

JOINT BUDGET COMMITTEE



SUPPLEMENTAL BUDGET REQUESTS FY 2018-19

OFFICE OF THE GOVERNOR

JBC WORKING DOCUMENT - SUBJECT TO CHANGE
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

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OFFICE OF THE GOVERNOR

DEPARTMENT OVERVIEW

This Joint Budget Committee staff supplemental recommendations document includes the following offices and agencies within the Office of the Governor:

- The **Office of the Governor (division)** oversees operation of the executive branch of state government including coordination, direction, and planning of agency operations. The Office represents the state, and serves as a liaison with local and federal governments. Includes the core functions of a traditional executive director's office and the Colorado Energy Office.
- The **Office of the Lieutenant Governor** directly oversees the Colorado Commission of Indian Affairs, Commission on Community Service, and other initiatives. The Lieutenant Governor temporarily takes the Governor's place if the Governor is out of Colorado or is unable to perform his/her duties.
- The **Office of State Planning and Budgeting (OSPB)** develops executive branch budget requests, reviews and analyzes departmental expenditures, and prepares quarterly revenue and economic estimates for the state. Additionally, the Office implements the Results First initiative, a cost benefit analysis model initially developed by the Washington State Institute for Public Policy, and now supported by the Pew Charitable Trusts and the MacArthur Foundation, that aims to determine the monetary value of state policies and programs.
- The **Office of Economic Development and International Trade (OEDIT)** assists in strengthening Colorado's prospects for long-term economic growth by providing broad-based support to businesses. The Office's support services include business funding and incentives, promotion of creative industries, international trade assistance, tourism promotion, minority business assistance, key industry promotion (including advanced industries, aerospace, and health and wellness), and film, television, and media industry development.
- The **Governor's Office of Information Technology (OIT)** is responsible for the operation and delivery of all information and communications technology services across state executive branch agencies. The Office is tasked with providing information technology services, as well as promoting Colorado as the ideal location for information technology companies and technology-based workers.

SUMMARY: FY 2018-19 APPROPRIATION AND RECOMMENDATION

OFFICE OF THE GOVERNOR: RECOMMENDED CHANGES FOR FY 2018-19						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2018-19 APPROPRIATION						
HB 18-1322 (Long Bill)	\$346,224,463	\$39,708,812	\$47,171,431	\$252,576,945	\$6,767,275	1,100.5
Other legislation	5,794,834	2,631,188	718,412	2,445,234	0	1.0
CURRENT FY 2018-19 APPROPRIATION:	\$352,019,297	\$42,340,000	\$47,889,843	\$255,022,179	\$6,767,275	1,101.5
RECOMMENDED CHANGES						
Current FY 2018-19 Appropriation	\$352,019,297	\$42,340,000	\$47,889,843	\$255,022,179	\$6,767,275	1,101.5
PRIORITIZED SUPPLEMENTAL REQUESTS						
S1 CBMS PEAK	1,309,206	0	0	1,309,206	0	0.0
STAFF-INITIATED SUPPLEMENTAL REQUESTS						
Salary adjustments for the Governor and Lieutenant Governor	29,027	29,027	0	0	0	0.0
NON-PRIORITIZED SUPPLEMENTAL REQUESTS						
NP Stabilizing the Automated Child Support Enforcement System (CDHS S3)*	538,623	0	0	538,623	0	0.0
NP Medicaid enterprise operations (HCPF S9)*	3,300	0	0	3,300	0	0.0
1331 CBMS PEAK	0	0	0	0	0	0.0
STATEWIDE COMMON POLICY SUPPLEMENTAL REQUESTS						
NP Annual fleet vehicle supplemental true-up (DPA S2)*	(5,476)	(4,065)	0	(1,411)	0	0.0
RECOMMENDED FY 2018-19 APPROPRIATION:	\$353,893,977	\$42,364,962	\$47,889,843	\$256,871,897	\$6,767,275	1,101.5
RECOMMENDED INCREASE/(DECREASE)	\$1,874,680	\$24,962	\$0	\$1,849,718	\$0	0.0
Percentage Change	0.5%	0.1%	0.0%	0.7%	0.0%	0.0%
FY 2018-19 EXECUTIVE REQUEST						
Request Above/(Below) Recommendation	(\$29,027)	(\$29,027)	\$0	\$0	\$0	0.0

*Represents the requested appropriation change and not the staff recommendation. These request items will be addressed in future staff supplemental recommendations presentations for the Departments of Health Care Policy and Financing, Human Services, and Personnel.

