

STATE OF COLORADO JOINT BUDGET COMMITTEE



Fiscal Year 2002-03 APPROPRIATIONS REPORT

Representative Brad Young, Chairman

Senator Peggy Reeves, Vice-Chairman

Representative Gayle Berry

Senator Penfield Tate

Representative Todd Saliman

Senator Dave Owen

JOINT BUDGET COMMITTEE STAFF
200 EAST 14TH AVENUE, THIRD FLOOR
DENVER, COLORADO 80203
(303) 866-2061

Kenneth Conahan Staff Director
Alexis Senger Chief Legislative Analyst
Carolyn Kampman Principal Legislative Analyst
John Ziegler Principal Legislative Analyst
Amanda Bickel Principal Legislative Analyst
Eric Kurtz Principal Legislative Analyst
Bill Levine Principal Legislative Analyst
Wendi Mahoney Principal Legislative Analyst
Karl Spiecker Principal Legislative Analyst
Paul Doyle Senior Legislative Analyst
Joscelyn Gay Senior Legislative Analyst
Mark Valentine Senior Legislative Analyst
Justin Lippard Legislative Analyst
Eric Myers Legislative Analyst
Stephanie Walsh Legislative Analyst
Sarietha Ormsby Administrative Assistant II
Michelle More Administrative Assistant

FISCAL YEAR 2002-03 APPROPRIATIONS REPORT

TABLE OF CONTENTS

INTRODUCTION	1
PART I: OVERVIEW OF REVENUES AND EXPENDITURES	
A. General Fund Overview	3
B. Article X, Section 20 (TABOR) Overview	10
C. Overview Charts:	
Sources of General Fund Revenue for FY 2002-03	11
Ten-Year History of Appropriations by Funding Source	12
Comparison of FY 1992-93 and FY 2002-03 Appropriations by Program:	
Total Funds	13
General Fund	14
PART II: SUMMARY TABLES	
A. Appropriations for FY 2002-03 by Department and Fund Source	15
B. Four-Year Summary of Expenditures/Appropriations:	
Total Funds	16
General Fund	17
Cash Funds	18
Cash Funds Exempt	19
Federal Funds	20
FTE	21
PART III: EXPENDITURE/APPROPRIATION DETAIL BY DEPARTMENT	
Agriculture	22
Corrections	36
Education	59
Governor-Lt. Governor-State Planning and Budgeting	88

TABLE OF CONTENTS (CONTINUED)

PART III: EXPENDITURE/APPROPRIATION DETAIL BY DEPARTMENT (CONTINUED)

Health Care Policy and Financing 99
Higher Education 126
Human Services 146
Judicial Branch 205
Labor and Employment 228
Law 242
Legislative Branch 259
Local Affairs 269
Military and Veterans Affairs 282
Natural Resources 292
Personnel 320
Public Health and Environment 336
Public Safety 366
Regulatory Agencies 383
Revenue 401
State 420
Transportation 432
Treasury 444
Capital Construction 455

APPENDICES

A. Glossary of Terms 474
B. Common Policies 475
C. Summary of 2002 Legislative Session Supplemental Appropriations 481
D. Summary of FY 2002-03 Appropriations from the State Education Fund 487

INDEX 488

INTRODUCTION

The purpose of this report is to assist members of the General Assembly, state personnel, and other interested parties in understanding state funding decisions made during the 2002 Regular Session. This report provides an overview of state general tax revenues and expenditures, comparative and historical information regarding appropriations made during the 2002 Regular Session, and a detailed explanation of major funding changes for each state department. The FY 2002-03 Appropriations Report includes the following five sections:

PART I: OVERVIEW OF REVENUES AND EXPENDITURES

This section of the report includes: (A) an overview of state General Fund revenues and expenditures, including a summary of actions taken by the General Assembly to balance the FY 2001-02 budget in light of the economic downturn and a discussion of related statutory requirements and limitations; (B) a discussion of constitutional revenue and spending limits; and (C) a series of charts identifying the sources of General Fund revenue and comparing the distribution of expenditures by program and fund source over a ten year period.

PART II: SUMMARY TABLES

This section consists of a series of tables that summarize FY 2002-03 appropriations and FTE authorizations by department and funding source. Tables in subsection B provide comparable data for the previous three fiscal years.

PART III: EXPENDITURE/APPROPRIATION DETAIL BY DEPARTMENT

This section contains detailed information regarding funding for the operations of each state department and for capital construction projects. The subsection for each department summarizes funding and FTE authorizations by division for FY 2002-03 and for the previous fiscal year. Narrative sections describe major changes in funding from FY 2001-02 to FY 2002-03. This section includes brief summaries of bills adopted in the 2001 Regular, 2001 Special and 2002 Regular Sessions that contain an appropriation or implement a major policy change.

The format reflects appropriations *by bill* for each department and for each departmental division for FY 2001-02 and FY 2002-03. The narrative describes factors driving departmental budgets, fund sources for each division, and division activities.

The footnotes to the 2003 Long Bill (H.B. 02-1420) can be found at the end of each departmental section in the 2002 Session Laws, or they can be accessed via the internet at the following address: <http://www.leg.state.co.us/2002a/inetcbill.nsf/lbcontainer/hb02-1420>.

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

http://www.state.co.us/gov_dir/leg_dir/jbc/jbcstaffdocs.htm. Note that, unlike information included in this appropriations report, these documents reflect staff recommendations rather than final funding decisions made by the General Assembly.

APPENDICES

This section includes: (A) a glossary of terms used in this report; (B) descriptions of the general policies which are applied to determine funding for operations of state departments; (C) tables summarizing supplemental appropriations made during the 2001 Second Special Session and 2002 Regular Session, including adjustments to appropriations for FY 1998-99, FY 1999-00, FY 2000-01 and FY 2001-02; (D) a table summarizing appropriations from the State Education Fund; and (E) a table summarizing appropriations from the Highway Users Tax Fund.

INDEX

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

PART I: OVERVIEW OF REVENUES AND EXPENDITURES

A. GENERAL FUND OVERVIEW

This section provides an overview of General Fund revenues and expenditures based on Legislative Council's March 2002 revenue estimate even though the revenue outlook continued to change after March 2002 due to the economic downturn. Since the Legislative Council March 2002 revenue estimate was used to prepare the FY 2002-03 budget, it is used as the basis for this overview. A summary of actions taken by the General Assembly to balance the state budget in FY 2001-02 is also provided. Table 1 provides an overview of General Fund revenues, spending obligations, and ending reserves for both FY 2001-02 and FY 2002-03. Table 2 provides an overview of the statutory General Fund appropriations limit for FY 2002-03. Narrative explanations follow each table.

Summary of Actions Taken to Balance the FY 2001-02 Budget:

The September 2001 Legislative Council revenue estimate indicated that General Fund revenues for FY 2001-02 would be roughly \$310 million short of previous estimates. This meant that none of the S.B. 97-1 transfer for this year should take place and there would still be a shortfall of about \$102 million. During the Fall 2001 Special Session, the General Assembly made reductions in the Capital Construction appropriations of \$219.3 million and reductions of \$173 million in the S.B. 97-1 transfer for FY 2001-02. This was roughly \$82 million more than the projected shortfall, but was done to provide a "cushion" in anticipation that revenues would decline further.

Based on Legislative Council's December 2001 revenue estimate, the General Fund revenue shortfall for FY 2001-02 was projected to be an additional \$155.1 million over the September 2001 estimate. The General Assembly took the following actions on the FY 2001-02 budget early in the 2002 Regular Session: (1) passed H.B. 02-1389 and H.B. 02-1390 eliminating the Capital Construction, S.B. 97-1 and Older Coloradans transfers and made appropriations of \$121.4 million subject to the General Fund limit for these purposes; (2) passed H.B. 02-1366 through H.B. 02-1388 enacting supplemental appropriations and other bills totaling a net General Fund reduction of \$120.7 million; (3) passed H.B. 02-1393 in order to make a change to the General Fund maintenance of effort for K-12 from 5.8 percent to 5.0 percent; (4) passed H.B. 02-1391 and H.B. 02-1392 to authorize transfers from other funds to the General Fund totaling \$147.3 million; (5) authorized through the supplemental appropriations bills other revenue enhancements of \$15.3 million, including a Medicaid refinancing allowing participating public hospitals to pay \$11.2 million to the State and reducing an appropriation from gaming impact funds for highway construction projects in Gaming communities so that \$4.1 million will be deposited into the General Fund for FY 2001-02; (6) passed H.B. 02-1445 allowing the Governor to transfer from certain funds to the General Fund at year's end and for next fiscal year to ensure the statutory reserve is maintained at two percent; and (7) passed H.B. 02-1394 to change the designation of the FY 2001-02 TABOR Emergency Reserve.

Based on Legislative Council's March 2002 revenue estimate, the General Fund revenue shortfall for FY 2001-02 was projected to be an additional \$232.1 million over the December 2001 estimate. The General Assembly took the following actions on the FY 2001-02 budget late in the 2002 Regular

Session: (1) passed supplemental appropriation bills (H.B. 02-1421 through H.B. 02-1438) totaling a net negative General Fund reduction of \$16.9 million; (2) passed H.B. 02-1443 which transferred \$53.6 million from the Capital Construction Fund to the General Fund to reflect the reduction in capital construction projects from prior years with less than 25 percent of the appropriation expended; (3) passed H.B. 02-1444 which transferred an additional \$3.4 million from other cash funds to the General Fund; and (4) passed H.B. 02-1478 authorizing expenditure of the entire statutory reserve in FY 2001-02 and also allowing the Governor to transfer from the Major Medical Insurance Fund to the General Fund at year's end and for next fiscal year to ensure the statutory reserve is maintained at two percent.

Table 1 General Fund Overview (In Millions)		
Description	FY 2001-02	FY 2002-03
<u>General Fund Available</u>		
Beginning General Fund Reserve	\$474.7	\$69.2
Gross General Fund Revenues	5,863.9	6,375.4
Transfer to Older Colorado Fund	(3.0)	(2.0)
Transfer from Controlled Maintenance Trust Fund	243.9	0.0
Transfer from Other Funds	<u>204.3</u>	<u>0.0</u>
Total General Fund Available	\$6,783.8	\$6,442.6
<u>General Fund Obligations</u>		
Capital Construction Transfer	\$0.0	\$10.6
Rebates and Expenditures	134.4	136.6
Controlled Maintenance Trust Fund Transfer	0.0	0.0
Excess Article X, Section 20 Revenues	927.2	0.0
Reimbursement for Senior Property Tax Cut	0.0	62.3
General Fund Appropriations	<u>5,653.0</u>	<u>5,950.4</u>
Total General Fund Obligations	\$6,714.6	\$6,159.9
Ending General Fund Reserve (Available Funds Less Obligations)	\$69.2	\$282.7
<u>General Fund Reserve Information</u>		
Statutorily Required General Fund Reserve	\$0.0	\$238.0
General Fund Reserve in Excess of Statutory Requirement	\$69.2	\$44.7

Beginning General Fund Reserve

These figures represent the projected total balance in the General Fund reserve at the start of the fiscal year, based on the assumptions used for revenues and obligations. The beginning General Fund reserve is the same as the prior year's ending General Fund reserve. Section 24-75-201.1 (1)(d)(III), C.R.S., requires a reserve of at least four percent of General Fund appropriations and Section 24-75-201.5, C.R.S., requires the Governor to take action to reduce state spending during the year if the estimates

indicate the reserve would fall below two percent. Due to the revenue shortfall, H.B. 02-1478 changed the reserve requirement for FY 2001-02 so that no reserve was required by the end of the fiscal year.

Gross General Fund Revenues

These figures represent estimates of the total General Fund revenues as reflected in Legislative Council's March 2002 revenue estimate. It should be noted that the revenue outlook continued to change after March 2002 due to the economic downturn. The major components of the State's General Fund revenues are sales and use, individual and corporate income, insurance, and cigarette taxes. General Fund revenues must be applied to statutory obligations before the General Assembly can appropriate the remaining General Fund. These obligations include rebates and expenditures and the capital construction transfer, described below.

S.B. 97-1 Transfer to Highway Fund

Senate Bill 97-1 allows 10.355 percent of the total sales tax revenue to be transferred to the State Highway Fund for transportation projects as long as there is enough revenue in the General Fund to fund a six percent increase in General Fund appropriations and the four percent statutory reserve. Due to the economic downturn, there was only a \$35.2 million transfer in FY 2001-02. This transfer was later made an appropriation subject to the six percent limit in H.B. 02-1389. Based on the Legislative Council March 2002 revenue estimate, there is not sufficient General Fund revenue for a transfer to occur in FY 2002-03.

Capital Construction Transfer

Section 24-75-302 (2), C.R.S., provides for automatic transfers of General Fund to the Capital Construction Fund through FY 2005-06. These transfers are exempt from the calculation of the statutory General Fund spending limit. The General Assembly can, and has, changed the amount of the annual transfer when necessary. Due to the economic downturn, the General Assembly reduced capital construction appropriations during the Fall 2001 Second Special Session by \$219.3 million. H.B. 02-1389 changed the transfer to the Capital Construction Fund by \$83.2 million and instead appropriated this amount subject to the six percent limit for capital construction projects in the final phase.

Rebates and Expenditures

These statutory obligations include Old Age Pensions, cigarette tax rebates to local governments, Fire and Police Pension Payments for local governments, and Elderly Property Tax and Heating Credits. The estimates of these statutory obligations are exempt from the calculation of the statutory General Fund spending limit.

Controlled Maintenance Trust Fund Transfer

Senate Bill 93-7 authorized the Capital Development Committee to recommend to the Joint Budget Committee an amount of prior year excess revenues to be transferred to the Controlled Maintenance

Trust Fund. Each January, the Capital Development Committee may recommend that half of the excess revenues in the prior year (up to \$50 million) be transferred to the Controlled Maintenance Trust Fund. This recommendation, in the form of a resolution, is voted on by the General Assembly. The original intent was to build a \$300 million trust fund so that the interest income would be used to fund controlled maintenance projects for state buildings. House Bill 95-1359 made a number of changes to the Controlled Maintenance Trust Fund. First, the principal of the Controlled Maintenance Trust Fund may now constitute all or some portion of the state's emergency reserve. Second, the recommendation on the transfer amount now takes place after passage of the Long Bill. Third, on June 30, 1996, \$176 million General Fund was transferred to the Controlled Maintenance Trust Fund. Finally, interest income may now be appropriated for controlled maintenance projects. During the 2001 Session, in order to ensure that the S.B. 97-1 transfer of General Fund to the Highway Fund would occur, H.B. 01-1267 authorized the transfer of \$243.9 million in the Controlled Maintenance Trust Fund to the General Fund on July 1, 2001. The legislation also required that \$276.4 million be repaid to the Controlled Maintenance Trust Fund from the General Fund on July 1, 2002. Due to the revenue shortfall, H.B. 02-1466 changed the repayment to two equal amounts of \$138.2 million on July 1, 2003 and July 1, 2004.

Excess Article X, Section 20 Revenues

Article X, Section 20 (TABOR) of the Colorado Constitution places restrictions on the amount of total General Fund and cash funds that can be collected and, consequently, spent by the State. Based on the Legislative Council's March 2002 revenue estimate, the State will not meet the allowable amount of total General Fund and cash funds that can be retained by the State. Therefore, there will be no excess FY 2001-02 revenues that will need to be refunded in FY 2002-03.

Reimbursement for Senior Property Tax Cut

In the 2000 General Election, Colorado voters approved a constitutional amendment that reduces property taxes for qualifying senior citizens. The property tax reduction is available to senior citizens 65 years of age or older. Qualifying seniors must also have owned and lived in their homes for a least ten years. The first year the exemption is available is 2002 and the amount of the reduction depends on the value of the home. The exemption first applies to property taxes due on the 2002 value of a home, but generally those taxes are paid in 2003. The cost of the exemption will be borne by the state, rather than by local governments or other property owners. Beginning in 2003, the State Treasurer is required to reimburse local governments by April 15, for the total, annual amount of property tax revenues lost as a result of the exemption.

General Fund Appropriations

These figures represent the total appropriations made in the Long Bill and in any separate bills. This amount does not include funds appropriated for Rebates and Expenditures which are described above and are exempt from the calculation of the statutory General Fund spending limit.

Ending General Fund Reserve

This figure represents the amount of General Fund in reserve after the transfers and other obligations described above have occurred. The ending General Fund reserve for one fiscal year becomes the beginning General Fund reserve for the next. Due to the economic downturn, H.B. 02-1478 changed the reserve requirement for FY 2001-02 so that no reserve was required by the end of the fiscal year.

Statutorily Required General Fund Reserve

Section 24-75-201.1 (1)(d)(III), C.R.S., requires a reserve of at least four percent of the total General Fund appropriations at the beginning of the fiscal year. If at any time during the year revenue projections indicate that there would not be sufficient General Fund revenues to maintain at least half of the required four percent (i.e., two percent), the Governor must take steps to reduce or restrict spending pursuant to Section 24-75-201.5, C.R.S.

Statutory Limit on General Fund Appropriations

Section 24-75-201.1, C.R.S., restricts the increase in state General Fund appropriations to the lesser of five percent of state personal income or six percent over the total General Fund appropriations of the previous year. The statutes also provide exemptions from the limit for the first year of new federal mandates, requirements of final court orders, and voter approved increases. Since its passage, the lesser amount has been six percent over the previous year's General Fund appropriations, so it is commonly called the "six percent spending limit." It is also referred to as the Arveschoug or Arveschoug/Bird limit after the prime sponsors of the last version of the statute, Representative Arveschoug and Senator Bird.

Table 2 Section 24-75-201.1, C.R.S., Statutory Appropriations Limit (In Millions)	
FY 2001-02 General Fund Appropriations Base	\$5,653.0
Multiplied by: Allowable Growth of Six Percent	<u>1.06</u>
FY 2002-03 General Fund Appropriations Limit	\$5,992.2
FY 2002-03 General Fund Appropriations	\$5,950.4
Less: General Fund Appropriations Exempt from Statutory Limitation	<u>(4.0)</u>
FY 2002-03 General Fund Appropriations Subject to Limit	\$5,946.4
Over/(Under) FY 2002-03 General Fund Limit	(\$45.8)

Table 2, above, shows the FY 2001-02 General Fund appropriations base used to calculate the allowable General Fund appropriations in FY 2002-03. The table also shows the General Fund appropriations that are exempt from the limit in FY 2002-03, and the amount of General Fund appropriations that could be made within the limit for FY 2002-03.

B. ARTICLE X, SECTION 20 (TABOR) OVERVIEW

In addition to the General Fund appropriation limitations imposed by Section 24-75-201.1, C.R.S., Article X, Section 20 of the Colorado Constitution places restrictions on the amount of total General Fund and cash funds that can be collected and, consequently, spent by the State. This section provides information about this constitutional revenue and spending limit.

The provisions of Article X, Section 20 have several key points affecting the state budget:

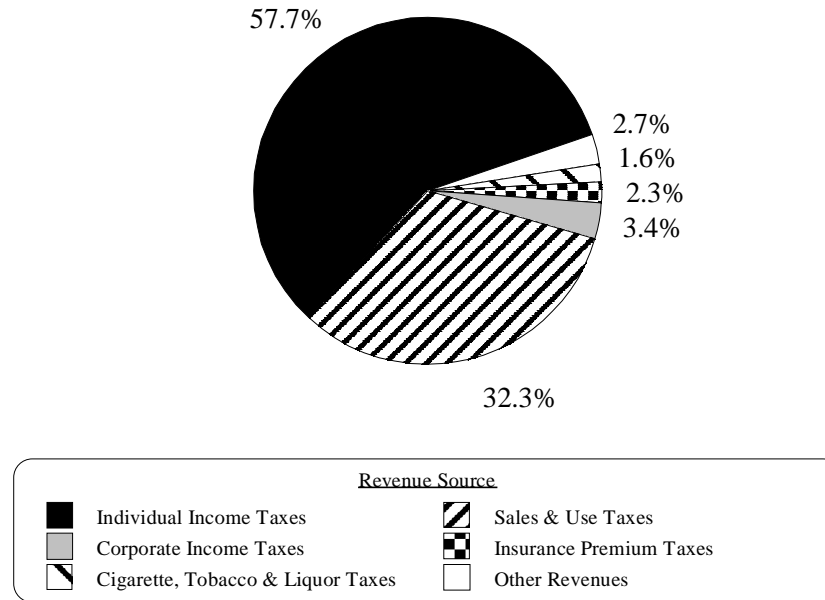
- Fiscal year spending is defined as expenditures or reserve increases. In other words, *all* revenues received by the State that are not specifically exempt are considered "spending";
- The change in fiscal year spending for the next year is restricted to the change in inflation plus the percentage change in state population in the prior calendar year, adjusted for revenue changes approved by the voters after 1991;
- Any revenues received in excess of the allowable change in fiscal year spending must be refunded in the next year unless the voters approve the State keeping the excess; and
- The base for calculating the allowable growth is the *lesser* of either actual revenues or the allowable limit.

In order to comply with the limits contained in Article X, Section 20, several calculations are necessary. Because this provision makes no distinction between General Fund and cash funds collected by the state, it has been necessary to make forecasts of all the separate cash funds as well as the General Fund. The estimated total of the General Fund and cash funds are then increased by the estimated changes in inflation and population to project the allowable increase in fiscal year spending.

Due to the economic downturn, actual revenues for FY 2001-02 will be less than those collected for FY 2000-01. Therefore, the allowable TABOR base will decrease. As a result of the 2000 Census, it was discovered that actual population growth in the State had been under-counted in prior years and resulted in over-refunds of state revenues. House Bill 02-1310 allows the state to recoup state revenues lost due to over-refunds resulting from the underestimates of population growth. The bill establishes a process for allowing the adjustment of population every decade to match the federal census to occur over more than one fiscal year when the actual amount of state fiscal year spending for the first fiscal year in which such an adjustment can be made is insufficient to allow the state to recoup the full amount of all over-refunds. Therefore, there will be an adjustment to the calculation of the allowable increase of FY 2002-03 revenues that the State will be allowed to retain.

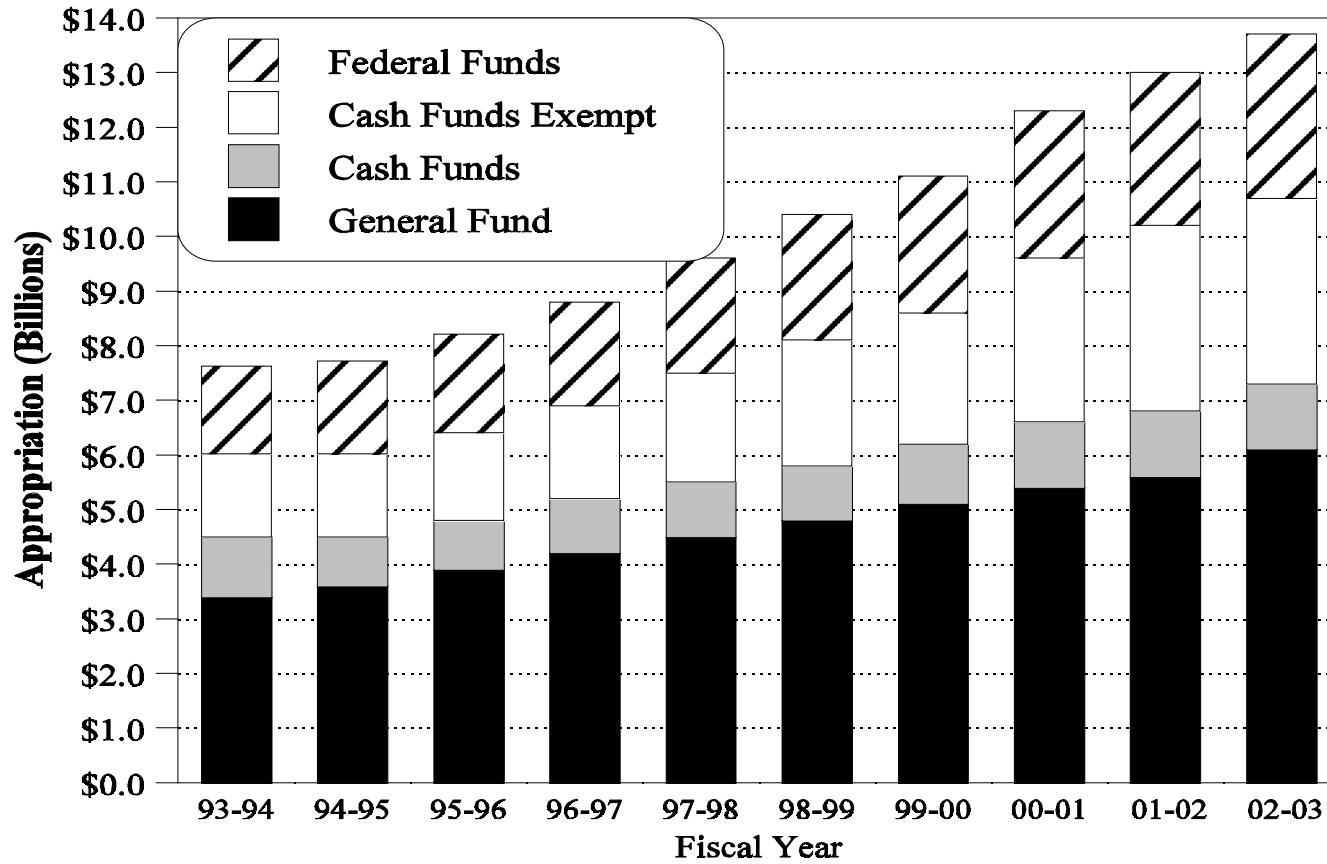
**COLORADO STATE BUDGET
SOURCES OF GENERAL FUND REVENUE
(Fiscal Year 2002-03)**

Estimated* Gross General Fund Revenues = \$6.359 Billion



* Source:
Colorado Legislative Council Staff's March 2002 Economic and Revenue Forecast.

**COLORADO STATE OPERATING BUDGET
HISTORY OF APPROPRIATIONS BY FUNDING SOURCE
(Fiscal Years 1993-94 through 2002-03)**

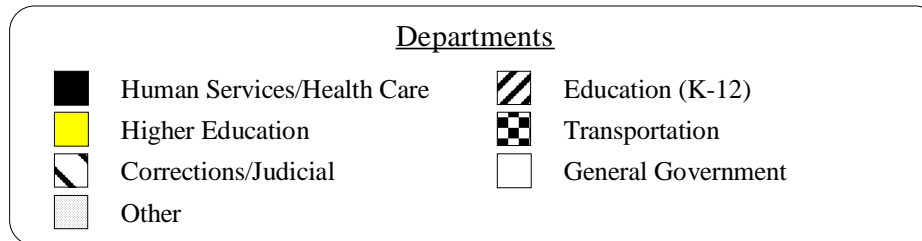
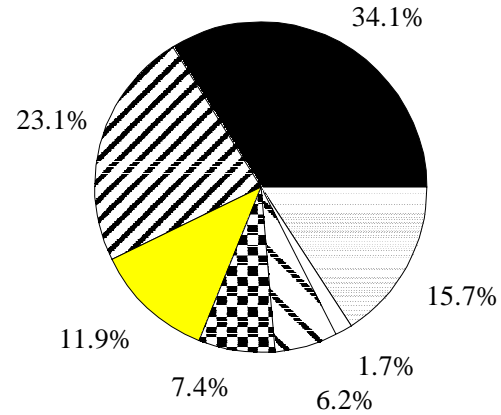
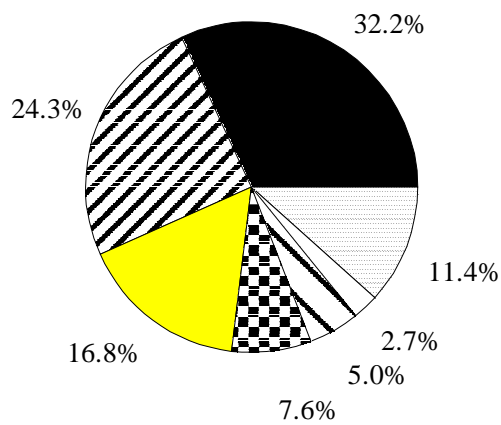


NOTE: Appropriated amounts have not been adjusted for inflation.

COLORADO STATE OPERATING BUDGET COMPARISON OF TOTAL APPROPRIATIONS BY PROGRAM

FY 1992-93 = \$6.42 billion

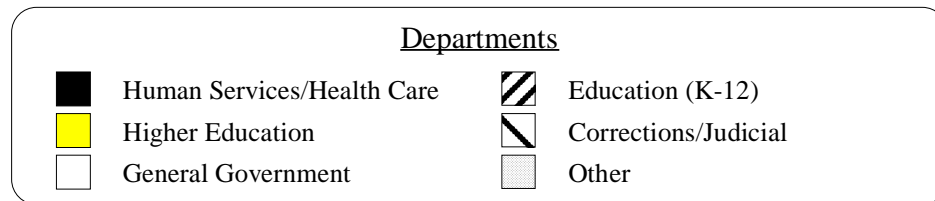
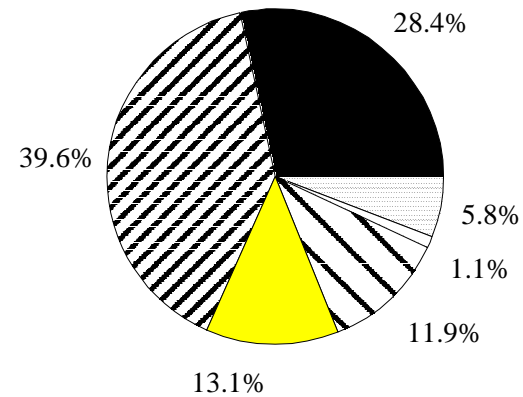
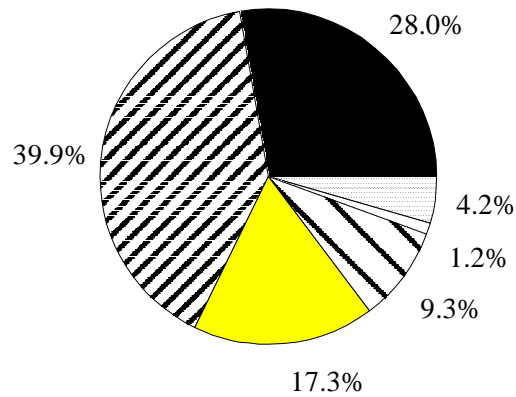
FY 2002-03 = \$13.64 billion



COLORADO STATE OPERATING BUDGET COMPARISON OF GENERAL FUND APPROPRIATIONS BY PROGRAM

FY 1992-93 = \$3.05 billion

FY 2002-03 = \$6.08 billion



PART II: SUMMARY TABLES

FY 2002-03 APPROPRIATIONS BY DEPARTMENT AND FUND SOURCE

Department	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	TOTAL
Agriculture	\$10,618,322	\$18,157,318	\$1,441,221	\$1,018,766	\$31,235,627
Corrections	495,631,310	2,884,215	60,464,115	4,567,146	563,546,786
Education	2,407,932,664	13,098,823	353,162,886	371,836,547	3,146,030,920
Governor	20,420,378	169,420	4,039,188	19,102,259	43,731,245
Health Care Policy and Financing	1,181,443,091	751,563	200,835,451	1,360,001,651	2,743,031,756
Higher Education	797,860,775	721,409,367	87,009,426	19,473,708	1,625,753,276
Human Services	548,120,297	85,416,097	786,268,138	482,527,428	1,902,331,960
Judicial	228,144,226	46,813,542	7,271,445	1,934,546	284,163,759
Labor and Employment	0	27,163,058	16,101,148	88,541,721	131,805,927
Law	9,589,539	1,060,489	22,195,984	826,020	33,672,032
Legislature	33,193,702	90,000	1,598,984	0	34,882,686
Local Affairs	9,735,370	23,770,420	100,046,189	47,509,429	181,061,408
Military Affairs	4,872,858	25,113	1,317,301	122,073,473	128,288,745
Natural Resources	28,603,238	33,186,151	97,694,125	15,605,218	175,088,732
Personnel	14,757,707	9,548,651	124,771,345	21,838	149,099,541
Public Health and Environment	21,609,999	25,995,985	82,426,226	154,692,664	284,724,874
Public Safety	59,523,200	7,585,691	87,385,023	38,996,439	193,490,353
Regulatory Agencies	2,067,604	50,903,643	20,900,038	916,467	74,787,752
Revenue	113,401,384	37,509,634	388,574,049	1,663,491	541,148,558
State	0	12,528,142	504,972	0	13,033,114
Transportation	0	54,949,850	646,369,693	303,206,663	1,004,526,206
Treasury	<u>92,526,612</u>	<u>0</u>	<u>261,458,416</u>	<u>0</u>	<u>353,985,028</u>
OPERATING TOTAL	\$6,080,052,276	\$1,173,017,172	\$3,351,835,363	\$3,034,515,474	\$13,639,420,285
Capital Construction a/	<u>23,496,606</u>	<u>45,126,854</u>	<u>128,907,798</u>	<u>16,112,469</u>	<u>213,643,727</u>
GRAND TOTAL	\$6,103,548,882	\$1,218,144,026	\$3,480,743,161	\$3,050,627,943	\$13,853,064,012

a/ The General Fund amount represents appropriations from the Capital Construction Fund.

FOUR-YEAR SUMMARY OF EXPENDITURES/APPROPRIATIONS:

TOTAL FUNDS

Department	FY 1999-00 Actual	FY 2000-01 Actual	FY 2001-02 Appropriation	FY 2002-03 Appropriation
Agriculture	\$25,423,738	\$26,752,341	\$30,480,932	\$31,235,627
Corrections	429,855,160	468,540,100	517,862,366	563,546,786
Education	2,336,078,931	2,511,992,576	2,828,241,922	3,146,030,920
Governor	33,534,042	38,582,889	44,521,227	43,731,245
Health Care Policy and Financing	2,107,346,759	2,270,260,668	2,525,732,784	2,743,031,756
Higher Education	1,441,522,242	1,501,028,557	1,616,485,191	1,625,753,276
Human Services	1,516,587,243	1,658,963,383	1,801,936,857	1,902,331,960
Judicial	236,902,563	256,686,865	271,460,927	284,163,759
Labor and Employment	109,314,661	107,220,883	130,301,807	131,805,927
Law	29,923,798	30,155,140	33,807,970	33,672,032
Legislature	25,355,979	29,508,230	30,863,336	34,882,686
Local Affairs	153,197,702	141,771,804	164,609,917	181,061,408
Military Affairs	122,529,559	121,054,860	116,752,925	128,288,745
Natural Resources	139,134,347	159,995,902	169,272,194	175,088,732
Personnel	136,605,428	130,868,641	146,599,424	149,099,541
Public Health and Environment	225,259,898	241,847,985	280,041,116	284,724,874
Public Safety	155,566,072	171,631,988	187,245,349	193,490,353
Regulatory Agencies	56,573,113	61,348,029	67,366,328	74,787,752
Revenue	446,205,647	447,013,261	539,486,130	541,148,558
State	13,827,491	10,046,623	11,174,453	13,033,114
Transportation	1,008,884,281	1,391,736,847	1,149,075,011	1,004,526,206
Treasury	<u>278,866,520</u>	<u>278,654,998</u>	<u>296,915,663</u>	<u>353,985,028</u>
TOTAL	\$11,028,495,174	\$12,055,662,570	\$12,960,233,829	\$13,639,420,285

FOUR-YEAR SUMMARY OF EXPENDITURES/APPROPRIATIONS:

GENERAL FUND

Department	FY 1999-00 Actual	FY 2000-01 Actual	FY 2001-02 Appropriation	FY 2002-03 Appropriation
Agriculture	\$9,569,376	\$9,911,177	\$10,129,865	\$10,618,322
Corrections	381,636,624	417,228,211	442,129,467	495,631,310
Education	2,038,357,861	2,140,176,563	2,268,952,487	2,407,932,664
Governor	7,303,087	19,961,784	19,792,050	20,420,378
Health Care Policy and Financing	958,472,174	1,014,575,193	1,082,349,038	1,181,443,091
Higher Education	715,638,339	746,302,103	750,030,496	797,860,775
Human Services	448,332,101	487,866,997	493,018,043	548,120,297
Judicial	194,268,468	206,485,128	214,887,046	228,144,226
Labor and Employment	0	0	0	0
Law	10,238,037	8,854,954	9,931,631	9,589,539
Legislature	24,116,364	27,317,023	29,675,577	33,193,702
Local Affairs	37,544,790	12,899,935	10,517,242	9,735,370
Military Affairs	3,899,899	4,172,424	4,000,507	4,872,858
Natural Resources	27,817,745	29,092,602	24,661,869	28,603,238
Personnel	15,014,462	14,782,874	14,154,699	14,757,707
Public Health and Environment	23,781,529	26,879,194	32,198,229	21,609,999
Public Safety	49,784,471	56,743,024	57,028,522	59,523,200
Regulatory Agencies	1,679,869	1,734,418	1,914,709	2,067,604
Revenue	108,933,882	110,492,055	109,487,997	113,401,384
State	0	0	0	0
Transportation	10,858	0	0	0
Treasury	<u>30,948,539</u>	<u>31,141,103</u>	<u>30,609,546</u>	<u>92,526,612</u>
TOTAL	\$5,087,348,475	\$5,366,616,762	\$5,605,469,020	\$6,080,052,276

FOUR-YEAR SUMMARY OF EXPENDITURES/APPROPRIATIONS:

CASH FUNDS

Department	FY 1999-00 Actual	FY 2000-01 Actual	FY 2001-02 Appropriation	FY 2002-03 Appropriation
Agriculture	\$12,947,804	\$14,046,435	\$17,596,083	\$18,157,318
Corrections	10,266,336	11,588,715	15,194,914	2,884,215
Education	10,902,216	11,337,694	12,677,319	13,098,823
Governor	70,380	104,860	184,420	169,420
Health Care Policy and Financing	9,465,785	10,030,476	11,228,053	751,563
Higher Education	659,381,942	686,606,408	763,145,091	721,409,367
Human Services	64,481,040	74,140,042	68,876,668	85,416,097
Judicial	35,694,125	40,543,942	46,961,384	46,813,542
Labor and Employment	22,295,338	26,165,566	26,880,472	27,163,058
Law	1,399,935	1,271,993	1,120,223	1,060,489
Legislature	92,345	132,516	90,000	90,000
Local Affairs	12,768,929	12,700,986	24,389,708	23,770,420
Military Affairs	23,284	7,640	25,009	25,113
Natural Resources	73,782,162	83,278,869	31,966,357	33,186,151
Personnel	6,511,621	7,842,824	10,657,026	9,548,651
Public Health and Environment	18,939,966	20,517,359	24,342,105	25,995,985
Public Safety	4,921,395	5,551,601	7,052,166	7,585,691
Regulatory Agencies	43,106,348	46,225,536	48,813,125	50,903,643
Revenue	30,222,594	33,557,485	35,609,289	37,509,634
State	13,827,491	9,431,628	11,161,640	12,528,142
Transportation	13,135,386	55,779,201	58,484,864	54,949,850
Treasury	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	\$1,044,236,422	\$1,150,861,776	\$1,216,455,916	\$1,173,017,172

FOUR-YEAR SUMMARY OF EXPENDITURES/APPROPRIATIONS:

CASH FUNDS EXEMPT

Department	FY 1999-00 Actual	FY 2000-01 Actual	FY 2001-02 Appropriation	FY 2002-03 Appropriation
Agriculture	\$1,869,405	\$1,683,893	\$1,416,633	\$1,441,221
Corrections	32,246,978	35,239,066	51,829,027	60,464,115
Education	44,857,728	119,840,411	275,621,121	353,162,886
Governor	5,172,327	2,836,619	2,435,108	4,039,188
Health Care Policy and Financing	91,823,461	122,105,618	181,653,331	200,835,451
Higher Education	49,981,579	50,849,113	85,009,386	87,009,426
Human Services	648,557,588	698,616,008	772,203,307	786,268,138
Judicial	5,384,519	7,468,675	7,829,428	7,271,445
Labor and Employment	16,298,002	15,459,690	16,379,411	16,101,148
Law	17,622,829	19,351,128	21,959,467	22,195,984
Legislature	1,147,270	2,058,691	1,097,759	1,598,984
Local Affairs	58,895,520	64,927,323	87,754,500	100,046,189
Military Affairs	366,889	0	1,891	1,317,301
Natural Resources	21,683,944	33,560,909	97,814,909	97,694,125
Personnel	115,058,232	108,177,372	121,738,969	124,771,345
Public Health and Environment	32,340,633	39,186,659	73,610,251	82,426,226
Public Safety	71,374,637	75,371,799	85,882,333	87,385,023
Regulatory Agencies	10,808,250	12,512,156	15,743,231	20,900,038
Revenue	305,956,629	301,418,602	392,847,137	388,574,049
State	0	614,995	12,813	504,972
Transportation	623,316,448	1,043,147,882	800,639,594	646,369,693
Treasury	<u>247,917,981</u>	<u>247,513,895</u>	<u>266,306,117</u>	<u>261,458,416</u>
TOTAL	\$2,402,680,849	\$3,001,940,504	\$3,359,785,723	\$3,351,835,363

FOUR-YEAR SUMMARY OF EXPENDITURES/APPROPRIATIONS:

FEDERAL FUNDS

Department	FY 1999-00 Actual	FY 2000-01 Actual	FY 2001-02 Appropriation	FY 2002-03 Appropriation
Agriculture	\$1,037,153	\$1,110,836	\$1,338,351	\$1,018,766
Corrections	5,705,222	4,484,108	8,708,958	4,567,146
Education	241,961,126	240,637,908	270,990,995	371,836,547
Governor	20,988,248	15,679,626	22,109,649	19,102,259
Health Care Policy and Financing	1,047,585,339	1,123,549,381	1,250,502,362	1,360,001,651
Higher Education	16,520,382	17,270,933	18,300,218	19,473,708
Human Services	355,216,514	398,340,336	467,838,839	482,527,428
Judicial	1,555,451	2,189,120	1,783,069	1,934,546
Labor and Employment	70,721,321	65,595,627	87,041,924	88,541,721
Law	662,997	677,065	796,649	826,020
Legislature	0	0	0	0
Local Affairs	43,988,463	51,243,560	41,948,467	47,509,429
Military Affairs	118,239,487	116,874,796	112,725,518	122,073,473
Natural Resources	15,850,496	14,063,522	14,829,059	15,605,218
Personnel	21,113	65,571	48,730	21,838
Public Health and Environment	150,197,770	155,264,773	149,890,531	154,692,664
Public Safety	29,485,569	33,965,564	37,282,328	38,996,439
Regulatory Agencies	978,646	875,919	895,263	916,467
Revenue	1,092,542	1,545,119	1,541,707	1,663,491
State	0	0	0	0
Transportation	372,421,589	292,809,764	289,950,553	303,206,663
Treasury	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	\$2,494,229,428	\$2,536,243,528	\$2,778,523,170	\$3,034,515,474

FOUR-YEAR SUMMARY OF EXPENDITURES/APPROPRIATIONS:

FTE

Department	FY 1999-00 Actual	FY 2000-01 Actual	FY 2001-02 Appropriation	FY 2002-03 Appropriation
Agriculture	274.1	281.6	294.7	297.7
Corrections	5,078.2	5,460.1	5,969.7	6,339.3
Education	378.1	394.9	417.8	430.5
Governor	105.3	116.0	126.5	127.5
Health Care Policy and Financing	162.4	157.8	180.6	194.5
Higher Education	17,467.8	18,010.8	18,277.7	18,490.8
Human Services	4,438.1	4,339.0	4,748.4	4,786.4
Judicial	2,999.3	3,038.0	3,174.9	3,228.3
Labor and Employment	1,027.3	997.6	1,035.4	1,072.0
Law	329.3	324.9	350.2	345.7
Legislature	263.3	257.0	273.9	272.8
Local Affairs	182.4	167.7	179.8	179.5
Military Affairs	1,215.1	1,196.7	1,286.8	1,157.3
Natural Resources	1,400.6	1,474.4	1,515.3	1,552.9
Personnel	558.4	529.6	589.4	594.6
Public Health and Environment	1,015.6	1,012.3	1,091.5	1,117.4
Public Safety	1,189.6	1,189.9	1,241.0	1,262.4
Regulatory Agencies	510.7	510.8	533.7	540.7
Revenue	1,470.9	1,460.3	1,527.3	1,521.6
State	92.5	93.0	99.5	104.1
Transportation	3,289.0	3,289.5	3,297.2	3,297.2
Treasury	<u>24.2</u>	<u>23.3</u>	<u>25.0</u>	<u>25.0</u>
TOTAL	43,472.2	44,325.2	46,236.3	46,938.2

**PART III: EXPENDITURE/APPROPRIATION DETAIL
BY DEPARTMENT**

DEPARTMENT OF AGRICULTURE

The Department of Agriculture regulates, promotes and supports agricultural activities throughout Colorado. The Department performs a wide range of services including policy formulation, data collection, program inspection, consumer information, regulation of the State's agricultural industries and administration and management of the Colorado State Fair.

The Department is comprised of the following divisions: (1) Commissioner's Office and Administrative Services, (2) Agricultural Services Division, (3) Agricultural Markets Division, (4) Brand Board, (5) Special Purpose, (6) Colorado State Fair, and (7) Soil Conservation Board.

Department Budget: Recent Actual Expenditures and Appropriations

Funding Source	FY 1999-00 Actual	FY 2000-01 Actual	FY 2001-02 Approp.	FY 2002-03 Approp.
General Fund	\$9,419,150	\$9,855,945	\$10,129,865	\$10,618,322
General Fund Exempt	150,226	55,232	0	0
Cash Funds	12,947,804	14,046,435	17,596,083	18,157,318
Cash Funds Exempt	1,869,405	1,683,893	1,416,633	1,441,221
Federal Funds	<u>1,037,153</u>	<u>1,110,836</u>	<u>1,338,351</u>	<u>1,018,766</u>
Total Funds	\$25,423,738	\$26,752,341	\$30,480,932	\$31,235,627
Full Time Equiv. Staff	274.1	281.6	294.7	297.7

FY 2002-03 Budget Changes

Significant changes in appropriations for FY 2002-03 compared to FY 2001-02 include the following:

- An increase of \$254,100, including \$180,249 General Fund and \$73,851 cash funds exempt, for the fifth phase of a five-year integration of the Department's licensing and registration systems;
- An increase of \$166,012 cash funds for the replacement of eleven Brand Board inspection vehicles;

- ❑ An increase of 2.0 FTE and \$118,951 cash funds for an organic certification program pursuant to H.B. 02-1186;
- ❑ One-time funding of \$94,063 General Fund for the sixth of six replacement trucks in the Measurement Standards Program;
- ❑ A one-time funding increase of \$34,226 cash funds for the publication and distribution of the Colorado Brand Assessment Book
- ❑ An increase of 1.0 FTE for pesticide monitoring in groundwater pursuant to H.B. 02-1329; and
- ❑ A decrease of \$107,935 General Fund for personal services in the Agricultural Services Division as the Department's share of the 1.0 percent General Fund reduction.

General Factors Driving the Budget

Funding for this department consists of 34.0 percent General Fund, 58.1 percent cash funds, 4.6 percent cash funds exempt, and 3.3 percent federal funds. Some of the most important factors driving the budget are reviewed below.

Agricultural Services Division

For FY 2002-03 the Agricultural Services Division is appropriated 35.2 percent of the department's total budget (\$11.0 million), and 57.3 percent of the total General fund appropriation (\$6.1 million). This division is divided into three functional sections: Inspection and Consumer Services, Plant Industry, and Animal Industry. Historically, a large majority of the Department's decision item requests are generated by programs within these functional divisions.

Information Technology

The appropriations for information technology have been driven by the Licensing and Registration Systems Integration (LRSI) project. The final centralized database will serve as the foundation for the department's risk-based management system. In FY 2001-02, the project was appropriated \$238,000 (\$100,000 cash funds and \$138,000 federal funds) to upgrade software related to the oversight and regulation of the pesticide industry. This project is continuing into FY 2002-03 and has been appropriated \$254,100 (\$180,249 General Fund and \$73,851 cash funds exempt). Fiscal Year 2002-03 also represents the final year of the five year schedule to upgrade the department's software applications.

Cash Funds

The majority of the Department's funding (58.1 percent) is cash funds generated primarily through fees collected from user agencies for inspection and certification services and the State Fair. The Colorado State Fair receives 44.2 percent of the Department's cash fund appropriation. The Fair collects the majority of its revenue during the 17-day Colorado State Fair held during August and September every year.

