commercial Fertilizer/Soil Conditioner/Plant Amendment Fee Per Ton	\$0.10	\$0.25
Small Package Inspection Per Pound	\$0.00075	\$0.00150
Tonnage Late Fee	10% of fee or \$50 minimum	100
Anhydrous Ammonia Site Registration	\$100	\$150
Anhydrous Ammonia Nurse Tank Registration	\$5	\$10
<u>Large Scales</u>		
Large Scale Program (average fee shown)	\$104	\$138
Belt Conveyor Scale, In-motion RR Scale	\$400	\$533
<u>Measurement Standards</u>		
Certified Public Weigher	\$25	\$33
Scale Company	\$75	\$100
Special Test Fee Per Device or Standard	\$50-\$400	\$67-\$533
Lab Fees Per Hour - Government	\$25	\$100
Lab Fees Per Hour - Other	\$50	\$200
<u>Farm Products</u>		
Dealers License	\$400	\$533
Agents	\$30	\$40
Small Volume Dealers/Cash Buyers License	\$65	\$87
<u>Commodity Handlers</u>		
Commodity Handler License	\$150	\$200
License Late Fee	\$50	\$67
Inspection Fee	\$50-\$750	\$67-\$1,000
Warehouse Inspection Fees	\$155-\$1,840	\$207-\$2,453

JOINT BUDGET COMMITTEE BUDGET BALANCING BILL

The bill reduces the General Fund appropriation to the Department of Agriculture by \$1.3 million and increases the cash fund appropriation by \$1.3 million and the reappropriated funds appropriation by \$108,229.

JOINT BUDGET COMMITTEE BUDGET BALANCING BILL

SUMMARY OF H.B. 10-1378: CONCERNING MONEYS APPROPRIATED IN THE 2010-11 FISCAL YEAR FOR HEALTH CLINICS, AND MAKING AN APPROPRIATION THEREFOR.

Prime Sponsors: Representative Ferrandino and Senator Keller

Bill Summary

1. This bill is contingent upon the General Assembly enacting S.J.R. 10-010, which declares a fiscal emergency for FY 2010-11 (pursuant to Section 21 (7) of Article X of the State Constitution). This action would allow tobacco tax revenues to be diverted for the purposes in this bill.
2. The bill authorizes the following amounts to be appropriated from tobacco tax revenues that were credited to the Primary Care Fund:
 - a. \$12,800,000 for health-related purposes, and to serve populations enrolled in the Children's Basic Health Plan and the Colorado Medical Assistance Program; and
 - b. \$11,940,000 to the Colorado Health Care Services Fund.
3. The bill also: (1) transfers \$3,560,000 from the Primary Care Fund to the Primary Care Special Distribution Fund for FY 2010-11; (2) directs the Department of Health Care Policy and Financing to develop a distribution formula to allocate the moneys in the Colorado Health Care Services Fund to Denver Health and Hospitals and to community health clinics; and (3) specifies how moneys in the Primary Care Special Distribution Fund are to be allocated between providers who participate in the Colorado Indigent Care Program and those who do not participate in the Indigent Care Program.

Fiscal Impact

Primary Care Special Distribution Fund

For health clinics that participate in the Colorado Indigent Care Program:

- For FY 2009-10: \$405,000
- For FY 2010-11: \$560,000

For health clinics that qualify for payments from the primary care fund but do not participate in the Colorado Indigent Care Program:

- For FY 2009-10, \$1,600,000

JOINT BUDGET COMMITTEE BUDGET BALANCING BILL

- For FY 2010-11, \$3,000,000

Health Care Services Fund

- Appropriates \$11.9 million to the Department of Health Care Policy and Financing (HCPF) for FY 2010-11 for distribution to Denver Health and Hospitals and other community health clinics. The bill directs HCPF to develop a distribution formula based on: (1) prior utilization history; and (2) efforts to mitigate the impact of reduced funding from the Primary Care Fund.

Appropriation

The bill's appropriations are described in the following table:

FY 2010-11 Appropriation Impacts from H.B. 10-1378					
Line Items	GF	CF	RF	FF	TF
Medical Service Premiums	(12,800,000)	12,800,000	0	0	0
Health Care Services Fund	0	11,940,000	0	19,145,655	31,085,655
Primary Care Special Distribution Fund	0	3,560,000	0	0	3,560,000
Primary Care Fund	<u>0</u>	<u>(28,300,000)</u>	<u>0</u>	<u>0</u>	<u>(28,300,000)</u>
TOTAL	(\$12,800,000)	\$0	\$0	\$19,145,655	\$6,345,655

JOINT BUDGET COMMITTEE BUDGET BALANCING BILL

SUMMARY OF H.B. 10-1379: CONCERNING A REDUCTION IN THE GENERAL FUND PORTION OF THE PER DIEM RATES PAID TO NURSING FACILITIES FOR THE 2010-11 FISCAL YEAR, AND MAKING AN APPROPRIATION IN CONNECTION THEREWITH.

Prime Sponsors: Representative Ferrandino and Senator White

Bill Summary

Under current law, in FY 2010-11 nursing facility Medicaid reimbursement rates are reduced by 1.5 percent below the standard calculated amount. House Bill 10-1379 will further reduce reimbursement rates to 2.5 percent below the standard calculation. This rate reduction is temporary and does not apply to rates developed in FY 2011-12 or thereafter.

House Bill 10-1379 also reduces the allowable General Fund increase for per diem rates from up to five percent per year to up to 1.9 percent per year in FY 2010-11. For fiscal years after FY 2010-11, the allowable General Fund growth returns to the current law cap of up to 3.0 percent per year.

Fiscal Impact

State Revenue

State cash funds revenue for the Department of Health Care Policy and Financing is expected to increase by \$5.8 million in FY 2010-11. Revenue is from fees paid by nursing facilities and is credited to the Medicaid Nursing Facility Cash Fund. Table 1 below shows the anticipated increase in fee revenue from this bill.

Table 1 -- Estimated Increase in Fee Revenue			
	Current Law	Proposal	Change to Revenue
Change in Provider Fee	\$5.27	\$7.50	
Change in estimated fee revenue	\$28,869,003	\$34,675,346	\$5,806,343

JOINT BUDGET COMMITTEE BUDGET BALANCING BILL

State Expenditures

For FY 2010-11 total state expenditures for the Department of Health Care Policy and Financing are anticipated to decrease by \$6.2 million total funds as a result of this bill. Specifically, the change in the per diem rate reduction will reduce expenditures by \$6.2 million total funds. Additionally, reducing the allowable General Fund increase for per diem rates to 1.9 percent will reduce General Fund expenditures by \$5.8 million. However, the \$5.8 million increase in Nursing Facility Cash Fund expenditures will offset the General Fund decrease. Tables 2 through 4 below show the expenditures impacts for the different components of the bill.

Table 2 -- Impact of Per Diem Rate Reduction (does not include 1.5 percent already in law included in the Long Bill calculations).				
	General Fund	Cash Funds	Federal Funds	Total Funds
Class 1 Nursing Facilities	(\$2,099,507)	\$0	(\$3,366,535)	(\$5,466,042)
Class 2 Nursing Facilities	(\$8,809)	\$0	(\$14,125)	(\$22,934)
PACE	<u>(\$296,674)</u>	<u>\$0</u>	<u>(\$449,039)</u>	<u>(\$745,713)</u>
Total	(\$2,404,990)	\$0	(\$3,829,699)	(\$6,234,689)

Table 3 -- Fiscal Impact of Reducing the General Fund -- Assumes General Fund reductions will be backfilled with additional funding from the Nursing Facility Provider Fee			
	Current Law	Proposal	Difference
General Fund Cap	5.00%	1.90%	
Change in Provider Fee	\$5.27	\$7.50	\$7.50 is the statutory cap on the fee
Savings to the General Fund	(\$10,797,383)	(\$16,603,726)	(\$5,806,343)
Cost to the Nursing Facility Cash Fund	<u>\$10,797,383</u>	<u>\$16,603,726</u>	<u>\$5,806,343</u>
Total	\$0	\$0	\$0

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Table 4 -- Total Expenditure Impact of H.B. 10-1379

	General Fund	Cash Funds	Federal Funds	Total Funds
Class 1 Nursing Facilities	(\$7,905,850)	\$5,806,343	(\$3,366,535)	(\$5,466,042)
Class 2 Nursing Facilities	(\$8,809)	\$0	(\$14,125)	(\$22,934)
PACE	<u>(\$296,674)</u>	<u>\$0</u>	<u>(\$449,039)</u>	<u>(\$745,713)</u>
Total	(\$8,211,333)	\$5,806,343	(\$3,829,699)	(\$6,234,689)

This bill only impacts nursing facility rate calculations for FY 2010-11. In FY 2011-12 rate calculations will return to the standard methodology.

Appropriation

The bill includes a FY 2010-11 appropriation that reduces expenditures for the Medical Services Premiums line item by \$6,234,689. This amount includes a decrease of \$8,211,333 to the General Fund and \$3,829,699 to federal funds. These decreases are offset by an increase of \$5,806,343 cash funds from the Nursing Facility Cash Fund.

JOINT BUDGET COMMITTEE BUDGET BALANCING BILL

**SUMMARY OF H.B. 10-1380:
CONCERNING THE USE OF MONEYS IN THE SUPPLEMENTAL OLD AGE PENSION HEALTH AND
MEDICAL CARE FUND TO PAY FOR SERVICES RECEIVED BY CERTAIN PERSONS IN THE STATE
MEDICAID PROGRAM, AND MAKING AN APPROPRIATION THEREFOR.**

Prime Sponsors: Representative Pommer and Senator White

Bill Summary

This bill allows funds from the Supplemental Old Age Pension Health and Medical Care Fund to be used to offset General Fund costs for persons 65 years of age or older who are served through the State's Medicaid program. The purpose is to offset General Fund costs for providing the services.

Fiscal Impact

The bill allows up to \$4,850,000 for FY 2010-11, and up to \$3,000,000 for FY 2010-11, to be used from the Supplemental Old Age Pension Health and Medical Care Fund for the purpose of providing services for participants in the State's Medicaid program who are 65 years of age or older.

Appropriation

The bill includes an appropriations clause that makes the following adjustments to the FY 2010-11 Long Bill as approved by the Joint Budget Committee:

1. Reduces the General Fund appropriation to the Department of Health Care Policy and Financing (HCPF) for Medical Service Premiums by \$4,850,000; and
2. Increases the cash fund appropriation to the Department of Health Care Policy and Financing for Medical Service Premiums by \$4,850,000 cash funds from the Supplemental Old Age Pension Health and Medical Care Fund.