REQUEST/RECOMMENDATION DESCRIPTIONS

PRIORITIZED SUPPLEMENTAL REQUESTS

S1 CBMS PEAK: The Governor's Office of Information Technology, in conjunction with the Departments of Health Care Policy and Financing and Human Services, requests a series of technical changes to appropriations supporting the Colorado Benefits Management System (CBMS) and the Program Eligibility and Application Kit (PEAK). The changes result in a decrease of \$188,282 total funds, including a decrease of \$77,607 General Fund. Additionally, the request includes an increase of \$1,309,206 reappropriated funds for the Governor's Office of Information Technology to provide spending authority to support the Department of Health Care Policy and Financing that was erroneously omitted from the FY 2018-19 Long Bill. Staff recommends that the Committee approve this request.

STAFF-INITIATED SUPPLEMENTAL REQUESTS

SALARY ADJUSTMENTS FOR THE GOVERNOR AND LIEUTENANT GOVERNOR: Staff recommends an increase of \$29,027 General Fund to cover the statutorily-mandated increases to the salaries for the Governor and Lieutenant Governor. Pursuant to Section 24-9-101, C.R.S., the salaries paid to statewide elected officials are adjusted for the term commencing on the second Tuesday in January 2019. The amount of the adjustments are based on the salaries paid to certain judicial officers. The Governor's salary beginning on January 8, 2019 is equal to 66.0 percent of the annual salary paid to the Chief Justice of the State Supreme Court on January 10, 2019. This results an increase from \$90,000 to \$123,193 (½ fiscal year impact of \$16,597 for FY 2018-19). The Lieutenant Governor's salary beginning on January 8, 2019 is equal to 58.0 percent of the annual salary paid to judges of the county court in Class B counties on January 10, 2019. This results an increase from \$68,500 to \$93,360 (½ fiscal year impact of \$12,430 for FY 2018-19). The sum of the two ½ year adjustments for FY 2018-19 for the Governor and Lieutenant Governor is \$29,027.

NON-PRIORITIZED SUPPLEMENTAL REQUESTS

NP STABILIZING THE AUTOMATED CHILD SUPPORT ENFORCEMENT SYSTEM (CDHS S3): The request includes an increase of \$538,623 reappropriated funds transferred from the Department of Human Services to the Governor's Office of Information Technology to improve server performance supporting the Automated Child Support Enforcement System. Staff's recommendation is pending. This request item will be addressed in a separate staff supplemental recommendations presentation for the Department of Human Services on January 23rd. Staff will incorporate the Committee's action on January 23rd into the supplemental bill for the Office of the Governor. Note, the dollar amount in the summary table represents the requested appropriation change.

NP MEDICAID ENTERPRISE OPERATIONS (HCPF S9): The request includes an increase of \$3,300 reappropriated funds transferred from the Department of Health Care Policy and Financing to the Governor's Office of Information Technology to license time-keeping tools for staff working on the care and case management system. Staff's recommendation is pending. This request item will be addressed in a separate staff supplemental recommendations presentation for the Department of Health Care Policy and Financing on January 17th. Staff will incorporate the Committee's action on January 17th into the supplemental bill for the Office of the Governor. Note, the dollar amount in the summary table represents the requested appropriation change.

1331 CBMS PEAK: The Joint Budget Committee previously approved an emergency supplemental request at its September 20th meeting to adjust appropriations supporting the Colorado Benefits Management System (CBMS) and the Program Eligibility and Application Kit (PEAK) based on the implementation of a new cost allocation model on July 1, 2018 for sharing the expenses of operating and maintaining CBMS and PEAK. The emergency supplemental results in a total funds net zero adjustment for FY 2018-19, including a decrease of \$11,751,089 General Fund, across the Departments of Health Care Policy and Financing, Human Services, and Public Health and Environment. These adjustments will be included in the supplemental bills for each of these departments. Note, while this emergency supplemental request was submitted by the Governor's Office of Information Technology, it does not include any adjustments to the appropriations funding the Office's support of CBMS and PEAK.

STATEWIDE COMMON POLICY SUPPLEMENTAL REQUESTS

NP ANNUAL FLEET VEHICLE SUPPLEMENTAL TRUE-UP (DPA S2): The request includes a decrease of \$5,476 total funds, including a decrease of \$4,065 General Fund, for an adjustment to the Office's share of expenses related to leasing fleet vehicles through the Department of Personnel. Staff's recommendation is pending. This request item will be addressed in a separate staff supplemental recommendations presentation for the Department of Personnel on January 22nd. Staff will incorporate the Committee's action on January 22nd into the supplemental bill for the Office of the Governor. Note, the dollar amount in the summary table represents the requested appropriation change.