Summary of FY 2001-02 and FY 2002-03 Appropriations

Total Department Appropriations

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Total Appropriation:	\$10,129,865	\$17,596,083	\$1,416,633	\$1,338,351	\$30,480,932	294.7
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Commissioner's Office and Administrative Services	2,736,983	1,338,848	467,049	412,305	4,955,185	23.7
Agricultural Services Division	5,782,009	4,362,380	25,000	326,046	10,495,435	156.6
Agricultural Markets Division	0	75,945	795,181	0	871,126	11.2
Brand Board	0	3,369,105	81,093	0	3,450,198	66.3
Special Purpose	0	463,751	34,650	0	498,401	1.0
Colorado State Fair	155,720	7,907,030	0	0	8,062,750	26.9
Soil Conservation Board	1,455,153	79,024	13,660	600,000	2,147,837	9.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 01-212	10,279,895	17,767,790	1,405,136	1,248,904	30,701,725	294.2
HB 01-1086	0	0	74,837	0	74,837	0.5
SB 01S2-22	0	0	29,815	0	29,815	0.0
HB 02-1366	(832)	(187,555)	(76,974)	(3,703)	(269,064)	0.0
HB 02-1421	(149,198)	0	0	92,817	(56,381)	0.0
HB 02-1468	0	15,848	(16,181)	333	0	0.0

	GF	CF	CFE	FF	Total	FTE
FY 2002-03 Total Appropriation:	\$10,618,322	\$18,157,318	\$1,441,221	\$1,018,766	\$31,235,627	297.7
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Commissioner's Office and Administrative Services	3,052,294	1,396,883	526,851	269,998	5,246,026	23.7
Agricultural Services Division	6,080,532	4,590,291	77,616	248,768	10,997,207	159.6
Agricultural Markets Division	0	75,337	788,428	0	863,765	11.2
Brand Board	0	3,520,067	0	0	3,520,067	66.3
Special Purpose	0	461,308	34,650	0	495,958	1.0
Colorado State Fair	0	8,034,408	0	0	8,034,408	26.9
Soil Conservation Board	1,485,496	79,024	13,676	500,000	2,078,196	9.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 02-50	(4,727)	0	0	0	(4,727)	0.0
HB 02-1038	(4,714)	0	0	0	(4,714)	0.0
HB 02-1186	0	118,951	0	0	118,951	2.0
HB 02-1329	0	0	0	0	0	1.0
HB 02-1420	10,621,482	18,029,337	1,441,221	1,018,604	31,110,644	294.7
HB 02-1468	6,281	9,030	0	162	15,473	0.0
Increase/(Decrease)	\$488,457	\$561,235	\$24,588	(\$319,585)	\$754,695	3.0
Percentage Change	4.8%	3.2%	1.7%	-23.9%	2.5%	1.0%

Detail of Appropriation by Administrative Section

Commissioner's Office and Administrative Services

The Commissioner's Office, in conjunction with the Colorado Agricultural Commission, is responsible for the development and dissemination of agricultural policies throughout Colorado. The Administrative Services Section provides administrative and technical support to the various programs and activities within the Department, such as planning, accounting, budgeting, personnel, and system programming. The majority of funding for this section is General Fund (58.2 percent). Cash funds comprise 26.6 percent of the funding and are derived from fees collected by various cash

funded programs within the Department. The cash funds exempt appropriation (10.0 percent) is derived from indirect cost recoveries and cash fund reserves.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$2,800,852	\$1,354,835	\$453,415	\$415,675	\$5,024,777	23.7
SB 01S2-22	0	0	29,815	0	29,815	0.0
HB 02-1366	(53,753)	(31,835)	0	(3,703)	(89,291)	0.0
HB 02-1421	(10,116)	0	0	0	(10,116)	0.0
HB 02-1468	<u>0</u>	<u>15,848</u>	<u>(16,181)</u>	<u>333</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$2,736,983	\$1,338,848	\$467,049	\$412,305	\$4,955,185	23.7
FY 2002-03 Appropriation:						
SB 02-50	(\$4,727)	\$0	\$0	\$0	(\$4,727)	0.0
HB 02-1038	(4,714)	0	0	0	(4,714)	0.0
HB 02-1420	3,055,454	1,387,853	526,851	269,836	5,239,994	23.7
HB 02-1468	<u>6,281</u>	<u>9,030</u>	<u>0</u>	<u>162</u>	<u>15,473</u>	<u>0.0</u>
TOTAL	\$3,052,294	\$1,396,883	\$526,851	\$269,998	\$5,246,026	23.7
Increase/(Decrease)	\$315,311	\$58,035	\$59,802	(\$142,307)	\$290,841	0.0
Percentage Change	11.5%	4.3%	12.8%	-34.5%	5.9%	0.0%

FTE Detail	FY 2001-02	FY 2002-03
Commissioner's Office	7.7	7.7
Resource Analysis	2.0	2.0
Administrative Services	<u>14.0</u>	<u>14.0</u>
	23.7	23.7

General Fund Changes: The \$315,000 General Fund increase includes the following increases: (1) \$180,000 for the final phase of the Licensing and Registration Systems Integration project; (2) \$98,000 for the annualization of salary survey and anniversary increases awarded in FY 2001-02; (3) \$78,000 for risk management, vehicle lease payments, workers' compensation, and leased space; (4) \$10,000 to restore a portion of the Governor's 1.5 percent reduction in FY 2001-02; (5) \$6,000 for the appropriation contained in H.B. 02-1468; and (6) \$3,000 for short term disability and PERA

contributions. These increases are partially offset by the following decreases: (1) \$30,000 due to a 2.5 percent base reduction in personal services; (2) \$21,000 in information technology asset maintenance; and (3) \$9,000 in performance-based pay pursuant to the stipulations of S.B. 02-50 and H.B. 02-1038.

Cash Funds Changes: The cash funds increase includes the following increases: (1) \$135,000 for centrally appropriated items such as salary survey, performance-based pay, health, life, and dental, and short-term disability; and (2) \$51,000 for legal services, risk management, workers' compensation, vehicle lease payments, and leased space. These increases are partially offset by the following decreases: (1) \$100,000 for the Licensing and Registration Systems Integration project; (2) \$22,000 for information technology asset maintenance; and (3) \$7,000 due to H.B. 02-1468.

Cash Funds Exempt Changes: The net cash funds exempt increase includes increases of \$74,000 for the final phase of the Licensing and Registration Systems Integration project, and \$16,000 due to H.B. 02-1468. These increases are offset by a decrease of \$30,000 for health, life, and dental.

Federal Funds Changes: The federal fund decrease is primarily due to the elimination of the federally-funded portion of the Licensing and Registration Systems Integration Project.

Agricultural Services Division

The Agricultural Services Division administers the following three functional divisions: (1) Inspection and Consumer Services, (2) Animal Industry, and (3) Plant Industry. The majority of funding for this division is General Fund (55.3 percent). Cash funds comprise 41.7 percent of the funding and is primarily from fees collected for services provided by the Division.

Inspection and Consumer Services

This division ensures compliance with product quality standards, certifies commercial weights, and analyzes fertilizer for chemical contaminants. The Fruit and Vegetable Inspection Program determines the grade, size, and quality of more than 2.1 billion pounds of fresh fruits and vegetables annually. The Consumer/Producer Protection Program includes: the Farm Products Section, which assures a stable agricultural products distribution system; the Technical and Field Services Section, which inspects for accuracy in labeling and food safety; the Laboratory Services Section, which provides detailed analysis of agricultural products and issues; and the Measurement Standards Section, which tests and inspects all commercial measuring devices in the state.

Animal Industry

The Animal and Animal Health Program helps protect the economic viability of the livestock producer, and animal health and well being. These purposes are addressed through the Veterinary and Animal Health Lab Section, the Rodent and Predatory Animal Control Section, the Bureau of Animal Protection, and the Pet Care Section.

Plant Industry

This division manages statewide pest control programs, registers pesticides and related applicators, and inspects plant products intended for domestic and overseas export or import to ensure that they are free from pests, disease, and weeds. The division also assists local and regional efforts to manage and control noxious weeds, and maintains the State's Insectary which rears and releases beneficial insects to help control insect and weed pests

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$6,016,890	\$4,362,380	\$183,067	\$233,229	\$10,795,566	156.6
HB 02-1366	(102,799)	0	(158,067)	0	(260,866)	0.0
HB 02-1421	<u>(132,082)</u>	<u>0</u>	<u>0</u>	<u>92,817</u>	<u>(39,265)</u>	<u>0.0</u>
TOTAL	\$5,782,009	\$4,362,380	\$25,000	\$326,046	\$10,495,435	156.6
FY 2002-03 Appropriation:						
HB 02-1186	\$0	\$118,951	\$0	\$0	\$118,951	2.0
HB 02-1329	0	0	0	0	0	1.0
HB 02-1420	<u>6,080,532</u>	<u>4,471,340</u>	<u>77,616</u>	<u>248,768</u>	<u>10,878,256</u>	<u>156.6</u>
TOTAL	\$6,080,532	\$4,590,291	\$77,616	\$248,768	\$10,997,207	159.6
Increase/(Decrease)	\$298,523	\$227,911	\$52,616	(\$77,278)	\$501,772	3.0
Percentage Change	5.2%	5.2%	210.5%	-23.7%	4.8%	1.9%

FTE Detail	FY 2001-02	FY 2002-03
Inspection and Consumer Services	91.5	91.5
Animal Industry	21.0	21.0
Plant Industry	<u>44.1</u>	<u>47.1</u>
	156.6	159.6

FTE Changes: The FTE increase includes an addition of 2.0 FTE pursuant to H.B. 02-1186 and 1.0 FTE pursuant to H.B. 02-1329.

General Fund Changes: The General Fund increase includes the following: (1) \$325,000 for salary survey and annualized anniversary increases awarded in FY 2001-02; (2) \$127,000 to restore a portion of the Governor's 1.5 percent reduction in FY 2001-02; and (3) \$46,000 to replace the sixth

of six trucks in the measurements standards program. These increases are partially offset by the following decreases: (1) \$138,000 due to a 2.5 percent base reduction in personal services; (2) \$53,000 in the Noxious Weed Management Program due to a refinancing of the appropriation; and (3) \$15,000 in operating expenses due to travel reductions and the transfer of funds to the Commissioner's Office to fund the Multi-use Network line item.

Cash Funds Changes: The increase in the cash funds appropriation is due to an increase of \$119,000 for H.B. 02-1186 and an increase of \$109,000 for salary survey and annualized anniversary awards from FY 2001-02. The increase is partially offset by a reduction of \$7,000 in operating expenses due to travel reductions.

Cash Funds Exempt Changes: The cash funds exempt increase is due to a refinancing of the Noxious Weed Management Program appropriation that takes advantage of a high fund balance.

Federal Funds Changes: The federal funds decrease is primarily due to a reduction of funds associated with the chronic wasting disease outbreak experienced on alternative livestock ranches in FY 2001-02. The decrease is partially offset by an increase of \$18,000 for salary survey and annualized anniversary increases awarded in FY 2001-02.

Agricultural Markets Division

This division provides marketing assistance and related support to Colorado agricultural producers and processors competing in local, national, and international arenas. It also coordinates commodities market orders, promotes Colorado agricultural products, and works to assist start-up food processing companies or those implementing a business expansion of their processing operations within the state. The majority of funding for this division is cash funds exempt (91.3 percent) from transfers of economic development funds (General Fund) from the Governor's Office. Cash funds comprise 8.7 percent of the appropriation and are from aquaculture program fees used for economic development.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$0	\$75,945	\$720,344	\$0	\$796,289	10.7
HB 01-1086	<u>0</u>	<u>0</u>	<u>74,837</u>	<u>0</u>	<u>74,837</u>	<u>0.5</u>
TOTAL	\$0	\$75,945	\$795,181	\$0	\$871,126	11.2
FY 2002-03 Appropriation:						
HB 02-1420	<u>\$0</u>	<u>\$75,337</u>	<u>\$788,428</u>	<u>\$0</u>	<u>\$863,765</u>	<u>11.2</u>
TOTAL	\$0	\$75,337	\$788,428	\$0	\$863,765	11.2

	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$0	(\$608)	(\$6,753)	\$0	(\$7,361)	0.0
Percentage Change	n/a	-0.8%	-0.8%	n/a	-0.8%	0.0%

FTE Detail	FY 2001-02	FY 2002-03
Marketing Supervisor and Clerical Support	3.5	3.5
Senior Agricultural Market Specialist	3.0	3.0
Agricultural Market Specialist	<u>4.7</u>	<u>4.7</u>
	11.2	11.2

Cash Funds Changes: The decrease in cash funds is due to a reduction in out-of-state travel.

Cash Funds Exempt Changes: The decrease in the cash funds exempt appropriation is primarily due to a reduction in funds available from the Governor's Office.

Brand Board

The Brand Board serves the livestock industry and assists members of the public with problems related to livestock management and commerce. This division administers and records livestock brands; inspects cattle, horse, and alternative livestock brands (such as fallow deer and elk) to verify ownership at the time of sale, transport, or slaughter; and licenses and inspects, livestock facilities. This division is fully funded by fees for service.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$0	\$3,369,105	\$0	\$0	\$3,369,105	66.3
HB 02-1366	<u>0</u>	<u>0</u>	<u>81,093</u>	<u>0</u>	<u>81,093</u>	<u>0.0</u>
TOTAL	\$0	\$3,369,105	\$81,093	\$0	\$3,450,198	66.3
FY 2002-03 Appropriation:						
HB 02-1420	<u>\$0</u>	<u>\$3,520,067</u>	<u>\$0</u>	<u>\$0</u>	<u>\$3,520,067</u>	<u>66.3</u>
TOTAL	\$0	\$3,520,067	\$0	\$0	\$3,520,067	66.3
Increase/(Decrease)	\$0	\$150,962	(\$81,093)	\$0	\$69,869	0.0
Percentage Change	n/a	4.5%	-100.0%	n/a	2.0%	0.0%

FTE Detail	FY 2001-02	FY 2002-03
Program Director and Administrative Staff	7.4	7.4
Inspection Agents	<u>58.9</u>	<u>58.9</u>
	66.3	66.3

Cash Funds Changes: The \$151,000 increase includes \$168,000 for salary survey and annualized anniversary increases awarded in FY 2001-02. This increase is partially offset by an out-of-state travel reduction and a slight net decrease in the funding of one-time decision items between FY 2001-02 and FY 2002-03.

Cash Funds Exempt Changes: The \$81,000 decrease in the cash funds exempt appropriation is due to the elimination of one-time supplemental funding to fight chronic wasting disease in FY 2001-02 among domestic elk herds.

Special Purpose

This budget area is comprised of the following miscellaneous program lines: the Wine Promotion Board, which promotes wines produced in Colorado; the Vaccine and Service Fund, which provides money for the vaccination of heifer calves against brucellosis; and the Brand Estray Fund, which funds the maintenance and sale or return of abandoned or runaway livestock. Cash funds are from the Colorado Wine Industry Development Funds, the Brand Estray Fund, and the Veterinary Vaccine and Service Fund. The cash funds exempt source is the Brand Estray Fund.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$0	\$463,751	\$34,650	\$0	\$498,401	1.0
TOTAL	\$0	\$463,751	\$34,650	\$0	\$498,401	1.0
FY 2002-03 Appropriation:						
HB 02-1420	\$0	\$461,308	\$34,650	\$0	\$495,958	1.0
TOTAL	\$0	\$461,308	\$34,650	\$0	\$495,958	1.0
Increase/(Decrease)	\$0	(\$2,443)	\$0	\$0	(\$2,443)	0.0
Percentage Change	n/a	-0.5%	0.0%	n/a	-0.5%	0.0%

Cash Funds Changes: The decrease in the cash funds appropriation is due to out-of-state travel reductions.

Colorado State Fair

This program includes personal services and operating expenses associated with the Colorado State Fair, which is administered by the State Fair Authority. In previous fiscal years, the operating budget had been designated cash funds exempt since the State Fair qualifies for enterprise status under the stipulations of Article X, Section 20, of the Colorado Constitution. However, local grants and controlled maintenance funds received by the State Fair starting in FY 1999-00 have exceeded the ten percent threshold for such status, and have resulted in a cash funds designation. The cash funds are from fees collected by the Colorado State Fair.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$0	\$8,062,750	\$0	\$0	\$8,062,750	26.9
HB 02-1366	<u>155,720</u>	<u>(155,720)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$155,720	\$7,907,030	\$0	\$0	\$8,062,750	26.9
FY 2002-03 Appropriation:						
HB 02-1420	<u>\$0</u>	<u>\$8,034,408</u>	<u>\$0</u>	<u>\$0</u>	<u>\$8,034,408</u>	<u>26.9</u>
TOTAL	\$0	\$8,034,408	\$0	\$0	\$8,034,408	26.9
Increase/(Decrease)	(\$155,720)	\$127,378	\$0	\$0	(\$28,342)	0.0
Percentage Change	-100.0%	1.6%	n/a	n/a	-0.4%	0.0%

FTE Detail	FY 2001-02	FY2002-03
Administrative/Clerical Staff	14.1	14.1
Maintenance and Security	<u>12.8</u>	<u>12.8</u>
	26.9	26.9

General Fund Changes: The General Fund appropriation was eliminated in FY 2002-03.

Cash Funds Changes: The increase in the cash funds appropriation includes: (1) the restoration of \$156,000 cash funds that was offset by General Fund in FY 2001-02, (2) \$74,000 in salary survey and annualized anniversary increases awarded in FY 2001-02; and (3) small increases in other centrally appropriated items. These increases are partially offset by a decrease of \$108,000 due to a 2.5 percent base reduction in personal services.

Soil Conservation Board

The Soil Conservation Board is responsible for providing administrative and fiscal oversight and technical assistance to Colorado's 77 soil conservation districts. The Board also coordinates various programs with federal agencies on natural resource issues, oversees the State's living snow fence program, provides guidance on streambank erosion and riparian issues, and assists farmers and ranchers in implementing various water and energy efficiency practices. The Soil Conservation Board was transferred to the Department of Agriculture from the Department of Natural Resources in FY 2000-01. The majority of funding for the division is General Fund (71.5 percent). Federal funds comprise 24.1 percent of funding and come from the Bureau of Reclamation to assist land owners with conservation practices to reduce salt loading to the Colorado River.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$1,462,153	\$79,024	\$13,660	\$600,000	\$2,154,837	9.0
HB 02-1421	<u>(7,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(7,000)</u>	<u>0.0</u>
TOTAL	\$1,455,153	\$79,024	\$13,660	\$600,000	\$2,147,837	9.0
FY 2002-03 Appropriation:						
HB 02-1420	<u>\$1,485,496</u>	<u>\$79,024</u>	<u>\$13,676</u>	<u>\$500,000</u>	<u>\$2,078,196</u>	<u>9.0</u>
TOTAL	\$1,485,496	\$79,024	\$13,676	\$500,000	\$2,078,196	9.0
Increase/(Decrease)	\$30,343	\$0	\$16	(\$100,000)	(\$69,641)	0.0
Percentage Change	2.1%	0.0%	0.1%	-16.7%	-3.2%	0.0%

FTE Detail	FY 2001-02	FY 2002-03
Administrative/Clerical Staff	3.0	3.0
Soil Conservation Specialists	3.0	3.0
Irrigation Conservation Representatives	<u>3.0</u>	<u>3.0</u>
	9.0	9.0

General Fund Changes: The \$30,000 increase includes funding for salary survey and annualized anniversary increases awarded in FY 2001-02 and \$7,000 to restore a portion of the Governor's 1.5 percent General Fund reduction in FY 2001-02.

Federal Funds Changes: The \$100,000 reduction in federal funds is to more accurately match the historical spending levels of salinity control grants.

Recent Legislation

2001 Session Bills

S.B. 01-179: Supplemental appropriation to the Department of Agriculture to modify the appropriation included in the FY 2000-01 Long Bill.

S.B. 01-212: General appropriations act for FY 2001-02.

H.B. 01-1020: Revises the Colorado Marketing Act of 1939 by subjecting certain crops produced outside of Colorado for sale within the state to market order assessments.

H.B. 01-1086: Creates the seven-member Colorado Agricultural Value-Added Development Board within the Department of Agriculture. The Board may offer tax credits, loans, and equity investments to eligible agricultural value-added cooperatives and other eligible agricultural businesses for promoting and encouraging agriculturally-based economic development and employment in rural Colorado.

H.B. 01-1378: Clarifies that the State Veterinarian has a legitimate role in determining if an animal livestock disease poses a threat and can act through rule to establish protocol to help prevent the spread of the disease into and within the state.

S.B. 01S2-22: Provides a 4.3 percent increase in the state contribution rate for state employees for CY 2002 and provides funding to pay for the additional costs associated with health insurance for state employees who reside in Pueblo. For more information, refer to the bill description in the Department of Personnel.

2002 Session Bills

S.B. 02-50: For an explanation of this bill please see the Recent Legislation section in the Department of Corrections.

S.B. 02-69: Creates personal liability for any individual convicted of damaging or destroying experimental agricultural products.

H.B. 02-1038: For an explanation of this bill please see the Recent Legislation section in the Department of Corrections.

H.B. 02-1099: Changes the statutory names of the Soil Conservation Board and the various Soil Conservation Districts to the Conservation Board and the Conservation Districts, respectively. The

changes are meant to reflect the evolution of responsibilities within the Board and the districts the Board oversees.

H.B. 02-1186: Abolishes the current state organic certification program and establishes a program that is consistent with federal law and regulations as they relate to organic produce.

H.B. 02-1215: Authorizes the Commissioner of Agriculture to perform inspections of nursery stock using a risk-based approach rather than relying on annual inspections of all nursery stock businesses.

H.B. 02-1329: Requires the Commissioner of Agriculture to identify areas where pesticide contamination of groundwater is probable and to conduct monitoring in those areas. Transfers the administrative duties and appropriated FTE for monitoring pesticide levels in groundwater from the Department of Public Health and Environment to the Department of Agriculture.

H.B. 02-1366: Supplemental appropriation to the Department of Agriculture to modify the appropriation included in the FY 2001-02 Long Bill.

H.B. 02-1420: General appropriations act for FY 2002-03.

H.B. 02-1421: Supplemental appropriation to the Department of Agriculture to modify the appropriation included in the FY 2001-02 Long Bill, as modified by H.B. 02-1366.

H.B. 02-1468: Refinances the FY 2001-02 appropriation made pursuant to S.B. 01S2-22. Establishes the CY 2003 state contribution rate for health, life, and dental insurance to be the same as the state contribution rate for CY 2002. Authorizes the General Assembly to annually adjust the state contribution for health, life, and dental insurance effective CY 2004 through the Long Bill. For more information, refer to the bill description in the Department of Personnel.

DEPARTMENT OF CORRECTIONS

The Department is responsible for the following activities:

- Managing, supervising, and controlling the penal, correctional, and reformatory institutions operated and supported by the state.
- Improving, developing, and carrying forward programs of counseling and parole supervision to the end that persons now dependent upon tax-supported programs may be afforded opportunity and encouragement to be restored to productive independence.
- Developing a systematic building program providing for the projected, long-range needs of the institutions under the Department's control.
- Developing correctional industries within the institutions which have a rehabilitative or therapeutic value for inmates and which also supplies necessary products for state institutions and other public purposes, as provided by law.

The Department is comprised of the following divisions:

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

Department Budget: Recent Actual Expenditures and Appropriations

Funding Source	FY 1999-00 Actual	FY 2000-01 Actual	FY 2001-02 Approp.	FY 2002-03 Approp.
General Fund	\$381,636,624	\$417,288,211	\$442,129,467	\$495,631,310
Cash Funds	10,266,336	11,588,715	15,194,914	2,884,215
Cash Funds Exempt	32,246,978	35,239,066	51,829,027	60,464,115
Federal Funds	<u>5,705,222</u>	<u>4,484,108</u>	<u>8,708,958</u>	<u>4,567,146</u>
Total Funds	\$429,855,160	\$468,600,100	\$517,862,366	\$563,546,786
Full Time Equiv. Staff	5,078.2	5,460.1	5,969.7	6,339.3

FY 2002-03 Budget Changes

Significant changes in appropriations for FY 2002-03 compared to FY 2001-02 include the following:

- Provide increases of \$22.7 million General Fund, \$155,000 cash funds, and \$638,000 cash funds exempt for salary survey and anniversary increases awarded in FY 2001-02;
- Add 353.0 FTE and \$15.0 million General Fund, \$529,000 cash funds, and \$580,000 cash funds exempt for annualization of FY 2001-02 decision items (primarily Fort Lyon Correctional Facility, Trinidad Correctional Facility, and Denver Women's Correctional Facility);
- Provide an increase of \$7.9 million General Fund for centrally appropriated items such as salary survey and performance-based pay awards, workers' compensation, and health, life, and dental insurance;
- Provide an increase of \$6.1 million General Fund and reduce \$4.1 million federal funds to house the anticipated inmate population in jail backlog and private prisons;
- Provide an increase of \$3.6 million General Fund to restore one-time supplemental reductions taken in FY 2001-02;
- Provide an increase of \$2.9 million General Fund for medical inflation and an increase in medical caseload;
- Add 16.6 FTE for parole agents and \$1.3 million General Fund for projected increases in the parole populations;
- Reduce \$5.8 million General Fund and \$232,000 cash funds exempt as a result of a 2.5 percent reduction to the personal services base appropriation;
- Reduce 3.5 FTE and \$607,000 cash funds due to a decrease in the Drug Offender Surcharge Fund balance; and
- Reduce \$542,000 General Fund and \$12.5 million cash funds; and increase \$13.0 million cash funds exempt due to reclassification of Canteen funds.

General Factors Driving the Budget

Funding for this department consists of 88.0 percent General Fund, 0.5 percent cash funds, 10.7 percent cash funds exempt, and 0.8 percent federal funds. Some of the most important factors driving the budget are reviewed below.

Jail Backlog

Jail backlog occurs when inmates are sentenced to the Department of Corrections (DOC) and the capacity does not exist in state prisons or private contract facilities to hold them. In these instances, counties hold the inmates in the county jail until the DOC has the capacity to take them. Pursuant to Section 17-1-112, C.R.S., the DOC, subject to available appropriations, is required to reimburse the counties for holding these inmates. The following information highlights the jail backlog history for the past five years.

	FY 98-99 Actual	FY 99-00 Actual	FY 00-01 Actual	FY 01-02 Approp.	FY 02-03 Approp.
Average County Jail Backlog	555	393	285	310	287
Cost of Jail Backlog	\$8,479,013	\$7,101,766	\$5,284,233	\$5,848,474	\$5,410,596
Daily Reimbursement Rate	\$48.43	\$49.40	\$50.39	\$51.65	\$51.65
Percent Rate Increase/(Decrease)	N/A	2.0%	2.0%	2.5%	0.0%

Private Contracts

In the early 1990's, the DOC began contracting with private prison operators in order to reduce the number of inmates in the jail backlog while state facilities were being constructed. As of April 30, 2002, the DOC had approximately 2,307 inmates in contract facilities. Combined with the number of inmates held in the jail backlog, this represented approximately 14.4 percent of the existing population. There were 522 inmates in Burlington, 628 inmates in Olney Springs, 560 inmates in Bent County, and 597 inmates in Huerfano County. In the past, inmates were also sent to private facilities in other states. However, after the completion of the private facilities in Colorado, all inmates were returned from out of state private facilities to Colorado. The following information highlights the private contracts over the past five years.

	FY 98-99 Actual	FY 99-00 Actual	FY 00-01 Actual	FY 01-02 Approp.	FY 02-03 Approp.
Cost of Private Contracts	\$45,486,080	\$43,941,573	\$38,836,679	\$45,301,729	\$47,293,800
Daily Reimbursement Rate	\$50.59	\$52.28	\$53.33	\$54.66	\$54.66

Population Increase - Impact on Capital Construction

Population increases have resulted in the need to build or renovate several prisons. The following information highlights the appropriations for the past five years with regard to prison capacity expansion.

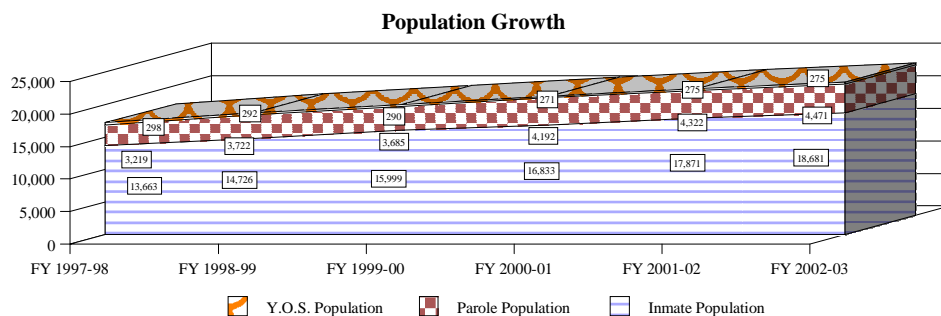
	FY 98-99 Approp.	FY 99-00 Approp.	FY 00-01 Approp.	FY 01-02 Approp.	FY 02-03 Approp.
Capital Appropriation	\$133,135,575	\$0	\$2,088,700	\$12,824,368	\$0

When the new administration took office in 1999, the capital construction requests for new prisons were withdrawn. This was done to give the new administration an opportunity to review options other than state prison construction, including the use of private facilities. The FY 2000-01 capital appropriation was for professional services to plan the 250 bed expansion of San Carlos Correctional Facility, which houses mentally ill inmates. During the 2000 Legislative Session, it was determined that the Department of Corrections (DOC) should, when feasible, place inmates with classifications of medium and below in private facilities and build state facilities for inmates classified as close and administrative segregation.

The General Assembly originally appropriated \$66,302,249 total funds (\$53,989,517 capital construction fund exempt, \$6,432,332 cash funds exempt from the Corrections Expansion Reserve Fund and \$5,880,400 federal funds) in FY 2001-02 for expansion and new facilities. During the 2001 special session and supplementals in the 2002 session, the capital construction appropriation for FY 2001-02 was reduced to \$12,824,368 total funds (\$6,943,968 cash funds exempt from the Corrections Expansion Reserve Fund and \$5,880,400 federal funds). These reductions were the result of the decline in state revenues. The FY 2001-02 appropriation provides funding for the conversion of the Fort Lyon Veteran's Hospital to a prison. The expansion projects at San Carlos, Arkansas Valley, and Denver Reception and Diagnostic Center were postponed. As a result of the anticipated level of state revenues, no capital construction funding was provided for prison expansion in FY 2002-03.

Population Increase - Impact on Operating

The following graph illustrates the growth in average annual population from FY 1997-98 through FY 2002-03. (FY 1997-98 through FY 2000-01 are based on actual expenditures, FY 2001-02 and FY 2002-03 are based on projections.)



As a result of expanding populations, the operating budget of the DOC has increased significantly. This can best be seen in the growth of the Housing and Security Subprogram. The Housing and Security portion of the Long Bill includes the costs associated with the operation of facility security, response to facility emergencies, documentation of facility system performance, control of harmful substances, and access/egress to facility property. In addition, funding for provision of counseling, discipline, grievance resolution, and classification of inmates is provided. The following information shows the growth in terms of costs and FTE.

	FY 98-99 Actual	FY 99-00 Actual	FY 00-01 Actual	FY 01-02 Approp.	FY 02-03 Approp.
Total Department GF Expenditures	\$339,125,488	\$381,636,624	\$417,288,211	\$442,129,467	\$495,631,310
Percent Change - Total	N/A	12.54%	9.34%	5.95%	12.10%
Housing Expenditure	\$76,086,089	\$96,378,129	\$107,920,922	\$120,570,007	\$131,747,612
Percent Change - Housing	N/A	26.67%	11.98%	11.72%	9.27%
FTE	2,078.9	2,286.2	2,516.1	2,775.4	2,858.8

Community Services

An expanding population results in an increase in the number of inmates placed on community corrections and parole. Community corrections allows inmates to transition to community while still classified as a DOC inmate. Inmates assigned to community corrections are either placed in a halfway house or in an intensive supervision program (ISP).

Inmates are released to parole based on the discretion of the Parole Board, or under mandatory parole statutes, depending on the statutes under which they were sentenced. There are two types of parole, regular and intensive supervision. The following information highlights the past five years of community corrections and parole activity.

	FY 98-99 Actual	FY 99-00 Actual	FY 00-01 Actual	FY 01-02 Approp.	FY 02-03 Approp.
Annual Com. Corr. Expenditures	\$7,448,200	\$8,282,753	\$8,822,768	\$9,197,803	\$9,843,724
Percent Change	N/A	11.20%	6.52%	4.25%	7.02%
Annual Parole Expenditures	\$7,356,982	\$8,456,933	\$8,315,715	\$9,422,716	\$11,142,823
Percent Change	N/A	14.95%	-1.67%	13.31%	18.25%

Summary of FY 2001-02 and FY 2002-03 Appropriations

Total Department Appropriations

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Total Appropriation:	\$442,129,467	\$15,194,914	\$51,829,027	\$8,708,958	\$517,862,366	5,969.7
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Management	85,272,427	1,301,149	7,722,970	8,099,728	102,396,274	87.2
Institutions	284,199,264	180,712	1,166,920	80,000	285,626,896	4,662.6
Support Services	20,273,986	565,011	274,564	0	21,113,561	335.7
Inmate Programs	32,875,273	1,936,514	2,426,345	529,230	37,767,362	435.2
Community Services	18,588,044	0	32,475	0	18,620,519	230.1
Parole Board	920,473	0	0	0	920,473	13.5
Correctional Industries	0	0	40,205,753	0	40,205,753	180.0
Canteen Operation	0	11,211,528	0	0	11,211,528	25.4
<u>Breakdown of Total Appropriation by Bill</u>						
HB 97-1077	145,977	0	0	0	145,977	0.0
SB 98-21	5,371	0	0	0	5,371	0.0
HB 98-1160	23,916	0	0	0	23,916	0.0
HB 00-1107	306,985	0	0	0	306,985	0.0
HB 00-1111	97,518	0	0	0	97,518	0.0
HB 00-1158	236,142	0	0	0	236,142	0.0
HB 00-1201	167,267	0	0	0	167,267	0.0
HB 00-1214	157,428	0	0	0	157,428	0.0
HB 00-1247	26,238	0	0	0	26,238	0.0
HB 00-1317	26,238	0	0	0	26,238	0.0
SB 01-212	476,960,216	14,680,488	42,831,939	4,433,759	538,906,402	6,043.0
HB 01-1130	15,921	0	0	0	15,921	0.3
SB 01S2-22	0	0	854,226	0	854,226	0.0
HB 02-1367	(28,358,947)	511,861	8,145,427	158,140	(19,543,519)	(73.6)

	GF	CF	CFE	FF	Total	FTE
HB 02-1422	(8,175,059)	0	0	4,117,059	(4,058,000)	0.0
HB 02-1468	0	2,565	(2,565)	0	0	0.0
HB 02-1472	494,256	0	0	0	494,256	0.0
FY 2002-03 Total Appropriation:	\$495,631,310	\$2,884,215	\$60,464,115	\$4,567,146	\$563,546,786	6,339.3
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Management	98,748,097	896,473	1,756,227	3,982,669	105,383,466	85.7
Institutions	315,671,166	45,476	744,954	80,000	316,541,596	4,969.2
Support Services	22,658,235	699,753	222,477	0	23,580,465	344.7
Inmate Programs	36,613,784	1,242,513	3,145,285	504,477	41,506,059	466.3
Community Services	20,954,072	0	32,475	0	20,986,547	249.2
Parole Board	985,956	0	0	0	985,956	13.5
Correctional Industries	0	0	42,614,358	0	42,614,358	185.0
Canteen Operation	0	0	11,948,339	0	11,948,339	25.7
<u>Breakdown of Total Appropriation by Bill</u>						
SB 98-21	8,679	0	0	0	8,679	0.0
HB 98-1160	140,676	0	0	0	140,676	0.0
HB 00-1107	430,128	0	0	0	430,128	0.0
HB 00-1111	134,251	0	0	0	134,251	0.0
HB 00-1158	346,342	0	0	0	346,342	0.0
HB 00-1201	589,152	0	0	0	589,152	0.0
HB 00-1214	314,856	0	0	0	314,856	0.0
HB 00-1247	52,476	0	0	0	52,476	0.0
HB 00-1317	26,238	0	0	0	26,238	0.0
SB 01-46	23,833	0	0	0	23,833	0.0
SB 01-210	176,013	0	0	0	176,013	0.0
HB 01-1242	106,756	0	0	0	106,756	0.0
HB 01-1344	26,689	0	0	0	26,689	0.0
SB 02-50	(256,541)	0	0	0	(256,541)	0.0
HB 02-1038	(255,811)	0	0	0	(255,811)	0.0

	GF	CF	CFE	FF	Total	FTE
HB 02-1420	493,457,102	2,882,583	60,454,913	4,567,146	561,361,744	6,339.3
HB 02-1468	310,471	1,632	9,202	0	321,305	0.0
Increase/(Decrease)	\$53,501,843	(\$12,310,699)	\$8,635,088	(\$4,141,812)	\$45,684,420	369.6
Percentage Change	12.1%	-81.0%	16.7%	-47.6%	8.8%	6.2%

Detail of Appropriation by Administrative Section

Management

The Management division contains the main departmental management functions including the Executive Director's Office, the External Capacity Subprogram, and the Inmate Drug Reduction Subprogram. Funding for the Management division is 93.7 percent General Fund. The cash funds and cash funds exempt are primarily Correctional Industries sales revenue, Canteen Operation sales revenue, Sex Offender Surcharge Fund, and Victims Assistance and Law Enforcement funds. The federal funds are primarily from reimbursement for housing illegal aliens.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$111,758,736	\$1,246,399	\$1,571,915	\$3,614,980	\$118,192,030	88.3
SB 01S2-22	0	0	854,226	0	854,226	0.0
HB 02-1367	(22,519,917)	52,185	5,299,394	367,689	(16,800,649)	(1.1)
HB 02-1422	(4,460,648)	0	0	4,117,059	(343,589)	0.0
HB 02-1468	0	2,565	(2,565)	0	0	0.0
HB 02-1472	<u>494,256</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>494,256</u>	<u>0.0</u>
TOTAL	\$85,272,427	\$1,301,149	\$7,722,970	\$8,099,728	\$102,396,274	87.2
FY 2002-03 Appropriation:						
SB 02-50	(\$256,541)	\$0	\$0	\$0	(\$256,541)	0.0
HB 02-1038	(255,811)	0	0	0	(255,811)	0.0
HB 02-1420	98,949,978	894,841	1,747,025	3,982,669	105,574,513	85.7
HB 02-1468	<u>310,471</u>	<u>1,632</u>	<u>9,202</u>	<u>0</u>	<u>321,305</u>	<u>0.0</u>
TOTAL	\$98,748,097	896,473	1,756,227	3,982,669	105,383,466	85.7

	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$13,475,670	(\$404,676)	(\$5,966,743)	(\$4,117,059)	\$2,987,192	(1.5)
Percentage Change	15.8%	-31.1%	-77.3%	-50.8%	2.9%	-1.7%

FTE Detail	FY 2001-02	FY 2002-03
Executive Director's Office Subprogram	69.2	72.2
External Capacity Subprogram	13.5	13.5
Inmate Drug Reduction Subprogram	<u>4.5</u>	<u>0.0</u>
	87.2	85.7

FTE Changes: The net decrease of 1.5 FTE is due to the following factors: (1) a reduction of 1.5 FTE as a result of the elimination of the Inmate Drug Reduction Program due to a lack of Drug Offender Surcharge Funds; (2) a reduction of 1.0 FTE in the Drug Offender Surcharge Fund program for program evaluation; (3) a reduction of 1.0 FTE as a result the Governor's 1.0 percent budget reduction initiative; and (4) an additional 2.0 FTE for annualization of FTE funded in FY 2001-02 decision items.

General Fund Changes: The General Fund appropriation includes increases for an additional: (1) \$7.7 million for centrally appropriated items such as salary survey and performance-based pay increases and workers compensation; (2) \$6.1 million for external capacity to house inmates in private prisons and county jail backlog; (3) \$370,000 for personal services expenditures due to salary survey and anniversary increases awarded in FY 2001-02; and (4) \$345,000 to restore one-time supplemental reductions from FY 2001-02. Offsetting these increases are reductions of: (1) \$416,000 as a result of the Governor's 1.0 percent budget reductions, (2) \$256,000 as a result of pay for performance reductions contained in S.B. 02-50, and (3) \$255,000 as a result of pay for performance reductions contained in H.B. 02-1038.

Cash Funds Changes: The cash funds decrease is due to: (1) a reduction in funding from the Drug Offender Surcharge Fund which resulted in the elimination of funding for the Inmate Drug Reduction Program and a position that performed drug program evaluation; and (2) a reclassification of Canteen funds as cash funds exempt because H.B. 02-1171 designated the Canteen as an enterprise. These reductions were partially offset by an increase for centrally appropriated items such as workers compensation, health, life and dental, salary survey, performance-based pay, and short-term disability.

Cash Funds Exempt Changes: The cash funds exempt decrease is due to the elimination of one-time funding from a cash reserve for payment of health, life, and dental costs. This reduction was partially offset by (1) an increase for centrally appropriated items such as workers compensation, health, life, and dental, salary survey, performance-based pay, and short-term disability; and (2) a reclassification

of Canteen funds as cash funds exempt because H.B. 02-1171 designated the Canteen as an enterprise.

Federal Fund Changes: The federal fund decrease is due to lower federal funds from the State Criminal Alien Assistance Program. This federal program reimburses governmental agencies for holding illegal aliens.

Institutions

The Institutions division includes all cost centers directly attributable to operation of the State's adult correctional facilities. These subprogram cost centers include utilities, maintenance, housing and security, food service, medical services, superintendents, the Youth Offender System, and the specialized San Carlos Correctional Facility. Funding for the Institutions division is 99.7 percent General Fund. The cash funds are primarily from fees charged for inmate medical costs. The cash funds exempt are primarily from utilities costs associated with Correctional Industries programs. The federal funds are primarily from donated U.S. Department of Agriculture foods.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
HB 97-1077	\$145,977	\$0	\$0	\$0	\$145,977	0.0
SB 98-21	5,371	0	0	0	5,371	0.0
HB 98-1160	23,916	0	0	0	23,916	0.0
HB 00-1107	306,985	0	0	0	306,985	0.0
HB 00-1111	97,518	0	0	0	97,518	0.0
HB 00-1158	236,142	0	0	0	236,142	0.0
HB 00-1201	167,267	0	0	0	167,267	0.0
HB 00-1214	157,428	0	0	0	157,428	0.0
HB 00-1247	26,238	0	0	0	26,238	0.0
HB 00-1317	26,238	0	0	0	26,238	0.0
SB 01-212	287,873,090	43,279	726,785	80,000	288,723,154	4,708.8
HB 01-1130	15,921	0	0	0	15,921	0.3
HB 02-1367	(2,443,643)	137,433	440,135	0	(1,866,075)	(46.5)
HB 02-1422	<u>(2,439,184)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(2,439,184)</u>	<u>0.0</u>
TOTAL	\$284,199,264	\$180,712	\$1,166,920	\$80,000	\$285,626,896	4,662.6

	GF	CF	CFE	FF	Total	FTE
FY 2002-03 Appropriation:						
SB 98-21	\$8,679	\$0	\$0	\$0	\$8,679	0.0
HB 98-1160	140,676	0	0	0	140,676	0.0
HB 00-1107	430,128	0	0	0	430,128	0.0
HB 00-1111	134,251	0	0	0	134,251	0.0
HB 00-1158	346,342	0	0	0	346,342	0.0
HB 00-1201	589,152	0	0	0	589,152	0.0
HB 00-1214	314,856	0	0	0	314,856	0.0
HB 00-1247	52,476	0	0	0	52,476	0.0
HB 00-1317	26,238	0	0	0	26,238	0.0
SB 01-46	23,833	0	0	0	23,833	0.0
SB 01-210	176,013	0	0	0	176,013	0.0
HB 01-1242	106,756	0	0	0	106,756	0.0
HB 01-1344	26,689	0	0	0	26,689	0.0
HB 02-1420	<u>313,295,077</u>	<u>45,476</u>	<u>744,954</u>	<u>80,000</u>	<u>314,165,507</u>	<u>4,969.2</u>
TOTAL	\$315,671,166	\$45,476	\$744,954	\$80,000	\$316,541,596	4,969.2
Increase/(Decrease)	\$31,471,902	(\$135,236)	(\$421,966)	\$0	\$30,914,700	306.6
Percentage Change	11.1%	-74.8%	-36.2%	0.0%	10.8%	6.6%

FTE Detail	FY 2001-02	FY 2002-03
Utilities Subprogram	0.5	0.5
Maintenance Subprogram	275.7	303.0
Housing and Security Subprogram	2,775.4	2,858.8
Food Service Subprogram	242.6	264.2
Medical Services Subprogram	346.0	471.1
Laundry Subprogram	34.3	37.6
Superintendents Subprogram	210.6	230.6
Boot Camp Subprogram	39.0	39.0
Youthful Offender System Subprogram	202.7	202.7

FTE Detail	FY 2001-02	FY 2002-03
Case Management Subprogram	232.6	247.3
Mental Health Services Subprogram	63.8	73.0
San Carlos Subprogram	223.4	223.4
Legal Access Subprogram	<u>16.0</u>	<u>18.0</u>
	4,662.6	4,969.2

FTE Changes: The net increase of 306.6 FTE is due to the following factors: (1) an additional 300.0 FTE for annualization of facility expansions authorized in FY 2001-02; (2) an additional 8.5 FTE for medical personnel to replace contracted positions; (3) an additional 0.7 FTE to annualize a position authorized in H.B. 01-1130; and (4) a reduction of 2.6 FTE due to the closure of a mobile housing unit at Colorado Women's Correctional Facility.

General Fund Changes: The General Fund appropriation includes increases for an additional: (1) \$18.5 million for personal services expenditures due to salary survey and anniversary increases awarded in FY 2001-02; (2) \$12.5 million for annualization of facility expansions authorized in FY 2001-02; (3) \$2.0 million to restore one-time supplemental reductions from FY 2001-02 (4) \$1.7 million for medical inflationary increases; (5) \$1.0 million for increases in medical costs due to anticipated increases in the inmate population; and (6) \$752,000 for increases in utilities. Partially offsetting the General Fund increases are reductions of: (1) \$4.4 million for application of a 2.5 percent reduction of the personal services base; (2) \$824,000 due to the Governor's veto of contract services in the Superintendent Subprogram; and (3) \$214,000 for elimination of funding associated with computer replacements.

Cash Funds Changes: The cash funds decrease is primarily the result of eliminating one-time cash spending authority associated with providing services for the Veteran's Administration at the Fort Lyon Correctional Facility.

Cash Exempt Changes: The cash funds exempt decrease is the result of transferring spending authority associated with the Fort Lyon Correctional Facility from this subprogram to the Correctional Industries Subprogram.

Support Services

The Support Services Division represents the Department's operations programs, including business operations, personnel, offender services, communications, transportation, training, information systems, and facility services. Funding for the Support Services Division is 96.1 percent General Fund. The cash funds and cash funds exempt are primarily from sales from Canteen operations and sales from Correctional Industries.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$21,208,771	\$565,137	\$205,545	\$0	\$21,979,453	340.9
HB 02-1367	(795,602)	(126)	69,019	0	(726,709)	(5.2)
HB 02-1422	<u>(139,183)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(139,183)</u>	<u>0.0</u>
TOTAL	\$20,273,986	\$565,011	\$274,564	\$0	\$21,113,561	335.7
FY 2002-03 Appropriation:						
HB 02-1420	<u>\$22,658,235</u>	<u>\$699,753</u>	<u>\$222,477</u>	<u>\$0</u>	<u>\$23,580,465</u>	<u>344.7</u>
TOTAL	\$22,658,235	\$699,753	\$222,477	\$0	\$23,580,465	344.7
Increase/(Decrease)	\$2,384,249	\$134,742	(\$52,087)	\$0	\$2,466,904	9.0
Percentage Change	11.8%	23.8%	-19.0%	n/a	11.7%	2.7%

FTE Detail	FY 2001-02	FY 2002-03
Business Operations Subprogram	123.8	129.1
Personnel Subprogram	35.0	35.0
Offender Services Subprogram	39.3	40.0
Communications Subprogram	10.4	10.4
Transportation Subprogram	29.0	29.6
Training Subprogram	30.1	32.0
Information Systems Subprogram	39.5	40.0
Facility Services Subprogram	<u>28.6</u>	<u>28.6</u>
	335.7	344.7

FTE Changes: The overall appropriation includes a net increase of 9.0 FTE due to the following factors: (1) an additional 11.5 FTE as a result of annualization of FTE funded in FY 2001-02; (2) a reduction of 2.2 FTE as a result of the Governor's 1.0 percent reduction; and (3) a reduction of 0.3 FTE due to the closure of a mobile housing unit at Colorado Women's Correctional Facility.