JOINT BUDGET COMMITTEE BILL

**SUMMARY OF H.B. 10-1381:
CONCERNING THE USE OF TOBACCO REVENUES FOR HEALTH-RELATED PURPOSES DURING A
STATE FISCAL EMERGENCY, AND MAKING AN APPROPRIATION THEREFOR.**

Prime Sponsors: Representative Ferrandino and Senator White

Bill Summary

This bill is a companion to Senate Joint Resolution 10-010, which declares a state fiscal emergency and thus allows Amendment 35 tobacco-tax revenues to be used for any health related purpose. This bill will only become law if S.J.R. 10-010 also becomes law. Because a declared state fiscal emergency only lasts for one year, this bill will only alter the distribution of Amendment 35 revenue for FY 2010-11.

This bill allows Amendment 35 moneys in the Health Disparities Grant Program Fund, which supports health disparities grants, the Tobacco Education Programs Fund, which supports the State Tobacco Education, Prevention and Cessation (STEPP) Program, and moneys in the Prevention, Early Detection and Treatment Fund, which supports the Cancer, Cardiovascular Disease and Pulmonary Disease (CCPD) Grant Program, to be appropriated for any health-related purpose. Each of these grant programs is in the Department of Public Health and Environment.

The bill appropriates \$25.7 million of Amendment 35 money to the Department of Health Care Policy and Financing (HCPF) to support Medical Services Premiums. Of this appropriation, \$15.5 million is from the Tobacco Education Programs Fund, \$5.7 million is from the Prevention, Early Detection and Treatment Fund, and \$4.5 million is from the Health Disparities Grant Program Fund. These appropriations allow the General Fund appropriation for Medical Services Premiums to be reduced by \$25.7 million.

The bill also reduces FY 2010-11 appropriations to the Department of Public Health and Environment by the following amounts:

JOINT BUDGET COMMITTEE BILL

Appropriations to CDPHE	Appropriation in FY 2010-11 Long Bill As Introduced	Change	New Appropriation
(1) Administration and Support			
(B) Special Health Programs			
(1) Health Disparities Program			
Operating Expenses - RF portion	58,907	(30,000)	28,907
Health Disparities Grants - RF	5,163,148	(4,460,435)	702,713
(2) Center for Health and Environmental Information			
(A) Health Statistics and Vital Records			
Operating Expenses - CF portion	298,341	(40,000)	258,341
(9) Prevention Services Division			
(A) Prevention Programs			
(1) Programs and Administration			
Personal Services - CF portion	673,403	(30,000)	643,403
Operating Expenses - CF portion	118,440	(60,000)	58,440
Cancer, Cardiovascular Disease, and Pulmonary Disease Grants - CF	12,482,157	(5,569,358)	6,912,799
(5) Tobacco Education, Prevention, and Cessation			
Personal Services - CF	737,970	(35,000)	702,970
Operating Expenses - CF	175,000	(75,000)	100,000
Tobacco Education, Prevention, and Cessation Grants - CF	22,354,436	(15,391,625)	6,962,811
Total	42,061,802	(25,691,418)	16,370,384

JOINT BUDGET COMMITTEE BUDGET BALANCING BILL

SUMMARY OF H.B. 10-1382:

REPEAL DELAY OF PUBLIC MEDICAL ASSISTANCE PROGRAM PAYMENTS.

Prime Sponsors: Representative Ferrandino and Senator White

Bill Summary

Senate Bill 09-265 authorized the Department of Health Care Policy and Financing to delay the last fee-for-service payment cycle in FY 2009-10. In addition, the bill authorized that capitation payments made to Medicaid managed care organizations (MCOs) would only be paid following the first day of the month following enrollment of the client in the MCO. With these provisions in effect only 51 weeks of fee-for-service payments and 11 months of MCO payments would be made in FY 2009-10. House Bill 10-1382 repeals these provisions. Thus, the normal payment cycle will be followed in FY 2009-10.

FY 2009-10 Fiscal Impact

This bill will increase FY 2009-10 appropriations to the Department of Health Care Policy as shown in the table below.

Table 1: FY 2009-10 Fiscal Impacts					
Line Item	General Fund	Cash Funds	Reappropriated Funds	Federal Fund	Total Funds
Medical Services Premiums	\$20,490,833	\$2,828,773	\$27,866	\$37,460,929	\$60,808,401
Mental Health Capitation Payments	6,695,582	592,211	905	11,688,108	18,976,806
Children's Basic Health Plan Trust	207,860	0	0	0	207,860
Children's Basic Health Plan Premium Costs	0	4,278,871	0	7,946,473	12,225,344
Children's Basic Health Plan Dental Costs	<u>0</u>	<u>310,140</u>	<u>0</u>	<u>575,973</u>	<u>886,113</u>
Total Impact	\$27,394,275	\$8,009,995	\$28,771	\$57,671,483	\$93,104,524

FY 2010-11 Fiscal Impact

The FY 2010-11 the Long Bill assumes 12 months of capitation payments in the base calculations. However, because the fee-for-service payments were not a permanent change, the base calculations include 53 weeks of fee-for-service payments. If all 52 weeks of payments are made in FY 2009-10,

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then only 52 weeks of payments will need to be made in FY 2010-11. This will reduce FY 2010-11 Long Bill appropriations by \$43.1 million. However, because the MCO payments were not delayed in FY 2009-10, the Children's Basic Health Plan Trust Fund will be depleted more than anticipated under S.B. 09-265 and will need additional funding in order to maintain a positive fund balance in FY 2010-11. Therefore, \$2.6 million General Fund will need to be deposited into the CBHP Trust Fund to support the CBHP program in FY 2010-11. Table 2 (below) shows the FY 2010-11 impacts from H.B. 10-1382.

Table 2: FY 2010-11 Fiscal Impacts					
Line Item	General Fund	Cash Funds	Reappropriated Funds	Federal Fund	Total Funds
Medical Services Premiums	(\$14,679,904)	(\$2,023,356)	(\$17,380)	(\$26,400,595)	(\$43,121,235)
Children's Basic Health Plan Trust	<u>2,554,602</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,554,602</u>
Total Impact	(\$12,125,302)	(\$2,023,356)	(\$17,380)	(\$26,400,595)	(\$40,566,633)

JOINT BUDGET COMMITTEE BUDGET BALANCING BILL

SUMMARY OF H.B. 10-1383: CONCERNING FUNDING FOR FINANCIAL AID FOR HIGHER EDUCATION, AND MAKING AN APPROPRIATION THEREFOR.

Prime Sponsors: Representative Pommer and Senator White

Bill Summary

The bill provides a total of \$45.2 million assistance toward balancing the FY 2010-11 General Fund budget. Specifically, the bill:

1. Transfers \$29.8 million from the Colorado CollegeInvest Scholarship Trust Fund (Trust Fund) to the General Fund;
2. Refinances \$15.4 million General Fund for Need Based Grants with an appropriation from the Trust Fund; and
3. Provides a one-year exemption in FY 2010-11 from a statutory maintenance of effort requirement for financial aid programs.

Background

Senate Bill 05-003 (Tapia/Hall) authorized CollegeInvest to operate a scholarship program to promote a precollegiate curriculum. CollegeInvest contributed approximately \$50.0 million to set up the Trust Fund. CollegeInvest accumulated the money during unusually favorable market conditions and federal rules for the guaranteed loan program. If not used for the Trust Fund, the money would otherwise have been used to make more loans, or reduce interest rates and fees on existing loans. After the initial \$50.0 million seed money, another \$25.0 million was deposited in the Trust Fund from the sale of student loan servicing activities within College Assist to Nelnet.

Students apply for the scholarship in 7th, 8th, or 9th grade and commit to doing well in high school and attending college. There are currently 400 students receiving the scholarship, with an estimated 625 additional eligible students in FY 2010-11 and another 625 in FY 2011-12. The FY 2010-11 scholarship amount is \$1,000 per student. If this bill passes, the FY 2011-12 cohort would be the last one funded.

In FY 2009-10 the General Assembly transferred \$15 million from the Trust Fund to the General Fund. After that transfer, market gains and losses, and program expenses, the current market value of the fund is estimated at \$60.9 million. This bill proposes holding back \$15.7 million to cover the student cohorts through the one beginning in FY 2011-12 for the four-year period of their eligibility,

JOINT BUDGET COMMITTEE BUDGET BALANCING BILL

administrative expenses, and a 10.0 percent contingency for market fluctuations. The remaining \$45.2 million is used to address the General Fund shortfall.

Not all of the money can be transferred to the General Fund because of federal use rules. Federal rules require that the \$25 million deposited in the Trust Fund from the sale of student loan servicing activities must be used for financial aid. OSPB estimates that \$9.6 million of the \$25 million will be spent on the remaining cohorts of students, but the remaining \$15.4 million must be appropriated for financial aid. Thus, the bill includes a one-time refinance of General Fund for Need Based Grants with cash funds from the Trust Fund. There are no strings attached to the initial \$50.0 million deposited from CollegeInvest's earnings, and so the bill includes a simple transfer to the General Fund for moneys from that source.

In addition, the bill includes a one-year exception to the financial aid maintenance of effort requirement in Section 23-3.3-103, C.R.S. This statute requires that the annual percentage increase in appropriations for financial assistance must be at least as great as the aggregate annual percentage increase in General Fund appropriations for the institutions of higher education. After the one-time refinancing of General Fund for the higher education institutions with federal funds in FY 2009-10, General Fund appropriations for the higher education institutions must increase by 71.4 percent to comply with the federal American Recovery and Reinvestment Act of 2009. The letter of Section 23-3.3-103, C.R.S. would say financial aid appropriations must also increase by 71.4 percent, or \$75.6 million. However, the combined state and ARRA funds for the higher education institutions are decreasing. Because Section 23-3.3-103 C.R.S. is so specific in referring to General Fund appropriations for the higher education institutions, it must be changed to avoid the need for a \$75.6 million increase in appropriations for financial aid.

JOINT BUDGET COMMITTEE BUDGET BALANCING BILL

SUMMARY OF H.B. 10-1384:

CONCERNING THE ELIGIBILITY OF NONCITIZENS FOR THE OLD AGE PENSION.

Prime Sponsors: Representative Lambert and Senator White

Bill Summary

This bill resolves conflicting state statutory provisions determining the eligibility of noncitizens for Colorado's Old Age Pension (OAP) program. It more closely aligns state eligibility criteria for this program with federal policy on the provision of public assistance to noncitizens. The bill will discontinue benefits for any OAP recipient or applicant found ineligible under the new provisions.

Sections 1 and 2 bar qualified aliens from accessing the OAP program for five years after their date of entry into the United States. Exceptions apply to individuals on the federal Supplemental Security Income (SSI) program, those determined to be abused or abandoned by their sponsor, those who entered the U.S. prior to August 22, 1996, and others excluded under federal law such as refugees. These sections of the bill become effective on July 1, 2010.

Sections 3-5 require that the income and resources of a qualified alien's sponsor be considered when determining OAP eligibility. Exceptions apply, consistent with those described for Sections 1 and 2. Sections 3, 4, and 5 of the bill become effective on January 1, 2011, or upon the expiration of provisions of the federal American Recovery and Reinvestment Act or other federal legislation that restricts reimbursement of an enhanced federal Medicaid assistance percentage (FMAP) to a state that reduces eligibility for its Medicaid program, whichever is later.