PRIORITIZED SUPPLEMENTAL REQUESTS

S1 CBMS PEAK

	REQUEST	RECOMMENDATION
TOTAL	\$1,120,924	\$1,120,924
FTE	0.0	0.0
General Fund (CDHS/HCPF)	(77,607)	(77,607)
Cash Funds (CDHS/HCPF)	(14,839)	(14,839)
Reappropriated Funds (OIT/HCPF)	1,309,198	1,309,198
Federal Funds (CDHS/HCPF)	(95,828)	(95,828)

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? **YES**

[An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

Explanation: JBC staff and the Department agree that this request is the result of a technical error in calculating the original appropriation.

DEPARTMENT REQUEST: The Governor's Office of Information Technology, in conjunction with the Departments of Health Care Policy and Financing and Human Services, requests a series of technical changes to appropriations supporting the Colorado Benefits Management System (CBMS) and the Program Eligibility and Application Kit (PEAK). The changes result in a decrease of \$188,282 total funds, including a decrease of \$77,607 General Fund. Additionally, the request includes an increase of \$1,309,206 reappropriated funds for the Governor's Office of Information Technology to provide spending authority to support the Department of Health Care Policy and Financing that was erroneously omitted from the FY 2018-19 Long Bill.

STAFF RECOMMENDATION: Staff recommends that the Committee approve the request.

STAFF ANALYSIS: CBMS and PEAK are the two components of a computer system used to determine a citizen's eligibility for public assistance programs like Medicaid, the Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), Old Age Pension (OAP), and many others. Funding for the system is annually appropriated to the Department of Health Care Policy and Financing (HCPF) and the Department of Human Services (CDHS). Appropriations are subsequently transferred to the Governor's Office of Information Technology (OIT) to pay for the employees and operating expenses supporting CBMS.

The FY 2018-19 Long Bill appropriation for HCPF, CDHS, and OIT requires a variety of small technical changes to update funding responsibility based on updated usage statistics and to correct errors included in the original appropriation. The Department requests, and staff recommends, an increase of \$1,120,924 total funds across the three agencies, including a decrease of \$77,607 General Fund to make these corrections. The following table summarizes the changes.

S1 CBMS PEAK REQUEST/RECOMMENDATION TOTAL FUNDS ADJUSTMENTS				
TECHNICAL CHANGE	HCPF	CDHS	OIT	TOTAL
Annualization correction	(\$172,970)	(\$44,846)	\$0	(\$217,816)
Salary survey calculation correction	23,454	6,080	0	29,534

S1 CBMS PEAK REQUEST/RECOMMENDATION TOTAL FUNDS ADJUSTMENTS				
TECHNICAL CHANGE	HCPF	CDHS	OIT	TOTAL
Spending authority true-up	0	0	1,309,206	1,309,206
Total	(\$149,516)	(\$38,766)	\$1,309,206	\$1,120,924

STAFF-INITIATED SUPPLEMENTAL REQUESTS

SALARY ADJUSTMENTS FOR THE GOVERNOR AND LIEUTENANT GOVERNOR

	REQUEST	RECOMMENDATION
TOTAL	\$0	\$29,027
FTE	0.0	0.0
General Fund	0	29,027
Cash Funds	0	0
Reappropriated Funds	0	0
Federal Funds	0	0

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? YES

[An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]

Explanation: JBC staff indicates that this recommendation comes as the result of data that was not available when the original appropriation was made.

DEPARTMENT REQUEST: The Office did not request this adjustment. However, the Office is aware of staff's recommendation and supports the recommendation.

STAFF RECOMMENDATION: Staff recommends an increase of \$29,027 General Fund to cover statutorily-mandated increases to salaries for the Governor and Lieutenant Governor.

STAFF ANALYSIS: Historically, the salaries for the Governor and Lieutenant Governor were set in statute at \$90,000 and \$68,500, respectively. Senate Bill 15-288 (Compensation Of State & County Public Officials) changed the salaries for several public officials, including the Governor and Lieutenant Governor, to align them with the salaries paid to certain judicial branch officials. The legislation included provisions stating that the new salary amount must be adjusted every four years to maintain the alignment and that the first adjustments must take effect for terms beginning in January 2019.