General Fund Changes: The General Fund increase results from an additional: (1) \$1.4 million for personal services increases due to salary survey and anniversary amounts awarded in FY 2001-02; (2) \$605,000 for annualization of positions and operating funds awarded in FY 2001-02 to support expanding facilities; (3) \$316,000 for payments to the statewide Multiuse Network; and (4) \$139,000

to restore one-time supplemental reductions from FY 2001-02. These increases are partially offset by a reduction of \$101,000 due to the Governor's veto of the Advanced Specialized Training line item in the Training Subprogram.

Cash Funds Changes: The cash funds increase is the result of increased indirect cost recoveries.

Cash Funds Exempt Changes: The cash funds exempt decrease is the result of a reclassification of Canteen funds as cash funds because H.B. 02-1171 designated the Canteen as an enterprise. This decrease was offset by payments from Correctional Industries to the statewide Multi-use Network.

Inmate Programs

The Inmate Programs division includes all educational, vocational, recreational, and inmate labor programs operated by the Department. Also included in this division are the sex offender treatment program and drug and alcohol treatment programs. Funding for the Inmate Programs is 88.2 percent General Fund. The cash funds are primarily from Drug Offender Surcharge funds. The cash funds exempt and federal funds are primarily from educational grants.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$35,714,842	\$1,614,145	\$1,603,574	\$738,779	\$39,671,340	450.2
HB 02-1367	(1,854,950)	322,369	822,771	(209,549)	(919,359)	(15.0)
HB 02-1422	<u>(984,619)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(984,619)</u>	<u>0.0</u>
TOTAL	\$32,875,273	\$1,936,514	\$2,426,345	\$529,230	\$37,767,362	435.2
FY 2002-03 Appropriation:						
HB 02-1420	<u>\$36,613,784</u>	<u>\$1,242,513</u>	<u>\$3,145,285</u>	<u>\$504,477</u>	<u>\$41,506,059</u>	<u>466.3</u>
TOTAL	\$36,613,784	\$1,242,513	\$3,145,285	\$504,477	\$41,506,059	466.3
Increase/(Decrease)	\$3,738,511	(\$694,001)	\$718,940	(\$24,753)	\$3,738,697	31.1
Percentage Change	11.4%	-35.8%	29.6%	-4.7%	9.9%	7.1%

FTE Detail	FY 2001-02	FY 2002-03
Labor Subprogram	103.2	116.9
Education Subprogram	148.1	157.5
Recreation Subprogram	115.3	123.3

FTE Detail	FY 2001-02	FY 2002-03
Drug and Alcohol Treatment Subprogram	5.0	4.0
Sex Offender Treatment Subprogram	40.6	41.6
Volunteers Subprogram	9.0	9.0
Community Reintegration Subprogram	<u>14.0</u>	<u>14.0</u>
	435.2	466.3

FTE Changes: The overall appropriation includes a net increase of 31.1 FTE due to the following factors: (1) an additional 31.7 FTE for annualization of positions appropriated in FY 2001-02; (2) an additional 1.0 FTE for sex offender treatment; (3) a reduction of 1.0 FTE in the Drug Offender Surcharge Program due to lack of funding; and (4) a reduction of 0.6 FTE due to the closure of a mobile housing unit at Colorado Women's Correctional Facility.

General Fund Changes: The overall net increase in General Fund is due to an additional: (1) \$2.2 million for annualization of facility expansions in FY 2001-02; (2) \$1.3 million for increased personal services expenditures for salary survey and anniversary increases awarded in FY 2001-02; (3) \$985,000 to restore one-time supplemental reductions from FY 2001-02; and (4) \$289,000 for medical inflation associated with drug and alcohol treatment. These increases are partially offset by reductions of: (1) \$542,000 because costs in the Education, Recreation, and Volunteer Subprograms were offset with Canteen funds; and (2) \$433,000 for application of a 2.5 percent reduction to the personal services base.

Cash Funds Changes: The cash funds decrease is due to: (1) reductions in the Drug Offender Surcharge program as a result of decreased Drug Offender Surcharge Fund revenues; and (2) a reclassification of Canteen funds as cash funds exempt because H.B. 02-1171 designated the Canteen as an enterprise.

Cash Funds Exempt Changes: The cash funds exempt increase is due to a reclassification of Canteen funds as cash funds exempt because H.B. 02-1171 designated the Canteen as an enterprise and the use of Canteen funds for Education, Recreation, and Volunteer Subprograms. This increase was partially offset by a reduction in treatment grants in the Drug and Alcohol Treatment Subprogram.

Community Services

The Community Services division includes the parole, parole Intensive Supervision Program (ISP), community supervision (transition), and community ISP (transition) subprograms. This major program area is designed to isolate most costs associated with supervising inmates and parolees in a community setting. Other costs associated with residential community corrections placements are appropriated to the Department of Public Safety, Division of Criminal Justice. Funding for the Community Services division is 99.8 percent General Fund. The cash funds exempt are moneys transferred from the Division of Criminal Justice in the Department of Public Safety.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$19,484,304	\$0	\$32,475	\$0	\$19,516,779	232.6
HB 02-1367	(744,835)	0	0	0	(744,835)	(2.5)
HB 02-1422	<u>(151,425)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(151,425)</u>	<u>0.0</u>
TOTAL	\$18,588,044	\$0	\$32,475	\$0	\$18,620,519	230.1
FY 2002-03 Appropriation:						
HB 02-1420	<u>\$20,954,072</u>	<u>\$0</u>	<u>\$32,475</u>	<u>\$0</u>	<u>\$20,986,547</u>	<u>249.2</u>
TOTAL	\$20,954,072	\$0	\$32,475	\$0	\$20,986,547	249.2
Increase/(Decrease)	\$2,366,028	\$0	\$0	\$0	\$2,366,028	19.1
Percentage Change	12.7%	n/a	0.0%	n/a	12.7%	8.3%

FTE Detail	FY 2001-02	FY 2002-03
Parole	99.8	111.6
Parole Intensive Supervision Subprogram	43.8	48.6
Community Intensive Supervision Subprogram	46.5	48.5
Community Supervision Subprogram	30.0	30.5
Youthful Offender System Aftercare	<u>10.0</u>	<u>10.0</u>
	230.1	249.2

FTE Changes: The overall appropriation includes funding for an additional 19.1 FTE due to the following factors: (1) an additional 11.8 FTE for management of the projected increase in the parole population; (2) an additional 4.8 FTE for management of the projected increase in the parole intensive supervision program population; (3) an additional 2.0 FTE for management of the projected increase in the community intensive supervision program population; and (4) an additional 0.5 FTE for management of the projected increase in the regular community corrections population.

General Fund Changes: The overall net increase in General Fund is the result of an additional: (1) \$1.2 million to oversee the projected increase in the parole populations; (2) \$1.1 million for increased personal services for salary survey and anniversary increases awarded in FY 2001-02; and (3) \$151,000 to restore one-time supplemental reductions from FY 2001-02. These increases are partially offset by a reduction of \$300,000 for application of a 2.5 percent reduction to the personal services base.

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. When conditions of parole are violated, the Board can revoke a person's parole. Funding for the Parole Board is 100.0 percent General Fund.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	<u>\$920,473</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$920,473</u>	<u>13.5</u>
TOTAL	\$920,473	\$0	\$0	\$0	\$920,473	13.5
FY 2002-03 Appropriation:						
HB 02-1420	<u>\$985,956</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$985,956</u>	<u>13.5</u>
TOTAL	\$985,956	\$0	\$0	\$0	\$985,956	13.5
Increase/(Decrease)	\$65,483	\$0	\$0	\$0	\$65,483	0.0
Percentage Change	7.1%	n/a	n/a	n/a	7.1%	0.0%

General Fund Changes: The overall increase in General Fund results from personal services expenditures for salary survey and anniversary increases awarded in FY 2001-02.

Correctional Industries

The Correctional Industries division manages profit-oriented work programs to provide inmates with training in various job skills while generating revenues to cover its costs. The major businesses operated by Correctional Industries include manufacturing operations for automobile license plates, office furniture, and modular office systems; a print shop; a leather products shop; and a garment production operation. Correctional Industries sells its products primarily to other government agencies. Funding for the Correctional Industries division is 100 percent cash funds exempt from sales of Correctional Industries products and services.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$0	\$0	\$38,691,645	\$0	\$38,691,645	183.3
HB 02-1367	<u>0</u>	<u>0</u>	<u>1,514,108</u>	<u>0</u>	<u>1,514,108</u>	<u>(3.3)</u>
TOTAL	\$0	\$0	\$40,205,753	\$0	\$40,205,753	180.0

	GF	CF	CFE	FF	Total	FTE
FY 2002-03 Appropriation:						
HB 02-1420	\$0	\$0	\$42,614,358	\$0	\$42,614,358	185.0
TOTAL	\$0	\$0	\$42,614,358	\$0	\$42,614,358	185.0
Increase/(Decrease)	\$0	\$0	\$2,408,605	\$0	\$2,408,605	5.0
Percentage Change	n/a	n/a	6.0%	n/a	6.0%	2.8%

FTE Changes: The overall appropriation includes funding for an additional 5.0 FTE for annualization of positions appropriated in FY 2001-02.

Cash Funds Exempt Changes: The cash funds exempt increase is the result of an additional: (1) \$1.0 million for annualization of facility expansions funded in FY 2001-02; (2) \$914,000 for the manufacture of license plates; and (3) \$638,000 for increased personal services expenditures for salary survey and anniversary increases awarded in FY 2001-02. Partially offsetting these increases is a reduction of \$231,000 for application of a 2.5 percent reduction to the personal services base.

Canteen Operation

The canteen provides various personal items for purchase by inmates including toiletries, snack foods, phone services, and other approved items. Per court order, all funds remaining after expenses are to be used to provide inmates with additional educational or recreational resources including library materials and cable television services. Funding for the Canteen Operation is 100.0 percent cash funds exempt from sales of canteen products to inmates.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$0	\$11,211,528	\$0	\$0	\$11,211,528	25.4
TOTAL	\$0	\$11,211,528	\$0	\$0	\$11,211,528	25.4
FY 2002-03 Appropriation:						
HB 02-1420	\$0	\$0	\$11,948,339	\$0	\$11,948,339	25.7
TOTAL	\$0	\$0	\$11,948,339	\$0	\$11,948,339	25.7
Increase/(Decrease)	\$0	(\$11,211,528)	\$11,948,339	\$0	\$736,811	0.3
Percentage Change	n/a	-100.0%	n/a	n/a	6.6%	1.2%

FTE Changes: The overall appropriation includes funding for an additional 0.3 FTE for annualization of positions provided in FY 2001-02.

Cash Funds and Cash Funds Exempt Changes: The cash funds decrease and the cash funds exempt increase is due to a reclassification of Canteen funds as cash funds exempt because H.B. 02-1171 designated the Canteen as an enterprise. The total net change is the result of an additional: (1) \$665,000 for annualization of expenditures associated with the Colorado Inmate Phone System which was expanded in FY 2001-02; and (2) \$98,000 for increased personal services expenditures for salary survey and anniversary increases awarded in FY 2001-02. Partially offsetting these increases is a \$29,000 reduction for application of a 2.5 percent reduction to the personal services base.

Recent Legislation

2001 Session Bills

S.B. 01-46: Institutes penalties for cheating at gaming establishments to include persons other than licensed operators.

S.B. 01-210: Increases the penalties for failure to register as a sex offender.

S.B. 01-212: General appropriations act for FY 2001-02.

H.B. 01-1074: Authorizes the transfer of the Fort Lyon Veterans Hospital from the federal government to the state government for use as a correctional facility.

H.B. 01-1130: Expands DNA testing to include all inmates at the Department of Corrections prior to discharge or release to parole.

H.B. 01-1204: Creates enhanced penalties for offenses committed against pregnant women.

H.B. 01-1205: Eliminates the repeal of laws concerning community corrections escapees.

H.B. 01-1242: Makes several changes to criminal sentencing laws.

H.B. 01-1344: Eliminates the statute of limitations for crimes in which the identity of the defendant is determined through genetic means.

S.B. 01S2-22: Provides a 4.3 percent increase in the state contribution rate for state employees for CY 2002 and provides funding to pay for the additional costs associated with health insurance for state employees who reside in Pueblo. For more information, refer to the bill description in the Department of Personnel.

2002 Session Bills

S.B. 02-50: Makes possession of certain substances used to manufacture methamphetamine illegal. Includes a five year statutory appropriation pursuant to Section 2-2-703, C.R.S. for the following fiscal years:

- FY 2002-03: Transfers \$486,269 General Fund to the Capital Construction Fund, then to the Corrections Expansion Reserve Fund. This mechanism allows the bed construction costs to be exempt from the Arveschoug-Bird six percent limit.
- FY 2003-04: Transfers \$486,269 General Fund to the Capital Construction Fund, then to the Corrections Expansion Reserve Fund. This mechanism allows the bed construction costs to be exempt from the Arveschoug-Bird six percent limit. Appropriates \$190,757 General Fund for the operating costs associated with the bill. The operating costs will need to be included within the Arveschoug-Bird six percent limit in FY 2003-04.
- FY 2004-05: Transfers \$486,269 General Fund to the Capital Construction Fund, then to the Corrections Expansion Reserve Fund. This mechanism allows the bed construction costs to be exempt from the Arveschoug-Bird six percent limit. Appropriates \$381,514 General Fund for the operating costs associated with the bill. The operating costs will need to be included within the Arveschoug-Bird six percent limit in FY 2004-05.
- FY 2005-06: Transfers \$449,799 General Fund to the Capital Construction Fund, then to the Corrections Expansion Reserve Fund. This mechanism allows the bed construction costs to be exempt from the Arveschoug-Bird six percent limit. Appropriates \$572,271 General Fund for the operating costs associated with the bill. The operating costs will need to be included within the Arveschoug-Bird six percent limit in FY 2005-06.
- FY 2006-07: Appropriates \$748,721 General Fund for the operating costs associated with the bill. The operating costs will need to be included within the Arveschoug-Bird six percent limit in FY 2006-07.

Additionally, the act includes an appropriation of \$14,373 General Fund and 0.3 FTE for the Public Defenders Office for FY 2002-03. The act also reduces General Fund appropriations in the Long Bill for performance-based pay to offset the costs of the bill in FY 2002-03.

H.B. 02-1038: Makes possession of certain items with the intent to manufacture methamphetamine illegal. Includes a five year statutory appropriation pursuant to Section 2-2-703, C.R.S. for the following fiscal years:

- FY 2002-03: Transfers \$486,269 General Fund to the Capital Construction Fund, then to the Corrections Expansion Reserve Fund. This mechanism allows the construction costs for prison beds to be exempt from the Arveschoug-Bird six percent limit.

- ❑ FY 2003-04: Transfers \$506,530 General Fund to the Capital Construction Fund, then to the Corrections Expansion Reserve Fund. This mechanism allows the construction costs for prison beds to be exempt from the Arveschoug-Bird six percent limit. Appropriates \$190,757 General Fund for the operating costs associated with the bill. The operating costs will need to be included within the Arveschoug-Bird six percent limit in FY 2003-04.
- ❑ FY 2004-05: Transfers \$972,538 General Fund to the Capital Construction Fund, then to the Corrections Expansion Reserve Fund. This mechanism allows the construction costs for prison beds to be exempt from the Arveschoug-Bird six percent limit. Appropriates \$389,462 General Fund for the operating costs associated with the bill. The operating costs will need to be included within the Arveschoug-Bird six percent limit in FY 2004-05.
- ❑ FY 2005-06: Appropriates \$770,976 General Fund for the operating costs associated with the bill. The operating costs will need to be included within the Arveschoug-Bird six percent limit in FY 2005-06.
- ❑ FY 2006-07: Appropriates \$770,976 General Fund for the operating costs associated with the bill. The operating costs will need to be included within the Arveschoug-Bird six percent limit in FY 2006-07.

Additionally, the act appropriates \$12,947 General Fund and 0.3 FTE to the Public Defender's Office in FY 2002-03. The act also reduces the General Fund appropriations in the Long Bill for performance-based pay by \$499,216 to cover the FY 2002-03 costs of the bill.

H.B. 02-1171: Designated the Canteen Operation as an enterprise within the Division of Correctional Industries. This change allows revenues from the Canteen Operation to be reflected as cash funds exempt rather than cash funds.

H.B. 02-1283: Expands the current crime of possession, use, or unlawful removal of explosives to include chemical, biological, or radiological weapons. Includes a five year statutory appropriation pursuant to Section 2-2-703, C.R.S. for the following fiscal year:

- ❑ FY 2002-03: Transfers \$69,467 General Fund to the Capital Construction Fund, then to the Corrections Expansion Reserve Fund. This mechanism allows the bed construction costs to be exempt from the Arveschoug-Bird six percent limit.
- ❑ FY 2003-04: Appropriates \$27,251 General Fund for the operating costs associated with the bill. The operating costs will need to be included within the Arveschoug-Bird six percent limit in FY 2003-04.
- ❑ FY 2004-05: Appropriates \$27,251 General Fund for the operating costs associated with the bill. The operating costs will need to be included within the Arveschoug-Bird six percent limit in FY 2004-05.

- FY 2005-06: Appropriates \$27,251 General Fund for the operating costs associated with the bill. The operating costs will need to be included within the Arveschoug-Bird six percent limit in FY 2005-06.
- FY 2006-07: Appropriates \$27,251 General Fund for the operating costs associated with the bill. The operating costs will need to be included within the Arveschoug-Bird six percent limit in FY 2006-07.

The act includes a clause indicating the sections that require an appropriation will only be enacted into law if H.B. 02-1241 is enacted and contains net General Fund savings equal to or greater than the final general fund fiscal estimate for H.B. 02-1283.

H.B. 02-1301: Clarified the laws concerning introduction of contraband into state correctional facilities. Includes a five year statutory appropriation pursuant to Section 2-2-703, C.R.S. for the following fiscal year:

- FY 2004-05: Appropriates \$24,526 General Fund for the operating costs associated with the bill. The operating costs will need to be included within the Arveschoug-Bird six percent limit in FY 2004-05.

H.B. 02-1367: Supplemental appropriation to the Department of Corrections to modify the appropriation included in the FY 2001-02 Long Bill.

H.B. 02-1396: Extends the limitation period for filing criminal charges of sex offenses against children by tolling the 10-year limitation period until the victim is 18 years of age. Includes a five year statutory appropriation pursuant to Section 2-2-703, C.R.S. for the following fiscal year:

- FY 2002-03: Transfers \$69,467 General Fund to the Capital Construction Fund, then to the Corrections Expansion Reserve Fund. This mechanism allows the bed construction costs to be exempt from the Arveschoug-Bird six percent limit.
- FY 2003-04: Appropriates \$27,251 General Fund for the operating costs associated with the bill. The operating costs will need to be included within the Arveschoug-Bird six percent limit in FY 2003-04.
- FY 2004-05: Appropriates \$27,251 General Fund for the operating costs associated with the bill. The operating costs will need to be included within the Arveschoug-Bird six percent limit in FY 2004-05.
- FY 2005-06: Appropriates \$27,251 General Fund for the operating costs associated with the bill. The operating costs will need to be included within the Arveschoug-Bird six percent limit in FY 2005-06.

- FY 2006-07: Appropriates \$27,251 General Fund for the operating costs associated with the bill. The operating costs will need to be included within the Arveschoug-Bird six percent limit in FY 2006-07.

The act includes a clause indicating that it will only be enacted into law if H.B. 02-1292 is enacted and contains net General Fund savings equal to or greater than the final general fund fiscal estimate for H.B. 02-1396.

H.B. 02-1420: General appropriations act for FY 2002-03.

H.B. 02-1422: Supplemental appropriation to the Department of Corrections to modify the appropriation included in the FY 2001-02 Long Bill.

H.B. 02-1468: Refinances the FY 2001-02 appropriation made pursuant to S.B. 01S2-22. Establishes the CY 2003 state contribution rate for health, life, and dental insurance to be the same as the state contribution rate for CY 2002. Authorizes the General Assembly to annually adjust the state contribution for health, life, and dental insurance effective CY 2004 through the Long Bill. For more information, refer to the bill description in the Department of Personnel.

H.B. 02-1472: Supplemental appropriation to the Department of Corrections to modify the appropriation included in the FY 2001-02 Long Bill.

H.B. 02-1475: Permits the state controller to allow the Department of Corrections to over expend the appropriation for the Purchase of Pharmaceuticals and the Purchase of Medical Services from Other Medical Facilities line items in the Medical Services Subprogram for FY 2001-02.

DEPARTMENT OF EDUCATION

Article IX of the Colorado Constitution requires the General Assembly to "provide for the establishment and maintenance of a thorough and uniform system of free public schools throughout the state, wherein all residents of the state, between the ages of six and twenty-one years, may be educated gratuitously." The General Assembly is also to provide for the organization of school districts throughout the state. In each district a locally-elected board of education has control over instruction of the public schools within its district. The State Board of Education, currently comprised of six members representing each of Colorado's congressional districts and one at-large member, is responsible for the general supervision of public schools. The Commissioner of Education, appointed by the State Board, advises the State Board concerning the operation and status of public schools and serves as the executive officer of the Department of Education.

The Department distributes state and federal funds to school districts and is responsible for accrediting school districts and administering educator licensure and professional development programs. The Department also administers a variety of education-related programs, including the education of children with special needs, the English language proficiency programs, the Colorado Preschool Program, adult basic education programs, and a variety of grant programs. The Department is responsible for developing and maintaining state model content standards and administering the associated Colorado Student Assessment Program (CSAP). Further, the Department is required to issue annual accountability reports for every public school in the state. In addition to its responsibilities related to public schools, the Department is charged with promoting the improvement of library services statewide to ensure equal access to information, including providing library services to persons who reside in state-funded institutions and to persons who are blind or physically disabled. Finally, the Department operates the Colorado School for the Deaf and the Blind, located in Colorado Springs.

On November 7, 2000, a majority of Colorado voters approved Amendment 23, which added Section 17 to Article IX of the Colorado Constitution. This provision requires the General Assembly to provide annual inflationary funding increases for kindergarten through twelfth grade education. This provision also makes more state funds available for spending on education by creating the State Education Fund, consisting of one-third of one percent of income tax revenues and any interest earned on the Fund balance. State Education Fund revenues are not subject to the Taxpayer Bill of Rights (TABOR) constitutional limitation on fiscal year spending, and any appropriation from the State Education Fund is not subject to the six percent statutory limitation on General Fund appropriations. To facilitate compliance with Section 17 of Article IX of the Colorado Constitution, appropriations made to the Department in the FY 2001-02 and FY 2002-03 long bills are organized differently than in previous years. The new organization is comprised of the following four sections: (1) management and administration; (2) assistance to public schools; (3) library programs; and (4) School for the Deaf and the Blind.

Department Budget: Recent Actual Expenditures and Appropriations

Funding Source	FY 1999-00 Actual	FY 2000-01 Actual	FY 2001-02 Approp.	FY 2002-03 Approp.
General Fund	\$2,038,357,861	\$2,140,176,563	\$2,268,952,487	\$2,407,932,664
Cash Funds	10,902,216	11,337,694	12,677,319	13,098,823
Cash Funds Exempt	44,857,728	119,840,411	275,621,121	353,162,886
Federal Funds	<u>241,961,126</u>	<u>240,637,908</u>	<u>270,990,995</u>	<u>371,836,547</u>
Total Funds	\$2,336,078,931	\$2,511,992,576	\$2,828,241,922	\$3,146,030,920
Full Time Equiv. Staff	378.1	394.9	417.8	430.5

FY 2002-03 Budget Changes

Significant changes in appropriations for FY 2002-03 compared to FY 2001-02 include the following:

- The appropriation provides for a *total* increase in funding for schools pursuant to the School Finance Act of 1994, as amended, of \$282.9 million (7.3 percent). This increase is provided based on a 1.1 percent projected increase in student enrollment, a 5.7 percent increase in the statewide base per pupil funding amount (to meet the “inflation plus one” requirement of Section 17 of Article IX of the Colorado Constitution), and a 0.4 percent increase in average per pupil funding to implement statutorily-required changes to the size factor. In addition, funding is provided to cover the cost of the following changes to the School Finance Act pursuant to H.B. 02-1349:
 - \$2,890,000 for an expansion of the number of four- and five-year-old children that may be served through the Colorado Preschool Program;
 - \$1,815,000 to increase minimum per pupil funding to \$5,435 (an increase of 6.6 percent rather than 5.7 percent as previously required by statute); and
 - \$734,000 for 135 on-line students who would not otherwise be eligible for per pupil funding.

It is anticipated that *local* tax revenues (which are not reflected in appropriations to the Department) will increase by \$57.8 million (3.5 percent). The appropriation thus reflects an increase of \$225.1 million (10.1 percent) for the *state* share of districts' total program funding. The total increase in the state share of total program funding includes an increase of \$154.6

million (7.46 percent) General Fund, an increase of \$72.9 million from the State Education Fund, and a net reduction of \$2.4 million in other cash and cash exempt fund sources;

- ❑ The appropriation reflects a \$100.9 million increase in federal funds anticipated to be available, including significant increases for the following program areas: \$33.8 million for special education programs for children with disabilities; \$26.6 million in grants for improving teacher quality; \$16.1 million in Title I grants to school districts; \$9.0 million to assist districts in implementing comprehensive reading instruction for children in kindergarten through third grade; \$6.1 million to assist the State in complying with assessment-related requirements of the federal "No Child Left Behind Act of 2001"; \$4.2 million for English language proficiency programs; and \$2.1 million in education technology grants;
- ❑ The appropriation provides increases totaling \$8.5 million from the State Education Fund for the purpose of providing the 5.7 percent increase for categorical programs (to meet the "inflation plus one" requirement of Section 17 of Article IX of the Colorado Constitution);
- ❑ The appropriation provides a total of \$8.8 million from the State Education Fund for charter school capital construction, which represents a \$2.3 million increase above the FY 2001-02 funding level. The \$8.8 million appropriation includes \$7.8 million in per pupil facilities aid program moneys and \$1.0 million for the Charter School Debt Reserve Fund pursuant to H.B. 02-1349;
- ❑ The appropriation provides an increase of \$1.5 million cash funds exempt for the Read-to-Achieve Grant Program;
- ❑ The appropriation reflects a reduction of \$4.5 million in state funding for library programs due to the Governor's veto of funding for the Colorado Resource Center (\$2.3 million), the State Grants to Publicly-supported Libraries Program (\$2.0 million), and interlibrary loan reimbursements (\$0.2 million);
- ❑ The appropriation reflects the elimination of \$2.0 million in funding for professional development due to the Governor's veto of funding for the Teacher Development Grant Program; and
- ❑ A total of \$15.0 million is provided for school district capital construction, which represents a decrease of \$1.5 million from the total amount of funding dedicated to district capital construction for FY 2001-02. The \$15.0 million appropriation consists of \$10.9 million from the State Education Fund and \$4.1 million in lottery proceeds.

General Factors Driving the Budget

Although local government revenues provide a significant source of funding for K-12 education in Colorado, such funds are not reflected in appropriations to the Department of Education. Funding appropriated to the Department for FY 2002-03 consists of 76.5 percent General Fund, 11.8 percent federal funds, 11.2 percent cash funds exempt, and less than one percent cash funds. Some of the most important factors driving the budget are reviewed below.

School Finance - State's Share of Districts' Total Program

The primary source of funding for public schools in Colorado is provided pursuant to the Public School Finance Act. The state share of such funding is the largest single annual appropriation of state General Fund moneys. For FY 2002-03, the General Assembly appropriated over \$2.4 billion dollars for this purpose, including over \$2.2 billion General Fund -- nearly 40 percent of all General Fund operating appropriations. Local government revenues also help pay for public schools, bringing the total amount available for school finance for FY 2002-03 to over \$4.1 billion. The \$4.1 billion in state and local funds are allocated to school districts through a statutory formula that calculates a specific per pupil level of funding for each school district, as well as a specific state and local share of funding for each district.

The formula provides a *base* amount per pupil, which is then adjusted for each district based on factors that affect districts' costs of providing educational services. The formula also provides additional funding for districts with students who may be at risk of failing or dropping out of school. Each district's per pupil funding is multiplied by its funded pupil count to determine its "total program" funding. In addition, the General Assembly has generally provided for annual increases in the amount of base per pupil funding that each district receives. Pursuant to Section 17 of Article IX of the Colorado Constitution, the General Assembly is now *required* to provide annual inflationary increases in base per pupil funding. Specifically, for FY 2001-02 through FY 2010-11, the base per pupil funding amount must increase annually by at least the rate of inflation plus one percent; for FY 2011-12 and each fiscal year thereafter, the base per pupil funding amount must increase annually by at least the rate of inflation. For FY 2002-03, base per pupil funding increases from \$4,202.00 to \$4,441.51 (5.7 percent).

Local property and specific ownership taxes provide the first source of revenue for districts' total program funding, and the remainder is covered by state funds. Property taxes are based on each district's mill levy and the assessed, or taxable, value of property in each district; specific ownership taxes are paid on motor vehicles in lieu of property taxes.

In summary, the following factors directly affect the amount of state funding necessary to fund the School Finance Act:

- ✓ the number of pupils enrolled in public schools (including the number of slots statutorily authorized for state-funded preschool and full-day kindergarten programs);

- ✓ the rate of inflation (defined as the annual change in the consumer price index for the Denver-Boulder area);
- ✓ the number of at-risk students attending public schools;
- ✓ changes in the relative cost-of-living in various regions of the state;
- ✓ changes in statutory definitions, procedures or mathematical factors that impact the calculation of per-pupil funding for each district;
- ✓ fluctuations in local property and specific ownership taxes; and
- ✓ adjustments to the calculation of state aid certain districts are eligible to receive.

School Finance: Total Program	FY 98-99 Actual	FY 99-00 Actual	FY 00-01 Actual	FY 01-02 Approp.	FY 02-03 Approp.
Funded Pupil Count	670,913.4	681,743.1	693,643.8	707,218.0	715,793.4
<i>Annual Percent Change</i>	<i>2.0%</i>	<i>1.6%</i>	<i>1.7%</i>	<i>2.0%</i>	<i>1.2%</i>
Statewide <u>Base</u> Per Pupil Funding	\$3,783	\$3,878	\$4,002	\$4,202	\$4,442
<i>Annual Percent Change</i>	<i>3.2%</i>	<i>2.5%</i>	<i>3.2%</i>	<i>5.0%</i>	<i>5.7%</i>
Statewide <u>Average</u> Per Pupil Funding	\$4,867	\$4,994	\$5,168	\$5,453	\$5,783
<i>Annual Percent Change</i>	<i>3.3%</i>	<i>2.6%</i>	<i>3.5%</i>	<i>5.5%</i>	<i>6.1%</i>
Total Program Funding	\$3,265,109,505	\$3,404,932,670	\$3,584,664,712	\$3,856,482,897	\$4,139,399,096
<i>Annual Percent Change</i>	<i>5.4%</i>	<i>4.3%</i>	<i>5.3%</i>	<i>7.6%</i>	<i>7.3%</i>
<u>State Share</u> of Districts' Total Program Funding	\$1,849,433,817	\$1,929,588,366	\$2,047,855,564	\$2,230,036,235	\$2,455,147,022
<i>Annual Percent Change</i>	<i>7.2%</i>	<i>4.3%</i>	<i>6.1%</i>	<i>8.9%</i>	<i>10.1%</i>
<i>State Share as Percent of Districts' Total Program</i>	<i>56.6%</i>	<i>56.7%</i>	<i>57.1%</i>	<i>57.8%</i>	<i>59.3%</i>

Grant Programs

Historically, the Department of Education has administered a variety of grant programs. Legislation adopted in the last three regular sessions of the General Assembly significantly increased both the number of grant programs and the magnitude of state funds appropriated for such programs. The table on the following page provides a summary of programs that have been created in the last three years that are currently funded, at least in part, with state funds. The list includes grant programs, as well as other programs through which districts receive funding for a specified purpose (excluding programs providing capital construction funding, which are discussed later in this section).

Program	Statutory Cite (C.R.S.)	FY 2002-03 Appropriation*	
		Fund Source(s)	Amount
Read-to-Achieve Grant Program	Section 22-7-506	Tobacco Settlement Funds; cash fund reserves	\$19,000,000
Funding for New Textbooks	Section 22-54-105 (1) (b) (III)	State Education Fund	15,018,326
Teacher Pay Incentive Program	Section 22-7-607.5	State Education Fund	4,210,400
School Improvement Grants	Section 22-7-609.5	State Education Fund	2,825,000
State Match for the School Lunch Program	Section 22-54-123	State Public School Fund	2,472,644
Teacher Development Grant Program**	Section 22-7-701, et seq.	General Fund	0
State Grants to Publicly-Supported Libraries Program**	Section 24-90-401, et seq.	General Fund	0
Colorado School Awards Program	Section 22-11-301, et seq.	General Fund	1,500,000
Summer School Grant Program	Section 22-7-801, et seq.	State Education Fund	985,400
School Breakfast Program	Section 22-54-123.5	General Fund	500,000
Facility Summer School Grant Program	Section 22-86-101, et seq.	State Education Fund	500,000
National Credential Fee Assistance	Section 22-60.5-112.5	State Education Fund	60,000
Total			\$47,071,770

* In order to eliminate duplication and thus provide comparable figures, cash funds exempt appropriations that simply provide spending authority out of a program's cash fund are excluded.

** The General Assembly appropriated \$2.0 million for FY 2002-03 for each of these grant programs. However, the Governor vetoed both line items.

School Capital Construction Funding

Pursuant to S.B. 00-181, the General Assembly is required to appropriate a total of \$190.0 million from the General Fund over an eleven-year period to provide assistance to school districts for capital improvements. The \$190.0 million is to be split between two funds. First, a total of \$105.0 million is to be appropriated to the School Capital Construction Expenditures Reserve for capital expenditures of school districts that: (a) address immediate safety hazards or health concerns; (b) relieve excessive operating costs created by insufficient maintenance or construction spending; or (c) relieve conditions that detract from an effective learning environment. The remaining \$85.0 million is to be appropriated to the School Construction and Renovation Fund beginning in FY 2002-03; such moneys are to be used to provide matching grants to districts for qualified capital construction projects. Senate Bill 00-181 does not, however, require any General Fund appropriation in a fiscal year in which General Fund revenues do not exceed certain annual obligations by more than \$80.0 million.

In addition to appropriations required by S.B. 00-181, S.B. 01-129 created a new program to distribute State Education Fund moneys to charter schools for capital construction and it increased the funding that will be available to school districts through the existing School Capital Construction Expenditures Reserve. Specifically, S.B. 01-129 provided that certain "qualified" charter schools will receive a flat amount of funding per pupil for capital construction expenditures based on a formula specified in statute. This per pupil funding formula was subsequently amended through H.B. 02-1349. As a result, state funding for charter school capital construction will now increase each year based solely on the rate of inflation for the previous calendar year. Senate Bill 01-129 also required the General Assembly to annually appropriate to the School Capital Construction Expenditure Reserve an amount equal to the amount appropriated for charter school capital construction. Such additional funding is to come from the State Education Fund.

The following table lists the annual appropriations required by S.B. 00-181 as well as estimated appropriations required by S.B. 01-129 (as amended by H.B. 02-1349) through FY 2011-12. Please note that appropriations will continue to be required beyond FY 2011-12 pursuant to S.B. 01-129.

Fiscal Year	General Fund Appropriations Required Pursuant to S.B. 00-181	Actual/Estimated Appropriations from the State Education Fund Required Pursuant to S.B. 01-129	Total Estimated Appropriations Required for School Capital Construction
2000-01	\$5,000,000	\$0	\$5,000,000
2001-02	10,000,000	12,942,104	22,942,104
2002-03*	15,000,000	7,813,943	22,813,943
2003-04	20,000,000	16,190,490	36,190,490
2004-05	20,000,000	16,854,300	36,854,300
2005-06	20,000,000	17,562,181	37,562,181
2006-07	20,000,000	18,317,354	38,317,354
2007-08	20,000,000	19,105,001	39,105,001
2008-09	20,000,000	19,907,411	39,907,411
2009-10	20,000,000	20,763,429	40,763,429
2010-11	20,000,000	21,677,020	41,677,020
2011-12	0	22,652,486	22,652,486
Total	\$190,000,000	\$193,785,719	\$383,785,719

* Please note that pursuant to H.B. 02-1349, a total of \$15.0 million was appropriated for FY 2002-03 for school district capital construction programs. However, fund sources other than the General Fund were used. In addition, H.B. 02-1349 eliminated the requirement, for FY 2002-03 only, that the General Assembly appropriate to the School Capital Construction Expenditures Reserve an amount equal to the amount appropriated for charter school capital construction. Thus, the \$7.8 million appropriation in the third column, above, is half of what otherwise would have been appropriated for FY 2002-03.

Categorical Programs

Programs designed to serve particular groups of students (e.g., students with limited proficiency in English) or particular student needs (e.g., transportation) have traditionally been referred to as "categorical" programs. Section 17 of Article IX of the Colorado Constitution requires the General Assembly to provide annual increases in state funding for categorical programs. Specifically, the General Assembly must increase total state funding for all categorical programs annually by at least the rate of inflation plus one percent for FY 2001-02 through FY 2010-11, and by at least the rate of inflation for subsequent fiscal years. Fiscal year 2000-01 appropriations for categorical programs totaled \$142.2 million. Based on the actual inflation rate for calendar year 2000 (4.0 percent), the General Assembly was required to provide an additional \$7.1 million for such programs for FY 2001-02. Similarly, based on the actual inflation rate for calendar year 2001 (4.7 percent), the General Assembly is required to provide an additional \$8.5 million for such programs for FY 2002-03. The allocation of the required inflationary increase for FY 2002-03 is detailed, by program area, in the section of this report summarizing FY 2001-02 and FY 2002-03 appropriations for categorical programs.

Summary of FY 2001-02 and FY 2002-03 Appropriations

Total Department Appropriations

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Total Appropriation:	\$2,268,952,487	\$12,677,319	\$275,621,121	\$270,990,995	\$2,828,241,922	417.8
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Management and Administration	24,261,951	2,140,136	2,453,910	203,209	29,059,206	118.5
Assistance to Public Schools	2,230,013,699	10,452,183	268,974,962	270,787,786	2,780,228,630	138.7
Library Programs	7,387,102	0	2,093,800	0	9,480,902	0.5
School for the Deaf and the Blind	7,289,735	85,000	2,098,449	0	9,473,184	160.1
<u>Breakdown of Total Appropriation by Bill</u>						
SB 01-91	0	0	2,853,075	0	2,853,075	0.0
SB 01-98	0	0	13,216,953	0	13,216,953	0.0
SB 01-129	5,853,255	0	26,545,190	0	32,398,445	2.0
SB 01-212	2,280,470,813	13,600,926	188,014,402	270,982,997	2,753,069,138	415.8
HB 01-1199	0	0	(293,237)	0	(293,237)	0.0

	GF	CF	CFE	FF	Total	FTE
HB 01-1272	0	0	14,095,340	0	14,095,340	0.0
HB 01-1365	0	0	2,800,000	0	2,800,000	0.0
SB 01S2-22	0	0	27,124	0	27,124	0.0
HB 02-1349	0	0	0	0	0	0.0
HB 02-1368	(16,988,363)	(925,149)	28,164,127	7,687	10,258,302	0.0
HB 02-1423	(383,218)	0	200,000	0	(183,218)	0.0
HB 02-1468	0	1,542	(1,853)	311	0	0.0
FY 2002-03 Total Appropriation:	\$2,407,932,664	\$13,098,823	\$353,162,886	\$371,836,547	\$3,146,030,920	430.5
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Management and Administration	25,348,619	2,187,134	2,233,988	7,228,383	36,998,124	118.5
Assistance to Public Schools	2,372,098,256	10,826,689	348,540,584	364,608,164	3,096,073,693	151.4
Library Programs	3,087,594	0	113,800	0	3,201,394	0.5
School for the Deaf and the Blind	7,398,195	85,000	2,274,514	0	9,757,709	160.1
<u>Breakdown of Total Appropriation by Bill</u>						
SB 02-50	(8,973)	0	0	0	(8,973)	0.0
SB 02-97	11,155	0	0	0	11,155	0.0
HB 02-1038	(8,947)	0	0	0	(8,947)	0.0
HB 02-1304	0	0	39,600	0	39,600	0.0
HB 02-1349*	998,213	0	3,610,707	0	4,608,920	0.0
HB 02-1420	2,406,928,430	13,098,032	349,511,631	371,829,390	3,141,367,483	430.5
HB 02-1468	12,786	791	948	7,157	21,682	0.0
Increase/(Decrease)	\$138,980,177	\$421,504	\$77,541,765	\$100,845,552	\$317,788,998	12.7
Percentage Change	6.1%	3.3%	28.1%	37.2%	11.2%	3.0%

* Please note that H.B. 02-1349 included appropriation clauses that reduce the General Fund appropriation to the Teacher Development Fund by \$978,213, and reduce the cash funds exempt spending authority out of such fund by a like amount. However, as the Governor vetoed the associated FY 2002-03 Long Bill appropriations for these two line items (H.B. 02-1420), these two adjustments are not reflected above.

Detail of Appropriation by Administrative Section

Management and Administration

This section provides funding and staff for the State Board of Education, for the administration of a variety of education- and library-related programs, and for general department administration, including human resources, budgeting, accounting, information management, and facilities maintenance. The primary source of cash funds for this section is the Educator Licensure Cash Fund, which consists of fees paid by applicants for educator licenses and certificates. Cash funds exempt sources consist primarily of indirect cost recoveries and transfers of funds from various cash- and federally-funded line items. In addition, FY 2002-03 appropriations include approximately \$821,000 from the State Education Fund. For further information concerning the State Education Fund, including a table detailing FY 2002-03 appropriations from the Fund, see Appendix D. Federal funds reflected in this section are from a variety of sources.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-98	\$0	\$0	\$586,953	\$0	\$586,953	0.0
SB 01-129	0	0	388,000	0	388,000	2.0
SB 01-212	25,608,355	1,940,926	1,281,483	195,211	29,025,975	116.5
SB 01S2-22	0	0	27,124	0	27,124	0.0
HB 02-1368	(963,186)	197,668	(27,797)	7,687	(785,628)	0.0
HB 02-1423	(383,218)	0	200,000	0	(183,218)	0.0
HB 02-1468	<u>0</u>	<u>1,542</u>	<u>(1,853)</u>	<u>311</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$24,261,951	\$2,140,136	\$2,453,910	\$203,209	\$29,059,206	118.5
FY 2002-03 Appropriation:						
SB 02-50	(\$8,973)	\$0	\$0	\$0	(\$8,973)	0.0
HB 02-1038	(8,947)	0	0	0	(8,947)	0.0
HB 02-1349	20,000	0	229,000	0	249,000	0.0
HB 02-1420	25,333,753	2,186,343	2,004,040	7,221,226	36,745,362	118.5
HB 02-1468	<u>12,786</u>	<u>791</u>	<u>948</u>	<u>7,157</u>	<u>21,682</u>	<u>0.0</u>
TOTAL	\$25,348,619	\$2,187,134	\$2,233,988	\$7,228,383	\$36,998,124	118.5

	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$1,086,668	\$46,998	(\$219,922)	\$7,025,174	\$7,938,918	0.0
Percentage Change	4.5%	2.2%	-9.0%	3,457.1%	27.3%	0.0%

FTE Detail	FY 2001-02	FY 2002-03
General Department Administration	83.1	83.8
Office of Professional Services	16.0	16.0
Library Programs	<u>19.4</u>	<u>18.7</u>
	118.5	118.5

General Fund Changes: The net increase in the General Fund appropriation reflects the following increases: (1) \$526,000 for the General Fund share of various administrative costs; (2) \$409,000 to restore a one-time reduction in funding for the production of school accountability reports; (3) \$130,000 for salary survey, performance-based pay awards, and shift differential; (4) \$24,000 for information technology asset maintenance; (5) \$20,000 for a study of on-line education programs pursuant to H.B. 02-1349; and (6) \$13,000 for health, life, and dental insurance costs pursuant to H.B. 02-1468. Such increases are partially offset by a reduction of \$18,000 in funding for performance-based pay awards pursuant to S.B. 02-50 and H.B. 02-1038, and a reduction of \$17,000 based on projected emeritus retirement payments.

Cash Funds Changes: The net increase in cash funds reflects changes in the share of various administrative costs associated with teacher licensure and general educational development (GED) program activities.

Cash Funds Exempt Changes: The net decrease in cash funds exempt reflects the following changes: (1) an increase of \$229,000 from the State Education Fund for the Academic Growth Program pursuant to H.B. 02-1349; (2) the elimination of \$208,000 in one-time funding from the State Education Fund for longitudinal analyses of student assessment results, pursuant to S.B. 01-129; (3) a decrease of \$106,000 in the cash funds exempt share of various administrative costs; (4) the elimination of \$100,000 in one-time funding from the State Education Fund for the purpose of conducting a study of non-English assessments and a study of the use of the American College Testing Program (ACT), pursuant to S.B. 01-98; (5) the elimination of \$75,000 in one-time funding from the State Education Fund for the purpose of making changes to school accountability reports pursuant to S.B. 01-98; (6) an increase of \$25,000 for salary survey and performance-based pay awards; and (7) an increase of \$13,000 from indirect cost recoveries for sick and annual payouts to federally-funded staff.

Federal Funds Changes: The increase in federal funds primarily reflects an additional \$6,138,000 anticipated to be available to assist the State in complying with assessment-related requirements of the federal "No Child Left Behind Act of 2001." In addition, the appropriation includes an increase

of \$545,000 to reflect the federal share of salary survey and performance-based pay awards, and an increase of \$342,000 for the federal share of various administrative costs.

Assistance to Public Schools

This section includes all funding that is distributed to public schools or is used to directly support public schools (e.g., federally-funded Department staff that provide technical assistance to districts concerning special education programs). This section is comprised of the following four subsections:

- Public School Finance - funding for the *state* share of districts' total program funding required under the School Finance Act (local funding is not reflected in appropriations to the Department);
- Categorical Programs - funding for all programs defined as "categorical programs" pursuant to Section 17 of Article IX of the Colorado Constitution;
- Grant Programs and Other Distributions - other funding that is distributed to public schools or is used to directly support public schools; and
- Appropriated Sponsored Programs - federal funds and transfers from other departments that support a variety of programs.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-91	\$0	\$0	\$2,853,075	\$0	\$2,853,075	0.0
SB 01-98	0	0	12,630,000	0	12,630,000	0.0
SB 01-129	5,853,255	0	26,157,190	0	32,010,445	0.0
SB 01-212	2,240,207,506	11,575,000	182,520,670	270,787,786	2,705,090,962	138.7
HB 01-1199	0	0	(293,237)	0	(293,237)	0.0
HB 01-1272	0	0	14,095,340	0	14,095,340	0.0
HB 01-1365	0	0	2,800,000	0	2,800,000	0.0
HB 02-1349	0	0	0	0	0	0.0
HB 02-1368	<u>(16,047,062)</u>	<u>(1,122,817)</u>	<u>28,211,924</u>	<u>0</u>	<u>11,042,045</u>	<u>0.0</u>
TOTAL	\$2,230,013,699	\$10,452,183	\$268,974,962	\$270,787,786	\$2,780,228,630	138.7
FY 2002-03 Appropriation:						
SB 02-97	\$11,155	\$0	\$0	\$0	\$11,155	0.0

	GF	CF	CFE	FF	Total	FTE
HB 02-1304	0	0	39,600	0	39,600	0.0
HB 02-1349*	978,213	0	3,381,707	0	4,359,920	0.0
HB 02-1420	<u>2,371,108,888</u>	<u>10,826,689</u>	<u>345,119,277</u>	<u>364,608,164</u>	<u>3,091,663,018</u>	<u>151.4</u>
TOTAL	\$2,372,098,256	\$10,826,689	\$348,540,584	\$364,608,164	\$3,096,073,693	151.4
Increase/(Decrease)	\$142,084,557	\$374,506	\$79,565,622	\$93,820,378	\$315,845,063	12.7
Percentage Change	6.4%	3.6%	29.6%	34.6%	11.4%	9.2%

* Please note that H.B. 02-1349 included appropriation clauses that reduce the General Fund appropriation to the Teacher Development Fund by \$978,213, and reduce the cash funds exempt appropriation out of such fund for the Teacher Development Grant Program by \$978,213. However, as the Governor vetoed the associated FY 2002-03 Long Bill appropriations for these two line items (H.B. 02-1420), these two adjustments are not reflected above.