Section 6 provides an appropriation for FY 2009-10 and FY 2010-11 for associated modifications to the Colorado Benefits Management System (CBMS). This section of the bill takes effect upon passage.

Sections 7 and 8 include the bill's effective dates and provide a safety clause.

Fiscal Impact

The bill includes appropriations to reflect adjustments to the FY 2009-10 and FY 2010-11 budgets, consistent with the attached table.

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Fiscal Impacts				
	Number of Recipients	FY 2009-10	FY 2010-11	FY 2011-12
Old Age Pension - Department of Human Services				
Savings related to five year bar on eligibility from date of entry into US - OAP Cash Funds	(2,447)	\$0	(\$14,108,817)	(\$14,108,817)
Savings related to considering a sponsor's income and resources when determining eligibility - OAP Cash Funds	(2,020)	0	0	(14,757,948)
Total - DHS - OAP	(4,467)	\$0	(\$14,108,817)	(\$28,866,765)
Health Care Policy and Financing				
Medicaid savings related to considering a sponsor's income and resources when determining eligibility				
General Fund		0	0	(265,538)
Federal Funds		<u>0</u>	<u>0</u>	<u>(265,538)</u>
Subtotal - Health Care Policy and Financing - Medicaid & OAP	(2,061)	\$0	\$0	(\$531,076)
Colorado Benefits Management System (Human Services, Health Care Policy and Governor's Office)				
General Fund		19,931	19,827	0
Cash Funds - Old Age Pension and Child Health Plan		2,219	2,208	0
Federal Funds		<u>23,850</u>	<u>23,726</u>	<u>0</u>
Subtotal CBMS - HCPF, DHS, and Governor's Office		\$46,000	\$45,761	\$0
Grand Total Impacts				
General Fund		\$19,931	\$19,827	(\$265,538)
Cash Funds		2,219	(14,106,609)	(28,866,765)
Federal Funds		<u>23,850</u>	<u>23,726</u>	<u>(265,538)</u>
Total Expenditures excluding conditional impacts		\$46,000	(\$14,063,056)	(\$29,397,841)
Revenue - Increase in General Fund revenue from saving OAP, excluding conditional impacts				
		(\$2,184)	\$14,106,644	\$28,866,765

Notes: (1) This table reflects the assumption that enhanced federal Medicaid match rates provided under the American Recovery and Reinvestment Act, and associated restrictions on changes to Medicaid eligibility, will be extended through

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June 30, 2011. If ARRA provisions are *not* extended beyond December 31, 2010, additional OAP savings related to considering a sponsors' income will be realized for six months in FY 2010-11.

(2) Individuals who would be excluded based on considering sponsor income *and* the five year bar are included in the five year bar population and not in the considering sponsor income category for the purposes of this table.

(3) CBMS amounts exclude double-counts.

(4) The Health Care Policy and Financing recipients affected (2,061) are a sub-set of the Human Services recipients affected (4,467).

Background Information

The Old Age Pension Program. Colorado's Old Age Pension (OAP) program provides assistance to qualified persons aged 60 or older who are living legally in Colorado. Article XXIV of the Colorado Constitution authorizes payments from the Old Age Pension Fund to U.S. citizens. Sections 26-2-111 and 26-2-111.8, C.R.S. authorize payments from the Old Age Pension Fund to legal immigrants who meet the eligibility criteria. The Colorado Constitution gives the State Board of Human Services the authority to establish the benefit levels for this program.

The OAP cash assistance program is estimated to serve 23,943 individuals at a cost of \$89,863,948 cash funds in FY 2009-10. The maximum OAP cash benefit for calendar year 2009 is \$699 per month. Many individuals who receive OAP cash benefits become eligible for Medicaid on the basis of their OAP eligibility. Those who do not qualify for Medicaid qualify for the Old Age Pension Health and Medical Program.

Current Colorado statute. Current statute contains conflicting directives regarding OAP eligibility for certain sponsored aliens.

- Section 26-2-111.8 (3), C.R.S., specifies that legal immigrants must meet eligibility criteria including sponsor responsibility policies. Sponsor responsibilities are specified in Section 26-2-137 (2) (a), C.R.S., and include "moral and financial commitments".
- Section 26-2-111 (2) (b), C.R.S., states "No person otherwise qualified shall be denied the old age pension by reason of the fact that relatives may be financially able to contribute to his support and maintenance."¹ This provision conflicts with the above provision in the case where the sponsor of a non-citizen applying for OAP benefits is also a relative of the non-citizen.

Eligibility determination is performed by county departments of social services using the rules set forth by the State Board of Human Services and the state Department of Human Services. At present, the rules specify that sponsor income is considered if the sponsor is not a relative--but is

¹ Section 26-2-111 (2) (b), C.R.S., mirrors language in the OAP Constitutional provision; however, the Constitutional provision applies solely to U.S. citizens.

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disregarded if the sponsor is a relative. Thus, *relative sponsors are not considered financially responsible*.

Section 26-2-111 (2) (c), C.R.S., excludes legal immigrants from the program for three years, unless their non-relative sponsor can show that he or she now has insufficient resources to provide support. Thus, at present, *non-relative sponsors are only considered financially responsible for three years*.

Federal law and policy. Since 1997, federal policy provides for an open-ended period of responsibility for sponsors of legal immigrants, ending only after the alien has been gainfully employed for 40 calendar quarters or under certain other specific exceptions. Federal instructions provided to a person considering becoming an alien's sponsor outline this responsibility and note that, as a result, the sponsored immigrant may be ineligible for certain federal, state or local means-tested public benefits or the sponsor may be required to repay the cost of any benefits provided. Sponsors are required to demonstrate their ability to provide monthly support to the immigrant at a minimum of 125 percent of the federal poverty level.

In addition, federal policy with respect to a variety of benefits programs applies a five year waiting period for legal immigrants. The five year waiting period is in effect for Colorado's Medicaid program, among other programs.

Federal law explicitly authorizes states and political subdivisions to limit assistance to aliens and distinguish among classes of aliens for programs of general cash public assistance as long as such restrictions are not more restrictive than the limitations imposed under comparable federal programs. This includes requirements for "deeming" (taking into account) sponsor income. (Title 8, Chapter 14, Subchapter II, Section 1624, U.S.C.).

Numbers of Individuals and Expenditures Affected by Proposed Changes. The table below reflects the current average costs and participation in the OAP program and the impact of the proposed changes on the estimated participation and costs for the OAP program.

Old Age Pension Cash Assistance Changes			
	Participants	Average annual cost per participant	Program Costs
OAP Cash Assistance - FY 2010-11	24,388	\$3,727	\$90,889,044
Impact of 5 year bar (FY 2010-11) ¹	(2,447)	\$5,766	(14,108,817)
Impact of sponsorship (FY 2011-12) ^{1,2}	<u>(2,020)</u>	\$7,306	<u>(14,757,948)</u>
Total - Estimated OAP after Adjustments	19,921	\$3,113	\$62,022,279
Percent Change	-18.3%		-31.8%

¹ Individuals excluded based on sponsorship and the five year bar are reflected in the five year bar category; many individuals are affected by both provisions.

JOINT BUDGET COMMITTEE BUDGET BALANCING BILL

² Up to 50 percent of this amount effective in FY 2010-11, if provisions of federal law restricting changes to Medicaid eligibility are *not* extended past December 30, 2010.

Legal immigrants receive a larger portion of the benefits than might be expected because many of them have no income when their sponsor's income is excluded, and so receive the maximum benefit. In contrast, citizens are more likely to have access to federal SSI or Social Security benefits based on past work activity.

Medical Program Impacts. Of the clients anticipated to be removed from the OAP cash benefit program, approximately half are on the Medicaid OAP program. The Old Age Pension Medical Program provides health benefits for individuals eligible for the OAP Pension program who are ineligible for the Medicare or Medicaid program.

Medicaid Impact: Changes related to considering sponsor income are projected to result in a Medicaid caseload decline of 5.0 percent (108 individuals). Establishing a five year waiting period for immigrants to access the OAP program will have no impact on Medicaid recipients because Medicaid already excludes new immigrants for five years.

OAP Medical Program Impact: If this bill is fully implemented, up to 1,953 individuals on the OAP Medical program will lose eligibility for the OAP Medical program. This is approximately 40 percent of the program enrollment.

American Recovery and Reinvestment Act Restrictions. The federal American Recovery and Reinvestment Act of 2009 provided for an enhanced federal Medicaid match rate (FMAP) for states through December 31, 2010, subject to certain requirements. These requirements included restrictions on changes to eligibility for the Medicaid program. Various bills currently being debated in Congress include an extension of these provisions through June 30, 2011. Some of the proposed changes to OAP eligibility included in the OAP bill (considering sponsor income) are projected to affect Medicaid eligibility. Other components (five year waiting period for new immigrants) are not.

CBMS Appropriations. The table below reflects Colorado Benefits Management System (CBMS) appropriations required, including appropriations to the Department of Health Care Policy and Financing for transfer to the Department of Human Services and appropriations to the Department of Human Services for transfer to the Governor's Office. The appropriations clause for the bill reflects these adjustments for FY 2009-10 and FY 2010-11, in addition to the FY 2010-11 reduction in the Department of Human Services for the Old Age Pension Program (\$14,108,817).

JOINT BUDGET COMMITTEE BUDGET BALANCING BILL

Colorado Benefits Management System Appropriations Detail		
	FY 2009-10	FY 2010-11
Department of Health Care Policy and Financing for the Department of Human Services Medicaid-Funded Programs, Colorado Benefits Management System	<u>\$17,309</u>	<u>\$17,220</u>
General Fund	8,584	8,539
Cash Funds - Old Age Pension	41	41
Cash Funds - Children's Health Plan	35	35
Federal Funds	8,649	8,605
Department of Human Services for Office of Information Technology Services, Colorado Benefits Management System	<u>\$46,000</u>	<u>\$45,761</u>
General Fund	11,347	11,288
Cash Funds - Old Age Pension	2,143	2,132
Reappropriated Funds - HCPF transfer	17,309	17,220
Federal Funds	15,201	15,121
Governor-Lieutenant Governor-Office of State Planning and Budgeting		
Reappropriated Funds	0	45,761

JOINT BUDGET COMMITTEE BILL

Summary of H.B. 10-1385:

CONCERNING FEES COLLECTED BY THE DIVISION OF INSURANCE TO FUND INSURANCE FRAUD CASES PURSUED BY THE DEPARTMENT OF LAW.

Prime Sponsors: Representative Lambert and Senator Tapia

Bill Summary

This bill would increase the insurance-fraud fee paid by entities regulated by the Division of Insurance, which is in the Department of Regulatory Agencies. This fee funds insurance fraud investigations and prosecutions by the Department of Law. The additional revenue would replace approximately \$170,000 of insurance premium tax revenue that currently supports the insurance fraud program. Since premium tax revenues flow to the General Fund, this will increase General Fund revenues by \$170,000.