The Governor's salary beginning on January 8, 2019 is equal to 66.0 percent of the annual salary paid to the Chief Justice of the State Supreme Court on January 10, 2019. This results an increase from \$90,000 to \$123,193 (½ fiscal year impact of \$16,597 for FY 2018-19). The Lieutenant Governor's salary beginning on January 8, 2019 is equal to 58.0 percent of the annual salary paid to judges of the county court in Class B counties on January 10, 2019. This results in an increase from \$68,500 to \$93,360 (½ fiscal year impact of \$12,430 for FY 2018-19). The sum of the two ½ year adjustments for FY 2018-19 for the Governor and Lieutenant Governor is \$29,027.

These adjustments were not included in the FY 2018-19 Long Bill for the Governor or Lieutenant Governor. Staff recommends a supplemental increase of \$29,027 General Fund to cover the statutorily-mandated increases to the salaries for the Governor and Lieutenant Governor for FY 2018-19.

NON-PRIORITIZED SUPPLEMENTAL REQUESTS

NP STABILIZING THE AUTOMATED CHILD SUPPORT ENFORCEMENT SYSTEM (CDHS S3)

	REQUEST	RECOMMENDATION
TOTAL	\$538,623	PENDING
FTE	0.0	
General Fund	0	
Cash Funds	0	
Reappropriated Funds	538,623	
Federal Funds	0	

DEPARTMENT REQUEST: The request includes an increase of \$538,623 reappropriated funds transferred from the Department of Human Services to the Governor’s Office of Information Technology to improve server performance supporting the Automated Child Support Enforcement System.

STAFF RECOMMENDATION: Staff’s recommendation is pending. This request item will be addressed in a separate staff supplemental recommendations presentation for the Department of Human Services on January 23rd. Staff will incorporate the Committee’s action on January 23rd into the supplemental bill for the Office of the Governor.

NP MEDICAID ENTERPRISE OPERATIONS (HCPF S9)

	REQUEST	RECOMMENDATION
TOTAL	\$3,300	PENDING
FTE	0.0	
General Fund	0	
Cash Funds	0	
Reappropriated Funds	3,300	
Federal Funds	0	

DEPARTMENT REQUEST: The request includes an increase of \$3,300 reappropriated funds transferred from the Department of Health Care Policy and Financing to the Governor’s Office of Information Technology to license time-keeping tools for staff working on the care and case management system.

STAFF RECOMMENDATION: Staff’s recommendation is pending. This request item will be addressed in a separate staff supplemental recommendations presentation for the Department of Health Care Policy and Financing on January 17th. Staff will incorporate the Committee’s action on January 17th into the supplemental bill for the Office of the Governor.

PREVIOUSLY APPROVED INTERIM SUPPLEMENTAL REQUEST
1331 CBMS PEAK

	REQUEST	PREVIOUSLY APPROVED
TOTAL	\$0	\$0
FTE	0.0	0.0
General Fund (HCPF/CDHS/CDPHE)	(11,751,089)	(11,751,089)
Cash Funds (HCPF/CDHS)	1,520,228	1,520,228
Reappropriated Funds (HCPF)	(95,168)	(95,168)
Federal Funds (HCPF/CDHS)	10,326,029	10,326,029

DEPARTMENT REQUEST: Through a September 2018 emergency supplemental request, the Governor’s Office of Information Technology, in conjunction with the Departments of Health Care Policy and Financing, Human Services, and Public Health and Environment requested an adjustment to appropriations supporting the Colorado Benefits Management System (CBMS) and the Program Eligibility and Application Kit (PEAK) based on the implementation of a new cost allocation model on July 1, 2018 for sharing the expenses of operating and maintaining CBMS and PEAK. The request sought a total funds net zero adjustment, including a decrease of \$11,751,089 General Fund, across the three departments.

COMMITTEE ACTION: The Joint Budget Committee approved this emergency supplemental request at its September 20th meeting. Staff will incorporate this action into the supplemental bills for the Departments of Health Care Policy and Financing, Human Services, and Public Health and Environment.

STATEWIDE COMMON POLICY SUPPLEMENTAL REQUESTS

This request is not prioritized and is not analyzed in this packet. The JBC will act on this item later when it makes decisions regarding common policies.