FTE Detail	FY 2001-02	FY 2002-03
Various Appropriated Sponsored Programs	88.3	98.6
Special Education for Children with Disabilities	45.5	47.9
English Language Proficiency Programs	2.6	2.6
Public School Health Services	1.3	1.3
School Construction Program	<u>1.0</u>	<u>1.0</u>
	138.7	151.4

Public School Finance

This section consists of appropriations for the state share of funding required under the School Finance Act of 1994, as amended. The local share of funding (about 41 percent of the amount required for FY 2002-03 or \$1.7 billion), is not reflected in appropriations to the Department. For FY 2002-03, 91.0 percent of the state share is funded from the General Fund. Cash funds appropriations reflect anticipated rental income earned on public school lands. Cash funds exempt appropriations consist of moneys in the State Education Fund, federal mineral lease revenues, interest earned on the Public School Fund, spending from reserves in the State Public School Fund, and school district audit recoveries. For further information concerning the State Education Fund, including a table detailing FY 2002-03 appropriations from the Fund, see Appendix D.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
TOTAL	\$2,073,406,872	\$9,877,183	\$146,752,180	\$0	\$2,230,036,235	0.0

	GF	CF	CFE	FF	Total	FTE
FY 2002-03 Appropriation:						
TOTAL	\$2,228,021,008	\$10,251,689	\$216,874,325	\$0	\$2,455,147,022	0.0
Increase/(Decrease)	\$154,614,136	\$374,506	\$70,122,145	\$0	\$225,110,787	0.0
Percentage Change	7.5%	3.8%	47.8%	0.0%	10.1%	0.0%

Based on the School Finance Act of 1994, as amended, total state and local funding for schools is anticipated to increase by \$282.9 million (7.3 percent) for FY 2002-03. This increase is based on: (1) a 1.1 percent projected increase in student enrollment; (2) a 5.7 percent increase in the statewide base per pupil funding amount (comprised of the actual 4.7 percent inflation rate for the Denver-Boulder area for calendar year 2001 plus an additional one percent as required by Section 17 of Article IX of the Colorado Constitution); and (3) an additional 0.4 percent increase in average per pupil funding to cover statutorily-required changes to the size factor which increase per pupil funding for certain mid-sized districts. In addition, the following increases are provided to cover the cost of changes to the School Finance Act pursuant to H.B. 02-1349:

- \$2,890,000 for an expansion of the number of four- and five-year-old children that may be served through the Colorado Preschool Program (including \$1,378,000 General Fund and \$1,512,000 from the State Education Fund);
- \$1,815,000 from the State Education Fund to offset the General Fund cost of increasing minimum per pupil funding to \$5,435 (an increase of 6.6 percent rather than 5.7 percent as previously required by statute); and
- \$734,000 from the State Education Fund to offset the General Fund costs of providing funding for 135 on-line students who would not otherwise be eligible for per pupil funding.

It is anticipated that *local* property and specific ownership tax revenues (which are not reflected in appropriations to the Department) will increase by \$57.8 million (3.5 percent). The appropriation thus reflects an increase of \$225.1 million (10.1 percent) for the state share of funding for districts' total program funding.

Of the total \$225.1 million increase in state funding, the appropriation reflects an increase of \$154.6 million (7.46 percent) General Fund, an increase of \$374,000 cash funds based on projected rental income earned on state trust lands, and a net increase of \$70.1 million in cash funds exempt sources. The net increase in cash funds exempt primarily reflects a \$72.9 million increase in appropriations from the State Education Fund, partially offset by a reduction in appropriations from the State Public School Fund.

Categorical Programs

This section includes appropriations for all "categorical programs", a term traditionally used to refer to programs designed to serve particular groups of students (e.g., students with limited proficiency in English) or particular student needs (e.g., transportation). Section 17 of Article IX of the Colorado Constitution requires the General Assembly to provide annual increases in state funding for categorical programs. Specifically, the General Assembly must increase total state funding for all categorical programs annually by at least the rate of inflation plus one percent for FY 2001-02 through FY 2010-11, and by at least inflation for subsequent fiscal years.

Categorical programs are funded primarily with General Fund and various sources of federal funds. Cash funds exempt sources include moneys in the State Education Fund, funds transferred from other departments, local funds, and spending from reserves in the Colorado Comprehensive Health Education Fund. For further information concerning the State Education Fund, including a table detailing FY 2002-03 appropriations from the Fund, see Appendix D.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
TOTAL	\$141,465,474	\$0	\$8,377,891	\$73,380,062	\$223,223,427	48.1
FY 2002-03 Appropriation:						
TOTAL	\$141,765,474	\$0	\$16,636,930	\$111,417,576	\$269,819,980	50.5
Increase/(Decrease)	\$300,000	\$0	\$8,259,039	\$38,037,514	\$46,596,553	2.4
Percentage Change	0.2%	n/a	98.6%	51.8%	20.9%	5.0%

FTE Changes: The appropriation reflects an increase of 2.4 FTE federally-funded FTE for special education programs for children with disabilities.

General Fund Changes: The appropriation reflects a \$300,000 increase in General Fund for the Colorado Comprehensive Health Education Program to offset the elimination of a one-time increase in the appropriation from reserves in the Colorado Comprehensive Health Education Fund. In addition, the appropriation reflects a transfer of \$498,000 General Fund from the Grant Program for In-school or In-home Suspension Programs line item to the Expelled and At-risk Student Services Grant Program line item.

Cash Funds Exempt Changes: The net increase in cash funds exempt primarily reflects an increase in appropriations from the State Education Fund for the purpose of providing the inflationary increases required by Section 17 of Article IX of the Colorado Constitution. The following table details the allocation of the required inflationary increase, by program area.

Required Increase in State Funding for Categorical Programs for FY 2002-03				
Long Bill Line Item	FY 2001-02 Appropriation of State Funds	Allocation of Required FY 2002-03 Increase in State Funds		FY 2002-03 Appropriation of State Funds
Special education - children with disabilities	\$76,092,001	\$4,979,533	6.5%	\$81,071,534
English language proficiency programs	3,297,982	187,985	5.7%	3,485,967
Public school transportation	38,399,116	1,804,758	4.7%	40,203,874
Colorado Vocational Act distributions	18,504,564	869,715	4.7%	19,374,279
Special education - gifted and talented children	5,802,500	272,718	4.7%	6,075,218
Expelled and At-risk Student Services Grant Program	5,290,850	300,875	5.7%	5,591,725
Grant Program for In-school or In-home Suspension Programs	497,957	0	0.0%	497,957
Small attendance center aid	787,645	92,955	11.8%	880,600
Colorado Comprehensive Health Education Program	600,000	0	0.0%	600,000
Total	\$149,272,615	\$8,508,539	5.7%	\$157,781,154

The appropriation also reflects a reduction of \$300,000 in spending from reserves in the Colorado Comprehensive Health Education Fund, and an increase of \$50,000 in anticipated transfers from the Department of Human Services for English language proficiency programs.

Federal Funds Changes: The appropriation reflects an increase in federal funds anticipated to be available, including \$33,793,000 for special education programs for children with disabilities and \$4,244,000 for English language proficiency programs.

Grant Programs and Other Distributions

This section includes funding for a variety of state-funded programs. A portion of the cash funds exempt appropriations are duplicative, simply providing the Department with the authority to spend moneys that are appropriated to various cash funds. For example, for FY 2002-03, \$1.5 million General Fund is appropriated to the School Awards Program Fund, and a \$1.5 million cash funds exempt appropriation is also provided to authorize the Department to spend moneys in the School Awards Program Fund to distribute grants to eligible schools. Other cash funds exempt sources include moneys in the State Education Fund, moneys in the Tobacco Litigation Settlement Cash Fund, federal Medicaid funds appropriated to the Department of Health Care Policy and Financing that are used to reimburse participating school districts for health care services provided to Medicaid-eligible students, and reserves in the State Public School Fund. For further information concerning

the State Education Fund, including a table detailing FY 2002-03 appropriations from the Fund, see Appendix D.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
TOTAL	\$15,141,353	\$0	\$111,129,500	\$0	\$126,270,853	2.3
FY 2002-03 Appropriation:						
TOTAL	\$2,311,774	\$0	\$111,704,000	\$9,001,635	\$123,017,409	2.3
Increase/(Decrease)	(\$12,829,579)	\$0	\$574,500	\$9,001,635	(\$3,253,444)	0.0
Percentage Change	-84.7%	n/a	0.5%	n/a	-2.6%	0.0%

General Fund Changes: The net decrease in General Fund primarily reflects the elimination of a \$10.0 million appropriation to the School Capital Construction Expenditure Reserve (SCCER). In addition, the appropriation reflects the following significant General Fund changes: (1) a decrease of \$1,772,000 due to the Governor's veto of funding for the Teacher Development Grant Program; (2) a reduction of \$1,515,000 appropriated to the Contingency Reserve; (3) an increase of \$500,000 for school breakfast programs pursuant to H.B. 02-1349; and (5) an increase of \$185,000 for the School Awards Program Fund.

Cash Funds Exempt Changes: The net increase in cash funds exempt is comprised of the following significant increases:

- \$5,000,000 for the School Construction and Renovation Fund pursuant to H.B. 02-1349, including \$4,100,000 in lottery proceeds and \$900,000 from the State Education Fund;
- \$3,529,000 from the State Education Fund to the SCCER pursuant to H.B. 02-1349;
- \$2,478,000 in tobacco settlement moneys anticipated to be available for the Read-to-Achieve Program, plus \$1,543,000 in spending authority out of the Read-to-Achieve Cash Fund;
- \$1,343,000 from the State Education Fund for charter school capital construction;
- \$1,000,000 from the State Education Fund for the Charter School Debt Reserve Fund pursuant to H.B. 02-1349;

- \$945,000 for the Summer School Grant Program and \$50,000 for national academic award winners to make a technical correction to provide the appropriate amount of spending authority for each program;
- \$874,000 from the State Education Fund for new textbooks, pursuant to H.B. 01-1272;
- \$500,000 from the State Education Fund for the Facility Summer School Grant Program Fund, plus a matching amount of spending authority out of such fund to implement the program pursuant to H.B. 02-1349;
- \$448,000 in cash funds exempt spending authority out of the Contingency Reserve;
- \$260,000 from the State Public School Fund for increasing enrollment aid pursuant to H.B. 02-1349;
- \$185,000 for the Colorado School Awards Program to reflect the appropriate amount of spending authority;
- \$150,000 from the State Education Fund for School Improvement Grants;
- \$60,000 from the State Education Fund for the National Credential Fund, plus a matching amount of spending authority out of such fund to provide assistance to teachers seeking a national credential pursuant to H.B. 02-1349; and
- \$40,000 for the expansion of the Summer School Grant Program authorized by H.B. 02-1304.

Such increases are offset by the following significant reductions:

- a reduction of \$8,420,000 in the appropriation from the State Education Fund for the Teacher Pay Incentive Program pursuant to H.B. 02-1349;
- a net reduction of \$6,471,000 in spending authority out of the SCCER;
- the elimination of \$2,000,000 in spending authority for the Teacher Development Grant Program due to the Governor's veto of funding for the Program; and
- the elimination of a \$1,400,000 appropriation from the State Education Fund for the Science and Technology Center Grant Program and an associated reduction of \$1,028,000 in spending authority out of such fund.

Federal Funds Changes: The increase in federal funds reflects funds anticipated to be available to assist districts in implementing comprehensive reading instruction for children in kindergarten through third grade.

Appropriated Sponsored Programs

This section reflects the majority of federal funds available to the Department and the associated federally-funded department staff. This section also provides cash funds spending authority for the Department to receive fees related to conferences, as well as cash funds exempt spending authority for the Department to receive transfers from other agencies. Over 90 percent of the funds reflected in this section are distributed directly to local school districts, with the balance utilized by the Department to fund state-wide efforts and to provide technical assistance to school districts and to cover department administrative costs.

The most significant sources of federal funds currently reflected in this section include:

- Title I of the Elementary and Secondary Education Act -- funding provided to improve education for children at risk of school failure who live in low income communities;
- U.S. Department of Agriculture Food and Nutrition Service -- funding for the National School Lunch Program, which provides for reduced-cost or free lunches to students; and
- Title II Teacher and Principal Training and Recruiting Funds -- funding provided for a variety of activities designed to improve teacher/principal quality.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
TOTAL	\$0	\$575,000	\$2,715,391	\$197,407,724	\$200,698,115	88.3
FY 2002-03 Appropriation:						
TOTAL	\$0	\$575,000	\$3,325,329	\$244,188,953	\$248,089,282	98.6
Increase/(Decrease)	\$0	\$0	\$609,938	\$46,781,229	\$47,391,167	10.3
Percentage Change	n/a	0.0%	22.5%	23.7%	23.6%	11.7%

FTE Changes: The appropriation reflects a net increase of 9.5 federally-funded FTE based on anticipated changes in federal grants, as well as a 0.8 FTE increase in staff supported by cash funds exempt sources.

Cash Funds Exempt Changes: The increase in cash funds exempt reflects net increases in anticipated donations, grants, and transfers from other departments for a variety of programs.

Federal Funds Changes: The increase in federal funds reflects a net increase in the amount of federal funds the Department anticipates receiving for a variety of programs. Based on recent federal legislation, it is anticipated that Colorado will receive the following significant increases in funding for programs reflected in this section:

- \$26.6 million in grants for improving teacher quality;
- \$16.1 million in Title I grants to school districts; and
- \$2.1 million in education technology grants.

Library Programs

This section contains appropriations for all library-related programs, with the exception of Department staff who have historically been funded through the consolidated General Department and Program Administration line item (located in the Management and Administration section of the Long Bill). Library programs are primarily funded with General Fund. Cash funds exempt sources include spending authority for the State Grants to Publicly-Supported Libraries Program, transfers from the Colorado Disabled Telephone Users Fund to support privately operated reading services for the blind, and grants and donations.

	GF	CF	CFE	FF	Total	FTE*
FY 2001-02 Appropriation:						
SB 01-212	\$7,460,365	\$0	\$2,113,800	\$0	\$9,574,165	0.5
HB 02-1368	<u>(73,263)</u>	<u>0</u>	<u>(20,000)</u>	<u>0</u>	<u>(93,263)</u>	<u>0.0</u>
TOTAL	\$7,387,102	\$0	\$2,093,800	\$0	\$9,480,902	0.5
FY 2002-03 Appropriation:						
HB 02-1420	<u>\$3,087,594</u>	<u>\$0</u>	<u>\$113,800</u>	<u>\$0</u>	<u>\$3,201,394</u>	<u>0.5</u>
TOTAL	\$3,087,594	\$0	\$113,800	\$0	\$3,201,394	0.5
Increase/(Decrease)	(\$4,299,508)	\$0	(\$1,980,000)	\$0	(\$6,279,508)	0.0
Percentage Change	-58.2%	n/a	-94.6%	n/a	-66.2%	0.0%

* Please note that most department staff responsible for library programs are funded in the Management and Administrative section of the Long Bill.

General Fund Changes: The net decrease in General Fund primarily reflects a reduction of \$4,469,000 due to the Governor's veto of three line items: the Colorado Resource Center (\$2,299,000); the General Fund appropriation to the State Grants for Publicly-Supported Libraries Fund (\$2,000,000); and Interlibrary Loan (\$170,000). In addition, the appropriation reflects the elimination of funding (\$134,000) for county equalization payments. These reductions are partially

offset by an increase of \$115,000 to provide a 4.7 percent inflationary increase for regional library service systems and an increase of \$73,000 to restore one-time reductions to various line items taken in FY 2001-02.

Cash Funds Exempt Changes: The net decrease in cash funds exempt primarily reflects a reduction of \$2,000,000 due to the Governor's veto of the line item providing spending authority for the State Grants for Publicly-Supported Libraries Program.

School for the Deaf and the Blind

This section contains appropriations for the operation of the Colorado School for the Deaf and the Blind (CSDB), located in Colorado Springs. The CSDB provides educational services for children who are hearing impaired, deaf, visually impaired, or blind. Over the last several years, enrollment at the CSDB has been relatively stable at about 230 students, with about half of the students attending the school during the day only, and the other half residing at the school during the school year.

The primary source of funding for the CSDB is General Fund. However, for each student eligible for funding under the School Finance Act (an estimated 187 students for FY 2002-03)¹, the CSDB receives funding from each student's "home" school district. The amount the CSDB receives for each eligible pupil is equal to the statewide per pupil *operating* revenue, estimated to total about \$5,519 per pupil for FY 2002-03. The Department effects such transfers by withholding funds appropriated for the state share of districts' total program funding that would otherwise be paid to the home school district. This source of funding is reflected in the Long Bill as a cash funds exempt transfer from the Assistance to Public Schools section of the Long Bill. In addition, the CSDB receives federal child nutrition funds, which are also reflected as a cash funds exempt transfer. Cash funds consist of fees paid by individuals for workshops and conferences and housing reimbursements.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$7,194,587	\$85,000	\$2,098,449	\$0	\$9,378,036	160.1
HB 02-1368	<u>95,148</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>95,148</u>	<u>0.0</u>
TOTAL	\$7,289,735	\$85,000	\$2,098,449	\$0	\$9,473,184	160.1
FY 2002-03 Appropriation:						
HB 02-1420	<u>\$7,398,195</u>	<u>\$85,000</u>	<u>\$2,274,514</u>	<u>\$0</u>	<u>\$9,757,709</u>	<u>160.1</u>
TOTAL	\$7,398,195	\$85,000	\$2,274,514	\$0	\$9,757,709	160.1

¹ CSDB students who are not eligible for funding under the School Finance Act include preschool students and students ages 18 through 21 that participate in a transition program.

	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$108,460	\$0	\$176,065	\$0	\$284,525	0.0
Percentage Change	1.5%	0.0%	8.4%	n/a	3.0%	0.0%

FTE Detail	FY 2001-02	FY 2002-03
Superintendent / Accountants / Administrative	13.8	13.8
Teachers / Special Education Technicians / Teacher Aides	82.9	82.9
Counselors / Nurses / Other Specialists	13.4	13.4
Grants	9.1	9.1
Facility Maintenance / Other Operational Support Staff	<u>40.9</u>	<u>40.9</u>
	160.1	160.1

General Fund Changes: The net increase in General Fund includes: (1) an additional \$146,000 for salary survey and anniversary increases awarded in FY 2001-02; (2) a one-time increase of \$42,000 to replace a commercial dishwashing machine and make associated upgrades required by code; and (3) a reduction of \$82,000 to eliminate funding for replacement of personal and laptop computers.

Cash Funds Exempt Changes: The increase in cash funds exempt includes \$115,000 in federal grants anticipated to be available to the CSDB plus a \$61,000 increase in amounts anticipated to be received from districts' total program funding.

Recent Legislation

2001 Session Bills

S.B. 01-91: Authorizes the State Board of Education to establish a full-day kindergarten educational pilot program to serve those students who attend a school that received an academic performance grade of "F" for the previous school year. Authorizes school districts to count children participating in the newly established full-day kindergarten program as full-day (rather than half-day) pupils.

S.B. 01-98: Makes changes to statutory provisions concerning school improvement plans, educational accreditation, school report cards (renamed "accountability reports"), and the calculation of schools' academic ratings. Requires the Department to review and update all statewide assessments, including non-English assessments, as necessary to maintain the integrity of the assessments. Establishes a teacher pay incentive pilot program to assist poorly-performing school

districts in recruiting and maintaining quality teachers. Authorizes the Colorado Commission on Higher Education (CCHE) to develop and maintain a teacher loan forgiveness pilot program.

S.B. 01-129: Amends the Public School Finance Act of 1994 to provide funding for school districts for FY 2001-02, making the following significant changes:

- Increases the statewide *base* per-pupil funding from \$4,001.70 to \$4,202.00 (5.0 percent);
- Increases the *minimum* per-pupil funding from \$4,824.00 to \$5,100.00 (5.7 percent);
- Makes three changes that affect at-risk funding for school districts; and
- Increases the maximum number of children that can participate in the Colorado Preschool Program from 9,050 to 10,050 for FY 2001-02 and budget years thereafter.

Defines the "maintenance of effort base" for purposes of complying with the General Fund maintenance of effort requirement in Section 17 of Article IX of the Colorado Constitution.

Makes a number of other changes, including the following:

- Requires the General Assembly to appropriate State Education Fund moneys for FY 2001-02 and subsequent years for the purpose of assisting qualified charter schools with their capital construction needs. Requires that an amount equal to the amount appropriated for capital construction for qualified charter schools be appropriated from the State Education Fund to the School Capital Construction Expenditures Reserve for school districts' capital construction needs;
- Establishes a two-year grant program for schools that receive an academic performance grade of "F" on the school report card (renamed "accountability report" pursuant to S.B. 01-98) prepared for the 2000-01 school year;
- Requires the General Assembly to make annual appropriations for the required state match for the federal National School Lunch Act;
- Creates the Summer School Grant Program to provide funding to school districts for the operation of summer school reading programs for certain students;
- Requires the Department to make the state data reporting system for collecting and reporting performance indicators from each public school capable of performing longitudinal analyses of student assessment results; and
- Specifies that any unexpended moneys remaining in the Contingency Reserve at the end of a fiscal year shall remain in the Contingency Reserve and shall not be transferred to the General Fund or any other fund. Also requires any district's repayment of supplemental assistance made from the Contingency Reserve to be credited to the Contingency Reserve.

S.B. 01-212: General appropriations act for FY 2001-02. Also contains a supplemental add-on that makes several changes to FY 2000-01 appropriations made to the Department of Education.

H.B. 01-1199: Increases the statewide administrative cap for the provision of Medicaid-reimbursed health services by school districts.

H.B. 01-1272: Requires school districts to increase the amount budgeted for instructional supplies and materials for FY 2001-02 by \$20 times the district's October 1, 2001, funded pupil count. Similarly, requires school districts to increase the amount budgeted for instructional materials and supplies for FY 2002-03 by \$21 times the district's October 1, 2002, funded pupil count. Provides that each district receive additional moneys for FY 2001-02 and FY 2002-03 commensurate with the additional amounts it is required to budget, and requires each district to spend such moneys to purchase new textbooks.

H.B. 01-1365: Creates the Science and Technology Education Center Grant Program to provide start-up and operating moneys to nonprofit centers that provide science and technology education activities, materials, and educational workshops for public school students and their teachers.

S.B. 01S2-22: Provides a 4.3 percent increase in the state contribution rate for state employees for CY 2002 and provides funding to pay for the additional costs associated with health insurance for state employees who reside in Pueblo. For more information, refer to the bill description in the Department of Personnel.

2002 Session Bills

S.B. 02-50: For an explanation of this bill please see the Recent Legislation section in the Department of Corrections.

S.B. 02-97: Modifies state housing authority law to make statutory provisions governing all housing authorities consistent with provisions governing city housing authorities. Appropriates \$11,115 General Fund to the Department of Education to offset anticipated decreases in local revenues available for public school finance in FY 2002-03.

H.B. 02-1038: For an explanation of this bill please see the Recent Legislation section in the Department of Corrections.

H.B. 02-1053: Requires the Department of Education, in preparing application forms and reviewing submitted applications for statutorily created education grant programs, to utilize data previously received from schools and school districts to minimize the need for districts to send duplicative information in grant applications. Requires the Department to make evaluations of programs utilizing grant moneys available to all school districts and schools, and specifies that any costs associated with making evaluations available shall be paid from the moneys appropriated for administering grant programs. Requires one percent of the moneys appropriated to each statutorily created education grant program or a total of \$250,000, whichever is less, to be distributed to certain boards of cooperative services to assist schools and school districts in applying for grants from statutorily created education grant programs.

H.B. 02-1246: Establishes the Eligible Facilities Education Task Force, which will be made up of members of the General Assembly and other interested parties. Requires the Task Force to examine the placement of children in eligible facilities by public agencies and to develop a funding mechanism and administrative structure that assures the provision of educational services comparable to public schools and that assures appropriate placement of children in such facilities. The bill included an appropriation of \$10,000 General Fund to the Legislative Branch for the purpose of compensating legislative members of the Task Force. This appropriation, however, was vetoed by the Governor.

H.B. 02-1303: Establishes a family literacy education grant program through which the Department of Education will provide grants to local education providers to provide family literacy, adult literacy, and English language literacy education services. Authorizes the Department to receive and expend any public or private gifts, grants, or donations to implement the grant program. Establishes the Family Literacy Education Fund, which will consist of any gifts, grants, or donations received by the Department for the program and any moneys that may be appropriated by the General Assembly. States the intent of the General Assembly that no General Fund moneys be appropriated for the purpose of implementing the program. Includes a provision repealing the program if sufficient moneys have not been credited to the Family Literacy Education Fund prior to December 1, 2002.

H.B. 02-1304: Expands the summer school grant program and provides funding for certain school districts to offer services students who have completed kindergarten and are preparing to enter the first grade and have scored at an unsatisfactory level on the reading readiness assessment for kindergarten pupils. Appropriates \$39,600 from the State Education Fund to the Department of Education for FY 2002-03 to cover the costs of the program expansion. Reduces the FY 2002-03 appropriation from the State Education Fund for the Teacher Pay Incentive Program by \$39,600.

H.B. 02-1306: Directs the Department of Education to develop and administer two additional assessments as required by the federal "No Child Left Behind Act of 2001." Specifies that such assessments shall only be developed and administered if sufficient federal funds are received for such purpose.

H.B. 02-1349: Amends the Public School Finance Act of 1994 to provide funding for school districts for FY 2002-03, making the following changes:

- Increases the statewide *base* per pupil funding from \$4,202.00 to \$4,441.51 (5.7 percent);
- Increases the *minimum* per-pupil funding from \$5,100 to \$5,435 (an increase of 6.6 percent rather than 5.7 percent as statutorily required in the absence of this change);
- Requires the General Assembly to increase the General Fund appropriation for the state share of districts' total program funding by *at least* 7.39 percent for FY 2002-03;
- Modifies the calculation of districts' total program funding to fund pupils enrolling in on-line programs at the minimum per pupil funding (students enrolled in on-line programs in FY 2001-02 will continue to be funded at the individual district's per pupil funding level).

- Excludes on-line pupils from the requirement that a school district set aside a specified amount per pupil for capital reserve and instructional supplies and materials;
- Provides funding for up to 135 students per year to enroll in on-line programs who were enrolled in a public school after October 1 of the preceding school year or who were enrolled in a private school or a home-school program in the preceding school year. Instructs the Department to allocate the 135 on-line slots to applying school districts and charter schools, and establishes criteria for the allocation;
 - Increases the maximum number of children that can participate in the Colorado preschool program from 10,050 to 11,050 for FY 2002-03 and subsequent fiscal years, and requires the new slots to be first allocated to school districts that have not previously participated in the program. Allows certain three-year-old children to participate in the program. Reauthorizes the full-day kindergarten component of the program and increases the maximum number of children that may participate in the full-day kindergarten component from 1,000 to 1,500; and
 - Eliminates the authority for a school district to submit a ballot question seeking authorization to collect and spend additional property tax revenue to provide a supplemental cost of living adjustment for the district. Modifies the limitation on districts' property tax override to include an amount equal to the maximum dollar amount of property tax revenue a school district could have generated for the 2001-02 budget year if it submitted and received approval of such a ballot question at the November 2001 election.

Appropriates an additional \$5,217,452 (including \$1,378,213 from the General Fund and \$3,839,239 from the State Education Fund) for FY 2002-03 to cover the cost of the above changes.

School District Capital Construction. For the 2002-03 fiscal year, suspends the appropriation of State Education Fund moneys to the School Capital Construction Expenditures Reserve as a match for moneys appropriated for charter school capital construction. Eliminates the associated \$7,813,943 appropriation from the State Education Fund in the FY 2002-03 Long Bill.

To meet obligations under the *Giardino* lawsuit, provides for a total of \$15,000,000 to be appropriated for school district capital construction, including the following:

- \$10,000,000 appropriated from the State Education Fund to the School District Capital Expenditures Reserve;
- \$900,000 appropriated from the State Education Fund to the School Construction and Renovation Fund; and
- \$4,100,000 in lottery proceeds transferred from the Contingency Reserve to the School Construction and Renovation Fund.

With regard to state lottery moneys transferred to the Contingency Reserve, allows the State Board of Education to approve the use of such moneys for the construction of new school facilities to replace existing school facilities with immediate safety hazards or health concerns. Modifies the capital construction financial assistance application time line.

Assistance for Fast-Growing Districts. Provides additional state funding for school districts whose pupil enrollment for the current and two preceding budget years has increased by an average of at least 9.0 percent per year, and sets forth the formula for calculating such increasing enrollment aid. Requires a district that receives increasing enrollment aid to budget such aid to its capital reserve fund to be used for long-range capital outlay expenditures. Appropriates \$260,354 from the State Public School Fund to the Department for FY 2002-03.

Creates a loan program to provide funding for capital improvements in school districts experiencing a specified level of growth in pupil enrollment. Requires the State Treasurer to lend moneys from the Public School Fund to growth districts whose loan applications have been approved by the State Board of Education.

Charter School Capital Construction. Creates a process that allows a charter school to submit a capital construction plan to its chartering district so that it can be included in a bond election or have the school district submit a special mill levy question on its behalf. Enhances the ability of charter schools that issue bonds to fund capital construction through a governmental entity other than a school district to obtain favorable financing terms for such bonds by:

- Creating an "intercept program" through which the State Treasurer or a chartering district can make direct payments of principal and interest due on such bonds on behalf of the charter school;
- Creating a Charter School Debt Reserve Fund, consisting of \$1,000,000 in moneys from the State Education Fund and a percentage of the savings realized by such charter schools that rely upon the existence of the Fund, and allowing moneys in the Fund to be expended to make bond payments on behalf of such charter schools when they cannot make such payments; and
- Requiring the State to consider appropriating moneys not to exceed \$200 million to restore a charter school's qualified charter school debt reserve fund to ensure that its bonds can be paid.

Makes *all* charter schools, except those operating in state facilities, eligible for additional State Education Fund moneys for capital construction. Modifies the formula for determining the amount of State Education Fund moneys to be distributed to school districts for allocation to charter schools for the purpose of funding charter school capital construction by inflation plus one percentage point over the prior year's distribution for budget years 2003-04 through 2011-12 and by inflation over the prior budget year's distribution for each budget year thereafter. Modifies the allocation of funds among charter schools.

Academic Growth Pilot Program. Establishes the Academic Growth Pilot Program to use students' Colorado Student Assessment Program (CSAP) scores over time to measure students' academic growth. Authorizes districts to participate in the Pilot Program on a voluntary basis until FY 2005-06, when all districts are required to participate. Requires the Department to annually provide participating districts with academic growth information reports for each enrolled student based on the CSAP results for the immediately preceding school year. Requires participating districts to

prepare academic growth profiles for each student for use by the student, and the student's parents and teachers in helping the student to grow academically. Requires the Department to annually allocate moneys from the State Education Fund to each participating school district to cover costs incurred by districts in preparing academic growth profiles. Appropriates \$229,000 from the State Education Fund for FY 2002-03 for the Pilot Program.

School Breakfast Program. Requires the General Assembly to annually appropriate \$500,000 for allocation by the Department to school districts that provide a school breakfast program. Requires school districts to allocate the moneys to low-performing schools. Appropriates \$500,000 General Fund to the Department for FY 2002-03.

Facility Summer School Grant Program. Creates a program whereby grants are provided to facility schools that operate summer school programs for children residing in such facilities. The grants are to be used to provide intensive educational services for children who are performing below grade level. Creates the Facility Summer School Grant Program Fund, which will consist of any gifts, grants, or donations received for the Program as well as any General Fund and State Education Fund moneys appropriated by the General Assembly. Appropriates \$500,000 from the State Education Fund to the Department for FY 2002-03.

National Credential Program. Directs the Department to assist individuals seeking a national credential by paying a portion of the fees charged for such credential. Establishes the National Credential Fund, which will consist of any gifts, grants, or donations received for the Program as well as any General Fund and State Education Fund moneys appropriated by the General Assembly. Appropriates \$60,000 from the State Education Fund to the Department for FY 2002-03.

On-line Education Program Study. Directs the Department, in conjunction with an appointed study group consisting of members of the General Assembly and other interested parties, to study several issues concerning the design, implementation, and operation of full-time elementary and secondary on-line education programs. Directs the Department to report the study findings and any associated recommendations to the State Board of Education and the Education Committees of the Senate and the House of Representatives by December 31, 2002. Appropriates \$20,000 General Fund to the Department for the study. Makes this portion of the act contingent upon the passage of and savings realized from H.B. 02-1226.

Other Adjustments to Long Bill Appropriations. Makes a number of other adjustments to FY 2002-03 Long Bill appropriations in order to offset the costs of various provisions of the bill, including the following:

- Reduces the appropriation from the State Education Fund for the Teacher Pay Incentive Program by \$9,010,000 (also makes corresponding statutory changes limit eligibility for the program and to reduce the basic grant amount); and
- Reduces the appropriation for the Contingency Reserve by \$5,000,000 (including \$4,100,000 in lottery proceeds and \$900,000 General Fund).

Please note that the act included a clause reducing the General Fund and corresponding cash funds exempt appropriations for the Teacher Development Grant Program by \$978,213. However, the Governor vetoed the Long Bill appropriations associated with this program.

The act also contains a provision that adjusts sources of funds appropriated for public school finance for *FY 2001-02*, reducing the appropriation from the State Public School Fund by \$6.0 million and increasing the appropriation from the State Education Fund by \$6.0 million to cover a projected shortfall of federal mineral lease moneys. Requires the State Treasurer to transfer \$6,000,000 from the federal mineral lease moneys for fiscal year 2002-03 to repay the State Education Fund.

H.B. 02-1368: Supplemental appropriation to the Department of Education to modify the appropriation included in the FY 2001-02 Long Bill, as well as making adjustments to the appropriation made in S.B. 01-129 and H.B. 01-1272.

H.B. 02-1393: Reduces the required increase in the FY 2001-02 General Fund appropriation for the state share of districts' total program funding from 5.8 percent to 5.0 percent. Requires the General Assembly shall increase the General Fund appropriation for the state share of districts' total program funding by 7.39 percent for FY 2002-03.

H.B. 02-1420: General appropriations act for FY 2002-03.

H.B. 02-1423: Supplemental appropriation to the Department of Education to modify the appropriation included in the FY 2001-02 Long Bill, as amended by H.B. 02-1368.

H.B. 02-1468: Refinances the FY 2001-02 appropriation made pursuant to S.B. 01S2-22. Establishes the CY 2003 state contribution rate for health, life, and dental insurance to be the same as the state contribution rate for CY 2002, and increases the FY 2002-03 appropriation to the Department of Education for FY 2002-03 by \$21,682 accordingly. Authorizes the General Assembly to annually adjust the state contribution for health, life, and dental insurance effective CY 2004 through the Long Bill. For more information, refer to the bill description in the Department of Personnel.

GOVERNOR - LIEUTENANT GOVERNOR - STATE PLANNING AND BUDGETING

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

Department Budget: Recent Actual Expenditures and Appropriations

Funding Source	FY 1999-00 Actual	FY 2000-01 Actual	FY 2001-02 Approp.	FY 2002-03 Approp.
General Fund	\$7,303,087	\$19,961,784	\$19,792,050	\$20,420,378
Cash Funds	70,380	104,860	184,420	169,420
Cash Funds Exempt	5,172,327	2,836,619	2,435,108	4,039,188
Federal Funds	<u>20,988,248</u>	<u>15,679,626</u>	<u>22,109,649</u>	<u>19,102,259</u>
Total Funds	\$33,534,042	\$38,582,889	\$44,521,227	\$43,731,245
Full Time Equiv. Staff	105.3	116.0	126.5	127.5

FY 2002-03 Budget Changes

Significant changes in appropriations for FY 2002-03 compared to FY 2001-02 include the following:

- ❑ An increase of 1.0 FTE and \$2,200,000 cash funds exempt to allow the Office of State Planning and Budgeting and the Office of Innovation and Technology to receive Medicaid funds transferred from the Department of Health Care Policy and Financing. These funds will be used for joint department functions and oversight related to Health Insurance Portability and Accountability Act (HIPAA) implementation, and for privacy standards oversight and training for departments with Medicaid-funded programs. The FTE is for a state privacy officer related to implementation of HIPAA;
- ❑ An increase of \$527,000 General Fund to restore funding removed in FY 2001-02 because of the budget shortfall;
- ❑ An increase of \$404,000 General Fund for salary survey and anniversary increases awarded in FY 2001-02;
- ❑ A decrease of \$221,000 General Fund as part of the Governor's statewide one percent General Fund reduction;

- ❑ A reduction in legal services hours from 1,391 hours to 818 hours resulting in a \$32,000 General Fund reduction;
- ❑ A decrease of \$612,000 cash funds exempt due to the discontinuation of one-time funding for tourism marketing in FY 2001-02; and
- ❑ A decrease of \$3,000,000 federal funds due to the completion of the Health Resources federal grant.

General Factors Driving the Budget

Funding for this office consists of 46.7 percent General Fund, 0.4 percent cash funds, 9.2 percent cash funds exempt, and 43.7 percent federal funds. One of the most important factors driving the budget is reviewed below.

Federal Funds

Federally-funded programs comprised almost 50 percent of the Office's budget in FY 2001-02, and almost 44 percent in FY 2002-03. These programs generally have no state match and funding is provided at the discretion of federal authorities. Historically, federal funding has fluctuated significantly and has included a wide variety of programs, ranging from job training to energy conservation.

Summary of FY 2001-02 and FY 2002-03 Appropriations

Total Department Appropriations

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Total Appropriation:	\$19,792,050	\$184,420	\$2,435,108	\$22,109,649	\$44,521,227	126.5
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Office of the Governor	3,108,029	90,000	250,630	21,024,720	24,473,379	39.0
Office of the Lieutenant Governor	270,648	0	1,500	0	272,148	5.5
Office of State Planning and Budgeting	0	0	1,263,177	0	1,263,177	19.5
Economic Development Programs	15,103,519	94,420	919,801	1,084,929	17,202,669	47.0

	GF	CF	CFE	FF	Total	FTE
Office of Innovation and Technology	1,309,854	0	0	0	1,309,854	15.5
<u>Breakdown of Total Appropriation by Bill</u>						
SB 01-212	20,428,241	184,420	1,740,837	22,109,529	44,463,027	125.5
HB 01-1097	0	0	86,400	0	86,400	1.0
SB 01S2-22	0	0	7,991	0	7,991	0.0
HB 02-1369	(311,814)	0	600,000	0	288,186	0.0
HB 02-1424	(324,377)	0	0	0	(324,377)	0.0
HB 02-1468	0	0	(120)	120	0	0.0
FY 2002-03 Total Appropriation:	\$20,420,378	\$169,420	\$4,039,188	\$19,102,259	\$43,731,245	127.5
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Office of the Governor	3,290,856	75,000	204,112	18,024,095	21,594,063	39.0
Office of the Lieutenant Governor	287,753	0	1,500	0	289,253	5.5
Office of State Planning and Budgeting	0	0	1,525,946	0	1,525,946	20.5
Economic Development Programs	15,449,548	94,420	310,131	1,078,164	16,932,263	47.0
Office of Innovation and Technology	1,392,221	0	1,997,499	0	3,389,720	15.5
<u>Breakdown of Total Appropriation by Bill</u>						
SB 02-50	(10,021)	0	0	0	(10,021)	0.0
HB 02-1038	(9,992)	0	0	0	(9,992)	0.0
HB 02-1420	20,435,578	169,420	4,038,449	19,102,167	43,745,614	127.5
HB 02-1468	4,813	0	739	92	5,644	0.0
Increase/(Decrease)	\$628,328	(\$15,000)	\$1,604,080	(\$3,007,390)	(\$789,982)	1.0
Percentage Change	3.2%	-8.1%	65.9%	-13.6%	-1.8%	0.8%

Detail of Appropriation by Administrative Section

Office of the Governor

As the chief executive of the State, the Governor is responsible for the overall operation of the executive branch of government. This office provides for coordination, direction, and planning of agency operations; maintains a liaison with local governments and the federal government; and exercises the executive powers of the State. The cash funds are from the Mansion Activity Fund. The cash funds exempt funding is primarily from indirect cost recoveries. The federal funds represent grants received, or estimated to be received, by the Governor's Office for the Office of Energy Conservation, the Head Start Program, and other initiatives.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$3,213,860	\$90,000	\$222,574	\$21,024,600	\$24,551,034	39.0
HB 01-1097	0	0	2,232	0	2,232	0.0
SB 01S2-22	0	0	7,991	0	7,991	0.0
HB 02-1369	(39,670)	0	0	0	(39,670)	0.0
HB 02-1424	(66,161)	0	17,953	0	(48,208)	0.0
HB 02-1468	<u>0</u>	<u>0</u>	<u>(120)</u>	<u>120</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$3,108,029	\$90,000	\$250,630	\$21,024,720	\$24,473,379	39.0
FY 2002-03 Appropriation:						
SB 02-50	(\$10,021)	\$0	\$0	\$0	(\$10,021)	0.0
HB 02-1038	(9,992)	0	0	0	(9,992)	0.0
HB 02-1420	3,306,056	75,000	203,373	18,024,003	21,608,432	39.0
HB 02-1468	<u>4,813</u>	<u>0</u>	<u>739</u>	<u>92</u>	<u>5,644</u>	<u>0.0</u>
TOTAL	\$3,290,856	\$75,000	\$204,112	\$18,024,095	\$21,594,063	39.0
Increase/(Decrease)	\$182,827	(\$15,000)	(\$46,518)	(\$3,000,625)	(\$2,879,316)	0.0
Percentage Change	5.9%	-16.7%	-18.6%	-14.3%	-11.8%	0.0%

FTE Detail	FY 2001-02	FY 2002-03
Governor	1.0	1.0
Chief of Staff/Deputy Chief of Staff	2.0	2.0

FTE Detail	FY 2001-02	FY 2002-03
Program Directors	9.0	9.0
Policy/Program Staff	7.5	7.5
Accounting Staff	2.0	2.0
Staff Assistants/Support Staff	14.5	14.5
Domestics	<u>3.0</u>	<u>3.0</u>
	39.0	39.0

General Fund Changes: The General Fund increase is primarily due to an increase of \$172,000 for salary survey and anniversary increases awarded in FY 2001-02. Other General Fund increases include: (1) \$38,000 for salary survey and performance-based pay for FY 2002-03; (2) \$34,000 to reinstate funding removed in FY 2001-02 to address the budget shortfall; (3) \$27,000 for risk management payments; and smaller increases to several additional line items. These increases are partially offset by: (1) a 2.5 percent (\$48,000) reduction to the personal services base; (2) a \$32,000 reduction for legal services; (3) a \$25,000 reduction per the Governor's statewide one percent General Fund reduction; and (4) other smaller reductions.

Cash Funds Changes: The cash funds decrease is primarily due to a \$15,000 reduction in the mansion activity fund appropriation to more accurately reflect historic usage.

Cash Funds Exempt and Federal Fund Changes: The cash funds exempt and federal fund decreases are due to the completion of the Health Resources federal grant in FY 2001-02 (the reduction in cash funds exempt is due to less available indirect cost recoveries from federal grants).

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. The cash exempt funds are from donations.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$277,588	\$0	\$1,500	\$0	\$279,088	5.5
HB 02-1369	(2,776)	0	0	0	(2,776)	0.0
HB 02-1424	<u>(4,164)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(4,164)</u>	<u>0.0</u>
TOTAL	\$270,648	\$0	\$1,500	\$0	\$272,148	5.5

	GF	CF	CFE	FF	Total	FTE
FY 2002-03 Appropriation:						
HB 02-1420	<u>\$287,753</u>	<u>\$0</u>	<u>\$1,500</u>	<u>\$0</u>	<u>\$289,253</u>	<u>5.5</u>
TOTAL	\$287,753	\$0	\$1,500	\$0	\$289,253	5.5
Increase/(Decrease)	\$17,105	\$0	\$0	\$0	\$17,105	0.0
Percentage Change	6.3%	0.0%	0.0%	0.0%	6.3%	0.0%

FTE Detail	FY 2001-02	FY 2002-03
Lieutenant Governor	1.0	1.0
Administration	2.0	2.0
Commission of Indian Affairs	<u>2.5</u>	<u>2.5</u>
	5.5	5.5

General Fund Changes: The General Fund increase is primarily due to \$18,000 for salary survey and anniversary increases awarded in FY 2001-02 and \$8,000 to restore funding removed in FY 2001-02 because of the budget shortfall. These increases are partially offset by the statewide one percent General Fund decrease (\$2,000) and reductions for out-of-state travel and computer replacements (\$5,000).

Office of State Planning and Budgeting

The Office of State Planning and Budgeting is responsible for the development of executive budget requests, the review and analysis of departmental expenditures, and preparation of revenue and economic forecasts for the State. The cash exempt funds are from Medicaid funds transferred from the Department of Health Care Policy and Financing and from indirect cost recoveries collected from the State Highway Fund in the Department of Transportation pursuant to Section 43-1-113(8)(a), C.R.S.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$0	\$0	\$1,281,130	\$0	\$1,281,130	19.5
HB 02-1424	<u>0</u>	<u>0</u>	<u>(17,953)</u>	<u>0</u>	<u>(17,953)</u>	<u>0.0</u>
TOTAL	\$0	\$0	\$1,263,177	\$0	\$1,263,177	19.5

	GF	CF	CFE	FF	Total	FTE
FY 2002-03 Appropriation:						
HB 02-1420	\$0	\$0	\$1,525,946	\$0	\$1,525,946	20.5
TOTAL	\$0	\$0	\$1,525,946	\$0	\$1,525,946	20.5
Increase/(Decrease)	\$0	\$0	\$262,769	\$0	\$262,769	1.0
Percentage Change	0.0%	0.0%	20.8%	0.0%	20.8%	5.1%

FTE Detail	FY 2001-02	FY 2002-03
Director	1.0	1.0
Deputy Director	1.0	1.0
Analysts	12.5	12.5
Economists	2.0	2.0
Financial Manager	1.0	1.0
State Privacy Officer	0.0	1.0
Support Staff	<u>2.0</u>	<u>2.0</u>
	19.5	20.5

FTE Change: The increase in FTE is for a state privacy officer to develop privacy standards and to provide oversight training related to implementation of the Health Insurance Portability and Accountability Act (HIPAA).

Cash Funds Exempt Changes: The cash funds exempt increase is due to: (1) \$217,000 for the new FTE and related program expenses; (2) \$91,000 for salary survey and anniversary amounts awarded in FY 2001-02; and (3) \$18,000 for Medicare and PERA. These increases are partially offset by: (1) a 2.5 percent reduction of \$32,000 to the personal services base; (2) a \$14,000 reduction as part of the Governor's one percent General Fund reduction (since cash funds exempt are used to offset General Fund); and (3) other smaller reductions.

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 international trade assistance, job training/retraining, and Colorado tourism promotion. The cash funds are from the Minority Business Cash Fund, fees, gifts, and donations. The cash exempt funds are from indirect cost recovery from federal grants, reserves from the Colorado Travel and Tourism Fund, transfers from the Division of Insurance Cash Fund (for the capital company incentives

program), donations, and gifts. The federal funds are grants from the Small Business Association and grants passed through from the Department of Transportation for the Construction Development Center.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$15,593,353	\$94,420	\$235,633	\$1,084,929	\$17,008,335	46.0
HB 01-1097	0	0	84,168	0	84,168	1.0
HB 02-1369	(255,934)	0	600,000	0	344,066	0.0
HB 02-1424	<u>(233,900)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(233,900)</u>	<u>0.0</u>
TOTAL	\$15,103,519	\$94,420	\$919,801	\$1,084,929	\$17,202,669	47.0
FY 2002-03 Appropriation:						
HB 02-1420	<u>\$15,449,548</u>	<u>\$94,420</u>	<u>\$310,131</u>	<u>\$1,078,164</u>	<u>\$16,932,263</u>	<u>47.0</u>
TOTAL	\$15,449,548	\$94,420	\$310,131	\$1,078,164	\$16,932,263	47.0
Increase/(Decrease)	\$346,029	\$0	(\$609,670)	(\$6,765)	(\$270,406)	0.0
Percentage Change	2.3%	0.0%	-66.3%	-0.6%	-1.6%	0.0%

FTE Detail	FY 2001-02	FY 2002-03
Administration	6.0	6.0
Business Development	10.2	10.2
Grand Junction Satellite Office	1.0	1.0
Minority Business Office	3.0	3.0
Small Business Assistance	5.0	5.0
Small Business Development Centers	3.0	3.0
International Trade Office	8.0	8.0
Motion Picture and Television	4.5	4.5
Colorado Welcome Centers	3.3	3.3
Economic Development Commission	<u>3.0</u>	<u>3.0</u>
	47.0	47.0

General Fund Changes: The General Fund increase includes the following increases: (1) \$452,000 to restore funding from one-time reductions in FY 2001-02; (2) \$145,000 for salary survey and anniversary increases awarded in FY 2001-02; and (3) \$36,000 for Medicare and PERA. These increases are partially offset by: (1) \$157,000 in reductions as part of the Governor's statewide 1.0 percent reductions; (2) a \$90,000 reduction due to the Governor's veto of the Highway Maps line item; (3) a 1.5 percent reduction to the personal services base totaling \$26,000; (4) a \$12,000 reduction for out-of-state travel; and (5) a \$7,000 reduction for computer replacements.