Background

Under current law, insurance companies pay a \$425 annual fee that pays part of the Department of Law's appropriation for investigating and prosecuting allegations of insurance fraud. The revenue from this insurance-fraud fee is collected by the Division of Insurance, deposited in the Division of Insurance Cash Fund, which also receives revenues from other sources and is then transferred to the Department of Law. The Department of Law has recently received funding from the Division of Insurance Cash Fund that exceeds the revenue raised by the insurance-fraud fee. Under the provisions of Section 10-3-209 (4), C.R.S., this shortfall has been made up by diverting premium tax revenues to the Division of Insurance cash fund for transfer to the Department of Law. The diverted premium tax revenue would otherwise have been deposited in the General Fund.

This bill directs the Division of Insurance to deposit revenue that it collects from the insurance-fraud fee into the Insurance Fraud Cash Fund, which is created by the bill. This new fund, which does not receive revenue from any other source, will become the sole source of support for the Department of Law's insurance fraud program. Moneys in the new fund will be directly appropriated to the Department of Law. The bill also replaces the fixed insurance-fraud fee currently set in statute with a fee that the Department of Law must set at an level that pays the direct and indirect costs of the appropriation for insurance fraud investigations and prosecutions, and provides enough extra revenue to establish a three month reserve in the Insurance Fraud Cash Fund, phased in over three years. This means

JOINT BUDGET COMMITTEE BILL

that in the future the JBC and the General Assembly will be controlling the level of the fee via appropriations to the Department of Law's insurance fraud program.

Appropriation

The FY 2010-11 Long Bill, as introduced, directs \$860,186 to the Department of Law's Insurance Fraud program from the Division of Insurance Cash Fund. The \$860,186 passes through the Division of Insurance, where it appears as a cash funds appropriation, to the Department of Law, where it appears as reappropriated funds. The appropriations to the Department of Law consist of \$748,954 appropriated to the Criminal Justice and Appellate Division and \$111,232 of central appropriations to the Administration division.

The bill includes an appropriation clause that changes \$748,954 of the appropriation to the Department of Law from reappropriated funds to cash funds. Due to an oversight during drafting, the introduced bill failed to eliminate the cash fund appropriation to the Division of Insurance and it failed to switch \$111,232 of appropriations to the Department of Law's administration division from reappropriated funds to cash funds. The intent is to amend these changes into the bill in the House Appropriations Committee.

JOINT BUDGET COMMITTEE BILL

SUMMARY OF H.B. 10-1386: CONCERNING THE AMOUNTS OF FILING FEES CHARGED BY THE PROPERTY TAX ADMINISTRATOR FOR PURPOSES OF EXEMPTION OF PROPERTY FROM GENERAL TAXATION.

Prime Sponsors: Representative Ferrandino and Senator White

Bill Summary

This bill adjusts the statutory fees charged to property owners who are applying for a property tax exemption or are submitting the annual reports to maintain exempt status on those properties already granted an exemption.

The intent of the bill is to adjust application and filing fees to recover sufficient revenues to offset the Property Tax Exemption Program's direct and indirect expenditures in the Department of Local Affairs, thus relieving the necessity for a \$170,000 General Fund subsidy.

Further, the bill sets a floor on application and filing fees and authorizes the Property Tax Administrator to set fees in subsequent years to sufficiently cover the direct and indirect costs of the program. In addition, the Property Tax Administrator is permitted to waive delinquent filing fees when good cause is shown by the filing party.

Specifically, this bill makes the following changes:

Bill Section	Statutory Modifications
1	<ul style="list-style-type: none"> ▶ Adjusts <u>the application fee</u> for tax exemption from \$150 to \$175 (increase of \$25 or 16.7 percent) and authorizes the Property Tax Administrator to adjust fees as necessary to cover all direct and indirect program costs (page 2, lines 14-16). ▶ Adjusts <u>the timely annual report filing fee</u> for tax exemption from \$53 to \$75 (increase of \$22 or 41.5 percent) and authorizes the Property Tax Administrator to adjust fees as necessary to cover all direct and indirect program costs (page 3, lines 13-16). ▶ Adjusts <u>the delinquent annual report filing fee</u> for tax exemption from \$150 to \$250 (increase of \$100 or 66.7 percent) and authorizes the Property Tax Administrator to adjust fees as necessary to cover all direct and indirect program costs (page 3, lines 19-25). In addition, provides the Property Tax Administrator authority to waive delinquent filing fees when good cause is shown (page 4, lines 21-27; page 5, line 1).

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Bill Section	Statutory Modifications
1 (cont'd)	<ul style="list-style-type: none"> ▶ Authorizes the Property Tax Administrator to adjust fees adequate to fund the program's direct and indirect costs (page 5, lines 14-17). ▶ Authorizes the Property Tax Administrator to waive fees for delinquent annual report filers when good cause is shown (page 5, lines 18-21).
2	Applicability clause reflecting that this act applies to any application for exemption, annual report, or delinquent annual report filed on or after the effective date of this act.
3	Safety clause

Fiscal Impact

Fiscal Impact Summary	FY 2010-2011	FY 2011-2012
State Revenue		
Cash Funds - Property Tax Exemption Fund	\$301,073	\$301,073
State Expenditures		
General Fund	(\$169,742)	(\$169,742)

The bill requires but does not contain an appropriation clause. Staff will draft an amendment inserting an appropriations clause into the bill. This clause will make the following adjustments to the FY 2010-11 Long Bill as approved by the Joint Budget Committee: (1) reduce the General Fund appropriation to the Department of Local Affairs, Property Tax, Division of Property Taxation line item for the Property Tax Exemption Program by \$169,742 and 2.1 FTE; and (2) increase the cash funds appropriation from the Property Tax Exemption Fund by \$301,073 and 2.1 FTE to the same line item. The difference between the increased cash funds spending authority and the General Fund savings (\$131,331) reflects the increased indirect cost assessment applied to the new cash fund revenue.

Background Information

The Property Tax Exemption Program is responsible for determining qualifications for exemption from property taxation for properties that are owned and used for religious, charitable, and private school purposes, pursuant to article 3 of title 39, C.R.S. This section provides assistance to counties and taxpayers with inquiries about exempt properties, conducts hearings on denied exemption applications and revocations of exemptions, and defends appeals of such denials and revocations.

JOINT BUDGET COMMITTEE BILL

Timelines

Application and Annual Report Submission Deadlines		
Item	Deadline	Proposed Fee
Initial Application for exemption from real and personal property taxation	Anytime	\$175
Annual Report - Timely	Jan. 1 - Apr. 15	\$75
Annual Report - Delinquent	after April 15	\$250

Fee Schedule

Staff's Revised Recommended Fee Schedule					
Program Fee	Current Fee in Statute	Proposed Fee	Fee Increase %	Estimated Revenue Increase	Proposed Total Revenue ¹
Application Fee	\$150	\$175	16.7%	\$18,100	\$122,500
Annual Report - Timely Filing	53	75	41.5%	197,523	675,000
Annual Report - Late Filing	150	250	66.7%	85,450	212,500
Total Proposed Revenue				\$301,073	\$1,010,000

Revenues and Expenditures

Proposed Revenues Sufficient to Cover Program Expenditures	
Item	Amount
Total Proposed Fee Revenues	\$1,010,000
Program Expenditures (FY 09-10 Salaries, FY 09-10 Benefits, and FY 08-09 Operating)	(877,992)
Indirect Costs (15.2 percent of FY 09-10 salaries and benefits)	(131,331)
General Fund Savings / (Expenditures)	677
General Fund Savings from elimination of General Fund subsidy	169,065
Total General Fund Savings	\$169,742

JOINT BUDGET COMMITTEE BUDGET BALANCING BILL

SUMMARY OF H.B. 10-1387: CONCERNING THE FINANCING OF THE DIVISION OF MOTOR VEHICLES IN THE DEPARTMENT OF REVENUE AND MAKING APPROPRIATIONS THEREFOR.

Prime Sponsors: Representative Pommer and Senator White.

Bill Summary

For FY 2010-11 and FY 2011-12, provides that all driver's license and identification card fee revenue be credited to the Licensing Services Cash Fund to be used to pay the costs of operating driver's license offices. Permits the use of Highway User Tax Fund (HUTF) "off-the-top" funds to pay for the costs of operating driver's license offices. Adjusts the Long Bill appropriation for the Department of Revenue for FY 2010-11.

The HUTF "off-the-top" funds are a portion of the HUTF that are normally used to fund operations of the Colorado State Patrol in the Department of Public Safety and the Ports of Entry section in the Department of Revenue. The "off-the-top" portion of the HUTF is allowed to grow by six percent annually regardless of the growth of revenues in the HUTF. In the past several years, primarily because salary survey and performance-based pay awards have not been funded, the appropriations from the "off-the-top" have not increased as much as is allowed under statute, allowing for the temporary funding of driver's license offices in the Department of Revenue.

Specifically, the bill makes the following changes:

- **Sections 1 through 5** permanently diverts fees for driver's licenses, commercial driver's licenses, minor's driver's licenses, learner's permits, and identification cards to the Licensing Services Cash Fund. These fees are currently credited to the Highway Users Tax Fund (HUTF). The fee revenue from driver's licenses and identification cards will be used to fund the operations of the driver's license offices in the State.
- **Section 6** allows the use of the funds in the Motorist Insurance Identification Database Account, a subaccount of the HUTF, to be used to fund the operations of the driver's license offices in the State.
- **Section 7** permits the use of funds in FY 2010-11 from the HUTF "off-the-top" appropriation to be used to fund the operations of the driver's license offices in the State.

JOINT BUDGET COMMITTEE BUDGET BALANCING BILL

- **Section 8** adjusts the FY 2010-11 Long Bill for the Department of Revenue.
- **Section 9** is the safety clause.

Fiscal Impact

For FY 2010-11 and beyond, the bill allows for the Driver and Vehicle Services program to be supported by fee revenue from driver's licenses, commercial driver's licenses, learner's permits, and minor's driver's licenses, issued by the Department. It is anticipated that this change will allow for a 20.0 million reduction in General Fund appropriations in FY 2010-11. The General Fund is offset by \$17.3 million in funding from the Licensing Services Cash Fund, and \$2.7 million in funding from the HUTF "off-the-top" moneys.

Table 1 details the General Fund that is refinanced by the bill.