DEPARTMENT'S PORTION OF STATEWIDE SUPPLEMENTAL REQUEST	TOTAL	GENERAL FUND	CASH FUNDS	REAPPROP. FUNDS	FEDERAL FUNDS	FTE
NP Annual fleet vehicle supplemental true-up (DPA S2)	(\$5,476)	(\$4,065)	\$0	(\$1,411)	\$0	0.0

STAFF RECOMMENDATION: The staff recommendation for this request is pending Committee action on common policy supplementals. Staff asks permission to include the corresponding appropriations in the Office's supplemental bill when the Committee acts on common policy supplementals. If staff believes there is reason to deviate from the common policy, staff will appear before the Committee at a later date to present the relevant analysis.

*JBC Staff Supplemental Recommendations - FY 2018-19
Staff Working Document - Does Not Represent Committee Decision*

Appendix A: Numbers Pages

	FY 2017-18 Actual	FY 2018-19 Appropriation	FY 2018-19 Requested Change	FY 2018-19 Rec'd Change	FY 2018-19 Total w/Rec'd Change
GOVERNOR - LIEUTENANT GOVERNOR - STATE PLANNING AND BUDGETING					
Jared Polis, Governor					
S1 CBMS PEAK					
(5) OFFICE OF INFORMATION TECHNOLOGY					
(E) Applications					
Colorado Benefits Management System	<u>71,959,928</u>	<u>61,868,613</u>	<u>1,309,206</u>	<u>1,309,206</u>	<u>63,177,819</u>
FTE	41.6	49.5	0.0	0.0	49.5
Reappropriated Funds	71,959,928	61,868,613	1,309,206	1,309,206	63,177,819
Total for S1 CBMS PEAK	71,959,928	61,868,613	1,309,206	1,309,206	63,177,819
FTE	<u>41.6</u>	<u>49.5</u>	<u>0.0</u>	<u>0.0</u>	<u>49.5</u>
Reappropriated Funds	71,959,928	61,868,613	1,309,206	1,309,206	63,177,819

JBC Staff Supplemental Recommendations - FY 2018-19
Staff Working Document - Does Not Represent Committee Decision

	FY 2017-18 Actual	FY 2018-19 Appropriation	FY 2018-19 Requested Change	FY 2018-19 Rec'd Change	FY 2018-19 Total w/Rec'd Change
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Staff-initiated supplemental - Salary adjustments for Governor and Lieutenant Governor

(1) OFFICE OF THE GOVERNOR

(A) Governor's Office

Administration of Governor's Office and Residence	<u>2,458,512</u>	<u>3,568,478</u>	<u>0</u>	<u>16,597</u>	<u>3,585,075</u>
FTE	32.4	32.4	0.0	0.0	32.4
General Fund	2,361,136	3,024,625	0	16,597	3,041,222
Cash Funds	97,376	102,849	0	0	102,849
Reappropriated Funds	0	441,004	0	0	441,004

(2) OFFICE OF THE LIEUTENANT GOVERNOR

Administration	<u>348,605</u>	<u>371,443</u>	<u>0</u>	<u>12,430</u>	<u>383,873</u>
FTE	2.7	2.7	0.0	0.0	2.7
General Fund	348,605	371,443	0	12,430	383,873

Total for Staff-initiated supplemental - Salary adjustments for Governor and Lieutenant Governor	2,807,117	3,939,921	0	29,027	3,968,948
FTE	<u>35.1</u>	<u>35.1</u>	<u>0.0</u>	<u>0.0</u>	<u>35.1</u>
General Fund	2,709,741	3,396,068	0	29,027	3,425,095
Cash Funds	97,376	102,849	0	0	102,849
Reappropriated Funds	0	441,004	0	0	441,004

JBC Staff Supplemental Recommendations - FY 2018-19
Staff Working Document - Does Not Represent Committee Decision

	FY 2017-18 Actual	FY 2018-19 Appropriation	FY 2018-19 Requested Change	FY 2018-19 Rec'd Change	FY 2018-19 Total w/Rec'd Change
Totals Excluding Pending Items					
GOVERNOR					
TOTALS for ALL Departmental line items	307,367,922	352,019,297	1,309,206	1,338,233	353,357,530
<i>FTE</i>	<u>991.2</u>	<u>1,101.5</u>	<u>0.0</u>	<u>0.0</u>	<u>1,101.5</u>
General Fund	34,097,763	42,340,000	0	29,027	42,369,027
Cash Funds	37,553,653	47,889,843	0	0	47,889,843
Reappropriated Funds	225,916,302	255,022,179	1,309,206	1,309,206	256,331,385
Federal Funds	9,800,204	6,767,275	0	0	6,767,275