Cash Funds Exempt Changes: The decrease in cash funds exempt spending authority is primarily due to the discontinuation of one-time funding changes in FY 2001-02, when the Office: (1) received a one-time emergency supplemental of \$500,000 cash funds exempt to receive funding from the Economic Development Commission for a tourism marketing campaign; and (2) received a one-time fund mix adjustment to reduce the General Fund appropriation by \$100,000 and increase to the cash funds exempt appropriation by \$100,000 to allow the Tourism Office to spend down reserves in the Travel and Tourism Fund.

Federal Funds Changes: The decrease in federal funds is due to a reduction requested by the Small Business Assistance Office.

Office of Innovation and Technology

The Office of Innovation and Technology was established in 1999 and is responsible for oversight of state communications and information systems policy, including support of the Commission on Information Management (IMC). The Office also promotes the development of the state's information technology industry. The cash exempt funds are from Medicaid funds transferred from the Department of Health Care Policy and Financing.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$1,343,440	\$0	\$0	\$0	\$1,343,440	15.5
HB 02-1369	(13,434)	0	0	0	(13,434)	0.0
HB 02-1424	(20,152)	0	0	0	(20,152)	0.0
TOTAL	\$1,309,854	\$0	\$0	\$0	\$1,309,854	15.5
FY 2002-03 Appropriation:						
HB 02-1420	\$1,392,221	\$0	\$1,997,499	\$0	\$3,389,720	15.5
TOTAL	\$1,392,221	\$0	\$1,997,499	\$0	\$3,389,720	15.5

	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$82,367	\$0	\$1,997,499	\$0	\$2,079,866	0.0
Percentage Change	6.3%	0.0%	n/a	0.0%	158.8%	0.0%

FTE Detail	FY 2001-02	FY 2002-03
Deputy Director	1.0	1.0
Chief Information Officer	1.0	1.0
Deputy Chief Information Officer	1.0	1.0
Science & Technology Commission Director	1.0	1.0
Controller	0.5	0.5
Project Policy Coordinator	2.0	2.0
Technology & Business Analyst	3.3	3.3
Research & Special Projects	0.7	0.7
Program Assistant	1.0	1.0
Staff Assistant	<u>4.0</u>	<u>4.0</u>
	15.5	15.5

General Fund Changes: The General Fund increase includes: (1) \$69,000 for salary survey and anniversary increases awarded in FY 2001-02; (2) \$33,000 to restore funding from one-time cuts in FY 2001-02; and (3) \$14,000 for Medicare. These increases are partially offset by a 1.5 percent \$17,000 reduction in the personal services bases and a \$17,000 reduction per the Governor's statewide reductions.

Cash Funds Exempt Changes: The cash funds exempt increase is to allow the Office to receive Medicaid funds transferred from the Department of Health Care Policy and Financing for independent validation and verification (IV&V) and quality assurance project oversight of implementation of the Health Insurance Portability and Accountability Act (HIPAA).

Recent Legislation

2001 Session Bills

S.B. 01-212: Provides general appropriations for FY 2001-02.

H.B. 01-1097: Provides incentives for insurance companies to invest in capital companies (CAPCOs) that are certified by the Office of Economic Development (OED), and are qualified to offer assistance to business enterprises that create jobs in the state.

S.B. 01S2-22: Provides a 4.3 percent increase in the state contribution rate for state employees for CY 2002 and provides funding to pay for the additional costs associated with health insurance for state employees who reside in Pueblo. For more information, refer to the bill description in the Department of Personnel.

2002 Session Bills

S.B. 02-50: For an explanation of this bill please see the Recent Legislation section in the Department of Corrections.

H.B. 02-1038: For an explanation of this bill please see the Recent Legislation section in the Department of Corrections.

H.B. 02-1369: Modifies the appropriation to the Governor's Office included in the FY 2001-02 Long Bill.

H.B. 02-1420: Provides general appropriations for FY 2002-03.

H.B. 02-1424: Modifies the appropriation to the Governor's Office included in the FY 2001-02 Long Bill, as modified by H.B. 02-1369.

H.B. 02-1468: Refinances the FY 2001-02 appropriation made pursuant to S.B. 01S2-22. Establishes the CY 2003 state contribution rate for health, life, and dental insurance to be the same as the state contribution rate for CY 2002. Authorizes the General Assembly to annually adjust the state contribution for health, life, and dental insurance effective CY 2004 through the Long Bill. For more information, refer to the bill description in the Department of Personnel.

DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

The Department of Health Care Policy and Financing was created by H.B. 93-1317, which restructured state-administered health care and social services. The Department oversees the State's Medicaid program, the Colorado Indigent Care Program (CICP), Disproportionate Share Payments to Hospitals, the Comprehensive Primary and Preventive Care Grant program, the Home Care Allowance and Adult Foster Care programs, the Children's Basic Health Plan, including prenatal care services for women at or under 185 percent of the federal poverty level, and S.B. 97-101 public school Medicaid-funded health care services, in conjunction with the Department of Education. The Department also serves as the single-state agency for the receipt of federal Medicaid funds; as such, approximately \$0.6 billion of its FY 2002-03 appropriation is transferred to other state agencies receiving Medicaid, including the Departments of Education, Higher Education, Human Services, Public Health and Environment, and Regulatory Agencies.

The Department is responsible for the development and operation of various publicly financed health care programs for eligible Coloradans. Federal matching funds support the majority of functions and programs. These federal funds are largely Medicaid (Title XIX) funds and, to a lesser extent, federal Title XXI funds which support the Children's Basic Health Plan. The Department is comprised of the following divisions: (1) Executive Director's Office; (2) Medical Programs Administration; (3) Medical Services Premiums; (4) Indigent Care Program; (5) Other Medical Services; and (6) Department of Human Services Medicaid-Funded Programs.

Department Budget: Recent Actual Expenditures and Appropriations

Funding Source	FY 1999-00 Actual	FY 2000-01 Actual	FY 2001-02 Approp.	FY 2002-03 Approp.
General Fund	\$956,734,733	\$1,014,486,031	\$1,082,349,038	\$1,181,443,091
General Fund Exempt	1,737,441	89,162	0	0
Cash Funds	9,465,785	10,030,476	11,228,053	751,563
Cash Funds Exempt	91,823,461	122,105,618	181,653,331	200,835,451
Federal Funds	<u>1,047,585,339</u>	<u>1,123,549,381</u>	<u>1,250,502,362</u>	<u>1,360,001,651</u>
Total Funds	\$2,107,346,759	\$2,270,260,668	\$2,525,732,784	\$2,743,031,756
Full Time Equiv. Staff	162.4	157.8	180.6	194.5

FY 2002-03 Budget Changes

Significant changes in appropriations for FY 2002-03 compared to FY 2001-02 include the following:

- ❑ An increase of 5.0 FTE, \$3.2 million General Fund and \$9.5 million federal funds associated with implementation of the Health Insurance Portability and Accountability Act (HIPAA).
- ❑ A net increase of \$136.6 million (\$74.7 million General Fund), or 8.6 percent, to purchase acute and long-term care services for 326,058 Medicaid and Old Age Pension Health and Medical Program clients. This represents a net caseload increase of 13,129 clients (4.2 percent). The \$136.6 million increase is net of various funding initiatives which include the following:
 - ✓ An increase of \$2.3 million (\$1.1 million General Fund) for a 1.0 percent across-the-board inflationary increase for certain community long-term care and home health providers.
 - ✓ An increase of \$5.3 million (\$2.66 million General Fund) for a 1.0 percent inflationary increase for both inpatient hospital and acute care providers.
 - ✓ An increase of \$3.0 million (with a savings of \$1.5 million General Fund) associated with a full year's worth of reimbursing public nursing facilities at the Medicare Upper Payment Limit using certified cash funds. This financing replaces General Fund with certified cash funds exempt in lieu of General Fund as the State's Medicaid matching funds and allows for additional federal funds to be drawn down.
 - ✓ A decrease of \$1.8 million (including \$0.9 million General Fund) associated with annualizing a full year's worth of pharmacy reductions at Average Wholesale Price (AWP) minus 12 percent.
 - ✓ A decrease of \$1.3 million (including \$0.7 million General Fund) associated with changes to the way dual Medicare/Medicaid eligible client's psychotherapy claims are reimbursed.
 - ✓ A decrease of \$6.4 million total funds but a corresponding \$3.2 million General Fund increase in FY 2002-03 compared to FY 2001-02 associated with federal rule changes on the level with which states may reimburse inpatient hospitals under the Medicare Upper Payment Limit.
- ❑ An increase of \$31.9 million (\$16.4 million General Fund) for Medicaid-funded services in the Department of Human Services.

Common policy for FY 2002-03 resulted in the following changes to the Department's budget:

- ❑ A net increase of \$5,875, including a reduction of \$16,075 General Fund, for salary survey and performance based-pay increases anticipated to be awarded in FY 2002-03. The total FY 2002-03 appropriation for salary survey and performance based pay increases is \$646,248, including \$304,961 General Fund, reflecting a 0.9 percent total funds increase over the FY 2001-02 base.
- ❑ A \$260,518 increase, including \$120,566 General Fund, to annualize anniversary increases awarded in FY 2001-02.
- ❑ A decrease of \$291,711, including \$133,486 General Fund, for personal services reductions of 1.5 and 2.5 percent, for line items of 20 and below, and over 20, respectively.
- ❑ A decrease of \$3,060, including \$1,488 General Fund, for an out-of-state travel reduction.

General Factors Driving the Budget

Funding for this department consists of 43.0 percent General Fund, 7.4 percent cash funds exempt, and 49.6 percent federal funds. Some of the most important factors driving the budget are reviewed below.

Medical Services Premiums

Medical Services Premiums is the division reflecting funding health care services for qualifying low-income eligibles. Services include acute care (such as physician and hospital visits) as well as long-term care (such as nursing facility and community long-term care alternatives). Total costs are a function of caseload and the respective cost-per-client. Recent budget increases are primarily in the area of community long-term care, nursing facilities, pharmaceuticals, and HMOs.

	FY 98-99 ^{1/}	FY 99-00 ^{2/}	FY 00-01	FY 01-02	FY 02-03
Total Expenditure	\$1,197,781,592	\$1,324,660,367	\$1,414,931,542	\$1,593,208,305	\$1,729,799,673
Annual Change	6.1%	10.6%	6.8%	12.6%	8.6%
Caseload	259,031	273,724	295,779	312,929	326,058
Annual Change	-0.3%	5.7%	8.1%	5.8%	4.2%
Cost-per-Client	\$4,624.09	\$4,839.40	\$4,783.75	\$5,091.28	\$5,305.19
Annual Change	6.4%	4.7%	-1.2%	6.4%	4.2%

- ^{1/} In FY 1998-99, \$50.4 million of mental health capitation funding was moved to the Department of Human Services Medicaid-Funded Programs.
- ^{2/} In FY 1999-00, net funding of \$13.4 million for anti-psychotic pharmaceuticals was moved out of this division into the Department of Human Services Medicaid-Funded Programs division.

Disproportionate Share

The State makes payments to Disproportionate Share (DSH) hospitals to help offset the uncompensated cost of providing services to uninsured patients for hospitals serving a disproportionate share of low-income clients. Since FY 1991-92, the State has appropriated over \$1.8 billion to hospital providers and received almost \$1.0 billion in General Fund revenue from intergovernmental transfers associated with such payments from DSH providers. In turn, these providers have received a net benefit of over \$0.6 billion through this and other financing mechanisms. In recent years, a financing methodology referred to as "certification" has been utilized. Under this methodology, the state dollar match for public DSH hospitals is appropriated instead as cash funds exempt (public funds certified as representing expenditures incurred by hospitals which are eligible for federal funds), in lieu of a General Fund match. Certification was used gradually at first, with this program's need for new General Fund absorbed with certified funds. Beginning with the FY 1999-00 appropriation, the State has utilized the certification methodology to the greatest extent deemed possible, resulting in a General Fund appropriation savings of \$45 million under the six percent General Fund spending limit in that year alone. This funding methodology also commensurately lowered the intergovernmental transfer revenues to the General Fund by approximately \$65 million. Subsequent to FY 1999-00 fiscal year appropriations further utilized the certification methodology, based on newfound approval from the federal government, and lowered the required General Fund appropriation further. This action also drove a corresponding General Fund intergovernmental transfer revenue reduction to the State of the same amount.

	FY 98-99	FY 99-00	FY 00-01	FY 01-02	FY 02-03
Total Expenditure	\$189,603,909	\$122,418,353	\$172,742,897	\$146,051,623	\$130,115,868
General Fund	\$54,626,726	\$9,058,321	\$4,643,181	\$3,922,216	\$3,532,181
Other (CFE/FF)	\$134,977,183	\$113,360,032	\$168,099,716	\$142,129,407	\$126,583,687
GF Revenues	\$72,880,717	\$7,296,636	\$0	\$0	\$0
Net Benefit to State	\$18,253,991	(\$1,761,685)	(\$4,643,181)	(\$3,922,216)	(\$3,532,181)
Hospital Net Benefit	\$75,212,113	\$63,090,353	\$91,014,629	\$76,948,027	\$68,590,115

Children's Basic Health Plan

The Children's Basic Health Plan provides health care insurance to uninsured children from families at or below 185 percent of the federal poverty level (\$33,485 for a family of four). A 65 percent federal match is available. Estimates vary on the number of eligible children; however, estimates of approximately 70,000 eligible children are most commonly cited. Participating families between 151

and 185 percent of poverty are assessed an annual premium of \$25 for one child and \$35 for two or more children. Families with incomes under 151 percent of poverty are not assessed the annual premium. No asset test is applied to this population. Administrative costs for the program are limited to no greater than 10 percent. Pursuant to H.B. 02-1155, prenatal care is available for low-income eligible women under the Children's Basic Health Plan beginning July 1, 2002.

Children's Basic Health Plan (Base Program: Excluding Prenatal Care)					
	FY 98-99 ^{1/}	FY 99-00	FY 00-01	FY 01-02	FY 02-03 ^{2/}
Total Expenditure ^{3/}	\$20,906,992	\$32,843,384	\$51,108,598	\$53,318,600	\$75,611,732
General Fund	\$4,854,222	\$8,603,720	\$8,603,720	\$0	\$6,603,720
Monthly Base Health Care Cost Per Child ^{4/}	\$63.54	\$67.86	\$72.26	\$73.48	\$79.90
Monthly Dental Cost Per Child	N/A	N/A	N/A	\$10.95	\$10.95
Number of Children	13,318	22,935	29,452	40,960	54,108

^{1/} Of this sum, 12,825 represent Child Health Plan Plus children and the remainder represent Child Health Plan clients. The Child Health Plan was the predecessor to the Child Health Plan Plus; it provided primary care only.

^{2/} Total expenditures include the impact of H.B. 02-1155.

^{3/} Includes the double-count of the appropriations of General Fund and various cash funds *into* the Trust and the appropriation of cash funds exempt *out of* the Trust.

^{4/} Excluding dental care and excluding prenatal care added pursuant to H.B. 02-1155. The dental benefit was added in February 2002; however, the cost of the benefit is not part of the per member per month cost reflected here for medical costs. Prenatal care for pregnant women at or under 185 percent of the federal poverty level is authorized beginning July 1, 2002.

Department of Human Services Medicaid-Funded Programs

Many programs in the Department of Human Services are funded with Medicaid dollars. The General Fund contained in the Medicaid dollars is appropriated in this division, matched with anticipated federal funds, and transferred to the Department of Human Services as Medicaid *cash funds exempt*. Thus, two dollars of Medicaid cash funds exempt shown in another department, such as the Department of Human Services, contains a dollar originally appropriated as General Fund in the Department of Health Care Policy and Financing. In order to reflect the true statewide General Fund impact, the term "net General Fund" is used to describe the Medicaid used in the "receiving" Departments. The expenditures reflect the General Fund and federal fund amounts transferred to the Department of Human Services on behalf of its Medicaid-funded programs.

	FY 98-99	FY 99-00	FY 00-01	FY 01-02	FY 02-03
Expenditures	\$405,180,025	\$475,536,495	\$505,177,681	\$535,090,512	\$567,008,381
Percent Increase	N/A	14.8%	5.9%	5.6%	5.6%

Summary of FY 2001-02 and FY 2002-03 Appropriations

Total Department Appropriations

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Total Appropriation:	\$1,082,349,038	\$11,228,053	\$181,653,331	\$1,250,502,362	\$2,525,732,784	180.6
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director	2,381,047	95,984	49,587	3,425,141	5,951,759	37.1
Medical Programs Administration	14,780,517	521,867	2,202,032	30,706,606	48,211,022	140.5
Medical Services Premiums	763,790,045	9,853,133	27,608,755	791,956,372	1,593,208,305	0.0
Indigent Care Program	17,156,481	285,245	142,084,046	145,199,868	304,725,640	3.0
Other Medical Services	18,189,813	0	9,708,911	10,646,822	38,545,546	0.0
Department of Human Services Medicaid-Funded Programs	266,051,135	471,824	0	268,567,553	535,090,512	0.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 01-78	(36,043)	25,000	0	(36,043)	(47,086)	1.0
SB 01-164	96,551	0	(103,107)	277,367	270,811	0.0
SB 01-212	1,092,971,799	10,692,259	138,497,354	1,206,706,328	2,448,867,740	175.9
HB 01-1161	0	0	48,850	52,498	101,348	3.0
HB 01-1199	0	0	0	0	0	0.2
HB 01-1271	0	0	80,000	129,400	209,400	0.0
HB 01-1282	146,117	0	0	159,808	305,925	0.0
HB 01-1331	0	0	(6,562)	(12,188)	(18,750)	0.0
HB 01-1343	(293,800)	0	0	(281,400)	(575,200)	0.0
HB 01-1357	(97,498)	0	0	(97,498)	(194,996)	0.0
SB 01S2-12	0	0	58,746	103,386	162,132	0.5
SB 01S2-22	0	0	7,616	0	7,616	0.0
HB 02-1370	(20,300,359)	510,794	41,097,911	26,664,980	47,973,326	0.0
HB 02-1420	1,938,683	0	0	1,938,682	3,877,365	0.0

	GF	CF	CFE	FF	Total	FTE
HB 02-1425	8,218,585	0	987,963	14,199,575	23,406,123	0.0
HB 02-1468	0	0	(3,952)	3,952	0	0.0
HB 02-1473	(294,997)	0	988,512	693,515	1,387,030	0.0
FY 2002-03 Total Appropriation:	\$1,181,443,091	\$751,563	\$200,835,451	\$1,360,001,651	\$2,743,031,756	194.5
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director	2,614,278	65,003	97,075	2,956,870	5,733,226	37.6
Medical Programs Administration	18,598,771	350,000	516,749	41,510,993	60,976,513	153.9
Medical Services Premiums	838,461,881	0	34,565,803	856,771,989	1,729,799,673	0.0
Indigent Care Program	22,382,669	336,560	155,872,283	163,592,744	342,184,256	3.0
Other Medical Services	16,974,342	0	9,708,911	10,646,454	37,329,707	0.0
Department of Human Services Medicaid-Funded Programs	282,411,150	0	74,630	284,522,601	567,008,381	0.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 01S2-12	0	0	0	103,386	103,386	0.0
SB 02-27	0	0	0	36,675	36,675	0.4
SB 02-50	(4,909)	0	0	0	(4,909)	0.0
HB 02-1038	(4,895)	0	0	0	(4,895)	0.0
HB 02-1039	40,558	0	0	77,262	117,820	0.8
HB 02-1155	0	0	14,047,724	11,788,631	25,836,355	0.0
HB 02-1263	0	0	41,140	0	41,140	0.0
HB 02-1292	(372,929)	0	0	(258,877)	(631,806)	0.0
HB 02-1293	0	0	8,750	8,750	17,500	0.0
HB 02-1295	50,563	0	0	50,563	101,126	0.0
HB 02-1348	(1,215,079)	0	0	0	(1,215,079)	0.0
HB 02-1420	1,180,936,543	751,563	186,737,806	1,346,226,245	2,714,652,157	193.3
HB 02-1457	(174,287)	0	0	(219,040)	(393,327)	0.0
HB 02-1468	3,780	0	31	4,311	8,122	0.0
HB 02-1473	2,183,746	0	0	2,183,745	4,367,491	0.0

	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$99,094,053	(\$10,476,490)	\$19,182,120	\$109,499,289	\$217,298,972	13.9
Percentage Change	9.2%	-93.3%	10.6%	8.8%	8.6%	7.7%

Detail of Appropriation by Administrative Section

Executive Director's Office

The appropriation for the Executive Director's Office includes the following areas: the Executive Director's Office, the Office of External Affairs, the Office of Operations and Finance, the Budget Division, and Child Health Plan Plus staff. The Executive Director's Office also contains the appropriation for the Colorado Benefits Management System (CBMS) staff.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$2,478,801	\$95,984	\$34,263	\$2,996,457	\$5,605,505	37.1
SB 01S2-12	0	0	12,000	12,000	24,000	0.0
SB 01S2-22	0	0	7,616	0	7,616	0.0
HB 02-1370	(225,975)	0	209	279,115	53,349	0.0
HB 02-1425	128,221	0	(549)	133,617	261,289	0.0
HB 02-1468	<u>0</u>	<u>0</u>	<u>(3,952)</u>	<u>3,952</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$2,381,047	\$95,984	\$49,587	\$3,425,141	\$5,951,759	37.1
FY 2002-03 Appropriation:						
SB 02-50	(\$4,909)	\$0	\$0	\$0	(\$4,909)	0.0
HB 02-1038	(4,895)	0	0	0	(4,895)	0.0
HB 02-1420	2,620,302	65,003	97,044	2,952,559	5,734,908	37.6
HB 02-1468	<u>3,780</u>	<u>0</u>	<u>31</u>	<u>4,311</u>	<u>8,122</u>	<u>0.0</u>
TOTAL	\$2,614,278	\$65,003	\$97,075	\$2,956,870	\$5,733,226	37.6
Increase/(Decrease)	\$233,231	(\$30,981)	\$47,488	(\$468,271)	(\$218,533)	0.5
Percentage Change	9.8%	-32.3%	95.8%	-13.7%	-3.7%	1.3%

FTE Detail	FY 2001-02	FY 2002-03
Executive Director/External Affairs	4.5	4.5
Customer Service Hotline	6.0	6.0
Operations and Finance	2.5	2.5
Budget Division	9.5	10.0
Child Health Plan Plus	8.6	8.6
Colorado Benefits Management System	<u>6.0</u>	<u>6.0</u>
	37.1	37.6

FTE Changes: The appropriation funds an increase of 0.5 FTE which reflects the annualization of FTE increases for the Budget Division made in FY 2001-02.

General Fund Changes: The General Fund increase is primarily attributable to a change in the statewide and departmental indirect cost allocation, which resulted in the receipt of fewer federal funds used to offset General Fund. Of the total increase approximately \$65,000 is associated with the reinstatement of operating expenses dollars that were reduced in FY 2001-02 on a one-time basis.

Cash Funds Changes: The cash funds net decrease is attributable to a change in the way the Old Age Pension funds are reflected in the Long Bill. In FY 2002-03, all Old Age Pension funds are consolidated in an appropriation to the Department of Human Services. Appropriations of such funds in the Department of Health Care Policy and Financing are now reflected as cash funds exempt as they represent a transfer of an appropriation made to the Department of Human Services. This decrease is offset slightly by an increase in the per hour legal services rate which affects third party recoveries funded with cash funds.

Federal Funds Changes: The decrease in the federal funds reflected is attributable to a change in the statewide and departmental indirect cost allocation, which resulted in the receipt of fewer federal funds. This decrease is somewhat offset by \$59,000 associated with the reinstatement of operating expenses that were reduced in FY 2001-02 on a one-time basis.

Medical Programs Administration

Medical Programs Administration is responsible for administering the State's Medicaid program, and the Home Care Allowance and Adult Foster Care programs.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-78	\$73,004	\$25,000	\$0	\$73,004	\$171,008	1.0
SB 01-164	436	0	0	1,308	1,744	0.0

	GF	CF	CFE	FF	Total	FTE
SB 01-212	14,966,754	496,867	2,012,844	29,570,336	47,046,801	135.8
HB 01-1161	0	0	48,850	52,498	101,348	3.0
HB 01-1199	0	0	0	293,237	293,237	0.2
HB 01-1271	0	0	80,000	129,400	209,400	0.0
HB 01-1282	6,846	0	0	20,537	27,383	0.0
HB 01-1343	6,200	0	0	18,600	24,800	0.0
SB 01S2-12	0	0	46,746	91,386	138,132	0.5
HB 02-1370	(148,695)	0	13,592	583,838	448,735	0.0
HB 02-1425	<u>(124,028)</u>	<u>0</u>	<u>0</u>	<u>(127,538)</u>	<u>(251,566)</u>	<u>0.0</u>
TOTAL	\$14,780,517	\$521,867	\$2,202,032	\$30,706,606	\$48,211,022	140.5
FY 2002-03 Appropriation:						
SB 01S2-12	\$0	\$0	\$0	\$103,386	\$103,386	0.0
SB 02-27	0	0	0	36,675	36,675	0.4
HB 02-1039	40,558	0	0	77,262	117,820	0.8
HB 02-1263	0	0	41,140	0	41,140	0.0
HB 02-1292	(30,899)	0	0	(30,898)	(61,797)	0.0
HB 02-1293	0	0	8,750	8,750	17,500	0.0
HB 02-1420	18,611,488	350,000	466,859	41,382,948	60,811,295	152.7
HB 02-1457	<u>(22,376)</u>	<u>0</u>	<u>0</u>	<u>(67,130)</u>	<u>(89,506)</u>	<u>0.0</u>
TOTAL	\$18,598,771	\$350,000	\$516,749	\$41,510,993	\$60,976,513	153.9
Increase/(Decrease)	\$3,818,254	(\$171,867)	(\$1,685,283)	\$10,804,387	\$12,765,491	13.4
Percentage Change	25.8%	-32.9%	-76.5%	35.2%	26.5%	9.5%

FTE Detail	FY 2001-02	FY 2002-03
Customer Service Section	4.0	4.0
Accounting and Purchasing/ Controller and Operations Division	12.0	17.0
Information Technology	20.8	22.0
Health Insurance Portability and Accountability Act	0.0	5.0

FTE Detail	FY 2001-02	FY 2002-03
Medical Assistance Office	22.0	12.0
Health Care Programs	33.7	0.0
Managed Care	24.0	0.0
Long-term Care	24.0	0.0
Health Benefits Division	0.0	28.7
Rates Analysis Division	0.0	19.0
Long-term Benefits Division	0.0	25.2
Client Services Division	<u>0.0</u>	<u>21.0</u>
	140.5	153.9

FTE Changes: The appropriation provides for a net increase of 13.4 FTE. The appropriation includes an increase of 5.0 FTE associated with the implementation of the Health Insurance Portability and Accountability Act (HIPAA), 3.0 FTE associated with the transfer of single entry point oversight staff from the Department of Human Services, 2.2 FTE associated with annualization of FTE added in FY 2001-02 for a partial year, 0.8 FTE pursuant to H.B. 02-1039, 0.5 FTE associated with the Department's complex refinancing initiatives, and 0.4 FTE pursuant to S.B. 02-27. In addition to the initiatives and the 2002 legislation, the appropriation includes an additional 1.5 FTE associated with legislation in the 2001 regular and special sessions with an additional impact in FY 2002-03, including 1.0 FTE associated with H.B. 01-1271 (Disability Work Incentive) and 0.5 FTE associated with the annualization of S.B. 01S2-12 (Breast and Cervical Cancer).

General Fund Changes: The General Fund increase is primarily attributable to an increase of \$3.2 million for implementation of the Health Insurance Portability and Accountability Act (HIPAA). Also contributing to the increase is \$0.3 million for personal services costs reflecting the FTE increases noted above, \$0.2 million associated with the Department's Medicaid Management Information System (MMIS) contract based increases, and the reinstatement of \$0.1 million in operating and other expenses dollars that were reduced in FY 2001-02 on a one-time basis.

Cash Funds Changes: The decrease in cash funds is primarily attributable to a change in the way the Old Age Pension Health and Medical funds are reflected in the Long Bill. In FY 2002-03, all Old Age Pension funds, including the Old Age Pension Health and Medical Fund, are consolidated in an appropriation to the Department of Human Services. Appropriations in the Department of Health Care Policy and Financing of such funds (\$146,867 in this Division) are now reflected as cash funds exempt as they represent a transfer of an appropriation made to the Department of Human Services. Further contributing to the decrease is the discontinuation of \$25,000 in one-time appropriations associated with S.B. 01-78 (nursing home quality).

Cash Funds Exempt Changes: The net decrease in the cash funds exempt is attributable to the discontinuation of \$2,000,000 in dental incentive funds appropriated in FY 2001-02. Offsetting this decrease is a \$146,867 increase in the cash funds exempt from the Old Age Pension Health and Medical Fund, as noted above. In addition, further offsetting the decrease are increases from the Children's Basic Health Plan Trust associated with the Health Insurance Portability and Accountability Act (HIPAA) implementation costs.

Federal Funds Changes: The increase in federal funds reflected is primarily attributable to an increase of: (1) \$9.5 million associated with implementation of the Health Insurance Portability and Accountability Act (HIPAA); (2) \$0.5 million associated with increases for the Medicaid Management Information System (MMIS); (3) \$0.4 million associated with increases in personal services associated with the FTE increases discussed above; (4) \$0.1 million associated with increases for Medicaid Authorization Cards (MAC cards), the Medicaid client identification card, (5) \$0.1 million associated with S.B. 01S2-12; (6) \$0.08 million associated with H.B. 02-1039; and (7) \$36,675 associated with S.B. 02-27. The increases are offset slightly by a reduction of \$67,130 pursuant to H.B. 02-1457.

Medical Services Premiums

This division contains the funding for premiums paid on behalf of the eligibility categories of Medicaid clients and the Old Age Pension Health and Medical Fund clients. These 11 eligibility categories and the accompanying caseloads are listed in the Related Data table at the end of this section. There are over 30 different major service categories (e.g., physician, inpatient hospital, health maintenance organization) in the Medicaid program.

For FY 2002-03, this division contains \$9,853,133 in cash funds exempt associated with the Old Age Pension Health and Medical Fund program, transferred from the appropriation made in the Department of Human Services for this purpose. The remainder of the division's funding is Medicaid. In general, Medicaid is funded with 50 percent state funds (General Fund or certified cash funds exempt) and 50 percent federal funds. The primary exceptions to the General Fund expenditure include certified cash funds exempt associated with Medicare Upper Payment Limit financing for public hospitals and public nursing facilities and cash funds exempt from the Breast and Cervical Cancer Treatment Cash Fund, pursuant to S.B. 02S2-12. The primary exceptions to the 50-50 match rate include family planning, funded at a 90-10 federal funds/state funds match rate, and the Breast and Cervical Cancer Treatment Program, which is funded at a 65/35 federal funds/state funds match rate.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-78	(\$109,047)	\$0	\$0	(\$109,047)	(\$218,094)	0.0
SB 01-164	96,115	0	0	96,114	192,229	0.0

	GF	CF	CFE	FF	Total	FTE
SB 01-212	775,075,095	9,853,133	0	770,642,077	1,555,570,305	0.0
HB 01-1282	139,271	0	0	139,271	278,542	0.0
HB 01-1343	(300,000)	0	0	(300,000)	(600,000)	0.0
HB 02-1370	(13,380,005)	0	25,631,731	12,251,725	24,503,451	0.0
HB 02-1425	2,762,872	0	988,512	8,741,976	12,493,360	0.0
HB 02-1473	<u>(494,256)</u>	<u>0</u>	<u>988,512</u>	<u>494,256</u>	<u>988,512</u>	<u>0.0</u>
TOTAL	\$763,790,045	\$9,853,133	\$27,608,755	\$791,956,372	\$1,593,208,305	0.0
FY 2002-03 Appropriation:						
HB 02-1292	(227,979)	0	0	(227,979)	(455,958)	0.0
HB 02-1295	50,563	0	0	50,563	101,126	0.0
HB 02-1420	838,728,143	0	34,565,803	857,038,250	1,730,332,196	0.0
HB 02-1457	<u>(88,846)</u>	<u>0</u>	<u>0</u>	<u>(88,845)</u>	<u>(177,691)</u>	<u>0.0</u>
TOTAL	\$838,461,881	\$0	\$34,565,803	\$856,771,989	\$1,729,799,673	0.0
Increase/(Decrease)	\$74,671,836	(\$9,853,133)	\$6,957,048	\$64,815,617	\$136,591,368	0.0
Percentage Change	9.8%	-100.0%	25.2%	8.2%	8.6%	n/a

The appropriation funds medical services for an estimated 326,058 clients. This caseload estimate represents an increase of 4.2 percent over the FY 2001-02 supplemental caseload estimate.

The FY 2001-02 caseload level is appropriated at a net increase of 8,421 additional clients compared to initial appropriations. The net increase of 8,421 clients primarily includes increases of 5,167 adults and 16,914 children, offset by decreases in the caseload forecast for other client groups (e.g., 366 in the category of disabled clients, 432 foster care children, and 236 Old Age Pension - B clients) and adjustments in the way non-citizen clients are counted (accounting for a decrease of 12,911). The appropriated caseload for FY 2002-03 anticipates continued significant growth in the categories of low-income adults and children. Other caseload categories are experiencing comparatively smaller growth rates. The categories for the elderly and disabled are growing at very small rates. The category of non-citizen growth is significantly lower than prior years (6.6 percent) solely because of a change in the way these clients are "counted" by Medicaid. Foster care children are growing at a slower rate (3.7 percent). The non-Medicaid category of Old Age Pension Health and Medical Fund program clients is growing at 4.2 percent over the FY 2001-02 level.

The \$136.6 million increase (\$74.7 million General Fund) is comprised of a base increase plus initiatives which carry increases and decreases to the base funding. The base increase provides for approximately \$135.6 million (\$67.4 million General Fund), including caseload increases and utilization changes for the current program. The new funding initiatives total \$7.7 million (\$3.9 million General Fund). Budget reductions, refinancings, and other initiatives combined provide for an increase of \$0.8 million (with a savings of \$3.3 million General Fund). Finally, the discontinuation of one-time FY 2001-02 financing initiatives results in a \$6.0 million total funds decrease but requires \$6.7 million more General Fund in FY 2002-03. Together, these new funding initiatives, savings initiatives and financing adjustments, and the elimination of one-time FY 2001-02 refinancings carry a combined net impact of \$1.9 million (and General Fund increases of \$7.3 million) over the FY 2002-03 base increase. These funding changes to the base are described below.

Initiatives that provide increased funding totaling \$7.7 million (\$3.9 million General Fund) are comprised of the following:

- ✓ An increase of \$2.3 million (\$1.1 million General Fund) for a 1.0 percent cost-of-living increase for certain community long-term care providers and home health.
- ✓ An increase of \$3.3 million (\$1.66 million General Fund) for a 1.0 percent inflationary increase for inpatient hospital services.
- ✓ An increase of \$2.0 million (\$1.0 million General Fund) for a 1.0 percent inflationary increase for acute care providers.
- ✓ An increase of \$101,126 total funds (\$50,563 General Fund), pursuant to H.B. 02-1295.

Offsetting these new funding increases are budget reductions, refinancings, and other initiatives that result in a decrease of \$0.8 million with a savings of \$3.3 million General Fund. Such changes are comprised of the following:

- ✓ An increase of \$3.0 million total funds (with a savings of \$1.5 million General Fund, and increases to cash funds exempt and federal funds) associated with a full year's worth of Medicare Upper Payment Limit financing for public nursing facilities using certified cash funds exempt in lieu of General Fund as the State's Medicaid matching funds. The utilization of cash funds exempt in lieu of General Fund saves General Fund dollars and still allows a \$1.5 million federal funds increase to be matched without a General Fund impact. In order to hold providers harmless, the Medicare Upper Payment Limit financing allows for increases in the federal funds paid to the State. This \$1.5 million increase in federal funds offsets the General Fund which is commensurately reduced for this area (which is associated with certified cash funds).

- ✓ A decrease of \$1.8 million (including \$0.9 million General Fund) associated with annualizing a full year's worth of pharmacy reductions from the Average Wholesale Price (AWP) minus 11 percent to AWP minus 12 percent.
- ✓ A decrease of \$1.3 million (including approximately \$0.6 million General Fund) associated with changes to the way dual Medicare/Medicaid eligible client's psychotherapy claims are reimbursed. The technical change reimplements the statutorily required funding methodology that pays the "lower-of" either the Medicaid or the Medicare reimbursement. In addition, the base reimbursement upon which the methodology is applied was adjusted from being based on 100 percent of the Medicare rate to instead using 75 percent of the Medicare rate. This change is intended to more closely mirror Medicaid physician reimbursement methodologies.
- ✓ A decrease of \$0.5 million (\$0.2 million General Fund) associated with H.B. 02-1292 and a decrease of \$0.2 million (\$0.09 million General Fund) associated with H.B. 02-1457.

Offsetting these General Fund savings initiatives, however, are certain financing actions taken in FY 2001-02 that are discontinued for FY 2002-03. Such changes result in a \$6.0 million total funds decrease but require \$6.7 million more General Fund in FY 2002-03. These discontinued financing initiatives include the following:

- ✓ A lower reimbursement level of Medicare Upper Payment Limit financing methodology for public hospitals' inpatient services is allowed based on a change to federal rules that only allow 100 percent of the Medicare Upper Payment Limit to be funded instead of 150 percent. This federal change results in \$6.4 million total funds decrease but a corresponding \$3.2 million General Fund increase in FY 2002-03 compared to FY 2001-02. The federal change means that \$3.2 million fewer federal dollars can be drawn down and offset against General Fund. The federal rule change, as implemented in the appropriation, has no impact upon inpatient hospital providers.
- ✓ Approximately \$3.3 million in General Fund reductions and a commensurate \$3.3 million federal funds increase realized in FY 2001-02 on a one-time basis associated with the recoupment of prior fiscal year period federal funds for family planning in capitated plans (e.g., HMOs) and for Special Low Income Medicare Beneficiaries is not continued in FY 2002-03, driving a commensurate FY 2002-03 change. This change affected the FY 2002-03 financing, but not the total dollars appropriated.
- ✓ A one-time savings of \$0.4 million (\$0.2 million General Fund) for single entry point savings taken in FY 2001-02 is discontinued in FY 2002-03, driving a commensurate FY 2002-03 change.

Finally, the decrease in cash funds is solely attributable to a change in the way the Old Age Pension Health and Medical funds are reflected in the Long Bill. In FY 2002-03, all Old Age Pension funds, including the Old Age Pension Health and Medical Fund, are consolidated in an appropriation to the

Department of Human Services. Appropriations in the Department of Health Care Policy and Financing of such funds are now reflected as cash funds exempt as they represent a transfer of an appropriation made to the Department of Human Services. The cash funds exempt net reduction of \$7.9 million is net of the \$9.9 million Old Age Pension Health and Medical Fund classification as cash funds exempt. This increase is offset by reductions in cash funds exempt certified funds, a result of the federal rule change with respect to Medicaid financing based on the Medicare Upper Payment Limit for inpatient hospital care, discussed above.

General Fund and Federal Funds Changes: The overall increase in General Fund and federal funds are attributable to the factors noted above, as appropriate.

Related Data	FY 1999-00	FY 2000-01	FY 2001-02	FY 2002-03
<u>Recipients</u>				
<i>Elderly:</i>				
Old Age Pension - A	34,312	34,684	34,937	35,230
Old Age Pension - B	5,365	5,394	5,385	5,430
Qualified Medicare Beneficiaries	7,672	8,209	8,841	9,492
Old Age Pension - Health and Medical Fund	3,154	3,315	3,900	4,046
<i>Disabled:</i>				
Non-elderly/SSI Disabled Eligibles	49,970	49,515	49,431	49,678
<i>Adults:</i>				
Categorically Eligible Low Income Adults	26,075	29,713	34,976	38,349
S.B. 02S2-12 Breast and Cervical Cancer Clients	N/A	N/A	N/A	71
Baby Care - Adults	5,759	5,724	5,860	5,983
<i>Children:</i>				
Categorically Eligible Low Income Children	118,301	132,639	151,136	158,488
Foster Care	12,193	12,756	13,384	13,877
<i>Other:</i>				
Non-Citizens	<u>10,668</u>	<u>13,830</u>	<u>5,079</u>	<u>5,414</u>
Total Recipients	273,469	295,779	312,929	326,058

Related Data	FY 1999-00	FY 2000-01	FY 2001-02	FY 2002-03
<u>Expenditure by Service Area:</u>				
<i>Acute Care:</i>				
Acute Care Costs	\$764,108,310	\$831,645,507	\$1,007,095,110	\$1,089,654,149
Supplemental Medicare Insurance and Health Insurance Buy-in	<u>32,848,138</u>	<u>35,360,232</u>	<u>38,206,168</u>	<u>42,229,013</u>
Subtotal Acute Care:	\$796,956,448	\$867,005,739	\$1,045,301,278	\$1,131,883,162
<i>Long-term Care:</i>				
Class I Nursing Facilities	\$354,006,133	\$354,245,703	\$371,059,105	\$381,610,218
Class II Nursing Facilities	998,613	948,114	995,520	1,045,296
Community Based LTC	151,829,516	169,030,443	149,393,218	184,852,210
Program for All-Inclusive Care for the Elderly (PACE)	7,450,185	10,059,413	12,333,296	15,121,180
Single Entry Point	<u>13,419,477</u>	<u>13,642,130</u>	<u>14,125,888</u>	<u>15,287,607</u>
Subtotal LTC:	\$527,703,924	\$547,925,803	\$547,907,027	\$597,916,511
Total Expenditures	\$1,324,660,372	\$1,414,931,542	\$1,593,208,305	\$1,729,799,673
<u>Average Annual Cost per Recipient:</u>				
Acute Care	\$2,914.2	\$2,931.3	\$3,340.4	\$3,471.4
Long-term Care	<u>1,929.7</u>	<u>1,852.5</u>	<u>1,750.9</u>	<u>1,833.8</u>
Total	\$4,843.9	\$4,783.7	\$5,091.3	\$5,305.2

Indigent Care Program

This division contains funding for the Colorado Indigent Care Program, the Disproportionate Share Payments to Hospitals Program, the Comprehensive Primary and Preventive Care Grant Program, pursuant to S.B. 00-71, and the Children's Basic Health Plan.

The Indigent Care Program provides a reimbursement to participating hospitals and clinics that serve uninsured or under-insured people through the Colorado Indigent Care Program (CICP) and the Disproportionate Share program. To be eligible for the Colorado Indigent Care Program, individuals

must have income or assets equal to or lower than 185 percent of the federal poverty level (\$33,485 for a family of four) and may not qualify for assistance from the Medicaid program.

The Comprehensive Primary and Preventive Care Grant Program provides grants to providers that serve a designated medically underserved area or population, up to 185 percent of poverty. This program is funded with S.B. 00-71 tobacco funds.

The Children's Basic Health Plan provides health care insurance to uninsured children from families at or below 185 percent of the federal poverty level (\$33,485 for a family of four). Beginning in February 2002, a dental benefit will be part of the medical care package available to children enrolled in the program. Pursuant to H.B. 02-1155, a prenatal care is available for low-income eligible women under the Children's Basic Health Plan beginning July 1, 2002.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-164	\$0	\$0	(\$103,107)	\$179,945	\$76,838	0.0
SB 01-212	25,857,334	246,275	126,698,957	135,168,817	287,971,383	3.0
HB 01-1331	0	0	(6,562)	(12,188)	(18,750)	0.0
HB 02-1370	<u>(8,700,853)</u>	<u>38,970</u>	<u>15,494,758</u>	<u>9,863,294</u>	<u>16,696,169</u>	<u>0.0</u>
TOTAL	\$17,156,481	\$285,245	\$142,084,046	\$145,199,868	\$304,725,640	3.0
FY 2002-03 Appropriation:						
HB 02-1155	\$0	\$0	\$14,021,561	\$11,740,044	\$25,761,605	0.0
HB 02-1292	(114,051)	0	0	0	(114,051)	0.0
HB 02-1420	<u>22,496,720</u>	<u>336,560</u>	<u>141,850,722</u>	<u>151,852,700</u>	<u>316,536,702</u>	<u>3.0</u>
TOTAL	\$22,382,669	\$336,560	\$155,872,283	\$163,592,744	\$342,184,256	3.0
Increase/(Decrease)	\$5,226,188	\$51,315	\$13,788,237	\$18,392,876	\$37,458,616	0.0
Percentage Change	30.5%	18.0%	9.7%	12.7%	12.3%	0.0%

General Fund Changes: The net increase in General Fund is primarily attributable to an increase of \$6.6 million for the Children's Basic Health Plan Trust to provide funding for the FY 2002-03 Children's Basic Health Plan medical and dental appropriations paid for from the Trust. Offsetting this increase is a net reduction of \$0.9 million associated with refinancing of the funding for clinics that provide indigent care. Further offsetting this increase are reductions of \$0.4 million in the

Medicaid Disproportionate Share Payments to Hospitals (DSH) program, reflecting the decrease in the program resulting from the federal cap and \$0.1 million associated with H.B. 02-1292.

Cash Funds Changes: The increase in cash funds is attributable to increased annual payments from eligible participants in the Children's Basic Health Plan associated with the caseload increase.

Cash Funds Exempt Changes: The cash funds exempt net increase is primarily attributable to an increase of \$14 million, pursuant to H.B. 02-1155, which authorized prenatal care for low-income women. The bill appropriates \$7,700,000 from the Tobacco Litigation Settlement Cash Fund to the Children's Basic Health Plan Trust, and then appropriates \$6,347,724 cash funds exempt from the Children's Basic Health Plan Trust to draw down the federal funds. Further contributing to the increase are the following: an increase of \$3.6 million for the Children's Basic Health Plan base premiums to support 48,398 children (a 7,438 or 18.2 percent caseload increase) at a per member per month (monthly) cost of \$79.90 (an 8.7 percent increase), an increase of \$1.4 million to fund a full year of dental services for the Children's Basic Health Plan at a monthly rate of \$10.95, an increase of \$1.2 million cash funds exempt for the Outstate Indigent Care Program, an increase of \$0.8 million for the Comprehensive Primary and Preventive Care Fund and a similar amount paid from such fund for the Comprehensive Primary and Preventive Care Program, and \$0.1 million for base increases for administration of the Children's Basic Health Plan. These increases are partially offset by the following: a decrease of \$7.6 million in certified cash funds in association with the reduction in the federal DSH cap, a reduction of \$0.5 million certified funds associated with the discontinuation of FY 2001-02 one-time expenditures for the Denver Indigent Care and University Hospital Indigent Care major teaching hospital program.

Federal Funds Changes: The net increase in federal funds reflected is attributable to H.B. 02-1155, noted above. The appropriation reflects an increase of \$11.7 million federal funds to the Department of Health Care Policy and Financing for FY 2002-03. Also contributing to the increase are the following: (1) an increase of \$6.7 million for Children's Basic Health Plan to fund 7,438 additional children and an increase in the cost per child; (2) an increase of \$3.1 million for the Children's Hospital Clinic Based Indigent Care which provides for a 30 percent reimbursement rate for clinics, previously funded with 100 percent General Fund; (3) an increase of \$2.8 million for the Outstate Indigent Care Program to fund a 30 percent reimbursement rate; and, (4) an increase of \$2.6 million to fund a full year of dental services for the Children's Basic Health Plan. These increases are partially offset by decreases of \$8.0 million associated with the implementation of the federal Disproportionate Share Payments (DSH) funding cap and a reduction of \$0.5 million associated with the discontinuation of FY 2001-02 one-time expenditures for the Denver Indigent Care and University Hospital Indigent Care major teaching hospital program.