Table 1: FY 2010-11 Appropriation Detail			
	General Fund	Licensing Services Cash Fund	Highway Users Tax Fund
Executive Directors Office (multiple line items)	(\$6,797,693)	\$4,899,693	\$1,898,000
Central Department Operations - Personal Services	(248,906)	0	248,906
<u>Division of Motor Vehicles - Administration</u>			
Personal Services	(522,292)	0	522,292
Operating Expenses	(33,404)	0	33,404
<u>Division of Motor Vehicles - Driver and Vehicle Services</u>			
Personal Services	(9,351,125)	9,351,125	0
Operating Expenses	(1,214,937)	1,214,937	0
Drivers License Documents	<u>(1,792,770)</u>	<u>1,792,770</u>	<u>0</u>
Total Refinance	(\$19,961,127)	\$17,258,525	\$2,702,602

JOINT BUDGET COMMITTEE BILL

**Summary of H.B. 10-1388:
CONCERNING THE AUGMENTATION OF THE GENERAL FUND THROUGH TRANSFERS OF
CERTAIN MONEYS.**

Prime Sponsors: Representative Ferrandino and Senator Tapia

Bill Summary

For purposes of augmenting General Fund revenues in FY 2010-11, this bill requires the State Treasurer to transfer funds from various cash funds to the General Fund, as shown in the table below.

Section of Bill	Name of Fund	Department/Program Area	Amount of Transfer
1	Medical Marijuana Program Cash Fund	Department of Public Health and Environment	3,000,000
2	Perpetual Base Account of the Severance Tax Trust Fund	Department of Natural Resources	11,000,000
3	Local Government Severance Tax Fund	Department of Local Affairs	10,000,000
4	Alternative Fuels Rebate Fund	Department of Revenue	1,500,000
5	Safety clause.		
Total Transfers			\$25,500,000

All of the transfers will occur on June 30, 2011.

JOINT BUDGET COMMITTEE BILL

APPENDIX TO CASH FUND TRANSFERS TO THE GENERAL FUND PURSUANT TO H.B. 10-1388

Section 1 -- Medical Marijuana Program Cash Fund -- \$3,000,000

Department of Public Health and Environment

Medical Marijuana Program Cash Fund JBC Recommendation				
	FY 2008-09 Actual	FY 2009-10 Estimate	FY 2010-11 Estimate	FY 2011-12 Estimate
Beginning FY Balance	\$217,337	\$340,194	\$2,850,156	\$579,452
Revenues	782,825	2,991,784	3,600,000	2,500,000
Expenditures	<u>(659,968)</u>	<u>(481,822)</u>	<u>(2,870,704)</u>	<u>(2,000,000)</u>
Ending FY Balance without transfer	\$340,194	\$2,850,156	\$3,579,452	\$1,079,452
Recommended Transfer	<u>0</u>	<u>0</u>	<u>(3,000,000)</u>	<u>0</u>
Ending Balance after transfer	\$340,194	\$2,850,156	\$579,452	\$1,079,452
<i>Fee Impact:</i> The Department of Public Health and Environment sets this fee administratively; it currently equals \$90 annually. The Department would probably adjust the fee downward if this transfer did not occur.				

Section 2 -- Perpetual Base Account of the Severance Tax Trust Fund -- \$11,000,000

Department of Natural Resources

Perpetual Base Account of the Severance Tax Trust Fund JBC Recommendation				
	FY 2008-09 Actual	FY 2009-10 Estimate	FY 2010-11 Estimate	FY 2011-12 Estimate
Beginning FY Balance	\$18,058,960	\$40,454,321	\$3,965,959	\$297,112
Revenue	85,424,497	28,800,000	49,331,153	50,272,991
Loan Issuances/Drought Grants	<u>(28,029,136)</u>	<u>(1,288,362)</u>	<u>(42,000,000)</u>	<u>(50,000,000)</u>
Ending FY Balance without transfer	\$75,454,321	\$67,965,959	\$11,297,112	\$570,103
Transfer to the General Fund in S.B. 09-208	(20,000,000)	0	0	0
Transfer to the General Fund in S.B. 09-279	(15,000,000)	(62,000,000)	0	0
Transfer to the General Fund in H.B. 10-1327, Section 8	0	(2,000,000)	0	0

JOINT BUDGET COMMITTEE BILL

Perpetual Base Account of the Severance Tax Trust Fund JBC Recommendation				
	FY 2008-09 Actual	FY 2009-10 Estimate	FY 2010-11 Estimate	FY 2011-12 Estimate
Recommended Transfer	0	0	(11,000,000)	0
Ending Balance after transfers	\$40,454,321	\$3,965,959	\$297,112	\$570,103
<i>Fee Impact:</i> None. This fund receives 25 percent of severance tax dollars collected.				

Section 3 -- Local Government Severance Tax Fund -- \$10,000,000

Department of Local Affairs

Local Government Severance Tax Fund JBC Recommendation				
	FY 2008-09 Actual	FY 2009-10 Estimate	FY 2010-11 Estimate	FY 2011-12 Estimate
Beginning FY Balance	\$145,696,537	\$78,000,385	\$73,983,702	\$67,552,131
Revenues	148,404,295	48,300,000	91,500,000	102,900,000
Expenditures	(216,100,447)	(1,988,887)	(87,931,571)	(90,000,000)
Ending FY Balance without transfer	\$78,000,385	\$124,311,498	\$77,552,131	\$80,452,131
Transfer in H.B. 10-1327	n/a	(50,327,796)	0	0
Recommended Transfer	0	0	(10,000,000)	0
Ending FY Balance after transfer	\$78,000,385	\$73,983,702	\$67,552,131	\$80,452,131
<i>Fee Impact:</i> None. This fund receives 50 percent of severance tax dollars collected.				

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Section 4 -- Alternative Fuels Rebate Fund -- \$1,500,000

Department of Revenue

Alternative Fuels Rebate Fund Department Request and Staff Recommendation				
	FY 2008-09 Actual	FY 2009-10 Estimate	FY 2010-11 Estimate	FY 2011-12 Estimate
Beginning FY Balance	\$1,666,451	\$1,842,503	\$1,835,098	\$395,202
Revenues	505,084	368,501	370,104	382,126
Expenditures	<u>(329,032)</u>	<u>(375,906)</u>	<u>(310,000)</u>	<u>(310,000)</u>
Ending FY Balance without transfer	\$1,842,503	\$1,835,098	\$1,895,202	\$467,328
Proposed Transfer	<u>0</u>	<u>0</u>	<u>(1,500,000)</u>	<u>0</u>
Ending Balance after transfer	\$1,842,503	\$1,835,098	\$395,202	\$467,328
<i>Fee Impact: None. Revenue is from the sales and use tax on alternative fuel vehicles and equipment.</i>				

JOINT BUDGET COMMITTEE BILL

Summary of H.B. 10-1389: CONCERNING TRANSFERS OF MONEYS RELATING TO CAPITAL CONSTRUCTION.

Prime Sponsors: Senator Tapia and Representative Ferrandino

Bill Summary

This bill makes transfers based on the refinancing of the following Certificates of Participation (COPs): (1) the Federal Mineral Lease COPs for various Higher Education capital construction projects; (2) the Anschutz Medical Campus COPs; and (3) the COPs for Colorado State Penitentiary II (CSP II).

Background

The COPs issued for the above mentioned capital construction projects were refinanced in early 2010 to take advantage of low interest rates. As a result of the refinancing, the payment schedules for these projects were reduced for FY 2009-10 and FY 2010-11. This bill makes the following transfers based on the refinanced COPs:

FY 2009-10

- Transfers \$13,317,845 from the Capital Construction Fund to the General Fund;
- Transfers \$750,000 from the Higher Education Federal Mineral Lease Revenues Fund to the General Fund;
- Transfers \$5,054,918 from the Fitzsimons Trust Fund to the General Fund; and
- Repeals \$1,807,306 in statutory transfers from the General Fund to the Capital Construction Fund and from the Capital Construction Fund to the Corrections Expansion Reserve Fund.

FY 2010-11

- Transfers \$7,000,000 from the Higher Education Federal Mineral Lease Revenues Fund to the General Fund;

JOINT BUDGET COMMITTEE BILL

- Transfers \$3,448,537 from the Fitzsimons Trust Fund to the General Fund;
- Transfers \$8,625,506 from the General Fund to the Capital Construction Fund; and
- Transfers \$500,000 from the General Fund Exempt account to the Capital Construction Fund.

In addition, this bill makes a technical correction in FY 2008-09 related to General Fund Exempt. This adjustment is as follows:

FY 2008-09

- Changes the designation of a \$9,000,000 transfer to the Capital Construction Fund from General Fund Exempt to General Fund.

JOINT BUDGET COMMITTEE BUDGET BALANCING BILL

SUMMARY OF H.B. 10-1390: CONCERNING THE GENERAL FUND RESERVE REQUIRED FOR THE 2010-11 STATE FISCAL YEAR.

Prime Sponsors: Representative Pommer and Senator White

Bill Summary

The bill allows the Governor to lower the FY 2010-11 statutory reserve from 4.0 percent to a minimum of 2.0 percent based on the June 2010 Office of State Planning and Budgeting (OSPB) revenue estimate if the OSPB revenue estimate does not support the General Fund expenditures for that fiscal year based on appropriations then in effect. The reserve can not be reduced more than is necessary to cover the reserve shortfall.

Fiscal Impact

The 4.0 percent statutory reserve based on the budget package recommended by the Joint Budget Committee would be \$277.5 million for FY 2010-11. This bill would give the Governor the flexibility to reduce the reserve by up to approximately \$138.7 million thereby covering a revenue shortfall of up to that amount.

APPENDIX C

Historically, Long Bill footnotes contained the General Assembly's requests for information, in addition to outlining the intent or condition or limit on an appropriation. Pursuant to Section 24-75-112 (2), C.R.S., the Long Bill no longer contains requests for information.

The attached list reflects a draft of 2010 Requests for Information that the Joint Budget Committee proposes to send to the Executive and Judicial Branches, the Attorney General, the Secretary of State, and the State Treasurer, for their respective areas of responsibility. The Joint Budget Committee has included these as an appendix to the Long Bill Narrative so that members of the General Assembly have an opportunity to review them.

**LEGISLATIVE REQUESTS FOR INFORMATION
FROM THE EXECUTIVE BRANCH, ELECTED OFFICIALS,
AND THE JUDICIAL BRANCH FOR FY 2010-11**

DRAFT

REQUESTS AFFECTING MULTIPLE DEPARTMENTS

1. **All Departments, Totals** -- Every department is requested to submit to the Joint Budget Committee, by November 1, 2010, information on the number of additional federal and cash funds FTE associated with any federal grants or private donations that were received in FY 2009-10. The Departments are also requested to identify the number of additional federal and cash funds FTE associated with any federal grants or private donations that are anticipated to be received during FY 2010-11.

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 2009-10 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 2008-09 and actual district expenditures for each program in fiscal year 2008-09. 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 2008-09 and actual district expenditures in fiscal year 2008-09.

3. **Governor - Lieutenant Governor - State Planning and Budgeting, Office of State Planning and Budgeting; and Department of Local Affairs, Division of Emergency Management, Disaster Response and Recovery** -- The Division of Emergency Management is requested to work with the Office of State Planning and Budgeting and provide an annual report to the Joint Budget Committee by November of each year concerning revenues credited to and expenditures made from the Disaster Emergency Fund in the previous fiscal year. The report is requested to include the following: (a) amounts authorized to be transferred to the Disaster Emergency Fund, by Executive Order and fund

source; (b) amounts actually transferred to the Fund, by date and fund source; and (c) actual expenditures from the Fund, by date and declared disaster emergency.

4. **Governor - Lieutenant Governor - State Planning and Budgeting, Office of State Planning and Budgeting; and Department of Personnel and Administration, Division of Human Resources, Human Resource Services** -- The Department shall comply with the statutory provisions of Section 24-50-110 (1) (d), C.R.S., and is requested to provide other state departments with the information necessary to comply with this statute. The Office of State Planning and Budgeting and the Department of Personnel are requested to work with the departments to improve the timeliness and accuracy of information about state personnel. Improvements, at a minimum, should include: updating personnel information on a centralized computerized data base; accurate reporting of filled FTE positions; number of reclassifications that are approved, turnover rates by agency; tracking of FTE positions funded to FTE positions filled; an accurate count of part-time and temporary FTE positions; and elimination of unused FTE positions. The Department and the Office of State planning and Budgeting are requested to submit a consolidated statewide personnel report to the General Assembly by September 1, 2010. This report should include, by line item and Department, a summary of vacant positions, the length of time each position has been vacant, and the number of reclassifications that were approved in FY 2009-10. In addition, the report should include a reconciliation between personal services appropriations and actual expenditures for FTE, state temporaries, sick/annual leave payout, and other personal services by division.

DEPARTMENT OF CORRECTIONS

5. **Department of Corrections, Management, External Capacity Subprogram, Payments to House State Prisoners** -- The Department of Corrections is requested to require private prison providers to break-out their respective operating expenses and capital construction costs in the invoices that they submit to the Department for housing Colorado inmates. The Department of Corrections is further requested to submit a report to the Joint Budget Committee by November 1, 2010, summarizing this information for each of the private prison providers reimbursed from the External Capacity Subprogram.
6. **Department of Corrections, Management, External Capacity Subprogram, Payments to House State Prisoners** -- The Department is requested to provide a report to the Joint Budget Committee on or before November 1, 2010, summarizing transfers that were made within this subprogram pursuant to the flexibility authorized by footnote.
7. **Department of Corrections, Institutions, Youthful Offender System Subprogram** -- The Department of Corrections is requested to submit a report to the Joint Budget Committee by November 1, 2010, justifying the ongoing need for the Youthful Offender System. The report is requested to summarize the cost effectiveness of the program, including the cost per offender, taking into consideration drop-out rates and recidivism rates for the program.

8. **Department of Corrections, Community Services, Community Supervision Subprogram, Community Supervision, Psychotropic Medication** -- The Department is requested to submit a report to the Joint Budget Committee on or before February 1, 2011, summarizing the outcomes of offenders who were provided psychotropic medication from this line item. The report is requested to include the number of mentally ill offenders who receive medication from this line item, the regression rate of the offenders, and the number of offenders who commit new crimes. The report is requested to compare these outcomes with the population of mentally ill offenders in community corrections programs in FY 2005-06.

DEPARTMENT OF EDUCATION

9. **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, 2010, information concerning the Colorado Preschool Program. The information provided is requested to include the following for fiscal year 2009-10: (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 is attributable to the Program.

GOVERNOR-LIEUTENANT GOVERNOR-STATE PLANNING AND BUDGETING

10. **Governor - Lieutenant Governor - State Planning and Budgeting, Office of the Governor, Governor's Energy Office** -- Senate Bill 07-246 requires a post-enactment review be conducted to determine the Department's efficacy in implementing the desired result and benefit of the act to advance energy efficiency and renewable energy throughout the state. The Department is requested to submit an annual report by November 1 of each year to the Joint Budget Committee on the status of the Department's efficacy in implementing the desired result and benefit of the provisions of S.B. 07-246. At a minimum, the report should include a narrative overview of the programs implemented with descriptions of each and should itemize how the moneys appropriated have been applied, by program, to advance energy efficiency and renewable energy throughout the state.
11. **Governor - Lieutenant Governor - State Planning and Budgeting, Economic Development Programs, Bioscience Discovery Evaluation** -- The Department is requested to submit an annual report to the Joint Budget Committee by November 1 of each year. At a minimum, the report shall specify the following information with regard to the bioscience research projects that received funding under the program during the preceding fiscal year: (1) the amount of funding distributed to each bioscience research project and a description of each bioscience research project; (2) the manner in which each bioscience research project applied the funding received under the program; and (3) the results achieved by each

bioscience research project, including identifiable monetary returns to the grantee and others since the receipt of the grant.

12. **Governor - Lieutenant Governor - State Planning and Budgeting, Office of Information Technology, Statewide Information Technology Services, Colorado Benefits Management System** -- The Department is requested to submit a summary of change request activity related to the Colorado Benefits Management System. This summary should include the number of change requests completed, the number in progress, and the number that have been submitted but not yet started. Change requests requiring the expenditure of more than fifty thousand dollars (\$50,000) should be described in detail. The report should be provided to the Joint Budget Committee annually on or before November 1.

DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

13. **Department of Health Care Policy and Financing, Executive Director's Office** -- The Department is requested to submit monthly Medicaid expenditure and caseload reports on the Medical Services Premiums and mental health capitation line items to the Joint Budget Committee, by the fifteenth or first business day following the fifteenth of each month. The Department is requested to include in the report the managed care organization caseload by aid category. The Department is also requested to provide caseload and expenditure data for the Children's Basic Health Plan, the Medicare Modernization Act State Contribution Payment, and the Old Age Pension State Medical Program within the monthly report.
14. **Department of Health Care Policy and Financing, Medical Services Premiums** -- The Department is requested to submit a report on the managed care organizations' capitation rates for each population and the estimated blended rate for each aid category in effect for FY 2010-11 to the Joint Budget Committee by September 1, 2010. The Department is requested to include in the report a copy of each managed care organization's certification that the reimbursement rates are sufficient to assure the financial stability of the managed care organization with respect to delivery of services to the Medicaid recipients covered in their contract pursuant to Section 25.5-5-404 (1) (1), C.R.S.
15. **Department of Health Care Policy and Financing, Medicaid Mental Health Community Program, Mental Health Capitation Payments** -- The Department is requested to provide a report to the Joint Budget Committee by December 1, 2010 recommending benefit or service reductions to Medicaid Mental Health programs in order to achieve a \$2,200,000 total fund savings between January 2011 and June 2011. In the report, the Department is requested to provide the following information:
 - (1) cost estimates for each of the benefit or service changes recommended;
 - (2) input from the behavioral health organizations on how such benefit and service reductions will be implemented;

- (3) a description of any involvement that mental health advocacy groups had in providing input on the benefit or service changes recommended; and
- (4) an analysis of whether rate reductions could be enacted within the actuary sound range in lieu of benefit or service reductions recommended or in combination therewith.

16. **Department of Health Care Policy and Financing, Medicaid Mental Health Community Programs, Mental Health Capitation Payments** -- The Department is requested to report in their annual budget submission the amount of expenditures for each year for anti-psychotic pharmaceuticals.
17. **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, 2011, to the Joint Budget Committee, estimating the disbursement to each hospital from the Safety Net Provider Payment line item for FY 2010-11.
18. **Department of Health Care Policy and Financing, Services for Old Age Pension State Medical Program Clients** -- The Department is requested to inform the Joint Budget Committee of any planned reimbursement increases for the program prior to presentation to the Medical Services Board.
19. **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 should include information on the type of services, how those services meet the definition of medical necessity, and the total amount of federal dollars that was distributed to each school under the program. The report should also include information on how many children were served by the program.

DEPARTMENT OF HIGHER EDUCATION

20. **Department of Higher Education, Colorado Commission on Higher Education, Administration** -- The Department should continue its efforts to provide data on the efficiency and effectiveness of state financial aid in expanding access to higher education for Colorado residents. The Department is requested to provide to the Joint Budget Committee by January 1 of each year an evaluation of financial aid programs, which should include, but not be limited to: 1) an estimate of the amount of federal, institutional, and private resources (including tax credits) devoted to financial aid; 2) the number of recipients from all sources; 3) information on typical awards; and 4) the typical debt loads of graduates. To the extent possible, the Department should differentiate the data based on available information about the demographic characteristics of the recipients. To the extent that this information is not currently available, the Department is requested to provide a reasonable estimate, or identify the additional costs that would be associated with collecting the data.

21. **Department of Higher Education, Colorado Commission on Higher Education, Administration** -- The Department is requested to submit a report to the Joint Budget Committee by January 1 each year documenting the base level of institutional financial aid at each institution and demonstrating that at least 20 percent of any increase in undergraduate resident tuition revenues in excess of inflation is being devoted to need-based financial assistance pursuant to Section 23-18-202 (3) (c), C.R.S.

DEPARTMENT OF HUMAN SERVICES

22. **Department of Human Services, Executive Director's Office, General Administration, Injury Prevention Program** -- The Department is requested to provide information regarding the cost-effectiveness of this program. Such information should include: Actual and planned annual expenditures for this line item, by program; the actual number of workers' compensation claims filed, by type of injury and by program; and the related costs associated with workers' compensation claims filed, by type of injury and by program. This information should be provided to the Joint Budget Committee annually on or before October 15.
23. **Department of Human Services, Office of Operations; Department Totals** -- The Department is requested to examine its cost allocation methodology and report its findings to demonstrate that all state-wide and departmental indirect costs are appropriately collected and applied. The Department is requested to submit a report to the Joint Budget Committee on or before November 15, 2010, that should include: (1) Prior year actual indirect costs allocated by division and corresponding earned revenues by type (cash, reappropriated, and federal); (2) the amount of such indirect costs applied within each division and to Department administration line items in the Executive Director's Office, Office of Operations, and Office of Information Technology Services; (3) a comparison between indirect amounts applied and the amounts budgeted in the Long Bill; and (4) a schedule identifying areas in which collections could potentially be increased and a description of the obstacles to such increases where the discrepancy between the potential and actual collections is \$50,000 or more.
24. **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.
25. **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.