Other Medical Services

This division contains the funding for the following programs: Home Care Allowance, Adult Foster Care, Primary Care Physician Reimbursements, H.B. 92-1208 Immunizations, administered by the Department of Public Health and Environment, Family Medicine Residency Training, administered

by the Commission on Family Medicine at the University of Colorado, and S.B. 97-101 Public School Health Services, administered jointly with the Department of Education. For those programs administered by another department, the funds are reflected in this division to receive the federal Medicaid match and are transferred to the other department as Medicaid cash funds exempt. The Home Care Allowance and Adult Foster Care programs are state-only programs funded with 95 percent General Fund and 5.0 percent local match. The S.B. 97-101 Public School Health Services program is a Medicaid program funded with certified cash funds which are used to draw down the federal funds match. With these exceptions the remainder of the funding is from Medicaid with a 50 percent General Fund and 50 percent federal funds match.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$19,053,010	\$0	\$9,751,290	\$10,998,057	\$39,802,357	0.0
HB 01-1199	0	0	0	(293,237)	(293,237)	0.0
HB 02-1370	<u>(863,197)</u>	<u>0</u>	<u>(42,379)</u>	<u>(57,998)</u>	<u>(963,574)</u>	<u>0.0</u>
TOTAL	\$18,189,813	\$0	\$9,708,911	\$10,646,822	\$38,545,546	0.0
FY 2002-03 Appropriation:						
HB 02-1348	(\$1,215,079)	\$0	\$0	\$0	(\$1,215,079)	0.0
HB 02-1420	<u>18,189,421</u>	<u>0</u>	<u>9,708,911</u>	<u>10,646,454</u>	<u>38,544,786</u>	<u>0.0</u>
TOTAL	\$16,974,342	\$0	\$9,708,911	\$10,646,454	\$37,329,707	0.0
Increase/(Decrease)	(\$1,215,471)	\$0	\$0	(\$368)	(\$1,215,839)	0.0
Percentage Change	-6.7%	n/a	0.0%	0.0%	-3.2%	n/a

General Fund Changes: The net General Fund decrease is primarily attributable to the reduction of \$1.2 million associated with the transfer of the Poison Center to the Department of Public Health and Environment, pursuant to H.B. 02-1348. The net decrease also reflects a \$21,147 reduction for Department of Public Health and Environment immunization and enhanced prenatal care programs funded with Medicaid offset by an increase for the Primary Care Physician Program of \$20,754.

Federal Funds Changes: The federal funds reflected is attributable to the same factors as noted above.

Department of Human Services Medicaid-Funded Programs

This division contains funding for programs in the Department of Human Services that are funded with Medicaid dollars. General Fund is appropriated in this division, matched with anticipated federal

funds, and is then transferred to the Department of Human Services as Medicaid cash funds exempt. The High Risk Pregnant Women's Program was transferred from Other Medical Services to this division in FY 2001-02.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$255,540,805	\$0	\$0	\$257,330,584	\$512,871,389	0.0
HB 01-1357	(97,498)	0	0	(97,498)	(194,996)	0.0
HB 02-1370	3,018,366	471,824	0	3,745,006	7,235,196	0.0
HB 02-1420	1,938,683	0	0	1,938,682	3,877,365	0.0
HB 02-1425	5,451,520	0	0	5,451,520	10,903,040	0.0
HB 02-1473	<u>199,259</u>	<u>0</u>	<u>0</u>	<u>199,259</u>	<u>398,518</u>	<u>0.0</u>
TOTAL	\$266,051,135	\$471,824	\$0	\$268,567,553	\$535,090,512	0.0
FY 2002-03 Appropriation:						
HB 02-1155	\$0	\$0	\$26,163	\$48,587	\$74,750	0.0
HB 02-1420	280,290,469	0	48,467	282,353,334	562,692,270	0.0
HB 02-1457	(63,065)	0	0	(63,065)	(126,130)	0.0
HB 02-1473	<u>2,183,746</u>	<u>0</u>	<u>0</u>	<u>2,183,745</u>	<u>4,367,491</u>	<u>0.0</u>
TOTAL	\$282,411,150	\$0	\$74,630	\$284,522,601	\$567,008,381	0.0
Increase/(Decrease)	\$16,360,015	(\$471,824)	\$74,630	\$15,955,048	\$31,917,869	0.0
Percentage Change	6.1%	-100.0%	n/a	5.9%	6.0%	n/a

Federal Medicaid dollars used by other departments statewide must originate in the Department of Health Care Policy and Financing, the single state agency for Medicaid, where they receive their General Fund match. These dollars are then transferred to the respective departments that utilize Medicaid funding. When these Medicaid funds are transferred, they are reflected in the recipient department as cash funds exempt, transferred Medicaid funds. The Department of Human Services is the largest user of these transferred dollars. The General Fund appropriated in this division represents over 4.5 percent of the State's General Fund operating appropriation.

The appropriation reflects the increased funding for Department of Human Services programs funded with Medicaid dollars, including: The Executive Director's Office, the Office of Information Technology Services, the Office of Operations, the Office of Behavioral Health and Housing, the

Office of Rehabilitation and Disability Services, County Administration, the Office of Self Sufficiency, the Office of Adult and Veterans Services, the Division of Child Welfare, the Division of Youth Corrections, and the Division of Children's Health and Rehabilitation. Significant changes are discussed below.

Office of Behavioral Health and Housing, Mental Health Community Programs

The General Fund increase for these programs totals \$5.0 million and includes a net increase of \$2.5 million for the Mental Health Capitation program and \$2.5 million for Medicaid Anti-psychotic Pharmaceuticals. The increase for the capitation program is driven primarily by an increase of \$2.0 million for changes in Medicaid eligibility and case mix and \$0.7 million for a 1.0 percent community provider cost of living adjustment, offset by the elimination of a one-time FY 2001-02 appropriation for a settlement. The increase for Anti-psychotic Pharmaceuticals reflects a \$2.6 million increase in costs and utilization, offset by a reduction of \$0.1 million in pharmacy reimbursement rates.

Office of Rehabilitation and Disability Services, Community Services for Persons with Developmental Disabilities

The appropriation includes an increase of \$8.2 million General Fund for the following purposes: \$3.2 million to provide 122 additional 24-hour residential services; \$3.0 million in annualization costs for services provided in FY 2001-02; \$1.2 million to provide a 2.0 percent base rate increase for direct care services providers; \$1.1 million to provide a 1.0 percent cost of living adjustment for community providers. These increases are offset by a decrease of \$0.3 million associated with increased room and board contributions from clients.

Office of Rehabilitation and Disability Services, Institutional Programs for Persons with Developmental Disabilities

The \$1.0 million General Fund increase is the result of salary survey and anniversary increases for staff of the state's regional centers in Grand Junction, Wheat Ridge and Pueblo.

Division of Child Welfare

The appropriation includes an additional \$1.5 million General Fund and an equivalent increase in federal funds for child welfare services for anticipated caseload and inflationary increases.

Division of Youth Corrections (DYC)

The reduction of \$0.75 million General Fund reflects a decrease in the use of Residential Treatment Center (RTC) beds based on an unwillingness of RTC providers to accept high needs DYC youth.

Recent Legislation

2001 Session Bills

S.B. 01-52: Makes changes to the administrative portion of the Children's Basic Health Plan, and makes a corresponding adjustment to the appropriation.

S.B. 01-78: Makes various changes to nursing facility quality assurance provisions and makes a corresponding appropriation.

S.B. 01-164: Creates a state dental loan repayment program for dentists and dental hygienists who provide a significant level of services to underserved populations and changes the annual allocation from the Tobacco Litigation Cash Fund to provide for \$200,000 to the Dental Loan Repayment Fund and lowers the payment to the Children's Basic Health Plan by \$200,000.

S.B. 01-183: Supplemental appropriation to the Department of Health Care Policy and Financing to modify the appropriation included in the FY 2000-01 Long Bill.

S.B. 01-212: General appropriations act for FY 2001-02. Also contains supplemental appropriations for FY 2000-01, FY 1999-00 (Medicaid overexpenditures), and FY 1998-99 (Medicaid overexpenditures) and contains a supplemental add-on that makes the changes to the S.B. 00-71 (FY 2000-01) statewide appropriation.

H.B. 01-1161: Authorizes eligibility determinations for Medicaid to be performed by state FTE located at the private sector contractor that administers the Children's Basic Health Plan and makes a corresponding appropriation.

H.B. 01-1199: Increases the statewide administrative cap for the provision of Medicaid-reimbursed health services by school districts from 2 percent or \$200,000, whichever is greater, to 10 percent of the program allocation. Makes a commensurate adjustment in the FY 2001-02 appropriation.

H.B. 01-1271: Directs the Department of Health Care Policy and Financing to submit an amendment to the state medical assistance plan and to request any waivers necessary to expand eligibility under Medicaid to implement a Medicaid buy-in program for individuals with disabilities who would otherwise be eligible for supplemental security income (SSI) except for their income and for individuals with disabilities whose medical condition improves. Makes a corresponding appropriation.

H.B. 01-1282: Allows dental hygienists to bill directly and be reimbursed by the Department of Health Care Policy and Financing for providing preventive dental hygiene services to children under the Medicaid program, and makes a corresponding appropriation.

H.B. 01-1331: Eliminates the Children's Basic Health Plan Policy Board and the advisory board. Transfers the rule-making function handled by the Policy Board to the Medical Services Board and adds two members to the Medical Services Board, and adjusts the appropriation commensurately.

H.B. 01-1343: Makes changes in the disenrollment and guaranteed enrollment provisions for Medicaid managed care and adjusts the appropriation commensurately.

H.B. 01-1357: Establishes the Community Accountability Program to replace the regimented juvenile training program (boot camp) for adjudicated male and female juveniles 14 to 17 years old, and adjusts the appropriation commensurately. For more information, please see the explanation provided in the Department of Human Services portion of this Appropriations Report for further explanation.

H.B. 01-1401: Changes the Comprehensive Primary and Preventive Care Grant Program definition of "qualified provider" and modifies the definition of "uninsured or medically indigent patient" to include a patient whose yearly family income is below 200 percent of the federal poverty level rather than 185 percent of the federal poverty level.

S.B. 01S2-12: Expanded the Colorado Medicaid program to include a Medicaid treatment benefit for qualifying low-income women screened through the CDC system for breast and cervical cancer. Made appropriations of \$58,746 cash funds exempt from the Breast and Cervical Prevention and Treatment Cash Fund, the source of which includes interest earnings from the Tobacco Settlement Litigation Cash Fund and 0.5 FTE. Also reflects an increase of \$103,386 federal funds for FY 2002-03.

S.B. 01S2-22: Provides a 4.3 percent increase in the state contribution rate for state employees for CY 2002 and provides funding to pay for the additional costs associated with health insurance for state employees who reside in Pueblo. For more information, please refer to the bill description in the Department of Personnel.

2002 Session Bills

S.B. 02-27: Requires the Department of Health Care Policy and Financing to offer in-home support services as an option for eligible persons who receive home and community-based services. Reflects an increase of \$36,375 federal funds and appropriates 0.4 FTE to the Department of Health Care Policy and Financing for FY 2002-03.

S.B. 02-50: Reduces the Department of Health Care Policy and Financing's FY 2002-03 appropriation for Pay-for-Performance by \$4,909 General Fund. For an explanation of this bill, please see the Recent Legislation section in the Department of Corrections portion of this report.

H.B. 02-1003: Authorizes the Department of Health Care Policy and Financing to implement a Medicaid pharmaceutical disease management program using a contingency fee basis for reimbursement of any associated administrative expenses.

H.B. 02-1038: Reduces the Department of Health Care Policy and Financing's FY 2002-03 appropriation for Pay-for-Performance by \$4,895 General Fund. For an explanation of this bill, please see the Recent Legislation section in the Department of Corrections portion of this report.

H.B. 02-1039: Requires the Department of Health Care Policy and Financing to implement a Consumer-Directed Care Program for the Elderly. The program will allow eligible persons to receive a direct payment through a voucher to purchase qualified services. The Department is authorized to seek any federal waivers/amendments that may be necessary to implement such program. Appropriates \$40,558 General Fund and reflects an increase of \$77,262 federal funds for the Department of Health Care Policy and Financing for FY 2002-03.

H.B. 02-1155: Adds prenatal and postpartum care to the Children's Basic Health Plan (CBHP) for pregnant women who are not Medicaid eligible. Covers pregnant women whose income is between 134-185 percent of the federal poverty level; covers postpartum care for 60 days after the birth of the child; automatically enrolls the child, upon birth, in the CBHP; exempts a pregnant woman from paying the CBHP annual enrollment fee; and makes coverage under the CBHP for pregnant women contingent upon a waiver from the federal Department of Health and Human Services, Center for Medicare and Medicaid Services. Appropriates \$7,700,000 from the Tobacco Litigation Settlement Cash Fund to the Children's Basic Health Plan Trust, appropriates \$6,347,724 cash funds exempt from the Children's Basic Health Plan Trust and reflects \$11,788,631 federal funds to the Department of Health Care Policy and Financing for FY 2002-03.

H.B. 02-1263: Requires any individual or group health benefit plan that provides coverage for substance abuse treatment to provide coverage for treatment regardless of whether it occurs as a result of contact with the criminal justice or legal system; and, specifies that the health benefit plan is only required to provide coverage for benefits that are medically necessary and otherwise covered by the plan. Requires the Department of Health Care Policy and Financing to amend the state plan to include any substance abuse treatment services for native Americans for which there is 100 percent federal financial participation, conditioned on the receipt of gifts, grants, or donations sufficient to provide for the state's administrative costs of preparing and submitting such amendment; authorizes the executive director to accept and expend moneys from gifts, grants, and donations for preparation of the amendment for substance abuse treatment services for native Americans; and establishes the Native American Substance Abuse Treatment Fund for the purposes of receiving such gifts, grants, and donations. Appropriates \$41,140 cash funds exempt to the Department of Health Care Policy and Financing for FY 2002-03.

H.B. 02-1276: Creates the Supplemental Old Age Pension (OAP) Health and Medical Care Program in the Department of Human Services for the purpose of providing health and medical care to OAP

recipients whose needs are not being met under the current OAP Health and Medical Care Program. The bill creates the Supplemental OAP Health and Medical Care Fund, authorizes that \$1.0 million from sales and use tax revenue be credited to the fund beginning July 1, 2002, and authorizes the General Assembly to make appropriations from the fund. It authorizes the transfer of \$1.0 million cash funds exempt to the Department of Health Care Policy and Financing for FY 2002-03. For more information, please refer to the New Legislation section in the Department of Human Services portion of this Appropriations Report.

H.B. 02-1292: Repeals the requirement that 75 percent of Colorado's Medicaid clients be served in managed care and instead requires the state managed care system be implemented to the extent possible. Repeals the requirement that the Department of Health Care Policy and Financing submit annual reports showing the savings resulting from enrolling Medicaid clients in managed care programs. Repeals the Essential Community Providers Grant Program which provides grants to providers serving indigent populations. For capitation payments effective July 1, 2003 and after, the bill requires a managed care organization, as a condition of contracting with the Department, to certify that its contract rates are sufficient to assure the managed care organization's financial stability for its Medicaid or PACE population. Makes changes on the client notice procedures. Deletes capitation payments based upon an upper and lower limit and provides that in no circumstance shall the Department pay a capitation payment to a managed care organization that exceeds 95 percent of the cost of providing the same services on an actuarially equivalent Medicaid population. Provides that certification by a qualified actuary shall be conclusive evidence that the Department has calculated the capitation payment correctly. Reduces the FY 2002-03 appropriation to the Department of Health Care Policy and Financing by \$372,929 General Fund and \$258,877 federal funds.

H.B. 02-1293: Requires the Department of Health Care Policy and Financing, when redetermining eligibility of or terminating or disenrolling children from Medicaid, the Medically Indigent Program, or the Children's Basic Health Plan (CBHP), to determine and document the reasons why the child is no longer eligible for one of the programs or why the child is disenrolling from such program. Requires the Department to conduct a study of children's access to health care, which focuses on the movement of children between Medicaid, the Children's Basic Health Plan, and being insured or uninsured. Requires the Department to report on the study and any recommendations for legislation on July 1, 2003, and July 1, 2004; authorizes the Department to accept and expend grants or donations to fund the study; and stipulates that the study shall not be conducted until sufficient grants or donations are obtained to support the study's costs. Appropriates \$8,750 cash funds exempt from gifts, grants, and donations and reflects an increase of \$8,750 federal funds for the Department of Health Care Policy and Financing for FY 2002-03.

H.B. 02-1295: Requires correctional facility staff and community corrections program agents to assist certain offenders in applying for Medicaid, or Supplemental Security Income (SSI) benefits at least 90 days prior to their release. Appropriates \$50,563 General Fund and reflects an increase of \$50,563 federal funds for the Department of Health Care Policy and Financing for FY 2002-03.

H.B. 02-1348: Transfers the Poison Control Program and the corresponding \$1,215,079 General Fund appropriation from the Department of Health Care Policy and Financing to the Department of Public Health and Environment for FY 2002-03.

H.B. 02-1370: Supplemental appropriation to the Department of Health Care Policy and Financing to modify the appropriation included in the FY 2001-02 Long Bill.

H.B. 02-1420: General appropriations act for FY 2002-03. Also contains a supplemental appropriation to the Department of Health Care Policy and Financing to modify the appropriation included in the FY 2001-02 Long Bill (Department of Human Services Medicaid-Funded Programs).

H.B. 02-1425: Supplemental appropriation to the Department of Health Care Policy and Financing to modify the appropriation included in the FY 2001-02 Long Bill.

H.B. 02-1457: Repeals the Quality of Care Incentive Payment Program (QCIP) and the Resident-Centered Quality Improvement Program (ResQUIP). Subject to available appropriations, the bill reenacts the ResQUIP program beginning July 1, 2003. In addition, the bill eliminates the implementation of the 8.0 percent limitation on the increase in health care services costs that applies to Class I and Class V nursing facility reimbursement rates beginning July 1, 2002. Reduces the FY 2002-03 appropriation to the Department of Health Care Policy and Financing by \$174,287 General Fund and reflects a reduction of \$219,040 federal funds.

H.B. 02-1468: Refinances the FY 2001-02 appropriation made pursuant to S.B. 01S2-22. Establishes the CY 2003 state contribution rate for health, life, and dental insurance to be the same as the state contribution rate for CY 2002. Authorizes the General Assembly to annually adjust the state contribution for health, life, and dental insurance effective CY 2004 through the Long Bill. Appropriates \$3,780 General Fund, \$31 cash funds exempt, and \$4,311 federal funds to the Department of Health Care Policy and Financing for FY 2002-03 health, life, dental costs. Also appropriates \$3,664 cash funds exempt, and \$3,952 federal funds to the Department of Health Care Policy and Financing for FY 2001-02 health, life, dental costs and repeals the appropriation made in S.B. 01S2-22. For more information, please refer to the bill description in the Department of Personnel.

H.B. 02-1473: Supplemental appropriation to the Department of Health Care Policy and Financing to modify the appropriation included in the FY 2001-02 Long Bill.

DEPARTMENT OF HIGHER EDUCATION

This department is responsible for higher education and vocational training programs in the state. Appropriations for the 26 state-run public higher education institutions and the two public local district junior colleges can be found in the Governing Boards and Local District Junior Colleges section of this report. Two bills in the 2002 session made changes to the governing boards. House Bill 02-1165 separated Metropolitan State College of Denver from the Trustees of the State Colleges of Colorado and created an independent governing board for the school. House Bill 02-1419 did much the same thing for Fort Lewis College, moving it from under the State Board of Agriculture to a newly created governing board. However, pursuant to the two bills, appropriations by the General Assembly in FY 2002-03 for Metropolitan State College of Denver and Fort Lewis College are to the original governing boards, which will be responsible for transferring funds to the newly created independent governing boards according to parameters described in the bills. This arrangement is how the funds are reflected in this report. Along with these structural changes are a few name changes. House Bill 02-1260 changed the title of the "State Board of Agriculture" to the "Board of Governors of the Colorado State University System", and H.B. 02-1324 changed the name of the "University of Southern Colorado" to "Colorado State University - Pueblo."

The Division of Occupational Education oversees Colorado Vocational Act programs, the Area Vocational Schools, federal Perkins technical training programs, and resources available for the promotion of job development, job training, and job retraining 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. The executive director of CCHE is also the executive director of the Department and appoints the directors of the Colorado Student Loan Program and the Colorado Student Obligation Bond Authority, which are both statutorily authorized state enterprises within the Department.

The Department also includes: the Advisory Commission on Family Medicine, which funds and promotes family medicine residency programs; the Council on the Arts; the State Historical Society; and the Auraria Higher Education Center, which maintains the single shared campus of the Community College of Denver, Metropolitan State College of Denver, and the University of Colorado at Denver.

Department Budget: Recent Actual Expenditures and Appropriations

Funding Source	FY 1999-00 Actual	FY 2000-01 Actual	FY 2001-02 Approp.	FY 2002-03 Approp.
General Fund	\$715,638,339	\$746,302,103	\$750,030,496	\$797,860,775
Cash Funds	659,381,942	686,606,408	763,145,091	721,409,367
Cash Funds Exempt	49,981,579	50,849,113	85,009,386	87,009,426

Funding Source	FY 1999-00 Actual	FY 2000-01 Actual	FY 2001-02 Approp.	FY 2002-03 Approp.
Federal Funds	<u>16,520,382</u>	<u>17,270,933</u>	<u>18,300,218</u>	<u>19,473,708</u>
Total Funds	\$1,441,522,242	\$1,501,028,557	\$1,616,485,191	\$1,625,753,276
Full Time Equiv. Staff	17,467.8	18,010.8	18,277.7	18,490.8

FY 2002-03 Budget Changes

Significant changes in appropriations for FY 2002-03 compared to FY 2001-02 include the following:

- An increase of \$5.8 million General Fund for financial aid;
- An additional \$43.8 million General Fund for the governing boards and local district junior colleges, including \$15.2 million for enrollment increases, \$26.1 million as a base adjustment awarded according to performance, and \$2.5 million for miscellaneous other priorities;
- An increase of \$56.5 million in Cash funds spending authority to allow for a 7.7 percent increase in resident and nonresident tuition rates for all schools except the community colleges, where cash funds spending authority is based on a 5.7 percent increase in resident tuition;
- A 4.7 percent inflationary increase for Colorado Vocational Act grants, worth \$870,000, and Area Vocational Schools, worth \$523,000; and
- A reduction in cash funds spending authority to reflect a change in government accounting practices for scholarships that will reduce net revenues reported by public higher education institutions by \$111.3 million.

General Factors Driving the Budget

Funding for this department consists of 49.1 percent General Fund, 44.4 percent cash funds, 5.3 percent cash funds exempt, and 1.2 percent federal funds. Some of the most important factors driving the budget are reviewed below.

Financial Aid

In response to enrollment increases as well as an unmet need identified by higher education institutions, the General Assembly has appropriated significant increases in financial aid. The compound annual average rate of growth over the last six years is 8.1 percent.

General Fund Appropriations for Financial Aid						
	FY 97-98	FY 98-99	FY 99-00	FY 00-01	FY 01-02	FY 02-03
Need-based Aid*	\$30,489,141	\$34,109,277	\$38,423,152	\$42,199,077	\$47,598,002	\$51,550,101
Merit-based Aid	12,726,591	13,417,490	13,826,078	14,371,810	14,874,498	14,874,498
Work Study	12,707,714	13,702,484	14,248,944	14,811,367	15,359,754	16,612,357
Other General Fund	5,724,709	6,329,826	6,513,899	7,177,010	7,424,066	7,983,044
Total General Fund	\$61,648,155	\$67,559,077	\$73,012,073	\$78,559,264	\$85,256,320	\$91,020,000
Dollar Increase	N/A	\$5,910,922	\$5,452,996	\$5,547,191	\$6,697,056	\$5,763,680
Percent Increase	N/A	9.6%	8.1%	7.6%	8.5%	6.8%

* Including the Governor's Opportunity Scholarship and Grants for Part-time Students

Enrollment

Enrollment funding is provided on a one-year lag basis. Academic year 2001-02 saw significant growth in the number of resident students enrolled in Colorado's public higher education institutions.

Resident Student Full-time Equivalents (SFTE) in Colorado Public Higher Education Institutions Undergraduate and Graduate									
	93-94	94-95	95-96	96-97	97-98	98-99	99-00	00-01	01-02
Resident SFTE	117,630	117,143	116,980	117,890	118,964	120,976	122,708	123,257	127,632
SFTE Increase	n/a	(487)	(163)	910	1,074	2,012	1,732	549	4,375
Percent Increase	n/a	-0.4%	-0.1%	0.8%	0.9%	1.7%	1.4%	0.4%	3.5%

Performance Funding

In addition to money for enrollment, campuses require an increase in base funds to keep up with rising costs, such as faculty salaries. In prior years, the Legislature appropriated an increase in base funds roughly equivalent to the inflation rate as measured by the Denver/Boulder Consumer Price Index (CPI). Beginning in FY 2000-01, the Legislature began appropriating funds based on the performance of higher education institutions as measured by the quality indicator system developed by CCHE.

Tuition

The total increase in tuition revenue is a result of increases in enrollment and the tuition rate. Governing boards set tuition policy, but pursuant to statute the cash funds spending authority

appropriated by the legislature acts as a cap on the revenue schools can raise. Typically the legislature explains its intent with regard to tuition rate increases with a footnote in the Long Bill. In some years, the legislature has attempted to "buy down" resident tuition by holding rate increases below the increase in the CPI and substituting General Fund for the difference in tuition revenue to the higher education institutions.

Tuition Rate Increases Used as Basis for Long Bill Appropriations*						
	FY 97-98	FY 98-99	FY 99-00	FY 00-01	FY 01-02	FY 02-03
Resident Tuition	1.5%	1.3%	2.4%	2.9%	4.0%	7.7%
Nonresident Tuition	3.5%	3.3%	2.4%	4.0%	5.0%	7.7%
Consumer Price Index (for comparison)	3.5%	3.3%	2.4%	2.9%	4.0%	4.7%
General Fund Cost of Resident Tuition "Buy Down"	\$4,973,105	\$5,179,641	N/A	N/A	N/A	\$1,419,908

* The footnote limiting tuition increases allows exceptions for a few specified programs at CU

Summary of FY 2001-02 and FY 2002-03 Appropriations

Total Department Appropriations

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Total Appropriation:	\$750,030,496	\$763,145,091	\$85,009,386	\$18,300,218	\$1,616,485,191	18,277.7
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Department Administrative Office	889,647	169,503	62,287	301	1,121,738	0.0
Colorado Commission on Higher Education	5,208,880	6,466,746	5,211,865	0	16,887,491	40.0
Colorado Commission on Higher Education Financial Aid	85,256,320	0	130,000	1,300,000	86,686,320	0.0
Governing Boards and Local District Junior Colleges	642,107,552	754,671,922	10,287,138	0	1,407,066,612	17,894.1
Advisory Commission on Family Medicine	247,006	0	2,117,539	0	2,364,545	1.0

	GF	CF	CFE	FF	Total	FTE
Division of Occupational Education	11,770,423	0	22,656,718	15,835,146	50,262,287	34.2
Auraria Higher Education Center	0	50,000	16,135,025	0	16,185,025	196.0
Council on the Arts	1,860,417	0	109,567	502,800	2,472,784	8.0
State Historical Society	2,690,251	1,786,920	28,299,247	661,971	33,438,389	104.4
<u>Breakdown of Total Appropriation by Bill</u>						
SB 01-212	764,651,972	759,985,281	84,660,352	18,300,218	1,627,597,823	18,277.0
HB 01-1293	0	0	130,000	0	130,000	0.0
SB 01S2-22	0	0	404,105	0	404,105	0.0
HB 02-1371	(10,602,399)	2,216,683	71,936	0	(8,313,780)	0.7
HB 02-1426	(4,019,077)	750,000	(63,880)	0	(3,332,957)	0.0
HB 02-1468	0	193,127	(193,127)	0	0	0.0
FY 2002-03 Total Appropriation:	\$797,860,775	\$721,409,367	\$87,009,426	\$19,473,708	\$1,625,753,276	18,490.8
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Department Administrative Office	939,836	181,715	71,637	602	1,193,790	0.0
Colorado Commission on Higher Education	3,400,392	7,807,410	4,425,336	0	15,633,138	40.6
Colorado Commission on Higher Education Financial Aid	91,020,000	0	244,000	1,300,000	92,564,000	0.0
Governing Boards and Local District Junior Colleges	685,875,978	711,575,050	11,042,350	0	1,408,493,378	18,090.6
Advisory Commission on Family Medicine	252,268	0	2,117,539	0	2,369,807	0.0
Division of Occupational Education	12,293,856	0	23,590,313	16,952,156	52,836,325	34.2
Auraria Higher Education Center	0	50,000	17,775,784	0	17,825,784	211.0
Council on the Arts	1,189,528	0	106,922	270,950	1,567,400	8.0
State Historical Society	2,888,917	1,795,192	27,635,545	950,000	33,269,654	106.4

	GF	CF	CFE	FF	Total	FTE
<u>Breakdown of Total Appropriation by Bill</u>						
SB 02-50	(7,878)	0	0	0	(7,878)	0.0
HB 02-1038	(7,855)	0	0	0	(7,855)	0.0
HB 02-1420	797,870,851	721,408,270	87,008,845	19,473,708	1,625,761,674	18,490.8
HB 02-1468	5,657	1,097	581	0	7,335	0.0
Increase/(Decrease)	\$47,830,279	(\$41,735,724)	\$2,000,040	\$1,173,490	\$9,268,085	213.1
Percentage Change	6.4%	-5.5%	2.4%	6.4%	0.6%	1.2%

Detail of Appropriation by Administrative Section

Department Administrative Office

The Department Administrative Office receives appropriations for centrally appropriated items, such as salary survey and risk management, for the agencies in the Department that are not part of the governing boards. The source of cash funds for this division is a combination of money from the Private Occupational Schools Fund for the Division of Private Occupational Schools, and various sources related to the activities of the Historical Society. The source of cash funds exempt is Limited Gaming Funds received by the Historical Society. The federal funds are related to activities of the Historical Society.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$909,403	\$167,748	\$65,552	\$301	\$1,143,004	0.0
SB 01S2-22	0	0	500	0	500	0.0
HB 02-1371	(13,324)	1,683	(3,693)	0	(15,334)	0.0
HB 02-1426	(6,432)	0	0	0	(6,432)	0.0
HB 02-1468	<u>0</u>	<u>72</u>	<u>(72)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$889,647	\$169,503	\$62,287	\$301	\$1,121,738	0.0
FY 2002-03 Appropriation:						
SB 02-50	(\$7,878)	\$0	\$0	\$0	(\$7,878)	0.0
HB 02-1038	(7,855)	0	0	0	(7,855)	0.0

	GF	CF	CFE	FF	Total	FTE
HB 02-1420	949,912	180,618	71,056	602	1,202,188	0.0
HB 02-1468	<u>5,657</u>	<u>1,097</u>	<u>581</u>	<u>0</u>	<u>7,335</u>	<u>0.0</u>
TOTAL	\$939,836	\$181,715	\$71,637	\$602	1,193,790	0.0
Increase/(Decrease)	\$50,189	\$12,212	\$9,350	\$301	\$72,052	0.0
Percentage Change	5.6%	7.2%	15.0%	100.0%	6.4%	n/a

The increases in all fund sources are due to higher leased space costs and miscellaneous changes in the costs of benefits and compensation.

Colorado Commission on Higher Education (CCHE)

This section includes funding for the Commission's staff, the Division of Private Occupational Schools, and special purpose initiatives of the Department, such as the programs of excellence or the Rural Education Access Program. Sources of cash funds include the Private Occupational Schools fund and indirect cost recoveries. The cash funds also reflect tuition spending authority provided in the Enrollment/Cash Fund Contingency. The sources of cash funds exempt include indirect cost recoveries, waste tire funds deposited in the advanced technology fund, and reserves in the Private Occupational Schools fund.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$6,277,034	\$5,716,746	\$5,047,174	\$0	\$17,040,954	39.3
HB 02-1371	(418,900)	0	164,691	0	(254,209)	0.7
HB 02-1426	<u>(649,254)</u>	<u>750,000</u>	<u>0</u>	<u>0</u>	<u>100,746</u>	<u>0.0</u>
TOTAL	\$5,208,880	\$6,466,746	\$5,211,865	\$0	\$16,887,491	40.0
FY 2002-03 Appropriation:						
HB 02-1420	<u>\$3,400,392</u>	<u>\$7,807,410</u>	<u>\$4,425,336</u>	<u>\$0</u>	<u>\$15,633,138</u>	<u>40.6</u>
TOTAL	\$3,400,392	\$7,807,410	\$4,425,336	\$0	\$15,633,138	40.6
Increase/(Decrease)	(\$1,808,488)	\$1,340,664	(\$786,529)	\$0	(\$1,254,353)	0.6
Percentage Change	-34.7%	20.7%	-15.1%	n/a	-7.4%	1.5%

FTE Changes: The increase in FTE reflects annualization of new cash-funded positions approved in a supplemental for the Division of Private Occupational Schools. These new staff will assist the division in addressing an increase in workload as a result of more private occupational schools operating in the state, as well as developing a database so that private occupational schools can participate in CCHE's on-line Mentor program that helps secondary students plan for college.

General Fund Changes: The decrease in General Fund is primarily due to a decrease of \$2,203,000 for advanced technology grants and a decrease of \$135,000 for the programs of excellence grants. These decreases are somewhat offset by: (1) an increase of \$134,000 for salary expenses; (2) an increase of \$74,000 for various programs of the Western Interstate Commission on Higher Education; (3) an increase of \$60,000 for the second year of implementation of H.B. 01-1263; and (4) an increase of \$241,000 to restore reductions to the rural education access program that were made in FY 2001-02 to spend down a fund balance.

Cash Fund Changes: The increase in cash funds is primarily due to indexing the Enrollment/Cash Fund Contingency line item to the cash fund appropriation to the governing boards. Pursuant to statute, the cash fund appropriation in the Long Bill limits the revenue that higher education institutions may raise. This line item provides the Department with flexibility in the event that enrollments, and thus revenues, are higher than expected when the Long Bill is finalized.

Cash Funds Exempt Changes: The decrease is attributable to: (1) a decrease of \$1,139,000 for the programs of excellence grants; (2) an increase of \$439,000 for the rural education access program to restore reductions in FY 2001-02, using indirect cost recoveries that are no longer being used on the programs of excellence grants; (3) an increase of \$87,000 for advanced technology grants, using indirect cost recoveries that are no longer being used on the programs of excellence grants (overall there is a reduction for this program due to the \$2.2 million General Fund decrease mentioned above); and (4) a decrease of \$107,000 in revenue from waste tire funds for advanced technology grants, in keeping with Senate Bill 02-52; and, (4) a decrease of \$66,000 for the Division of Private Occupational Schools.

Colorado Commission on Higher Education Financial Aid

This section includes the state funded financial aid programs administered by CCHE. The source of cash funds exempt is federal child care development moneys transferred from the Department of Human Services. The source of cash funds exempt is Federal Child Care Development Fund moneys transferred from the Department of Human Services. The source of federal funds is Perkins and other programs requiring a state match.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$85,256,320	\$0	\$0	\$1,300,000	\$86,556,320	0.0
HB 01-1293	<u>0</u>	<u>0</u>	<u>130,000</u>	<u>0</u>	<u>130,000</u>	<u>0.0</u>

	GF	CF	CFE	FF	Total	FTE
TOTAL	\$85,256,320	\$0	\$130,000	\$1,300,000	\$86,686,320	0.0
FY 2002-03 Appropriation:						
HB 02-1420	<u>\$91,020,000</u>	<u>\$0</u>	<u>\$244,000</u>	<u>\$1,300,000</u>	<u>\$92,564,000</u>	<u>0.0</u>
TOTAL	\$91,020,000	\$0	\$244,000	\$1,300,000	\$92,564,000	0.0
Increase/(Decrease)	\$5,763,680	\$0	\$114,000	\$0	\$5,877,680	0.0
Percentage Change	6.8%	n/a	87.7%	0.0%	6.8%	n/a

General Fund Changes: The General Fund increase is primarily attributable to an additional \$4.0 million for need-based grants, including \$2.0 million for General Need Based Grants and \$2.0 million for the fourth cohort of Governor's Opportunity Scholarships. Other significant increases include \$1.3 million for Work Study and \$559,000 for Native American Students (per statute and U.S. treaty, qualified Native Americans may attend Fort Lewis College free of tuition).

Cash Funds Exempt Changes: The cash funds exempt increase is attributable to annualization of costs for implementing the early childhood professional loan repayment program authorized by H.B. 01-1293. The source of funds for this program is Federal Child Care Development Fund moneys transferred from the Department of Human Services.

Governing Boards and Local District Junior Colleges

This section includes funding for the higher education institutions. The source of cash funds is primarily tuition, fees, and non-exempt auxiliary revenues. The source of cash funds exempt includes several miscellaneous revenues, including money from the Tobacco Litigation Settlement Cash Fund.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$655,325,282	\$752,263,867	\$10,123,064	\$0	\$1,417,712,213	17,894.1
S.B. 01S2-22	0	0	403,605	0	403,605	0.0
HB 02-1371	(9,941,103)	2,215,000	(46,476)	0	(7,772,579)	0.0
HB 02-1426	(3,276,627)	0	0	0	(3,276,627)	0.0
HB 02-1468	<u>0</u>	<u>193,055</u>	<u>(193,055)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$642,107,552	\$754,671,922	\$10,287,138	\$0	\$1,407,066,612	17,894.1

	GF	CF	CFE	FF	Total	FTE
FY 2002-03 Appropriation:						
HB 02-1420	\$685,875,978	\$711,575,050	\$11,042,350	\$0	\$1,408,493,378	18,090.6
TOTAL	\$685,875,978	\$711,575,050	\$11,042,350	\$0	\$1,408,493,378	18,090.6
Increase/(Decrease)	\$43,768,426	(\$43,096,872)	\$755,212	\$0	\$1,426,766	196.5
Percentage Change	6.8%	-5.7%	7.3%	n/a	0.1%	1.1%

FTE Detail	FY 2001-02	FY 2002-03
Trustees of the State Colleges	1,872.7	1,874.7
Colorado State University System (formerly State Board of Agriculture)	4,097.5	4,033.3
Regents of the University of Colorado	5,950.1	6,037.5
Colorado School of Mines	625.0	570.1
University of Northern Colorado	1,045.2	1,079.9
Community Colleges	<u>4,303.6</u>	<u>4,495.1</u>
	17,894.1	18,090.6

FTE Changes: The FTE for the higher education institutions are included for informational purposes. Each governing board retains control over the number of employees hired. All figures are based on estimates by the governing boards of the number of FTE currently employed.

General Fund Changes: The General Fund increase can be divided into several components described below:

- Enrollment (\$15,175,387) -- The distribution of these funds is based on enrollment increases that occurred from FY 2000-01 to FY 2001-02, rather than on a projection of enrollment levels for FY 2002-03.
- Performance and Base Adjustment (\$26,113,465) -- This category takes the place of an inflationary adjustment for the governing boards and local district junior colleges. It includes: (1) \$20,036,000 distributed according to the performance funding allocation formula developed by the Colorado Commission on Higher Education; (2) a base increase of \$5,307,000 for the University of Colorado Health Sciences Center, Colorado State University's Veterinary Medicine Program, and the land grant agencies of Colorado State University; and (3) \$770,000 for the Colorado School of Mines under the performance contract negotiated pursuant to S.B. 01-229.

- Out-of-state Travel Reduction (-\$3,548,000) -- As part of a common policy, the General Assembly reduced state appropriated funds for out-of-state travel by 25 percent.
- Partial Re-payment of FY 2001-02 Reductions (\$3,276,627) -- The FY 2002-03 appropriation includes restoration of a portion of the reductions made in FY 2001-02 to balance the budget.
- Other Initiatives (\$2,751,000) -- This includes the following increases: (1) \$1,420,000 to buy down community college tuition rates by two percent; (2) \$703,000 for the fifth and final year of a plan to convert the bachelors pharmacy degree program at the University of Colorado Health Sciences Center to a Doctor of Pharmacy, or Pharm D, program; (3) \$515,000 for the land grant agencies of Colorado State University; and (4) \$113,000 to increase the number of subsidized slots available for resident students in the professional veterinary medicine program at Colorado State University.

The following table details the allocation of General Fund increases by governing board:

General Fund Increases by Governing Board						
Governing Board	Enrollment	Performance	Travel Reduction	Partial Re-pay	Other Initiatives	Total GF Increase
State Colleges	\$3,220,247	\$2,934,972	(\$295,467)	\$386,335		\$6,246,087
Colorado State University System	3,125,607	6,148,648	(1,040,380)	759,152	628,000	9,621,027
University of Colorado Regents	3,511,263	9,123,279	(1,626,066)	1,088,836	702,952	12,800,264
Colorado School of Mines	201,697	770,476	(166,578)	100,226		905,821
University of Northern Colorado	233,844	1,546,620	(223,067)	219,843		1,777,240
Community Colleges	4,982,964	5,000,472	(196,355)	649,016	1,419,908	11,856,005
Local District Junior Colleges	(100,235)	588,998		73,219		561,982
TOTAL	\$15,175,387	\$26,113,465	(\$3,547,913)	\$3,276,627	\$2,750,860	\$43,768,426

Cash Funds Changes: The net decrease in cash funds reflects projected revenues with the following changes to current tuition rate structures:

Item	Cash Revenue	Description
Resident Tuition - All Campuses	\$32,285,863	7.7 percent rate increase.
Nonresident - All Campuses	25,610,486	7.7 percent rate increase.
Community Colleges	(1,419,908)	Use General Fund to "buy down" community college resident tuition by 2 percent from the rate increase for all other campuses. Community college tuition will thus increase 5.7 percent instead of 7.7 percent.
CU - Colorado Springs	842,384	Increase resident tuition for various programs \$40-\$194 per year; increase nonresident tuition for various programs \$200-\$400 per year. This is the third and final year of tuition adjustments for this campus.

Item	Cash Revenue	Description
CU - Denver	933,800	Increase resident tuition for various programs. The majority of increases are approximately \$100 per year. This is the third and final year of tuition adjustments for this campus.
CU - Boulder Business School	1,097,000	Increase resident tuition \$300 and nonresident tuition \$400 per year. This is the second of a four-year plan to increase tuition for this program.
CU - Health Sciences Center	401,167	Increase resident tuition for two nursing programs, MD students, and physical therapy programs by 4 percent and for DDS by 6 percent. The dollar increases range from \$153 to \$479 per year.
CSU - Veterinary Medicine	879,422	Increase resident tuition 8 percent and nonresident 12 percent, or \$755 and \$1,736 respectively.
Total Tuition	\$60,630,214	Projected increase in tuition revenue, including the impact of enrollment growth

In addition, the change in cash funds reflects a \$4.9 million increase in "Other than Tuition" and a \$3.2 million increase in non-exempt auxiliary revenues. "Other than tuition" consists primarily of fees, but also include such items as gains and losses on investments, interest earnings, and non-enterprise rental revenues. The assumption is that on average fees will increase at the rate of inflation, or 4.7 percent. Non-exempt auxiliary revenues come from business ventures by the schools that for one reason or another are not exempt from TABOR, often because the program receives too large of a General Fund subsidy to qualify as an enterprise.

These increases in cash funds are offset by a change in accounting practices mandated by the Governmental Accounting Standards Board (GASB). Under new GASB rules, public institutions of higher education are required to report scholarship allowances as transfers rather than revenue. This change will reduce the net tuition revenue reported by higher education institutions. To reflect this change in accounting practices, there will be a one-time adjustment to the TABOR limit. The estimated impact of this change in FY 2002-03 is to reduce net tuition revenue for the governing boards by \$111.3 million. This is merely an accounting change. It will not affect operating funds available to the institutions.

Cash Funds Exempt Changes: The increase in cash funds exempt reflects: (1) an expected increase for tobacco and substance abuse related research at the University of Colorado Health Sciences Center, based on anticipated revenues to the Tobacco Litigation Settlement Cash Fund and the distribution formula for these moneys established in S.B. 00-071; and, (2) a transfer of \$250,000 in severance tax funds from the Department of Natural Resources for the Colorado Energy Research Institute at the Colorado School of Mines.

Summary by Governing Board: The table below summarizes the appropriations by governing board.

FY 2002-03 Appropriation by Governing Board					
Governing Board	General Fund	Tuition	Other than Tuition	Auxiliary	Total
State Colleges	\$81,871,741	\$40,058,263	\$2,401,231	\$6,869,697	\$131,200,932
Colorado State University System	158,226,222	119,476,952	31,412,435	29,135,121	338,250,730
Regents of the University of Colorado	225,941,651	279,529,006	50,280,934	30,340,618	586,092,209
Colo. School of Mines	20,525,170	20,703,928	1,584,406	631,068	43,444,572
University of Northern Colorado	44,811,849	26,403,040	4,332,385	1,220,125	76,767,399
Community Colleges	139,604,591	65,674,459	11,232,086	1,331,646	217,842,782
Local District Junior Colleges	14,894,754	n/a	n/a	n/a	14,894,754
TOTAL	\$685,875,978	\$551,845,648	\$101,243,477	\$69,528,275	\$1,408,493,378

Advisory Commission on Family Medicine

The Commission distributes funds for the support of family medicine residency programs at hospitals throughout the state and assists in the recruitment of family medicine residents. In FY 2002-03, the Commission is anticipated to support 205 family medicine residents, and to graduate 71 students in its 11 residencies statewide. The state support per resident is estimated at \$11,095 for FY 2002-03, representing approximately 4.9 percent of the estimated total program cost. All but one of the family medicine residencies receives a cash funds exempt transfer of Medicaid funding to support the program. Federal Medicaid dollars used by other departments statewide originate in the Department of Health Care Policy and Financing, the single state agency for Medicaid, where they receive their General Fund match. These dollars are then transferred to the respective departments that utilize Medicaid funding. When these Medicaid funds are transferred, they are reflected in the recipient department as cash funds exempt. All of the cash funds exempt appropriated for this program are Medicaid dollars.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$252,268	\$0	\$2,117,539	\$0	\$2,369,807	1.0
HB 02-1426	<u>(5,262)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(5,262)</u>	<u>0.0</u>
TOTAL	\$247,006	\$0	\$2,117,539	\$0	\$2,364,545	1.0
FY 2002-03 Appropriation:						
HB 02-1420	<u>\$252,268</u>	<u>\$0</u>	<u>\$2,117,539</u>	<u>\$0</u>	<u>\$2,369,807</u>	<u>0.0</u>
TOTAL	\$252,268	\$0	\$2,117,539	\$0	\$2,369,807	0.0

	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$5,262	\$0	\$0	\$0	\$5,262	(1.0)
Percentage Change	2.1%	n/a	0.0%	n/a	0.2%	-100.0%

FTE Changes: The appropriation provides for a reduction of the 1.0 FTE designation to reflect current practice.

General Fund Changes: The General Fund increase reflects the reinstatement of \$5,262 in reductions taken in FY 2001-02.

Division of Occupational Education

The Division of Occupational Education 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 all resources available for the promotion of job development, job training, and job retraining in the state. Sources of cash funds exempt include General Fund and state education funds transferred from the Department of Education for Colorado Vocational Act programs and General Fund transferred from the Governor's Office of Economic Development for job training programs. The source of federal funds is primarily Perkins Act money for vocational training.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$11,964,756	\$0	\$22,763,184	\$15,835,146	\$50,563,086	34.2
HB 02-1371	(194,333)	0	(42,586)	0	(236,919)	0.0
HB 02-1426	<u>0</u>	<u>0</u>	<u>(63,880)</u>	<u>0</u>	<u>(63,880)</u>	<u>0.0</u>
TOTAL	\$11,770,423	\$0	\$22,656,718	\$15,835,146	\$50,262,287	34.2
FY 2002-03 Appropriation:						
HB 02-1420	<u>\$12,293,856</u>	<u>\$0</u>	<u>\$23,590,313</u>	<u>\$16,952,156</u>	<u>\$52,836,325</u>	<u>34.2</u>
TOTAL	\$12,293,856	\$0	\$23,590,313	\$16,952,156	\$52,836,325	34.2
Increase/(Decrease)	\$523,433	\$0	\$933,595	\$1,117,010	\$2,574,038	0.0
Percentage Change	4.4%	n/a	4.1%	7.1%	5.1%	0.0%

FTE Detail	FY 2001-02	FY 2002-03
Division Administration	9.0	9.0
Sponsored Programs	<u>25.2</u>	<u>25.2</u>
	34.2	34.2

General Fund Changes: The General Fund increase provides a 4.7 percent inflationary increase for the Area Vocational Schools.

Cash Funds Exempt Changes: The cash funds exempt increase reflects a 4.7 percent inflationary increase in the transfer from the Department of Education for Colorado Vocational Act distributions, and a partial repayment of \$64,000 of funds reduced from the Colorado First Customized Job Training and Existing Industry Training programs in FY 2001-02.

Federal Fund Changes: The increase in federal funds reflects additional money anticipated to be available for Perkins loans.

Auraria Higher Education Center

Established by statute in 1974, the Auraria Higher Education Center is governed by a Board of Directors who oversee the centralized operations of the Auraria Higher Education Center complex located in Denver. The Center houses and provides common services to the Community College of Denver, Metropolitan State College of Denver, and the University of Colorado at Denver. The sources of cash funds and cash funds exempt are payments by the schools located on the Auraria campus.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$0	\$50,000	\$16,135,025	\$0	\$16,185,025	196.0
TOTAL	\$0	\$50,000	\$16,135,025	\$0	\$16,185,025	196.0
FY 2002-03 Appropriation:						
HB 02-1420	\$0	\$50,000	\$17,775,784	\$0	\$17,825,784	211.0
TOTAL	\$0	\$50,000	\$17,775,784	\$0	\$17,825,784	211.0
Increase/(Decrease)	\$0	\$0	\$1,640,759	\$0	\$1,640,759	15.0
Percentage Change	0.0%	0.0%	10.2%	0.0%	10.1%	7.7%

FTE Changes: The increase in FTE reflects the transfer of responsibility for operating the Auraria campus media center from the University of Colorado at Denver to the Auraria Higher Education Center.

Cash Funds Exempt Changes: The cash funds exempt reflects increases related to the transfer of the media center mentioned above, a decision to centralize funding for the campus telephone switch, and a 4.7 percent inflationary increase in operating expenses. The source of funds is payments by the three institutions that share the campus.

Council on the Arts

The Council on the Arts: provides grants to support and encourage development of the arts; offers technical assistance to artists and arts organizations; and administers the Art in Public Places Program, which uses a percentage of state capital construction dollars to beautify state buildings and grounds. Sources of cash funds exempt include the Art in Public Places Program and gifts. Federal funds are from the National Endowment for the Arts.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation::						
SB 01-212	\$1,904,228	\$0	\$109,567	\$502,800	\$2,516,595	8.0
HB 02-1371	(19,614)	0	0	0	(19,614)	0.0
HB 02-1426	<u>(24,197)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(24,197)</u>	<u>0.0</u>
TOTAL	\$1,860,417	\$0	\$109,567	\$502,800	\$2,472,784	8.0
FY 2002-03 Appropriation:						
HB 02-1420	<u>\$1,189,528</u>	<u>\$0</u>	<u>\$106,922</u>	<u>\$270,950</u>	<u>\$1,567,400</u>	<u>8.0</u>
TOTAL	\$1,189,528	\$0	\$106,922	\$270,950	\$1,567,400	8.0
Increase/(Decrease)	(\$670,889)	\$0	(\$2,645)	(\$231,850)	(\$905,384)	0.0
Percentage Change	-36.1%	n/a	-2.4%	-46.1%	-36.6%	0.0%

FTE Detail	FY 2001-02	FY 2002-03
Council Staff	6.0	6.0
Art in Public Places	<u>2.0</u>	<u>2.0</u>
	8.0	8.0

General Fund Changes: The General Fund decrease is attributable to the Governor's veto of the Programs/Scientific and Cultural Facilities District line item.

Federal Fund Changes: The federal funds decrease is attributable to the Governor's veto of the Programs/Scientific and Cultural Facilities District line item.

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. The primary source of cash funds is museum fees and gift shop revenues. The main source of cash funds exempt is gaming revenue.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$2,762,681	\$1,786,920	\$28,299,247	\$661,971	\$33,510,819	104.4
HB 02-1371	(15,125)	0	0	0	(15,125)	0.0
HB 02-1426	<u>(57,305)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(57,305)</u>	<u>0.0</u>
TOTAL	\$2,690,251	\$1,786,920	\$28,299,247	\$661,971	\$33,438,389	104.4
FY 2002-03 Appropriation:						
HB 02-1420	<u>\$2,888,917</u>	<u>\$1,795,192</u>	<u>\$27,635,545</u>	<u>\$950,000</u>	<u>\$33,269,654</u>	<u>106.4</u>
TOTAL	\$2,888,917	\$1,795,192	\$27,635,545	\$950,000	\$33,269,654	106.4
Increase/(Decrease)	\$198,666	\$8,272	(\$663,702)	\$288,029	(\$168,735)	2.0
Percentage Change	7.4%	0.5%	-2.3%	43.5%	-0.5%	1.9%

FTE Detail	FY 2001-02	FY 2002-03
Administration	76.4	76.4
Sponsored and Auxiliary	15.0	17.0
Historic Preservation Grant Program	<u>13.0</u>	<u>13.0</u>
	104.4	106.4

FTE Changes: The increase of 2.0 FTE is to launch a major gifts campaign. In the first few years the new staff will be supported primarily by donations from the Historical Society Foundation, a nonprofit that benefits the Historical Society. However, it is expected that the FTE will eventually be self-supporting by soliciting unrestricted donations, and through a 10 percent surcharge on restricted donations.

General Fund Changes: The increase in General Fund includes: (1) elimination of \$33,000 in one-time FY 2001-02 expenses for a law suit against the former operator of the Cumbres and Toltec Scenic Railroad; (2) a partial \$57,000 repayment of reductions in FY 2001-02; and, (3) application of common policies for personal services and operating expenses.

Cash Funds Exempt Changes: The decrease in cash funds exempt corrects an overestimate of gaming revenues in FY 2001-02. Pursuant to statute and the Colorado Constitution, the Historical Society receives a percentage of gaming funds for historical preservation work.

Federal Funds Changes: The increase in federal funds reflects anticipated revenues from various sources of federal funds.

Recent Legislation

2001 Session Bills

S.B. 01-169: Allows up to fifty percent of moneys appropriated for the Colorado Customized Job Training program to be transferred to the Colorado Existing Industry Training program.

S.B. 01-185: Supplemental appropriation to the Department of Higher Education to modify the appropriation included in the FY 2000-01 Long Bill.

S.B. 01-212: General appropriations act for FY 2001-02. Also contains a supplemental add-on that makes changes to the amount of tobacco settlement cash funds appropriated to the University of Colorado in FY 2000-01.

S.B. 01-229: Authorizes the Colorado School of Mines to operate under a performance contract in lieu of compliance with the requirements of the "Higher Education Quality Assurance Act" upon approval by the General Assembly in the form of a resolution.

H.B. 01-1263: Sets a 120-credit hour standard for baccalaureate degrees and charges the Colorado Commission on Higher Education with developing a general education core of courses. Addresses transferability of core course credits.

H.B. 01-1293: Creates a loan repayment program for qualified early childhood professionals.

H.B. 01-1298: Establishes a common course numbering matrix.

H.B. 01-1406: Requires a study of the ramifications of a change in the name and role and mission of the University of Southern Colorado.

S.B. 01S2-22: Provides a 4.3 percent increase in the state contribution rate for state employees for CY 2002 and provides funding to pay for the additional costs associated with health insurance for state employees who reside in Pueblo. For more information, refer to the bill description in the Department of Personnel.

2002 Session Bills

S.B. 02-50: For an explanation of this bill please see the Recent Legislation section in the Department of Corrections.

S.J.R. 02-24: Recognizes and approves the performance contract negotiated by the Colorado Commission on Higher Education and the Colorado School of Mines pursuant to S.B. 01-229.

H.B. 02-1010: Instructs the Colorado Commission on Higher Education to adopt policies aimed at expanding nurse training programs and creates the More Nurses for Colorado Fund to accept gifts, grants and donations for this purpose. Expresses the intent of the General Assembly that no General Fund be used to implement the bill.

H.B. 02-1038: For an explanation of this bill please see the Recent Legislation section in the Department of Corrections.

H.B. 02-1165: Transfers governance for Metropolitan State College of Denver (Metro) from the Trustees of the State Colleges to a newly-created independent governing board. Provides a methodology for the Trustees for the State Colleges to transfer funds to Metro in FY 2002-03, and stipulates that beginning in FY 2003-04, the General Assembly shall appropriate funds directly to Metro. Requires the Colorado Commission on Higher Education (CCHE) and the Trustees of the State Colleges to prepare a study of the costs associated with operating the state colleges by July 1, 2002. Instructs CCHE and the State Colleges to use the cost study to establish a minimum level of funding for Adams State College, Mesa State College and Western State College. States that the General Assembly shall appropriate an amount from the General Fund that is adequate to support the minimum level of funding, except in fiscal years where there is an overall reduction in the level of General Fund appropriations for the state-supported institutions of higher education. Allows more than one third of the students admitted to the state colleges to be from out-of-state, if all qualified in-state applicants are accepted.

H.B. 02-1260: Changes the name of the "State Board of Agriculture" to the "Board of Governors of the Colorado State University System."

H.B. 02-1324: Changes the name of the "University of Southern Colorado" to "Colorado State University - Pueblo." Identifies the role and mission of the institution as a comprehensive university, with moderately selective admissions standards, offering a broad array of baccalaureate programs, with a strong professional focus, and offering limited masters-level graduate programs in collaboration with Colorado State University to meet regional needs. The change in name and role and mission will be accomplished within existing resources.

H.B. 02-1371: Supplemental appropriation to the Department of Higher Education to modify the appropriation included in the FY 2001-02 Long Bill.

H.B. 02-1419: Transfers governance for Fort Lewis College from the State Board of Agriculture to a newly-created independent governing board. Provides a methodology for the State Board of Agriculture to transfer funds and obligations to Fort Lewis in FY 2002-03, and stipulates that beginning in FY 2003-04, the General Assembly shall appropriate funds directly to Fort Lewis. Provides Fort Lewis College with two-year authority in collaboration with any community college or area vocational school. Allows more than one third of the students admitted to Fort Lewis College and the state colleges to be from out-of-state, if all qualified in-state applicants are accepted. Extends the enterprise status of the Fort Lewis College student and facility operations through June 30, 2009.

H.B. 02-1420: General appropriations act for FY 2002-03.

H.B. 02-1426: Second supplemental appropriation to the Department of Higher Education to modify the appropriation included in the FY 2001-02 Long Bill.

H.B. 02-1452: Exempts from the state personnel system employees hired by the director of the Colorado Student Loan Division on or after July 1, 2002 and employees hired prior to July 1, 2002 who accept a promotion, voluntary demotion, or transfer. Also, exempts the Colorado Student Loan Division from all programs of the Division of Central Services. Expands the definition of "auxiliary facility" to include participation by a state institutions of higher education as an eligible lender in the Federal Family Education Loan Program.

H.B. 02-1468: Refinances the FY 2001-02 appropriation made pursuant to S.B. 01S2-22. Establishes the CY 2003 state contribution rate for health, life, and dental insurance to be the same as the state contribution rate for CY 2002. Authorizes the General Assembly to annually adjust the state contribution for health, life, and dental insurance effective CY 2004 through the Long Bill. For more information, refer to the bill description in the Department of Personnel.

DEPARTMENT OF HUMAN SERVICES

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, veterans programs, alcohol and drug treatment programs, and programs for the aging. The Department is also responsible for inspecting and licensing child care facilities. In addition, the Department is responsible for the care and treatment of the state's dependent citizens who are mentally ill, developmentally disabled, or who are 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 nonprofit Community Mental Health Centers and Community Centered Boards for the Developmentally Disabled, supervises managed care contracts for Medicaid mental health services, and contracts for the supervision and treatment of delinquent juveniles.

Department Budget: Recent Actual Expenditures and Appropriations

Funding Source	FY 1999-00 Actual	FY 2000-01 Actual	FY 2001-02 Approp.	FY 2002-03 Approp.
General Fund	\$448,332,101	\$487,866,997	\$493,018,043	\$548,120,297
Cash Funds	64,481,040	74,140,042	68,876,668	85,416,097
Cash Funds Exempt	648,557,588	698,616,008	772,203,307	786,268,138
Federal Funds	<u>355,216,514</u>	<u>398,340,336</u>	<u>467,838,839</u>	<u>482,527,428</u>
Total Funds	\$1,516,587,243	\$1,658,963,383	\$1,801,936,857	\$1,902,331,960
Full Time Equiv. Staff	4,438.1	4,339.0	4,748.4	4,786.4

FY 2002-03 Budget Changes

In 2001, the Department of Human Services consolidated institutional and community-based services for two distinct populations: persons with mental illness and persons with developmental disabilities. The FY 2002-03 Long Bill was restructured to reflect this change and the corresponding creation of two new divisions: The Office of Behavioral Health and Housing and the Office of Rehabilitation and Disability Services. For this appropriations report, FY 2001-02 appropriations are presented according to the department's new structure to show comparable figures for both years.

Note: The Department of Human Services administers a number of programs that receive funding from Medicaid dollars. For most programs, the state must contribute a designated amount of General Fund (a "match") in order to receive Medicaid dollars. The Department of Health Care Policy and Financing (HCPF) is the single state agency to receive Medicaid from the federal government.

Therefore, the General Assembly appropriates the necessary amount of General Fund to HCPF for DHS Medicaid-funded programs. The DHCPF uses that General Fund to collect Medicaid federal funds, and then transfers the combined General Fund and corresponding federal funds to DHS to pay for its programs. Funds appropriated in one department and transferred to another are shown in the receiving department as cash funds exempt. Periodically, throughout the human services section of this report the term "net General Fund" is used to convey the total amount of General Fund change to a specific area. "Net General Fund" is the sum of the General Fund appropriated directly to the Department of Human Services and the General Fund that has been appropriated to HCPF to fund DHS Medicaid-funded programs.

Significant changes in appropriations for FY 2002-03 compared to FY 2001-02 include the following:

Executive Director's Office

- An increase of \$715,000 for payment to risk management and property costs;
- An increase of \$487,000 for shift differential cost increases;
- An increase of \$445,000 for workers' compensation costs;
- A reduction of \$1.0 million for salary survey and performance-based pay increases;

Office of Information Technology Services

- An increase of \$13.1 million, including \$2.1 million General Fund and an additional \$2.3 million cash funds exempt that originates as General Fund in the Department of Health Care Policy and Financing, for the third year of development of the Colorado Benefits Management System(CBMS). This replaces the FY 2001-02 appropriation for system development of CBMS by the same amount;
- Provide an increase of \$168,000 General Fund for planning a required upgrade to the County Financial Management System (CFMS);

Office of Operations

- An increase of \$887,000 for salary survey and anniversary increases;
- An increase of \$551,000 cash funds exempt for a utility cost recovery contract;
- An increase of \$221,000 to restore one-time funding reductions for leased space in FY 2001-02;

- ❑ A decrease of \$255,000 for one-time increases for utility costs provided in FY 2001-02;

Office of Behavioral Health and Housing (new division)

- ❑ An increase of 53.2 FTE to the mental health institutes. This includes an increase of 51.0 FTE (to be annualized to 68.0 FTE in FY 2003-04) to increase staffing levels in the forensics units of the Mental Health Institute at Pueblo and an increase of 10.2 FTE to annualize a FY 2001-02 decision item that increased staffing throughout the institutes. These increases are partially offset by a reduction of 8.0 FTE associated with the closure of 10 adolescent beds, based on insufficient utilization;
- ❑ An increase of \$8.4 million General Fund to the mental health institutes, including \$4.1 million for personal services increases, \$2.3 million to increase staffing in the forensics units of the Mental Health Institute at Pueblo, \$0.5 million to annualize a FY 2001-02 initiative that increased institute staffing levels, \$0.5 million for pharmaceutical inflation, and \$1.0 million to backfill reductions in cash revenue sources;
- ❑ An increase of \$5.0 million Medicaid cash funds exempt for the mental health capitation program, including \$4.0 million for changes in Medicaid eligibility and case-mix, \$1.4 million for a 1.0 percent cost of living adjustment for community providers, \$0.3 million associated with a refinance of General Fund in the mental health institutes, and \$0.1 million associated with a refinance of General Fund provided for the Goebel Lawsuit Settlement and its replacement with Medicaid cash funds. These increases are offset by a decrease of \$0.8 million to eliminate a one-time FY 2001-02 appropriation. Of the total, 50 percent originates as General Fund in the Department of Health Care Policy and Financing;
- ❑ An increase of \$4.9 million Medicaid cash funds for Medicaid anti-psychotic pharmaceuticals, including an increase of \$5.2 million for anticipated increases in pharmaceutical costs and utilization offset by a decrease of \$0.3 million associated with a reduction in reimbursement rates for pharmacies. Of the total, 50 percent originates as General Fund in the Department of Health Care Policy and Financing;
- ❑ An increase of \$1.2 million, including \$700,000 General Fund, for cost of living adjustments for community providers of mental health and alcohol and drug abuse services. This is in addition to the \$1.4 million Medicaid capitation cost of living adjustment reflected above;
- ❑ An increase of \$1.0 million General Fund to increase the availability of mental health services for indigent adult clients with serious mental illness;
- ❑ An increase of \$878,000 General Fund to develop at least 24 community placements for adults that will serve as alternatives to hospitalization in the mental health institutes;

- ❑ An increase of \$700,000 General Fund to the Alcohol and Drug Abuse Division to increase Short Term Residential Remediation and Treatment slots for substance abusing offenders;
- ❑ An increase of \$396,000 General Fund to the Alcohol and Drug Abuse Division for residential substance abuse treatment for women with dependent children;
- ❑ A reduction of alcohol and drug abuse treatment, administrative oversight, and training expenditures by \$691,000 cash funds, based on declines in available revenue from the Drug Offender Surcharge Fund. The reduction for treatment services is partially backfilled with \$300,000 one-time cash funds exempt from Persistent Drunk Driver Cash Fund reserves and \$54,000 General Fund;

Office of Rehabilitation and Disability Services (new division)

- ❑ An increase of \$6.4 million (including \$3.0 million net General Fund) to annualize the costs of developmental disability services approved in FY 2001-02;
- ❑ An increase of \$5.9 million (including \$2.3 million net General Fund) for 122 comprehensive services for persons with developmental disabilities;
- ❑ An increase of \$1.4 million, including \$300,000 General Fund, to restore funding reduced from vocational rehabilitation programs in FY 2001-02;
- ❑ An increase of \$2.6 million (including \$1.3 million net General Fund) to provide a 2.0 percent base rate increase for all components of comprehensive services and the case management component of all other services for people with developmental disabilities;
- ❑ An increase of \$2.5 million, including \$1.3 million net General Fund, to provide a 1.0 percent cost of living adjustment for community providers;
- ❑ An increase of \$2.0 million, including \$1.0 million net General Fund, in salary survey and anniversary increases provided in FY 2001-02 for staff of the regional centers for people with developmental disabilities;

County Administration

- ❑ An increase of \$440,000 to provide a 1.0 cost of living adjustment for community providers;

Office of Self Sufficiency

- ❑ An increase of \$10.7 million federal funds anticipated to be received by the Low Income Energy Assistance Program (LIEAP);

- ❑ An increase of \$325,000 for an increase in the price of the contract to operate the Family Support Registry;
- ❑ A reduction of \$227,000 to reflect the net effect of the elimination of \$427,000 in one-time funding to draft a request for proposals for the reprocurement of the electronic benefits transfer service (EBTS) and the provision of \$200,000 for transition costs associated with selecting a vendor for the EBTS;
- ❑ A reduction of \$10.2 million in federal Temporary Assistance for Needy Families (TANF) funds for the Works Program based on the amount anticipated to be available to Colorado for FY 2002-03;

Office of Adult and Veterans Services

- ❑ An increase of \$15.8 million cash funds for new expenditures reflected for the Old Age Pension program;
- ❑ An increase of \$1.9 million, including \$1.2 million General Fund, to the Aid to the Needy Disabled State Only program for caseload and cost of living increases;
- ❑ Provide \$166,000, including \$124,000 General Fund, to the Aid to the Needy Disabled State Supplement program for caseload and cost of living increases;

Division of Child Welfare

- ❑ An increase of \$22.8 million General Fund to offset reductions in appropriations from Family Issues Cash Fund reserves;
- ❑ An increase of \$12.5 million, including \$6.3 million General Fund, for child welfare services for anticipated caseload and inflationary increases;

Division of Child Care

- ❑ An increase of \$2.0 million General Fund and \$5.2 million federal funds for the Child Care Assistance Program;

Division of Youth Corrections

- ❑ A \$3.3 million General Fund increase for contract beds to keep pace with population growth and changes in youth populations served;

- ❑ A \$1.0 million General Fund increase to annualize costs of operating the Community Accountability Program authorized in H.B. 01-1357;
- ❑ An increase of \$379,000 for medical services and parole program services to keep pace with population growth;

Division of Children's Health and Rehabilitation

- ❑ An increase of \$469,000, including \$399,000 General Fund, to support early intervention mental health services for children in 10 of the State's 17 community mental health centers;
- ❑ An increase of \$246,000 General Fund to develop community-based alternatives to inpatient hospitalization for adolescents with mental illness;
- ❑ An increase of \$202,000, including \$192,000 General Fund, for additional early intervention services for children with developmental disabilities;
- ❑ An increase of \$174,000, including \$129,000 General Fund, to provide a 1.0 percent cost of living adjustment for community providers of children's developmental disability services; and
- ❑ An increase of \$98,000 cash funds exempt for additional children's extensive support services for children with developmental disabilities.

Department-wide Impacts of Common Policies

- ❑ An increase of \$6.9 million, including \$3.8 million net General Fund, to provide a 1.0 percent cost of living adjustment for community providers of human services;
- ❑ An increase of \$3.2 million, including \$2.0 million net General Fund, for the annualization of anniversary increases provided in FY 2001-02;
- ❑ An increase of \$1.3 million, including \$1.1 million General Fund, for medical cost inflation;
- ❑ An increase of \$82,000 for food cost inflation;
- ❑ A decrease of \$4.4 million, including \$2.1 million net General Fund, associated with reductions in personal services.

General Factors Driving the Budget

Funding for this department consists of approximately 29 percent General Fund, five percent cash funds, 41 percent cash funds exempt, and 25 percent federal funds. Some of the most important factors driving the budget are reviewed below.

Major Information System Projects

For the past several years, the General Assembly has provided significant funding to the Department of Human Services for three major information system projects that will be used by staff at the Department and at county departments of social services to administer various social service programs:

- County Financial Management System (CFMS) - Replaced existing systems used to track county expenditures for various social service programs and will soon require an upgrade.
- Children, Youth and Families Automation Project ("Colorado Trails") - Replaced systems used by state and county child welfare staff and the Division of Youth Corrections to track clients.
- Colorado Benefits Management System (CBMS) - Will replace multiple systems used by county staff to determine eligibility for financial, medical, and food stamp benefits.

Medicaid Mental Health Services

Medicaid mental health services throughout Colorado are delivered through a managed care, "capitated" program. The program began in FY 1995-96 and was extended to the entire state by the end of FY 1997-98. Under the capitation program, the State pays a regional entity—a Mental Health Assessment and Service Agency (MHASA)—a contracted amount for each Medicaid eligible person in the entity's geographic area; the MHASA is then required to provide appropriate mental health services to all Medicaid-eligible persons needing such services. There are eight MHASAs, each with responsibility for a different geographic region of the State. The rate paid to each MHASA for each class of Medicaid eligible person (*e.g.*, foster care, elderly, disabled) in each geographic region is established through a competitive bid process. All MHASA contracts were rebid during FY 2000-01, with implementation effective April 1, 2001 for most areas. Under the capitated system, changes in per-eligible rates and changes in overall Medicaid eligibility and case mix in the state are important drivers in overall State appropriations for mental health services.

The Medicaid mental health budget has also been driven in recent years by rapid increases in the cost and utilization of Medicaid anti-psychotic pharmaceuticals. This portion of the Medicaid pharmaceutical budget was transferred to the Department of Human Services budget in FY 1999-00.

	FY 97-98 Estimate	FY 98-99 Estimate	FY 99-00 Actual	FY 00-01 Actual	FY 01-02 Approp.	FY 02-03 Approp.
Medicaid Mental Health Services*	\$121,257,877	\$121,236,414	\$131,428,234	\$142,393,225	\$151,506,860	\$156,764,897
Medicaid Anti-psychotic pharmaceuticals	\$8,607,330	\$10,834,115	\$13,390,061	\$16,191,162	\$19,641,077	\$24,589,830

*Costs through FY 1998-99 include estimates of mental health fee-for-service expenditures funded in the Department of Health Care Policy and Financing. Costs for FY 2001-02 and FY 2002-03 subject to adjustment based on actual numbers of Medicaid eligibles and fee-for-service amounts charged to this budget. Amounts shown do not include the Medicaid Child Placement Agency program.

Demand for Services and Staffing at the Mental Health Institutes

As MHASAs have taken control of Medicaid funding under Medicaid capitation, there has been a decline in demand for bed space at the State's two mental health institutes. The impact has been greatest on child and adolescent beds, since most of these are funded by Medicaid. Between FY 1994-95 and FY 2001-02, 136 child and adolescent beds were eliminated due to insufficient demand. Although most adult beds are excluded under Medicaid and are therefore directly supported by General Fund, changes in services patterns and decline in demand also led to elimination of 40 adult beds in FY 1995-96. The institutes have sought to replace some of the closed acute treatment units with alternative residential services for adolescents: 60 residential treatment beds were added between FY 1996-97 and FY 1997-98, but 40 of these were closed in FY 1999-00 due to administrative difficulties. While the overall number of beds at the institutes have shrunk, there has been an increase in staffing needs associated with patient severity and patient management techniques (reduced use of seclusion and restraint). Staffing was increased by 58.2 FTE in FY 2001-02 and 53.2 FTE in FY 2002-03, and further requests for increases are anticipated, despite stagnant or declining numbers of patient-days. The institutes are expected to have a total of 724 beds as of July 1, 2002.

	FY 97-98 Actual	FY 98-99 Actual	FY 99-00 Actual	FY 00-01 Actual	FY 01-02 Approp.*	FY 02-03 Approp.
Institute Budget	\$71,540,102	\$73,993,134	\$74,647,222	\$76,076,161	\$81,090,221	\$88,469,043
FTE	1,333.6	1,320.0	1,273.5	1,258.9	1,321.3	1,374.5
Avg. Daily Census*	748	722	703	698	686	688

*Based on data through April 2002.

Developmental Disability Services

Base Rate Increases

In FY 2001-02, the Department requested a 5.3 percent *base* rate increase designed to increase the salaries of direct care staff for certain services provided by community providers. This was the first year for the Department to request and receive a rate increase in addition to the cost-of-living adjustment (COLA) generally appropriated to community providers statewide. In FY 2002-03, the Department received a 2.0 base rate increase.

	FY 98-99	FY 99-00	FY 00-01	FY 01-02	FY 02-03
Provider Rate Increase	3.0%	2.0%	2.0%	2.5%	1.0%
Base Rate Increase	n/a	n/a	n/a	5.3%	2.0%
Total for base of Developmental Disabilities Community Programs (in millions)	\$5.7	\$4.3	\$4.7	\$11.6	\$2.6*

*Provided for eight months in FY 2002-03 and does not include base rate increases included in the rates for new resources.

Annualization of Decision Items from the Previous Year

New program resources (dollars) for developmental disability services are frequently requested for a partial-year (e.g., nine months). Each appropriated "partial-year" resource will require additional dollars in the following year to ensure that the appropriation is sufficient to provide services for a full year. "Annualization" or the "annualization cost" refers to the difference between new program resources that were appropriated on a partial-year basis in the previous year and the amount required to fund a full year of services. The increase due to annualization becomes part of the base.

Community Programs (in millions):	FY 98-99	FY 99-00	FY 00-01	FY 01-02	FY 02-03
Total Increase in Funding	\$26.5	\$16.8	\$14.9	\$20.6	\$19.4
Annualization of Prior Year's Increases*	\$5.0	\$10.2	\$2.5	\$4.0	\$6.9

*Includes increase for both adult and family and children's programs.

Waiting Lists for Community-based Services

Each CCB maintains a waiting list when the number of persons or families requesting services exceeds the resources available. Currently, there are waiting lists for all developmental disability services. In each of the last several years, the General Assembly has appropriated additional resources to reduce the number of persons and families on waiting lists. However, the number of persons or families on a waiting list can be somewhat misleading because: (1) some CCBs, rather than maintaining waiting lists, stretch available resources so as to provide at least some services to

all who request them; (2) sometimes services are requested before actually needed in order to get on a waiting list, so that services will be available when the need later occurs (for example, a minor child may be placed on a waiting list for independent living services before turning 18); and (3) persons or families on a waiting list may be receiving services under another program (for example, someone waiting for residential services may be receiving supported living services in the interim).

	FY 98-99	FY 99-00	FY 00-01	FY 01-02	FY 02-03
Increased funding to provide services to adults on waiting lists (in millions)	\$1.6	\$0	\$4.3	\$3.7	\$1.1*

*Comprehensive services were also appropriated for persons transitioning out of foster care and for persons moving from regional centers into community placements.

The following table shows the current waiting lists for developmental disability services.

Type of DD service	Waiting List as of March 2002*
Comprehensive Services	710
Supportive Living Services	1,331
Children's Extensive Support	44
Early Intervention	314
Family Support Services	2,004

* People indicating they need services within two years.

Adult Assistance Programs

Old Age Pension Program

The Old Age Pension (OAP) Program, authorized by the State Constitution, provides cash assistance to low-income individuals over the age of 59. The OAP Program is primarily funded through excise taxes; revenues which 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 General Assembly does not directly control program expenditures; the Long Bill simply reflects anticipated program expenditures for informational purposes.

Old Age Pension Program	FY 98-99 Actual	FY 99-00 Actual	FY 00-01 Actual	FY 01-02 Approp.	FY 02-03 Approp.
Total Non-Medical Costs	\$46,463,270	\$49,469,277	\$53,547,783	\$52,534,733	\$57,974,823

Old Age Pension Program	FY 98-99 Actual	FY 99-00 Actual	FY 00-01 Actual	FY 01-02 Approp.	FY 02-03 Approp.
<u>Ages 60-64:</u>					
Avg. Number of Persons	6,950	7,069	6,886	7,021	6,880
Avg. Mo. Payment/Person	\$236.72	\$244.37	\$251.81	\$246.77	\$255.62
<u>Age 65 and over:</u>					
Avg. Number of Persons	17,600	17,447	17,410	17,487	17,700
Avg. Mo. Payment/Person	\$104.11	\$114.71	\$132.50	\$126.97	\$136.74

Aid to the Needy Disabled -State Only (AND-SO) and -State Supplement Programs (AND-SS)

The AND-SO program is the only State assistance program that provides basic financial assistance to low-income persons aged 18 to 60. To receive assistance, individuals must have a disability that is expected to last six months or more. Effective January 1, 2002, the maximum grant payment will increase to \$269 per month. Federal Supplemental Security Income (SSI) participants receive \$544 per month and medical coverage. The maximum grant for OAP participants is \$581 per month. Given the disparity between AND-SO and the SSI and OAP programs, the JBC and the State Board of Human Services have made efforts to gradually raise the maximum grant standard of AND-SO to the same level provided by SSI. In FY 2002-03, the General Assembly approved a \$10.00 increase which raised the maximum grant standard from \$269 to \$279 per month.

The FY 2002-03 appropriation includes an increase of approximately \$2.0 million General Fund to fund higher caseloads and higher payments for recipients in these programs.

State - funding for Senior Services

Within the Office of Adult and Veterans Services, Aging Services Programs administers federal Older American's Act (OAA) programs, which serve individuals who are over 59 years old and are homebound, frail or have difficulty with aspects of daily living. In order to receive these federal funds, the state must provide a minimum five percent match from the General Fund. Historically, the General Assembly has appropriated the minimum match amount, however, in FY 1999-00 the General Fund match was increased to 8.75 percent. This increase was part of a plan submitted by the Department to increase the General Fund match from five percent to 20 percent over four years. In FY 2000-01, the General Assembly created a new line item in the Long Bill called, "State-funding for Senior Services", to indicate the State's contribution (General Fund) to senior programs and to provide additional flexibility outside the requirements of the OAA. In FY 2000-01, the General Assembly added \$536,000 (an increase of 64 percent) to this new line item. In addition, during the last two legislative sessions the General Assembly passed H.B. 00-1072 and H.B. 01-1079, which each appropriated \$3.0 million General Fund to create an Older Coloradan's Cash Fund to be used for one-time purposes for senior services. In FY 2002-03, the Legislature passed H.B. 02-1209 which will transfer \$2.0 million from sales and use tax revenue (General Fund) per year to the Older Coloradans Cash Fund to be used for senior services.

Child Welfare Services

In response to a 1992 lawsuit, the Governor and the Department of Human Services signed the Child Welfare Settlement Agreement, which has resulted in significant increases in funding and staff for child welfare programs since FY 1993-94. Historically, about one quarter of child welfare funding has been provided for county staff and administrative costs, and about half has been provided for the costs of caring for children who have been removed from their homes. Out-of-home care costs increased more than three-fold over the five year period FY 1991-92 through FY 1996-97, rising from \$41.9 million to \$126.9 million. These cost increases were driven by growth in both the average number of children receiving care and the average monthly payment for such care.

In 1997 the General Assembly adopted S.B. 97-218, which capped the State's reimbursements to counties for the cost of providing child welfare services. This bill also authorized counties to use capped allocation moneys without category restriction and to negotiate rates, services, and outcomes with providers. Counties now receive a single allocation of funds to cover the costs of out-of-home care, subsidized adoptions, and related administrative functions. Funding increases have been provided since FY 1997-98 based on increases in the overall number of child welfare cases (not just cases involving children removed from their home) and annual inflationary increases. From FY 1997-98 to FY 2002-03, appropriations for child welfare services have increased an average of 6.2 percent per year.

	FY 97-98	FY 98-99	FY 99-00	FY 00-01	FY 01-02	FY 02-03
Appropriations for Child Welfare Services (\$ millions)	\$217.2	\$232.8	\$241.2	\$263.1	\$280.9	\$293.4
<i>Percent Change</i>		7.2%	3.6%	9.1%	6.8%	4.4%

Increasing Youth Corrections Populations

The Division of Youth Corrections provides for the housing, treatment and education of juveniles who are detained while awaiting adjudication (similar to adult jail), or committed for a period of time as a result of a criminal conviction (similar to adult prison). Also, the Division supervises juveniles during a mandatory parole following all commitment sentences. Increases in the number of detained, committed and paroled juveniles significantly impact funding requirements. Measurements in the table below are based on the average daily population (ADP) and the Legislative Council Staff (LCS) population projections.

	FY 96-97 Actual	FY 97-98 Actual	FY 98-99 Actual	FY 99-00 Actual	FY 00-01 Actual	FY 01-02 Est.	FY 02-03 Projection
Detention	462.6	515.2	550.4	571.1	557.6	574.2	577.2
<i>Percent Dif.</i>		11.4%	6.8%	3.8%	-2.4%	3.0%	0.5%

	FY 96-97 Actual	FY 97-98 Actual	FY 98-99 Actual	FY 99-00 Actual	FY 00-01 Actual	FY 01-02 Est.	FY 02-03 Projection
Commitment	988.3	1,050.1	1,165.3	1,216.7	1,280.7	1,354.2	1,411.9
<i>Percent Dif.</i>		6.3%	11.0%	4.4%	5.3%	5.7%	4.3%
Parole	216.6	255.0	366.1	601.4	720.6	787.9	845.8
<i>Percent Dif.</i>		17.7%	43.6%	64.3%	19.8%	9.3%	7.3%

Summary of FY 2001-02 and FY 2002-03 Appropriations

Total Department Appropriations

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Total Appropriation:	\$493,018,043	\$68,876,668	\$772,203,307	\$467,838,839	\$1,801,936,857	4,748.4
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	27,405,706	432,333	11,558,724	8,121,485	47,518,248	172.3
Office of Information Technology Services	18,728,861	1,102,223	5,566,350	16,540,186	41,937,620	173.7
Office of Operations	19,011,072	677,436	11,926,536	3,173,448	34,788,492	515.2
Office of Behavioral Health and Housing	96,252,334	4,118,316	207,084,801	32,175,906	339,631,357	1,386.9
Office of Rehabilitation and Disability	18,311,087	4,064,470	270,115,581	25,473,698	317,964,836	1,177.7
County Administration	32,840,992	0	26,733,908	12,679,368	72,254,268	0.0
Office of Self Sufficiency	6,624,563	383,992	32,167,038	234,057,992	273,233,585	277.0
Office of Adult and Veterans Services	19,499,549	57,425,577	34,586,783	12,461,835	123,973,744	40.4
Division of Child Welfare	118,618,860	267,395	145,872,879	71,767,712	336,526,846	42.0
Division of Child Care	17,879,704	349,880	8,042,488	51,028,060	77,300,132	63.0
Division of Youth Corrections	103,650,649	55,046	13,467,830	267,098	117,440,623	895.7
Division of Children's Health and Rehabilitation	14,194,666	0	5,080,389	92,051	19,367,106	4.5

	GF	CF	CFE	FF	Total	FTE
<u>Breakdown of Total Appropriation by Bill</u>						
SB 01-32	19,132	0	0	76,526	95,658	2.5
SB 01-77	(328,693)	0	0	0	(328,693)	(1.7)
SB 01-129	(5,853,255)	0	5,853,255	0	0	0.0
SB 01-212	525,059,369	63,446,840	723,875,626	499,641,443	1,812,023,278	4,749.5
HB 01-1079	0	0	3,000,000	0	3,000,000	0.0
HB 01-1102	7,879	0	0	0	7,879	0.0
HB 01-1184	26,776	0	0	122,788	149,564	1.0
HB 01-1193	81,713	0	0	9,079	90,792	0.0
HB 01-1227	0	16,390	0	0	16,390	0.0
HB 01-1264	0	0	46,893	0	46,893	0.0
HB 01-1271	0	0	24,000	0	24,000	0.0
HB 01-1289	0	0	0	25,000	25,000	0.0
HB 01-1293	0	0	0	130,000	130,000	0.0
HB 01-1357	72,498	0	(194,996)	0	(122,498)	(0.7)
SB 01S2-12	0	0	24,000	0	24,000	0.0
SB 01S2-22	0	0	890,469	0	890,469	0.0
HB 02-1372	(22,187,730)	5,296,273	16,996,725	(37,434,742)	(37,329,474)	(2.2)
HB 02-1390	3,000,000	0	3,000,000	0	6,000,000	0.0
HB 02-1420	(2,187,632)	0	7,323,613	0	5,135,981	0.0
HB 02-1427	(4,293,496)	108,391	10,709,309	5,134,896	11,659,100	0.0
HB 02-1468	0	8,774	(142,623)	133,849	0	0.0
HB 02-1474	(398,518)	0	797,036	0	398,518	0.0
FY 2002-03 Total Appropriation:	\$548,120,297	\$85,416,097	\$786,268,138	\$482,527,428	\$1,902,331,960	4,786.4
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	28,693,193	472,046	11,513,547	7,961,923	48,640,709	173.3
Office of Information Technology Services	19,794,346	1,118,794	5,461,903	17,533,923	43,908,966	165.7

	GF	CF	CFE	FF	Total	FTE
Office of Operations	19,492,667	696,274	12,933,907	3,136,427	36,259,275	514.2
Office of Behavioral Health and Housing	108,346,622	4,729,051	223,624,819	36,300,310	373,000,802	1,441.1
Office of Rehabilitation and Disability	18,214,092	4,036,480	290,482,885	26,995,141	339,728,598	1,178.7
County Administration	32,986,317	0	26,835,781	12,806,162	72,628,260	0.0
Office of Self Sufficiency	7,068,781	407,464	31,110,239	233,584,159	272,170,643	278.2
Office of Adult and Veterans Services	17,370,290	73,263,045	31,263,674	12,438,697	134,335,706	29.5
Division of Child Welfare	147,989,369	285,997	127,155,900	73,819,428	349,250,694	42.0
Division of Child Care	20,045,448	349,880	8,042,488	56,830,325	85,268,141	63.5
Division of Youth Corrections	112,910,296	51,176	12,192,814	983,564	126,137,850	895.7
Division of Children's Health and Rehabilitation	15,208,876	5,890	5,650,181	137,369	21,002,316	4.5
<u>Breakdown of Total Appropriation by Bill</u>						
SB 02-50	(113,154)	0	0	0	(113,154)	0.0
HB 02-1038	(112,832)	0	0	0	(112,832)	0.0
HB 02-1155	0	0	74,750	0	74,750	0.0
HB 02-1180	0	0	244,417	0	244,417	0.0
HB 02-1209	0	0	2,000,000	0	2,000,000	0.0
HB 02-1229	0	500	0	0	500	0.0
HB 02-1276	0	0	1,000,000	0	1,000,000	0.0
HB 02-1297	0	0	0	440,493	440,493	0.5
HB 02-1413	(677,986)	0	(1,317,301)	(138,736)	(2,134,023)	(12.0)
HB 02-1420	551,358,333	85,414,768	776,015,115	482,199,220	1,894,987,436	4,797.9
HB 02-1457	50,231	0	(126,130)	0	(75,899)	0.0
HB 02-1468	147,168	829	56,258	26,451	230,706	0.0
HB 02-1474	(2,531,463)	0	8,321,029	0	5,789,566	0.0

	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$55,102,254	\$16,539,429	\$14,064,831	\$14,688,589	\$100,395,103	38.0
Percentage Change	11.2%	24.0%	1.8%	3.1%	5.6%	0.8%

Detail of Appropriation by Administrative Section

Executive Director's Office

This office is responsible for the management and administration of the Department, performing such functions as budgeting, human resources, quality control, as well as program supervision, coordination, and evaluation. This section also 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) child welfare-related training; (4) funding for the state to comply with the Health Insurance Portability and Accountability Act (HIPPA); and (5) the monitoring of child welfare programs statewide and providing technical assistance to county departments of social services and 24-hour child care facilities.

Cash fund sources are primarily patient payments collected by the Mental Health Institutes in addition to other various sources. Cash funds exempt sources include Medicaid cash funds transferred from the Department of Health Care Policy and Financing, patient payments collected by the Mental Health Institutes and other various sources. Federal fund sources include indirect cost recoveries, the Temporary Assistance to Needy Families Block Grant, Section 110 vocational rehabilitation funds, the Substance Abuse Prevention and Treatment Block Grant and other various sources.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	28,338,803	433,324	11,245,146	8,208,646	48,225,919	172.3
HB 01-1102	7,879	0	0	0	7,879	0.0
HB 01-1193	81,713	0	0	9,079	90,792	0.0
SB 01S2-22	\$0	\$0	\$890,469	\$0	\$890,469	0.0
HB 02-1372	(794,171)	(9,765)	(377,868)	(230,089)	(1,411,893)	0.0
HB 02-1427	(228,518)	0	(56,400)	0	(284,918)	0.0
HB 02-1468	<u>0</u>	<u>8,774</u>	<u>(142,623)</u>	<u>133,849</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$27,405,706	\$432,333	\$11,558,724	\$8,121,485	\$47,518,248	172.3

	GF	CF	CFE	FF	Total	FTE
FY 2002-03 Appropriation:						
SB 02-50	(\$113,154)	\$0	\$0	\$0	(\$113,154)	0.0
HB 02-1038	(112,832)	0	0	0	(112,832)	0.0
HB 02-1413	(65,624)	0	0	0	(65,624)	0.0
HB 02-1420	28,837,635	471,217	11,457,289	7,935,472	48,701,613	173.3
HB 02-1468	<u>147,168</u>	<u>829</u>	<u>56,258</u>	<u>26,451</u>	<u>230,706</u>	<u>0.0</u>
TOTAL	\$28,693,193	\$472,046	\$11,513,547	\$7,961,923	\$48,640,709	173.3
Increase/(Decrease)	\$1,287,487	\$39,713	(\$45,177)	(\$159,562)	\$1,122,461	1.0
Percentage Change	4.7%	9.2%	-0.4%	-2.0%	2.4%	0.6%

FTE Detail	FY 2001-02	FY 2002-03
Executive Director's Office	4.5	4.5
Budget	11.0	11.0
Office of Performance Improvement	117.0	117.0
Child Welfare Administrative Review Unit	31.0	31.0
Developmental Disability Council	6.0	6.0
Health Insurance Portability and Accountability Act (HIPAA)	0.0	1.0
Juvenile Parole Board	<u>2.8</u>	<u>2.8</u>
	172.3	173.3

FTE Changes: The appropriation reflects the increase of 1.0 FTE to manage the Department's compliance with the Health Insurance Portability and Accountability Act (HIPAA).

General Fund Changes: The appropriation reflects General Fund increases of \$1.0 million for salary survey and anniversary increases awarded in FY 2001-02, \$436,000 for increased payments to risk management and property funds, \$209,000 for workers' compensation costs, and \$147,000 associated with funding provided by H.B. 02-1468. These increases are offset by reductions of \$226,000 associated with funding for H.B. 02-1038 and S.B. 02-50, and \$223,000 for consultant costs related to the Department's efforts to comply with HIPAA.

Cash Funds Changes: The increase in cash funds primarily reflects an increase of \$34,800 for consultant costs related to the Department's efforts to comply with HIPAA and \$19,000 in the cash

fund share of costs associated with personnel, including salary survey and shift differential. This increase is offset by the \$8,800 reduction of FY 2001-02 funding associated with H.B. 02-1468.

Cash Funds Exempt Changes: The cash funds exempt appropriation includes decreases of \$663,000 associated with removal of funding from S.B. 01S2-22 for health, life, and dental costs and \$64,000 associated with personnel costs including salary survey, anniversary, shift, short-term disability. These decreases are offset by a net \$200,000 increase provided in FY 2002-03 by H.B. 02-1468, \$183,000 associated with increased payments to risk management and property funds, an additional \$152,000 in workers' compensation costs, and \$136,000 provided for consultant costs related to the Department's efforts to comply with HIPAA.

Federal Fund Changes: The net decrease in federal funds includes a reduction of \$250,000 reflected for the federal funds share of costs associated with salary survey, anniversary, health, life, and dental, and short term disability, and the elimination of \$133,000 provided by H.B. 02-1468 in FY 2002-03. The decreases are offset by increases of \$91,000 associated with increased payments to risk management and property funds, \$82,000 in workers' compensation costs, \$26,000 provided by H.B. 02-1468 in FY 2002-03 and \$25,000 in additional federal funds reflected for the Developmental Disabilities Council.

Office of Information Technology Services

This section includes funding for expenses associated with departmental information systems, including the following: costs associated with personnel who support information systems throughout the Department; purchase of services from the general government computer center; system maintenance costs; and operating costs of certain computer systems that support multiple program areas, including the Colorado Benefits Management System, the Colorado Financial Management System, and the Colorado Trails information system. Because this section includes information systems that support multiple program areas, there are multiple sources of cash, cash exempt, and federal funds. The most important source of cash exempt funds is Medicaid transferred from the Department of Health Care Policy and Financing. Other important sources of federal funds include Title IV-E of the Social Security Act and Temporary Assistance for Needy Families.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$19,845,102	\$1,278,154	\$6,323,079	\$17,328,390	\$44,774,725	177.5
HB 01-1271	0	0	24,000	0	24,000	0.0
SB 01S2-12	0	0	24,000	0	24,000	0.0
HB 02-1372	(887,010)	(175,931)	(804,729)	(663,204)	(2,530,874)	(3.8)
HB 02-1427	<u>(229,231)</u>	<u>0</u>	<u>0</u>	<u>(125,000)</u>	<u>(354,231)</u>	<u>0.0</u>
TOTAL	\$18,728,861	\$1,102,223	\$5,566,350	\$16,540,186	\$41,937,620	173.7

	GF	CF	CFE	FF	Total	FTE
FY 2002-03 Appropriation:						
HB 02-1155	\$0	\$0	\$74,750	\$0	\$74,750	0.0
HB 02-1413	(19,769)	0	0	0	(19,769)	0.0
HB 02-1420	<u>19,814,115</u>	<u>1,118,794</u>	<u>5,387,153</u>	<u>17,533,923</u>	<u>43,853,985</u>	<u>165.7</u>
TOTAL	\$19,794,346	\$1,118,794	\$5,461,903	\$17,533,923	\$43,908,966	165.7
Increase/(Decrease)	\$1,065,485	\$16,571	(\$104,447)	\$993,737	\$1,971,346	(8.0)
Percentage Change	5.7%	1.5%	-1.9%	6.0%	4.7%	-4.6%

FTE Detail	FY 2001-02	FY 2002-03
Management/General Support	90.2	90.2
Colorado Benefits Management System	21.5	21.5
Colorado Trails	23.0	23.0
Client-Oriented Information System	24.0	16.0
Food Stamp Information System	<u>15.0</u>	<u>15.0</u>
	173.7	165.7

FTE Changes: The reduction of 8.0 FTE is for the Client Oriented Information Network to more closely match historic staffing levels.

General Fund Changes: The increase in General Fund is attributable in part to: (1) an increase of \$851,000 for the Multi-use Network Payments, of which \$411,000 is transferred from various divisions within the Department and \$440,000 is new money; (2) \$229,000 for a partial repayment of funds reduced in FY 2001-02; and (3) an increase of \$168,000 for planning a required upgrade to the County Financial Management System (CFMS). These increases are offset by: (1) a reduction of \$288,000 due to changes in financing for the Purchase of Services from Computer Center line item; and, (2) a reduction totaling \$119,000 General Fund for the Client Oriented Information Network, Food Stamp Information System, and Client Index Project, as part of the Governor's attempt to reduce the operating budget in FY 2002-03. The remaining difference is attributable to application of common policies for personal services and operating expenses.