26. **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 actual expenditures for the last two fiscal years for services that are now funded through this consolidated line item. Such data should include the following: (a) program services expenditures and the average cost per open involvement per year; (b) out-of-home placement care expenditures and the average cost per child per day; and (c) subsidized adoption expenditures and the average payment per child per day.
27. **Department of Human Services, Division of Child Welfare, Title IV-E Related County Administrative Functions --** The Department is requested to provide a report, by January 15, 2010 that addresses the Department's recommendations for maximizing the collection of revenue authorized under Title IV-E of the federal Social Security Act. The recommendations should address executive initiatives to maximize revenue, any proposals for statutory change to Section 26-1-111 (2) (d) (II) (C), C.R.S., how this line item is being used to promote Title IV-E collections, and the Department's assessment of whether ongoing General Fund support for a Title IV-E Related County Administrative Functions line item is warranted.
28. **Department of Human Services, Division of Child Care, Child Care Assistance Program --** The Department is requested to submit a report to the Joint Budget Committee by October 1, 2010 concerning the Child Care Assistance Program. The report is requested to address whether the Department, after consultation with counties and other interested parties, would recommend that eligibility for this program and/or provider reimbursement rates be set by the State. This recommendation could include eligibility/reimbursement rates that vary by region (metro, rural, mountain resort), even if they were set by the state. The Department is requested to include in the report: (1) an analysis of the programmatic and fiscal implications of such a change on program participants, providers, counties and state government; (2) how any recommended changes might be phased-in; and (3) what statutory modifications would be required. The report is requested to take into account the results of the State Auditor's Office audit of the Child Care Assistance Program required pursuant to H.B. 07-1062.
29. **Department of Human Services, Office of Self Sufficiency, Colorado Works Program, Works Program Evaluation --** The Department is requested to submit a summary of the activities conducted under the Works Program Evaluation activity. The summary should include specific questions which the Department set out to answer, the methodologies used, the results obtained, and suggestions on how the results can be used to improve the Works program. The report should be provided to the Joint Budget Committee and the House and Senate Health and Human Services Committees by November 1 of each year.

30. **Department of Human Services, Office of Self Sufficiency, Special Purpose Welfare Programs, Refugee Assistance** - The Department is requested to submit a report by November 1 of each fiscal year on the size of the Colorado refugee population, the percent that is TANF-eligible, federal funding received from the Department of Health and Human Services, Office of Refugee Resettlement in the most recent actual fiscal year, and federal funding projected to be received in the current and next fiscal year from the Office of Refugee Resettlement.
31. **Department of Human Services, Services for People with Disabilities, Community Services for People with Developmental Disabilities, Program Costs, Early Intervention Services for 2,176 General Fund resources** -- The Department is requested to notify the Joint Budget Committee before implementing any cost containment strategy expected to result in a decrease in the number of people eligible for early intervention services. The notification should include discussion of alternative strategies, including but not limited to provider rate reductions and increasing payments from non-General Fund sources, and an estimate of the cost of serving the projected population without reducing eligibility.
32. **Department of Human Services, Services for People with Disabilities, Division of Vocational Rehabilitation, Rehabilitation Programs -- Local Funds Match** – The Department is requested to provide a report to the Joint Budget Committee, by November 1 of each year, that details deferred cash and reappropriated funds revenue on its books as of the close of the preceding fiscal year.
33. **Department of Human Services, Division of Youth Corrections, Administration** -- The Division is requested to continue its efforts to provide outcome data on the effectiveness of its programs. The Division is requested to provide to the Joint Budget Committee, by January 1 of each year, an evaluation of Division placements, community placements, and nonresidential placements. The evaluation should include, but not be limited to, the number of juveniles served, length of stay, and recidivism data per placement.
34. **Department of Human Services, Division of Youth Corrections, Community Programs, S.B. 91-94 Programs and Parole Program Services and** -- The Division is requested to provide a report to the Joint Budget Committee by November 1 of each year concerning the continuum of care initiative and the impact of budgetary flexibility. This report should include the following information: (1) the amount of funds transferred to these line items in prior actual fiscal years based on flexibility provided in the Youth Corrections budget; (2) the type of services purchased with funds transferred; (3) the number of youth treated with such expenditures; (4) the impact of such expenditures; and (5) an evaluation of the effectiveness of budgetary flexibility in reducing the need for commitment and secure detention placements.
35. **Department of Human Services, Division of Youth Corrections, Community Programs, S.B. 91-94 Programs** -- The Department is requested to submit to the Joint Budget

Committee no later than November 1 of each year a report that includes the following information by judicial district and for the state as a whole: (1) comparisons of trends in detention and commitment incarceration rates; (2) profiles of youth served by S.B. 91-94; (3) progress in achieving the performance goals established by each judicial district; (4) the level of local funding for alternatives to detention; and (5) identification and discussion of potential policy issues with the types of youth incarcerated, length of stay, and available alternatives to incarceration.

- 36. Department of Human Services, Totals** -- The Department is requested to submit a report concerning the status of federal Temporary Assistance for Needy Families (TANF) funds. The requested report should include the following: (a) an analysis of the TANF Long Term Reserve, including estimated TANF funds available for appropriation, estimated TANF appropriations by Long Bill line item, and the estimated closing Long Term Reserve balance, for each of the most recent actual fiscal year, the current fiscal year, and the request fiscal year; (b) an analysis of the TANF maintenance of effort (MOE) payments, showing the actual and forecast MOE expenditures, by program, for the most recent actual fiscal year, the current fiscal year, and the request fiscal year; and (c) an analysis of the counties' TANF reserve balances that includes, for each county, for the most recent actual fiscal year, the starting TANF Reserve Account balances for the Works Program, Title XX, and Child Care Development Fund accounts, the annual TANF allocation, the total expenditures, the net transfers to child care and child welfare, any amounts remitted to the state under the provisions of S.B. 08-177, and the closing reserve balance for all county TANF accounts. The report should be provided to the Joint Budget Committee annually on or before November 1. An update to this information reflecting data as of the close of the federal fiscal year should be provided to the Joint Budget Committee on or before January 1.
- 37. Department of Human Services, Totals** -- The Department is requested to submit annually, on or before November 1, a report to the Joint Budget Committee concerning federal Child Care Development Funds. The requested report should include the following information related to these funds for state fiscal years 2009-10, 2010-11, and 2011-12 (the actual, estimate, and request years): (a) the total amount of federal funds available, and anticipated to be available, to Colorado, including funds rolled forward from previous state fiscal years; (b) the amount of federal funds expended, estimated, or requested to be expended for these years by Long Bill line item; (c) the amount of funds expended, estimated, or requested to be expended for these years, by Long Bill line item where applicable, to be reported to the federal government as either maintenance of effort or matching funds associated with the expenditure of federal funds; and (d) the amount of funds expended, estimated, or requested to be expended for these years that are to be used to meet the four percent federal requirement related to quality activities and the federal requirement related to targeted funds.

JUDICIAL DEPARTMENT

38. **Judicial Department, Trial Courts, District Attorney Mandated Costs** -- District Attorneys in each judicial district shall be responsible for allocations made by the Colorado District Attorney's Council's Mandated Cost Committee. Any increases in this line item shall be requested and justified in writing by the Colorado District Attorney's Council, rather than the Judicial Department, through the regular appropriation and supplemental appropriation processes. As part of its annual budget request, the Judicial Department is requested to include a report by the Colorado District Attorney's Council detailing how the District Attorney Mandated Costs appropriation is spent, how it is distributed, and the steps taken to control these costs.
39. **Judicial Department, Probation and Related Services** -- The Judicial Department is requested to provide by November 1 of each year a report on pre-release rates of recidivism and unsuccessful terminations and post-release recidivism rates among offenders in all segments of the probation population, including the following: adult and juvenile intensive supervision; adult and juvenile minimum, medium, and maximum supervision; and the female offender program. The Department is requested to include information about the disposition of pre-release failures and post-release recidivists, including how many offenders are incarcerated (in different kinds of facilities) and how many return to probation as the result of violations.
40. **Judicial Department, Probation and Related Services, Offender Treatment and Services** -- The Judicial Department is requested to provide by November 1 of each year a detailed report on how this appropriation is used, including the amount spent on testing, treatment, and assessments for offenders.

DEPARTMENT OF LAW

41. **Department of Law, Criminal Justice and Appellate, Medicaid Fraud Control Unit** -- The General Assembly requests that the Department of Law's Medicaid Fraud Control Unit produce a progress report on the Department's efforts to reduce Medicaid fraud and abuse in Colorado. The report should include: (1) the most recent estimates on the total amount of Medicaid fraud and abuse in Colorado; (2) a summary of total fines, costs, and restitutions recovered, attributable to the Medicaid Fraud Control Unit's efforts; (3) a detailed explanation of the Medicaid Fraud Control Unit's participation in global or national Medicaid fraud settlements, including total awards received due to them; and (4) evidence of the effectiveness of the Medicaid Fraud Control Unit in reducing the amount of Medicaid fraud and abuse in Colorado. The Medicaid Fraud Control Unit is requested to submit the report to the Joint Budget Committee by November 1, 2010.
42. **Department of Law, Special Purpose, Litigation Management and Technology Fund** -- It is the intent of the General Assembly to grant the Department of Law additional flexibility by allowing the Department to use funds appropriated in this line item to address unanticipated state legal needs that arise during FY 2010-11, as well as information

technology asset maintenance needs that would otherwise require General Fund appropriations during FY 2010-11. It is also the intent of the General Assembly that moneys spent from this fund shall not require the appropriation of additional FTE and will not be used for any type of salary increase, promotion, reclassification, or bonus related to any present or future FTE employed by the Department of Law. It is furthermore the intent of the General Assembly that moneys spent from this fund will not be used to offset present or future personal services deficits in any division in the Department. The Department is requested to submit a quarterly report to the Joint Budget Committee detailing the purpose for which moneys from this fund have been expended. Such a report is also requested with any supplemental requests for additional legal services funding within or outside of the Legal Services to State Agencies program.

DEPARTMENT OF NATURAL RESOURCES

- 43. 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.
- 44. 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.
- 45. Department of Natural Resources, Parks and Outdoor Recreation -** The division of Parks and Outdoor Recreation is requested to provide the Joint Budget Committee with a report on division sources of revenue as well as the expenditures of revenues by revenue type. The report should provide an analysis of lottery funds used for operations and capital projects. The report is requested to be submitted by September 1, 2010.

DEPARTMENT OF PERSONNEL AND ADMINISTRATION

- 46. Department of Personnel and Administration, Division of Central Services --** The Department is requested to provide a report about its use of the 20.0 percent contingency spending authority that is included in various line items within the Division of Central Services. This report is requested to include a description of the amount of contingency funds that the Department utilized during the prior fiscal year, and for what purpose. The Department is also requested to re-calculate the 20.0 percent contingency according to the updated FY 2011-12 base appropriation. The Department is requested to submit this report to the Joint Budget Committee by November 1, 2010.
- 47. Department of Personnel and Administration, Division of Central Services, Facilities Maintenance --** The Department is requested to provide a report that details the

expenditures at the Capitol Complex, Grand Junction, and Camp George West facilities. The report should provide data for the prior three fiscal years, as well as an estimate for the current fiscal year. The Department is requested to submit this report to the Joint Budget Committee by November 1, 2010.

DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT

- 48. Department of Public Health and Environment, Center for Health and Environmental Information, Health Statistics and Vital Records --** The Department is requested to submit a report to the Joint Budget Committee by January 3, 2011, on the medical marijuana registry program. This report should estimate the appropriations and the FTE that the Department requires during Fiscal Years 2010-11 and 2011-12 to perform its statutory duties under Colorado's medical marijuana laws. The report should include data that supports these estimates.
- 49. Department of Public Health and Environment, Air Pollution Control Division --** The Department is requested to submit a report on the Air Pollution Control Division. This report is requested to include a summary of the Division's current and anticipated workload, including the impact of existing and proposed federal and state program requirements, as well as the associated funding and staffing needs. This report is requested to include information on the upcoming fiscal year and out-years. The Department is requested to submit this report to the Joint Budget Committee by November 1, 2010.
- 50. Department of Public Health and Environment, Water Quality Control Division --** The Department is requested to submit a report on the Water Quality Control Division. This report is requested to include a summary of the Division's current and anticipated workload, including the impact of existing and proposed federal and state program requirements, as well as the associated funding and staffing needs. This report is requested to include information on the upcoming fiscal year and out-years. The Department is requested to submit this report to the Joint Budget Committee by November 1, 2010.
- 51. Department of Public Health and Environment, Hazardous Materials and Waste Management Division, Contaminated Site Cleanups --** The Department is requested to submit a report on its CERCLA program. This report is requested to include detailed expenditures for the program, including out-year estimates by project and associated project financing. The report should also include an analysis of long-term funding needs of the State in responding to, litigating, and cleaning up CERCLA sites, including estimated long-term maintenance costs for these sites. The report should also provide information on the Hazardous Substance Response Fund balance and out-year fiscal estimates. The Department is requested to submit this report to the Joint Budget Committee by November 1, 2010.
- 52. Department of Public Health and Environment, Disease Control and Environmental Epidemiology Division, Special Purpose Disease Control Programs, Ryan White Act --** The Department is requested to report annually to the Joint Budget Committee with regard

to the AIDS drug assistance program. The report should be submitted on or before October 20, 2010. The report should include, but not be limited to: (1) the total and average monthly number of clients served, with a description of the demographic profile of the client population; (2) the total and average monthly costs to provide pharmaceutical products to those clients; (3) a listing of the pharmaceuticals on the formulary, the manufacturer of each product, and the respective average price for a month's supply of each product; and (4) the total amount of available funds, including state General Fund support, federal Title I and Title II support; and any other source as appropriate.

- 53. Department of Public Health and Environment, Prevention Services Division, Prevention Partnerships, Tony Grampsas Youth Services Program, Prevention Services Programs** -- The Department is requested to submit a report to the Joint Budget Committee on the Tony Grampsas Youth Services Program by December 1, 2010. This report should include the following information for Fiscal Year 2009-10: (1) Names of all applicants and the amount requested by each; (2) names of all grantees, amount of each grantee's award, period covered by each grant, the number of years each grantee has previously received grants, the number of persons served under the grant, a brief description of the funded program; (3) the most recently available report evaluating the effectiveness of programs operated by grantees.

DEPARTMENT OF PUBLIC SAFETY

- 54. Department of Public Safety, Colorado State Patrol, IT Asset Maintenance** - The Department is requested to submit to the Joint Budget Committee an annual report beginning on November 1, 2010. Each annual report should detail the progress of the Computer-Aided Dispatch, Records Management System, and Mobile Data Computer hardware and software architecture replacements and upgrades. At a minimum, the reports should include updates to the estimated total 5-year cost of the project on each November 1, any vendors that may have been awarded contracts, the nature and amounts of those contracts, as well as a detailed report of current and future expenditures.
- 55. Department of Public Safety, Totals** -- The Department is requested to submit to the Joint Budget Committee a detailed report on the Department's use of HUTF funds, by division and program, on an annual basis beginning on November 1, 2008. Each annual report should include the amount of HUTF spent and the FTE employed for each program in the prior fiscal year, including detail on Colorado State Patrol FTE performing work for other divisions.

DEPARTMENT OF REGULATORY AGENCIES

- 56. Department of Regulatory Agencies, Division of Registrations, Office of Expedited Settlement Program Costs** -- The Department is requested to submit to the Joint Budget Committee, on or before November 1, 2010, a report detailing the method being used to track the number of legal services hours billed to the Office of Expedited Settlement by the

Department of Law and the number of hours billed to the Office of Expedited Settlement for FY 2009-10 and the current fiscal year broken out by board.

DEPARTMENT OF REVENUE

- 57. Department of Revenue, Executive Director's Office, Taxation Business Group, Taxation and Compliance Division, Taxpayer Service Division, and Tax Conferee --** The Department is requested to provide to the Joint Budget Committee, no later than September 30, 2011, a report detailing the amount of additional General Fund realized during the fiscal year ending on June 30, 2011 from the General Assembly's funding of the Department's decision item to address the "conservation easement backlog".
- 58. Department of Revenue, Information Technology Division, Colorado State Titling and Registration System --** The Department is request to provide, for the fiscal year starting July 1, 2010, quarterly reports to the Joint Budget Committee on the fund balance, revenues, and expenditures in the Colorado State Titling and Registration Account created in Section 42-1-211 (2), C.R.S., a sub-account of the Highway Users Tax Fund. The reports should come as soon as possible after the end of the quarters that end on September 30, 2010, December 31, 2010, March 31, 2011, and June 30, 2011.
- 59. Department of Revenue, Taxation Business Group, Taxation and Compliance Division --** The Department is requested to provide to the Joint Budget Committee, as soon as possible after the end of the fiscal year that ends on June 30, 2011, but no later than September 30, 2011, a report detailing the amount of additional General Fund revenue realized during FY 2010-11 by the General Assembly's funding of the program to allow senior auditors to travel eight weeks each out-of-state to audit companies that are based out-of-state.
- 60. Department of Revenue, Taxation Business Group, Taxation and Compliance Division --** The Department is requested to provide to the Joint Budget Committee, as soon as possible after the end of the fiscal year that ends on June 30, 2011, but no later than September 30, 2011, a report detailing the amount of additional General Fund revenue realized during FY 2010-11 by the General Assembly's funding of an expanded out-of-state tax compliance and enforcement program.
- 61. Department of Revenue, Taxation Business Group, Taxation and Compliance Division --** The Department is requested to provide to the Joint Budget Committee, by September 30, 2011, a report on the effectiveness of 2010 Decision Item # 1 - "Treasury Offset Program". The report should provide the amount of additional revenue gained by the state by the full implementation of the program authorized by the general assembly during the 2010 Legislative session.
- 62. Department of Revenue, Taxation Business Group, Taxation and Compliance Division --** The Department is requested to provide to the Joint Budget Committee, by September 30,

2011, a report on the effectiveness of 2010 Decision Item # 2 - "Delinquency Billings". The report should provide the amount of additional revenue gained by the state by the implementation of the program authorized by the general assembly during the 2010 Legislative session.

- 63. Department of Revenue, Taxation Business Group, Taxation and Compliance Division** -- The Department of Revenue is requested to provide to the Joint Budget Committee, by September 30, 2011 for FY 2010-11, a report on the effectiveness of 2010 Budget Amendment # 5 - "Tax Code Compliance Initiative". The report should provide the amount of additional revenue gained by the state by the implementation of the initiative authorized by the General Assembly during the 2010 Legislative session.
- 64. Department of Revenue, State Lottery Division**-- The Department is requested to submit a report to the Joint Budget Committee, by September 30, 2010, on the employment location of senior management employees of the State Lottery Division, pursuant to Section 24-35-202 (1), C.R.S., which requires the Lottery headquarters to be located in the city of Pueblo. This report should identify each position in senior management of the Division, and where the primary offices of the incumbents in those positions are located.

DEPARTMENT OF STATE

- 65. Department of State, Administration, Personal Services** -- The Department of State is requested to provide to the Joint Budget Committee by November 1, 2010, as part of the Department's annual budget request, a breakdown of how FTE and funds are distributed amongst the sections within the Administration Division.
- 66. Department of State, Administration, Address Confidentiality Program** -- The Department of State is requested to provide to the Joint Budget Committee by November 1, 2010, an annual budget report for the Address Confidentiality Program. The report should reflect monthly expenditures, the number of participants served, and the number of pieces of participants' mail processed monthly.

DEPARTMENT OF TRANSPORTATION

- 67. Department of Transportation, Administration** -- The Department is requested to complete state budget forms for Administration personal services that provide information for each office or section within the Administration line item. This information should be sufficiently detailed to allow for Joint Budget Committee personal services common policy calculations. PERA and Medicare should also be provided by the individual section or office. Additionally, the Department should include subtotals for salary and FTE for each of the offices within the Administration line item information currently supplied.
- 68. Department of Transportation, Administration** -- By August 1, 2010, the Department is requested to provide a report to the Joint Budget Committee regarding the effectiveness of

the expansion of the Office of Organizational Learning and Development in reducing turnover and increasing retention of Department staff.

- 69. Department of Transportation, Administration** -- The Department is requested to submit, with the November 1, 2010 budget request, decision items for any changes made within the Administration program line during either FY 2009-10 or FY 2010-11, that the Department wishes to have recognized during the FY 2011-12 figure setting process.

DEPARTMENT OF TREASURY

- 70. 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.
- 71. Department of the Treasury, Administration** -- The State Treasurer is requested to provide to the Joint Budget Committee, by November 1, 2010, information concerning expenditures related to the Department's bank services contract(s) which are paid through deductions from interest earned on bank account balances. The State Treasurer is requested to include actual expenditures for FY 2009-10 as well as projected expenditures for FY 2010-11. The requested report should be submitted as part of the State Treasurer's annual budget request.
- 72. Department of the Treasury, Administration** -- The State Treasurer is requested to provide to the Joint Budget Committee, by November 1, 2010, information concerning state revenues and expenditures related to the issuance of tax and revenue anticipation notes for school districts pursuant to Section 29-15-112, C.R.S. The State Treasurer is requested to include actual data for FY 2009-10, as well as projected data for FY 2010-11. The requested information should be submitted as part of the State Treasurer's annual budget request.
- 73. Department of the Treasury, Special Purpose, CoverColorado** -- Pursuant to Section 10-8-530 (4) (c) (I), C.R.S., the Executive Director of CoverColorado is required to report annually to the Joint Budget Committee concerning actual program receipts and expenditures. In addition, the Department is requested to work with the Executive Director to provide reports to the Joint Budget Committee by October 1, 2010, and by February 1, 2011, that contain enrollment, revenue, expenditure, and assessment projections for the CoverColorado program for FY 2010-11 and FY 2011-12.
- 74. Department of the Treasury, Special Purpose, Fire and Police Pension Association - Old Hire Plans** -- The Fire and Police Pension Association is requested to submit an annual report of operations and investments for state-supported programs to the Joint Budget Committee by October 1, 2010. This report shall include the following: (1) the amount of additional funding the State is required to transfer to the Association pursuant to Section 31-

30.5-307 (5) (b), C.R.S., assuming such payment is made on April 30, 2012, along with a description of the actuarial assumptions used to calculate this amount; (2) the current estimated unfunded liability for each local plan still eligible to receive state assistance; and (3) the projected remaining funded period for each local plan still eligible to receive state assistance.