Cash Funds Exempt Changes: The primary reason for the decrease in cash funds exempt is the elimination of one-time funding provided in FY 2001-02 for technology start-up costs associated with Broomfield becoming a county.

Federal Funds Changes: The federal funds increase is attributable to: (1) an increase of \$367,000 due to changes in financing for the Purchase of Services from Computer Center line item; (2) an increase of \$390,000 for Multi-use Network Payments; (3) application of common policies for personal services and operating expenses; and, (4) a partial \$125,000 repayment of reductions in FY 2001-02.

Office of Operations

This section contains appropriations for central departmental functions such as accounting, auditing, contracting, purchasing, vehicle leases, and facility management.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$19,384,993	\$680,049	\$12,201,937	\$3,137,114	\$35,404,093	515.2
HB 01-1357	(7,540)	0	0	0	(7,540)	0.0
HB 02-1372	(255,252)	(2,613)	(275,401)	36,334	(496,932)	0.0
HB 02-1427	<u>(111,129)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(111,129)</u>	<u>0.0</u>
TOTAL	\$19,011,072	\$677,436	\$11,926,536	\$3,173,448	\$34,788,492	515.2
FY 2002-03 Appropriation:						
HB 02-1413	(92,364)	0	0	0	(92,364)	(1.5)
HB 02-1420	<u>\$19,585,031</u>	<u>\$696,274</u>	<u>\$12,933,907</u>	<u>\$3,136,427</u>	<u>\$36,351,639</u>	<u>515.7</u>
TOTAL	\$19,492,667	\$696,274	\$12,933,907	\$3,136,427	\$36,259,275	514.2
Increase/(Decrease)	\$481,595	\$18,838	\$1,007,371	(\$37,021)	\$1,470,783	(1.0)
Percentage Change	2.5%	2.8%	8.4%	-1.2%	4.2%	-0.2%

FTE Detail	FY 2001-02	FY 2002-03
SES/Management Group Profile/Controller	2.0	2.0
Professional Engineer	4.0	4.0
Accounting/Auditing	123.5	123.5
Architect	3.0	3.0
Program Assistant	7.0	7.0
Planner/ Estimator	5.0	5.0
Telecommunications Specialist	2.0	2.0

FTE Detail	FY 2001-02	FY 2002-03
Electrician	12.0	12.0
Social Work Associate	1.0	1.0
Pipefitter Mechanical Trades	30.5	30.5
Groundskeeper	12.0	12.0
Structural Trades	55.2	55.2
Administrative Assistant/ Data Specialist	18.3	18.3
Materials Handler	18.0	18.0
Equipment Operator	11.5	11.5
Custodian	132.8	133.3
Utility Worker	25.5	25.5
General Professional	32.0	32.0
LTC Operations	11.3	11.3
State Garage	2.1	2.1
Buildings and Grounds	6.5	6.5
Transferred to other areas of the Department	<u>0.0</u>	<u>(1.5)</u>
	515.2	514.2

FTE Changes: The net decrease in 1.0 FTE results from the transfer of 1.5 FTE to the Department of Military Affairs offset by the annualization 0.5 FTE approved in FY 2001-02 to add building and grounds staff for a new girls' unit in the Division of Youth Corrections.

General Fund Changes: The increase in General Fund is the result of increases of \$511,000 in salary survey and anniversary increases awarded in FY 2001-02, \$221,000 for leased space costs restored from reductions in FY 2001-02 and \$89,000 restored from operating reductions in FY 2001-02. These increases are partially offset by a reduction of \$225,000 in utility inflation provided in FY 2001-02, and a reduction of \$92,000 associated with H.B. 02-1413.

Cash Funds Exempt Changes: The net \$1.0 million increase in cash funds exempt results from the addition of \$552,000 in utility recovery payments, an increase of \$338,000 for salary survey and anniversary increases provided in FY 2001-02, and \$166,000 for in the cash funds exempt share of vehicle lease payments.

Federal Funds Changes: The net decrease in federal funds includes a decrease of \$58,000 for vehicle lease payments which is partially offset by an increase of \$21,000 in salary survey and anniversary increases awarded in FY 2001-02.

Office of Behavioral Health and Housing

This new office combines Mental Health Community Programs, the Alcohol and Drug Abuse Division, Supportive Housing and Homelessness programs, and funds for the administration of community mental health programs (all formerly part of the Office of Adult Health and Rehabilitation) with the Mental Health Institutes (formerly part of the Office of Direct Services). Funding changes to these areas are described in the relevant sections below.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:*						
SB 01-212	\$103,443,898	\$4,109,299	\$182,262,436	\$32,211,975	\$322,027,608	1,386.9
HB 02-1372	(3,640,689)	9,017	6,438,383	(36,069)	2,770,642	0.0
HB 02-1420	(2,187,632)	0	7,323,613	0	5,135,981	0.0
HB 02-1427	(964,725)	0	10,263,333	0	9,298,608	0.0
HB 02-1474	<u>(398,518)</u>	<u>0</u>	<u>797,036</u>	<u>0</u>	<u>398,518</u>	<u>0.0</u>
TOTAL	\$96,252,334	\$4,118,316	\$207,084,801	\$32,175,906	\$339,631,357	1,386.9
FY 2002-03 Appropriation:						
HB 02-1229	\$0	\$500	\$0	\$0	\$500	0.0
HB 02-1420	110,878,085	4,728,551	215,303,790	36,300,310	367,210,736	1,441.1
HB 02-1474	<u>(2,531,463)</u>	<u>0</u>	<u>8,321,029</u>	<u>0</u>	<u>5,789,566</u>	<u>0.0</u>
TOTAL	\$108,346,622	\$4,729,051	\$223,624,819	\$36,300,310	\$373,000,802	1,441.1
Increase/(Decrease)	\$12,094,288	\$610,735	\$16,540,018	\$4,124,404	\$33,369,445	54.2
Percentage Change	12.6%	14.8%	8.0%	12.8%	9.8%	3.9%

FTE Detail	FY 2001-02	FY 2002-03
Administration	37.1	37.1
Mental Health Community Programs	2.0	2.0
Mental Health Institutes	1,321.3	1,374.5
Alcohol and Drug Abuse Division	<u>26.5</u>	<u>27.5</u>
	1,386.9	1,441.1

*Note: Fiscal year 2001-02 appropriations have been adjusted to reflect the Department's reorganization. As a result, FY 2001-02 appropriations originally made to the Office of Adult Health and Rehabilitation and the Office of Direct

Services have been divided between the new Office of Behavioral Health and Housing and Office of Rehabilitation and Disability Services to provide comparable figures to FY 2002-03 appropriations.

Administration

This section contains appropriations for the administration of mental health services for adults. It also includes funding for federal housing programs for low income and indigent persons who require specialized care. This is a new section consisting of a portion of the former Office of Adult Health and Rehabilitation, administration section. The primary source of the cash funds exempt is Medicaid cash funds transferred from the Department of Health Care Policy and Financing. The primary source of federal funds is the U.S. Department of Housing and Urban Development.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:*						
TOTAL	\$539,259	\$0	\$909,875	\$5,291,743	\$6,740,877	37.1
FY 2002-03 Appropriation:						
TOTAL	\$570,572	\$0	\$923,644	\$5,366,280	\$6,860,496	37.1
Increase/(Decrease)	\$31,313	\$0	\$13,769	\$74,537	\$119,619	0.0
Percentage Change	5.8%	n/a	1.5%	1.4%	1.8%	0.0%

*Note: Fiscal year 2001-02 appropriations have been adjusted to reflect the Department's reorganization. As a result, FY 2001-02 appropriations originally made to the Office of Adult Health and Rehabilitation have been divided between the new Office of Behavioral Health and Housing and Office of Rehabilitation and Disability Services.

Overall Funding Changes: The increases in General Fund, cash funds exempt, and federal funds primarily reflect salary survey and anniversary increases awarded in FY 2001-02. The cash funds exempt personal services increase is offset by the elimination of \$36,000 for mental health data analysis contracts, which were funded for a three-year period ending in FY 2001-02.

Mental Health Community Programs

This section provides mental health services through the purchase of services from three specialty clinics, 17 private non-profit community mental health centers, and 8 mental health assessment and service agencies (MHASAs), which coordinate mental health services for Medicaid recipients. Most public funding for community-based mental health services for children and adults is included in this section of the budget, although funding for some pilot programs for children has been moved to the Division of Children's Health and Rehabilitation. In FY 2002-03, this section is expected to fund mental health services for 43,389 Medicaid-eligible children and adults and for 37,486 children and adults who are not Medicaid eligible. Most of the cash funds exempt amounts reflected in this section

of the budget are Medicaid funds transferred from the Department of Health Care Policy and Financing. The federal funds are primarily from the Mental Health Services Block Grant.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
TOTAL	\$26,712,981	\$0	\$186,188,871	\$4,901,096	\$217,802,948	2.0
FY 2002-03 Appropriation:						
TOTAL	\$29,144,314	\$0	\$204,305,672	\$4,999,118	\$238,449,104	2.0
Increase/(Decrease)	\$2,431,333	\$0	\$18,116,801	\$98,022	\$20,646,156	0.0
Percentage Change	9.1%	n/a	9.7%	2.0%	9.5%	0.0%

General Fund Changes: The General Fund appropriation includes: (1) an increase of \$1,012,000 to increase the availability of mental health services for indigent adult clients with serious mental illness, which is anticipated to result in reductions in waiting lists for services; (2) \$877,500 to develop at least 24 community placements that will serve as alternatives to hospitalization in the mental health institutes (to be associated with reductions in adult institute beds in FY 2003-04); (3) \$566,000 to provide a 2.0 percent cost of living adjustment for community providers of core programs for clients with serious mental illness and a 1.0 percent cost of living adjustment for community providers for other community mental health programs; and (4) \$6,000 for salary survey and anniversary increases awarded in FY 2001-02. These increases are partially offset by a reduction of \$31,000 associated with the substitution of cash funds exempt Medicaid funds for General Fund in the Goebel Lawsuit Settlement line item.

Cash Funds Exempt Changes: The cash funds exempt increase of \$18.1 million includes both increases for Medicaid programs that drive General Fund increases in the Department of Health Care Policy and Financing and cash exempt increases without such an impact. These are addressed separately below.

Medicaid Program Increases with General Fund Impact. These amounts originate as General Fund and federal funds in the Department of Health Care Policy and Financing with 50 percent funding from each source. Note that the FY 2001-02 amounts shown include adjustments to reflect revised estimates of costs for the various Medicaid mental health entitlement programs in FY 2001-02.

Medicaid mental health increases for FY 2002-03 total \$10.2 million and include the following:

- A net increase of \$5.0 million for the Medicaid mental health capitation program that reflects the following changes: (1) an increase of \$4.0 million for changes in Medicaid eligibility and

case-mix; (2) an increase of \$1.4 million for a 1.0 percent cost of living adjustment for community providers; (3) an increase of \$0.3 million associated with a refinance of General Fund in the mental health institutes with Medicaid funds appropriated to capitated mental health providers; (4) an increase of \$0.1 million associated with the refinance of the Goebel Lawsuit Settlement line item (substitution of some Medicaid funds for General Fund); and (5) a decrease of \$0.8 million to eliminate a one-time appropriation for a settlement paid in FY 2001-02.

- A net increase of \$4.9 million for Medicaid anti-psychotic pharmaceuticals, including an increase of \$5.2 million associated with anticipated increases in costs and utilization for Medicaid anti-psychotic pharmaceuticals offset by a decrease of \$0.3 million associated with a reduction in reimbursement rates for pharmacies.
- An increase of \$0.2 million to reflect anticipated increases in costs and utilization for various fee-for-service Medicaid mental health programs.

Medicaid Mental Health Program		
Human Services cash funds exempt appropriations originating as 50 percent General Fund and 50 percent federal funds in the Department of Health Care Policy and Financing*		
	FY 2001-02	FY 2002-03
Mental Health Capitation, inc. caseload & inflation adjustments	\$137,967,423	\$143,412,937
Mental Health Institute Refinance (Capitation impact)	2,419,833	2,714,765
Goebel Lawsuit Settlement Refinance (Capitation impact)	4,275,883	4,367,491
FY 1998-99 Settlement Payment (Capitation line item)	800,000	n/a
Mental Health Capitation Performance Incentive Awards	2,605,098	2,580,000
Fee for Service Payments, including case management for frail elderly	3,438,623	3,618,529
Medicaid Anti-psychotic Pharmaceuticals	<u>19,641,077</u>	<u>24,589,830</u>
Total	171,147,937	181,283,552

*Note: Two other programs that provide mental health services for Medicaid-eligible clients--the Mental Health Services for Breast and Cervical Cancer Patients (\$71,000 appropriation in FY 2002-03) and the Child Placement Agency program (\$7.2 million appropriation in FY 2002-03)--are not included above because they do not drive new General Fund appropriations in the Department of Health Care Policy and Financing. The Breast and Cervical Cancer program matches federal funds with cash funds exempt and the Child Placement Agency program uses General Fund that would otherwise be spent directly by counties to draw down federal funds.

Cash Funds Exempt Increases without General Fund Impacts The cash funds exempt increase also includes: (1) \$7.2 million to reflect, for informational purposes, funds anticipated to be expended for the Medicaid Mental Health Child Placement Agency program. This program uses General Fund appropriated in the Division of Child Welfare to match federal funds transferred from the Department

of Health Care Policy and Financing. Reflecting this amount in the budget has a net zero impact on actual expenditures; (2) an increase of \$0.6 million to accurately reflect expenditures associated with the Goebel lawsuit settlement. This amount is shown for informational purposes and has a net \$0 impact on actual expenditures for the Goebel plaintiff class; (3) a new appropriation of \$0.1 million associated with Medicaid mental health services for women with breast and cervical cancer (pursuant to S.B. 01S2-12). This amount originates as 65 percent federal funds and 35 percent cash funds exempt in the Department of Health Care Policy and Financing; and (4) an increase of \$0.1 million associated with *non-Medicaid* cash funds exempt increases for cost of living adjustments for community providers. These amounts consist primarily of local funds.

The reflected federal funds increase is due to anticipated increases in federal receipts to allow for a cost of living adjustment for community providers.

Mental Health Institutes

This section contains appropriations for inpatient mental health services provided at the state mental health institute in Pueblo and the state mental health institute at Fort Logan in Denver. The mental health institute at Pueblo is expected to have an average daily census of 498 in FY 2002-03 and the mental health institute at Fort Logan is expected to have an average daily census of 190 in FY 2002-03. Cash fund revenue sources include patient fees and payments from school districts for residential treatment center services for adolescents. Cash funds exempt amounts consist primarily of exempt patient revenues and other payments received from other state agencies including the Department of Health Care Policy and Financing for Medicaid-eligible patients and payments from the Department of Corrections.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
TOTAL	\$59,791,286	\$2,236,818	\$19,062,117	\$0	\$81,090,221	1,321.3
FY 2002-03 Appropriation:						
TOTAL	\$68,179,647	\$3,249,111	\$17,040,285	\$0	\$88,469,043	1,374.5
Increase/(Decrease)	\$8,388,361	\$1,012,293	(\$2,021,832)	\$0	\$7,378,822	53.2
Percentage Change	14.0%	45.3%	-10.6%	n/a	9.1%	4.0%

FTE Changes: The appropriation reflects an increase of 53.2 FTE. This includes: (1) an increase of 51.0 FTE (to be annualized to 68.0 FTE in FY 2003-04) to ensure appropriate levels of staffing and care in the forensics units of the Mental Health Institute at Pueblo; and (2) an increase of 10.2 FTE to annualize an FY 2001-02 decision item that increased staffing intensity throughout the institutes. These increases are partially offset by a reduction of 8.0 FTE associated with the closure of 10

adolescent beds, based on the downsizing of locked and open adolescent units to reflect demand for services at the Mental Health Institute at Pueblo and Fort Logan.

Overall Funding Changes: The overall funding increase of \$7.4 million includes: (1) \$4.1 million for personal services increases. This amount includes \$4.2 million for salary survey and anniversary increases for classified staff and \$0.6 million for medical contractual increases, offset by a reduction of \$0.7 million for a 1.0 percent personal services base reduction; (2) \$2.3 million for a decision item to ensure appropriate levels of staffing and care in the forensics units of the Mental Health Institute at Pueblo; (3) \$0.5 million to annualize an FY 2001-02 initiative that increased staffing levels at the institutes; (4) \$0.5 million for pharmaceutical inflation; and (5) \$0.1 million for other inflationary increases. These increases are partially offset by a reduction of \$0.2 million associated with the closure of 10 adolescent beds.

General Fund Changes: The General Fund increase is based on the increases and decreases outlined above. Because the net combined revenue from cash and cash exempt sources has not increased, increases in overall costs are borne by the General Fund. An additional \$1.0 million General Fund increase is driven by a net *decrease* in overall revenue from cash and cash exempt sources compared with FY 2001-02, based on the elimination of one-time revenue sources (Medicare reimbursements) that were available in FY 2001-02 but that may not be available in FY 2002-03. Of the General Fund increase, \$0.2 million is classified as exempt from the six percent limit on increases in General Fund appropriations because these amounts are for costs associated with complying with new federal regulations limiting the use of seclusion and restraint and are therefore exempt pursuant to the provisions of Section 24-75-201.1 (1) (a) (III) (A), C.R.S.

Cash Funds and Cash Funds Exempt Changes: Cash funds increases and cash funds exempt decreases are based on projections for FY 2002-03 revenue which, in turn, are based on FY 2001-02 trends in revenue from various sources. The cash funds exempt decrease also reflects the elimination of one-time Medicare cost reimbursements that were used to finance FY 2001-02 supplemental adjustments.

Alcohol and Drug Abuse Division

This section contains appropriations for alcohol and drug abuse prevention, intervention, and treatment services. Treatment, prevention, and detoxification services are provided primarily through six managed service organizations, each of which is responsible for managing the provision of services to residents of a specified geographic area of the state. The division also funds and oversees involuntary commitments into detoxification facilities and substance abuse treatment programs. Sixty-five percent of total division funding is federal funds, with the substance abuse prevention and treatment block grant being the primary source. Cash funds sources include the Drug Offender Surcharge Fund, the Law Enforcement Assistance Fund, and the Persistent Drunk Driver Cash Fund, among others. Cash funds exempt sources include the Judicial Department's Alcohol and Drug Driving Safety program and the Department of Public Safety. In FY 2002-03, the Alcohol and Drug

Abuse Division is expected to provide funding for 27,435 shelter/detoxification admissions and 18,077 substance abuse treatment admissions.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
TOTAL	\$9,208,808	\$1,881,498	\$923,938	\$21,983,067	\$33,997,311	26.5
FY 2002-03 Appropriation:						
TOTAL	\$10,452,089	\$1,479,940	\$1,355,218	\$25,934,912	\$39,222,159	27.5
Increase/(Decrease)	\$1,243,281	(\$401,558)	\$431,280	\$3,951,845	\$5,224,848	1.0
Percentage Change	13.5%	-21.3%	46.7%	18.0%	15.4%	3.8%

FTE Changes: The increase of 1.0 FTE reflects the addition of an inspector to license alcohol and drug abuse treatment facilities, based on increases in the numbers of such facilities. There were previously seven such inspectors. Funding for the new position is from the Alcohol/Drug Driving Safety Cash Fund that is initially appropriated in the Judicial Department and then transferred to the Department of Human Services as cash funds exempt.

General Fund Changes: The General Fund increase includes: (1) \$700,000 to increase Short-Term Residential Remediation and Treatment slots available for substance abusing offenders; (2) \$396,000 for residential treatment for women with dependent children; (3) \$141,400 for the second and final year of development of a new information technology system that will replace a portion of the Department's current 22 year old system; (4) \$95,000 for personal services increases awarded in FY 2001-02; (5) \$88,000 for 1.0 percent cost of living adjustment for community providers; and (6) \$54,000 to backfill reductions associated with reductions in available Drug Offender Surcharge Fund revenues. These increases are partially offset by a net decrease of \$231,000 associated with one-time FY 2001-02 appropriations that are eliminated for FY 2002-03.

Cash Funds Changes: The cash funds decrease of \$402,000 includes the elimination of \$691,000 for administrative and offender treatment expenditures from the Drug Offender Surcharge Fund, based on declines in available revenue from this source. This reduction is partially offset by an increase of \$267,050 in expenditures from the Persistent Drunk Driver Cash Fund for education and prevention activities designed to reduce the incidence of persistent drunk driving and an increase of \$22,000 associated with a change in the fund splits for prevention programs supported by the Law Enforcement Assistance Fund.

Cash Funds Exempt Changes: The cash funds exempt increase includes the provision of \$300,000 in one-time spending authority from reserves in the Persistent Drunk Driver Cash Fund. This increase

is to fund detoxification programs and thereby "free up" General Fund for treatment services formerly supported by the Drug Offender Surcharge Fund. The appropriation also includes an increase of \$151,000 transferred from the Judicial Department for Alcohol/Drug Driving Safety Fund programs. These funds will be used to support a new FTE for licensing alcohol and drug treatment programs, as well as to help support the existing 7.0 FTE treatment program inspectors. Providing additional cash funds support for licensing inspectors will enable the Department to reduce administrative expenditures from the federal Substance Abuse Prevention and Treatment Block Grant and thereby increase Block Grant expenditures for treatment services. These cash funds exempt increases are partially offset by a reduction of \$22,000 associated with a change in the fund splits for prevention programs supported by the Law Enforcement Assistance Fund.

Federal Funds Changes: The increase in federal funds of \$3.9 million includes: (1) an increase of \$2.8 million to more accurately reflect expenditures the Department was already making from the Substance Abuse Prevention and Treatment Block Grant for prevention programs, pursuant to Block Grant requirements; (2) an increase of \$900,000 to reflect anticipated increases in federal grants from non-Block Grant sources; and (3) other adjustments to reflect anticipated FY 2002-03 Block Grant expenditures for administrative and treatment programs.

Office of Rehabilitation and Disability Services

This new office combines Community Programs for Persons with Developmental Disabilities, the Division of Vocational Rehabilitation (all formerly part of the Office of Adult Health and Rehabilitation) with Institutional Programs for Persons with Developmental Disabilities and Work Therapy (formerly part of the Office of Direct Services). Funding changes to these areas are described in the relevant sections below.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation*:						
SB 01-212	\$19,138,149	\$3,956,079	\$270,078,418	\$28,286,155	\$321,458,801	1,177.7
HB 02-1372	(526,456)	0	0	(1,704,006)	(2,230,462)	0.0
HB 02-1427	<u>(300,606)</u>	<u>108,391</u>	<u>37,163</u>	<u>(1,108,451)</u>	<u>(1,263,503)</u>	<u>0.0</u>
TOTAL	\$18,311,087	\$4,064,470	\$270,115,581	\$25,473,698	\$317,964,836	1,177.7
FY 2002-03 Appropriation:						
HB 02-1180	\$0	\$0	\$244,417	\$0	\$244,417	0.0
HB 02-1420	<u>18,214,092</u>	<u>4,036,480</u>	<u>290,238,468</u>	<u>26,995,141</u>	<u>339,484,181</u>	<u>1,178.7</u>
TOTAL	\$18,214,092	\$4,036,480	\$290,482,885	\$26,995,141	\$339,728,598	1,178.7

	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	(\$96,995)	(\$27,990)	\$20,367,304	\$1,521,443	\$21,763,762	1.0
Percentage Change	-0.5%	-0.7%	7.5%	6.0%	6.8%	0.1%

*Note: Fiscal year 2001-02 appropriations have been adjusted to reflect the Department's reorganization. As a result, FY 2001-02 appropriations originally made to the Office of Adult Health and Rehabilitation have been divided between the new Office of Behavioral Health and Housing and Office of Rehabilitation and Disability Services.

FTE Detail	FY 2001-02	FY 2002-03
Administration	29.0	30.0
Institutional Programs for Persons with Developmental Disabilities (Regional Centers)	902.3	902.3
Division of Vocational Rehabilitation	244.9	244.9
Work Therapy Program	<u>1.5</u>	<u>1.5</u>
	1,177.7	1,178.7

Administration

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
TOTAL	\$385,351	\$0	\$1,912,511	\$0	\$2,297,862	29.0
FY 2002-03 Appropriation:						
TOTAL	\$351,175	\$0	\$2,045,642	\$0	\$2,396,817	30.0
Increase/(Decrease)	(\$34,176)	\$0	\$133,131	\$0	\$98,955	1.0
Percentage Change	n/a	n/a	7.0%	n/a	4.3%	3.4%

FTE Changes: The increase of 1.0 FTE is the annualization of an initiative in FY 2001-02 to provide additional quality assurance staff in this area.

General Fund Changes: The decrease in General Fund is primarily the result of a statewide 2.5 percent reduction in personal services.

Cash Funds Exempt Changes: The net increase in cash funds exempt is attributable to an increase of \$181,000 in salary survey and anniversary costs provided in FY 2001-02 and a decrease of \$36,000 related to the elimination of funding for mental health data contracts.

Community Services for Persons with Developmental Disabilities

This section contains appropriations for community-based programs for adults with developmental disabilities. These programs are administered by 20 non-profit organizations called Community Centered Boards (CCBs). Funding for programs for children with developmental disabilities is contained in the Division of Children's Health and Rehabilitation.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
TOTAL	\$13,262,581	\$0	\$229,660,685	\$0	\$242,923,266	0.0
FY 2002-03 Appropriation:						
TOTAL	\$12,772,187	\$0	\$247,648,735	\$0	\$260,420,922	0.0
Increase/(Decrease)	(\$490,394)	\$0	\$17,988,050	\$0	\$17,497,656	0.0
Percentage Change	-3.7%	n/a	7.8%	n/a	7.2%	n/a

Overall Funding Changes: The \$17.5 million increase in the appropriation includes the following: (1) \$6.4 million (including \$3.0 million net General Fund) to annualize the costs of services approved in FY 2001-02; (2) \$5.9 million (including \$2.3 million net General Fund) for 122 comprehensive services for persons with developmental disabilities; (3) \$2.6 million (including \$1.3 million net General Fund) to provide a 2.0 percent base rate increase for all components of comprehensive services and the case management component of all other services; and (4) \$2.5 million to provide a 1.0 percent cost of living adjustment for community providers.

Most of the funding increase is from Medicaid cash funds exempt transferred from the Department of Health Care Policy and Financing (DHCPF). Of the Medicaid cash funds amount, half is derived from a General Fund appropriation made to DHCPF. The reduction in General Fund results from the refinancing of some General Fund-only services with Medicaid.

Institutional Programs for Persons with Developmental Disabilities

This section contains appropriations for three regional centers operated by the department for persons with developmental disabilities. Persons served by regional centers usually have multiple disabling conditions, that may include maladaptive behaviors or severe, chronic medical conditions that require specialized and intensive levels of services. The regional centers work closely with the Office of Adult Health and Rehabilitation, which supervises community placements for persons with developmental disabilities. Traditionally, the regional centers have served persons with developmental disabilities where appropriate community programs are not available. The regional centers provide residential services, medical care, and active treatment programs based on individual assessments and habilitation plans.

Cash fund sources are exclusively client cash revenue. Cash fund exempt sources are exclusively Medicaid funds transferred from the Department of Health Care Policy and Financing.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
TOTAL	\$0	\$2,255,102	\$35,931,958	\$0	\$38,187,060	902.3
FY 2002-03 Appropriation:						
TOTAL	\$0	\$2,356,312	\$37,934,411	\$0	\$40,290,723	902.3
Increase/(Decrease)	\$0	\$101,210	\$2,002,453	\$0	\$2,103,663	0.0
Percentage Change	n/a	4.5%	5.6%	n/a	5.5%	0.0%

Cash Funds Changes: The increase in cash funds is the result of an increase in the amount of room and board the state can collect from clients in institutions.

Cash Funds Exempt Changes: The net increase in cash funds exempt is the result of an additional \$1.9 million in salary survey and anniversary increases awarded in FY 2001-02 and \$38,000 in medical and food inflationary increases.

Division of Vocational Rehabilitation

This section contains appropriations to assist persons with physical and/or mental disabilities in overcoming barriers to employment. Vocational counseling services are provided statewide through 29 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 achieving independent living and integrating successfully in 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. Matching non-federal funds are provided through General Fund appropriations and cash and cash exempt funds received from a wide variety of sources including school districts and other local entities. In FY 2001-02, 2,541 clients are anticipated to be rehabilitated as a result of Division programs.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
TOTAL	\$4,663,155	\$1,186,816	\$2,470,223	\$25,473,698	\$33,793,892	244.9

	GF	CF	CFE	FF	Total	FTE
FY 2002-03 Appropriation:						
TOTAL	\$5,090,730	\$1,056,661	\$2,713,954	\$26,995,141	\$35,856,486	244.9
Increase/(Decrease)	\$427,575	(\$130,155)	\$243,731	\$1,521,443	\$2,062,594	0.0
Percentage Change	9.2%	-11.0%	9.9%	6.0%	6.1%	0.0%

General Fund Changes: The General Fund increase of \$428,000 is primarily the increase of \$300,000 restored from reductions in FY 2001-02, \$97,000 for salary survey and anniversary increases awarded in FY 2001-02, and \$27,000 for medical inflation.

Cash Funds Changes: The cash funds changes are due to the elimination of \$149,000 of additional one-time spending authority provided to the Business Enterprise Program in FY 2001-02. This decrease is offset by increases of \$12,700 provided for a 1.0 cost of living adjustment for community providers and \$5,600 for salary survey and anniversary increases awarded in FY 2001-02.

Cash Funds Exempt Changes: The cash funds exempt change is primarily due to an additional \$244,000 provided to the Colorado Commission for the Deaf and Hard of Hearing pursuant to H.B. 02-1180.

Federal Funds Changes: The increase of \$1.5 million includes: (1) \$1.1 million restored from reductions taken in FY 2001-02; (2) \$393,000 for personal services increases awarded in FY 2001-02; (3) \$99,000 for medical and other inflationary adjustments; and (4) \$67,000 for a 1.0 percent cost of living adjustment for community providers. These increases are partially offset by a reduction of \$78,000 for the transfer of multi-use network funding to a central line item.

Work Therapy Program

This section contains appropriations for the Work Therapy Enterprise Funds for the Colorado Mental Health Institute at Fort Logan and the Regional Centers for persons with Developmental Disabilities at 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 custodial services, printing, packaging, mailing, and other types of manual processing that can be performed by program clients. Enrolled clients are paid from funds received in proportion to the work performed. Approximately 500 clients from the Regional Centers and Mental Health Institutes participate in this program.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
TOTAL	\$0	\$622,552	\$140,204	\$0	\$762,756	1.5

	GF	CF	CFE	FF	Total	FTE
FY 2002-03 Appropriation:						
TOTAL	\$0	\$623,507	\$140,143	\$0	\$763,650	1.5
Increase/(Decrease)	\$0	\$955	(\$61)	\$0	\$894	0.0
Percentage Change	n/a	0.2%	0.0%	n/a	0.1%	n/a

Overall Funding Changes: Changes to this appropriation are the result of adjustments to personal services.

County Administration

This section contains appropriations for 64 county departments of social services to administer several programs. The structure of the Long Bill for this area has changed significantly in the last few years. In the FY 1998-99 Long Bill, this section included administrative funding related to the following programs: Food Stamps, Adult Cash Assistance Programs (except Old Age Pension), Adult Protection, Medicaid eligibility determination, Child Care Services, and Child Welfare Services. Administrative funding related to the Works Program is now appropriated in the Self-Sufficiency section. Pursuant to S.B. 97-120, counties have the authority to use Works Program block grant funds for either administrative or program purposes. In FY 1999-00, administrative funding related to child welfare programs was transferred to the Children Youth and Families section of the Department. In FY 2000-01, administrative funding associated with Child Care was transferred to the Child Care section of Children, Youth and Families division.

Cash fund exempt sources include retained child support collections, fraud refunds, and state revenue intercepts. Federal fund sources include the Title XX Social Services Block Grant and other various sources.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$32,840,992	\$0	\$28,377,015	\$12,679,368	\$73,897,375	0.0
HB 01-1264	0	0	46,893	0	46,893	0.0
HB 02-1372	0	0	(1,690,000)	0	(1,690,000)	0.0
TOTAL	\$32,840,992	\$0	\$26,733,908	\$12,679,368	\$72,254,268	0.0

	GF	CF	CFE	FF	Total	FTE
FY 2002-03 Appropriation:						
HB 02-1420	<u>\$32,986,317</u>	<u>\$0</u>	<u>\$26,835,781</u>	<u>\$12,806,162</u>	<u>\$72,628,260</u>	<u>0.0</u>
TOTAL	\$32,986,317	\$0	\$26,835,781	\$12,806,162	\$72,628,260	0.0
Increase/(Decrease)	\$145,325	\$0	\$101,873	\$126,794	\$373,992	0.0
Percentage Change	0.4%	n/a	0.4%	1.0%	0.5%	n/a

General Fund Changes: The \$145,000 increase in General Fund is due to the provision of a 1.0 percent cost of living adjustment for community providers.

Cash Funds Exempt Changes: The increase in cash funds exempt is the result of a \$168,000 increase associated with the provision of a 1.0 percent cost of living adjustment for community providers offset by a decrease of \$66,000 in funds to county staff for processing Disability Determination Services eligibility determination files.

Federal Funds Changes: The increase in federal results from an additional \$127,000 associated with the provision of a 1.0 percent cost of living adjustment for community providers.

Office of Self Sufficiency

This section contains appropriations for cash assistance programs for specific populations, including the Colorado Works, child support enforcement and disability determination programs.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$6,798,677	\$342,540	\$32,899,360	\$269,197,978	\$309,238,555	274.4
HB 01-1184	0	0	0	122,788	122,788	1.0
HB 01-1264	0	0	0	0	0	0.0
HB 02-1372	(104,545)	41,452	(703,424)	(40,748,035)	(41,514,552)	1.6
HB 02-1427	<u>(69,569)</u>	<u>0</u>	<u>(28,898)</u>	<u>5,485,261</u>	<u>5,386,794</u>	<u>0.0</u>
TOTAL	\$6,624,563	\$383,992	\$32,167,038	\$234,057,992	\$273,233,585	277.0
FY 2002-03 Appropriation:						
HB 02-1420	<u>\$7,068,781</u>	<u>\$407,464</u>	<u>\$31,110,239</u>	<u>\$233,584,159</u>	<u>\$272,170,643</u>	<u>278.2</u>
TOTAL	\$7,068,781	\$407,464	\$31,110,239	\$233,584,159	\$272,170,643	278.2

	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$444,218	\$23,472	(\$1,056,799)	(\$473,833)	(\$1,062,942)	1.2
Percentage Change	6.7%	6.1%	-3.3%	-0.2%	-0.4%	0.4%

FTE Detail	FY 2001-02	FY 2002-03
Administration	31.8	30.8
Colorado Works Program	1.0	2.0
Special Purpose	36.2	36.2
Child Support Enforcement	62.4	62.4
Disability Determination	<u>145.6</u>	<u>146.8</u>
	277.0	278.2

Administration

This section includes the State's share of administrative funding for self sufficiency programs. Cash funds exempt funding is from various sources and the federal fund source is exclusively Temporary Assistance to Needy Families.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
TOTAL	\$689,741	\$0	\$74,091	\$1,516,950	\$2,280,782	31.8
FY 2002-03 Appropriation:						
TOTAL	\$719,308	\$0	\$7,142	\$1,558,658	\$2,285,108	30.8
Increase/(Decrease)	\$29,567	\$0	(\$66,949)	\$41,708	\$4,326	(1.0)
Percentage Change	4.3%	n/a	-90.4%	2.7%	0.2%	-3.1%

FTE Changes: The net reduction of 1.0 FTE results from the transfer of 1.0 FTE to the Office of Adult and Veterans Services. This transfer should have occurred with the FY 2001-02 reorganization of the Department.

General Fund Changes: The General Fund increase is the result of \$34,000 in salary survey and anniversary increases offset by a decrease of \$2,000 associated with the transfer of multi-use network funding to a central line item.

Cash Funds Exempt Changes: The cash funds exempt decrease is the transfer of 1.0 FTE and \$74,000 in personal services and operating funding to the Office of Adult and Veterans Services. This decrease is offset by \$8,000 increase in salary survey and anniversary increases awarded in FY 2001-02.

Federal Funds Changes: The increase in federal funds results from \$53,000 in salary survey and anniversary increases awarded in FY 2001-02, offset by a reduction of \$6,200 associated with the transfer of multi-use network funding to a central line item.

Colorado Works Program

This section 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. The primary source of funding for the Works Program is federal Temporary Assistance for Needy Families (TANF) funds. Cash funds exempt sources include county tax revenues as well as the state and county shares of retained child support collections and refunds.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
TOTAL	\$60,255	\$0	\$26,935,651	\$185,159,517	\$212,155,423	1.0
FY 2002-03 Appropriation:						
TOTAL	\$196,062	\$0	\$25,962,240	\$173,209,029	\$199,367,331	2.0
Increase/(Decrease)	\$135,807	\$0	(\$973,411)	(\$11,950,488)	(\$12,788,092)	1.0
Percentage Change	225.4%	n/a	-3.6%	-6.5%	-6.0%	100.0%

FTE Changes: The appropriation reflects an increase of 1.0 FTE to enhance the Department's ability to provide policy and program guidance to counties. All other Department staff responsible for the administration of the Works Program are appropriated in the Administration subsection of this section.

General Fund Changes: The appropriation reflects an increase in the General Fund share of Works Program expenditures to ensure that the State's share of all expenditures that are expected to count toward the federal TANF maintenance of effort (MOE) continues to equal or exceed 60 percent. Total appropriations of state and local funds for the Works Program and other related programs are estimated to exceed the minimum federal MOE by \$2.5 million.

Cash Funds Exempt Changes: The appropriation reflects a reduction in the level of local spending on the Colorado Works Program that is estimated to be necessary for the State to meet the minimum federal TANF MOE.

Federal Funds Changes: The appropriation of federal TANF funds primarily reflects a decrease in the amount of federal TANF funds that will be available to Colorado in state FY 2002-03. Specifically, Colorado is one of seventeen states that have been receiving supplemental block grant funds annually since federal FY 1997-98. For Colorado, such funds were intended to address the needs of a growing population. While Congress recently extended the authorization for supplemental grants through federal FY 2001-02, it is not clear whether such funds will be reauthorized by Congress for federal FY 2002-03 and subsequent fiscal years. In addition, the appropriation reflects a \$5.5 million reduction in federal funds due to a supplemental adjustment to state FY 2001-02 appropriations to reimburse counties for expenditures incurred in federal FY 1999-00. This reimbursement is associated with a recently approved reduction in the State's TANF MOE for federal FY 1999-00 based on the State's work participation rates for federal FY 1999-00.

Special Purpose Welfare Programs

This section contains appropriations for cash assistance programs for specific purposes, such as energy assistance, food stamp job search, food distribution, telephone assistance, emergency assistance for legal immigrants, income tax offset, and refugee assistance. This section also contains funding for the Denver Indian Center and the electronic benefits transfer service.

Cash fund sources are from counties and revenue from agencies participating in the food distribution program. Cash fund exempt sources include: the Colorado Energy Assistance Foundation; county matching and other local funds; in-kind donations; and other departments. Federal fund sources include: the Office of Energy Assistance; the U.S. Department of Agriculture; Temporary Assistance to Needy Families; and various sources.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
TOTAL	\$1,661,108	\$257,540	\$3,699,070	\$24,143,197	\$29,760,915	36.2
FY 2001-02 Appropriation:						
TOTAL	\$1,757,259	\$262,486	\$3,422,582	\$34,942,112	\$40,384,439	36.2
Increase/(Decrease)	\$96,151	\$4,946	(\$276,488)	\$10,798,915	\$10,623,524	0.0
Percentage Change	5.8%	1.9%	-7.5%	44.7%	35.7%	n/a

General Fund Changes: The increase in General Fund includes \$90,000 in transition costs associated with the reprocurement of the electronic benefits transfer system, \$35,000 in salary survey and anniversary increases awarded in FY 2001-02, and the restoration of \$26,000 in miscellaneous reductions taken in FY 2001-02. These increases are offset by a reduction of \$48,000 for a one-time appropriation to develop a request for proposals for the reprocurement of the electronic benefits transfer system and \$3,800 associated with the transfer of multi-use network funding to a central line item.

Cash Funds Exempt Changes: The decrease in cash funds exempt results from the reduction of \$274,000 for a one-time appropriation to develop a request for proposals for the reprocurement of the electronic benefits transfer system.

Federal Funds Changes: The \$10.8 million increase in federal funds is due to an expected increase in federal funds for the Low-Income Energy Assistance Program for FY 2002-03.

Child Support Enforcement

This section contains appropriations for the computer system used by county staff to establish paternity, locate absent parents, manage child support enforcement caseloads and track collection efforts and several administrative line items that were consolidated, including: Interstate Processing, Child Support Enforcement pursuant to S.B. 94-141, Child Support Enforcement Commission, the Paternity Establishment Program, and the Evaluation Unit. This consolidated line item provides funds for staff and operating expenses associated with the following: Performance evaluation program; provision of technical assistance to county departments of social services; operation of the "In-Hospital Paternity Establishment Program"; efforts for those cases in which either the child or the absent parent lives outside of Colorado; and operating and travel expenses associated with the Child Support Enforcement Commission.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
TOTAL	\$4,213,459	\$126,452	\$245,465	\$8,178,346	\$12,763,722	62.4
FY 2002-03 Appropriation:						
TOTAL	\$4,396,152	\$144,978	\$281,427	\$8,533,002	\$13,355,559	62.4
Increase/(Decrease)	\$182,693	\$18,526	\$35,962	\$354,656	\$591,837	0.0
Percentage Change	4.3%	n/a	n/a	4.3%	4.6%	n/a

General Fund Changes: The increase in General Fund results from \$111,000 provided for an increase in the price of the contract to operate the Family Support Registry and \$60,000 for salary survey and anniversary increases awarded in FY 2001-02.

Cash Funds and Cash Funds Exempt Changes: The cash funds and cash funds exempt increases reflect an anticipated increase in both collections and disbursements from the Family Support Registry Fund.

Federal Fund Changes: The federal funds increase is \$214,000 provided for an increase in the price of the contract to operate the Family Support Registry and \$117,000 for salary survey and anniversary increases awarded in FY 2001-02.

Disability Determination Services

Disability Determination Services provides the federal Social Security Administration with medical disability decisions for Colorado residents applying for Social Security Disability Insurance and Supplemental Security Income Programs. Disability Determination Services also makes medical disability determinations for the Colorado Medicaid program. Cash funds exempt funding consists of Medicaid moneys from the Department of Health Care Policy and Financing. Federal funding for this program is from the Social Security Administration.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
TOTAL	\$0	\$0	\$1,212,761	\$15,059,982	\$16,272,743	145.6
FY 2002-03 Appropriation:						
TOTAL	\$0	\$0	\$1,436,848	\$15,341,358	\$16,778,206	146.8
Increase/(Decrease)	\$0	\$0	\$224,087	\$281,376	\$505,463	1.2
Percentage Change	n/a	n/a	18.5%	1.9%	3.1%	0.8%

FTE Changes: The net increase of 1.2 FTE results from increases in caseload associated with persons applying for Medicaid eligibility based on disability, and eligibility redeterminations of some current Medicaid clients.

Cash Funds Exempt Changes: The increase in cash funds exempt is based on an increase in workload associated with an increase in the number of people applying for Medicaid on the basis of a disability.

Federal Funds Changes: The increase in federal funds includes \$267,000 for personal services increases awarded in FY 2001-02 and \$58,000 for medical inflationary operating expenses, offset by a decrease of \$37,000 associated with the transfer of multi-use network funding to a central line item.

Office of Adult and Veterans Services

This office was created last year as part of the Department's reorganization. The office contains appropriations for the administration of services and funding for the Tobacco Litigation Settlement Agreement, adult assistance programs, aging services programs and Homelake Domiciliary. For FY 2002-03, H.B. 02-1413 transferred funds associated with veterans services and the Colorado State Veterans Trust Fund to the Department of Military Affairs.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$13,952,636	\$51,985,487	\$27,995,367	\$10,302,966	\$104,236,456	40.4
HB 01-1079	0	0	3,000,000	0	3,000,000	0.0
HB 02-1372	2,546,913	5,440,090	591,416	2,268,533	10,846,952	0.0
HB 02-1390	3,000,000	0	3,000,000	0	6,000,000	0.0
HB 02-1427	<u>0</u>	<u>0</u>	<u>0</u>	<u>(109,664)</u>	<u>(109,664)</u>	<u>0.0</u>
TOTAL	\$19,499,549	\$57,425,577	\$34,586,783	\$12,461,835	\$123,973,744	40.4
FY 2002-03 Appropriation:						
HB 02-1209	\$0	\$0	\$2,000,000	\$0	\$2,000,000	0.0
HB 02-1276	0	0	1,000,000	0	1,000,000	0.0
HB 02-1413	(500,229)	0	(1,317,301)	(138,736)	(1,956,266)	(10.5)
HB 02-1420	17,820,288	73,263,045	29,707,105	12,577,433	133,367,871	40.0
HB 02-1457	<u>50,231</u>	<u>0</u>	<u>(126,130)</u>	<u>0</u>	<u>(75,899)</u>	<u>0.0</u>
TOTAL	\$17,370,290	\$73,263,045	\$31,263,674	\$12,438,697	\$134,335,706	29.5
Increase/(Decrease)	(\$2,129,259)	\$15,837,468	(\$3,323,109)	(\$23,138)	\$10,361,962	(10.9)
Percentage Change	-10.9%	27.6%	-9.6%	-0.2%	8.4%	-27.0%

FTE Detail	FY 2001-02	FY 2002-03
Administration	16.0	5.1
Adult Assistance Programs	0.0	0.0

FTE Detail	FY 2001-02	FY 2002-03
Aging Services Programs	8.0	8.0
Homelake Domiciliary	<u>16.4</u>	<u>16.4</u>
	40.4	29.5

Administration

This section includes funding for the administration of adult and veterans programs.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
TOTAL	\$505,113	\$21,600	\$1,024,061	\$416,404	\$1,967,178	16.0
FY 2002-03 Appropriation:						
TOTAL	\$22,754	\$0	\$84,276	\$319,203	\$426,233	5.1
Increase/(Decrease)	(\$482,359)	(\$21,600)	(\$939,785)	(\$97,201)	(\$1,540,945)	(10.9)
Percentage Change	-95.5%	-100.0%	-91.8%	-23.3%	-78.3%	-68.1%

FTE Changes: The decrease of 10.9 FTE results from the transfer of 10.5 FTE to the Department of Military Affairs, pursuant to H.B. 02-1413 and the transfer of 2.0 FTE associated with single entry point entities to the Department of Health Care Policy and Financing. This decrease is offset by the transfer of 1.0 FTE from the Office of Self Sufficiency to the Office of Adult and Veterans Services and an increase of 0.6 FTE associated with staff and funding provided in FY 2001-02 for the operation of the Western Slope Military Veterans Cemetery.

General Fund Changes: The decrease in General Fund is due to the transfer of \$500,000 to the Department of Military Affairs, pursuant to H.B. 02-1413 and the reduction of \$2,800 associated with the transfer of Multi-use Network funding to a central line item. This decrease is offset by a \$22,000 associated with salary survey and anniversary increases awarded in FY 2001-02.

Cash Funds Changes: The decrease in cash funds is the elimination of the cash fund share of operating expenses for the Western Slope Military Veterans Cemetery. The Department indicates it will not be able to earn revenue through fees for internment.

Cash Funds Exempt Changes: The decrease in cash funds exempt is associated with the transfer of \$1.3 million to the Department of Military Affairs pursuant to H.B. 02-1413, and a \$159,000 decrease resulting from the transfer of 2.0 FTE associated with single entry point entities to the

Department of Health Care Policy and Financing. These decreases are offset by the reflection of \$327,000 in spending authority out of the Colorado State Veterans Trust Fund, an increase of \$130,000 in the estimated allocation to the Colorado State Veterans Trust Fund from the Tobacco Litigation Settlement Fund and an increase of \$74,000 associated with the transfer of 1.0 FTE from the Office of Self Sufficiency to the Office of Adult and Veterans Services.

Federal Funds Changes: The decrease in federal funds results from the transfer of \$139,000 to the Department of Military Affairs pursuant to H.B. 02-1413. This decrease is offset by an additional \$42,000 provided for the operation of the Western Slope Military Veterans Cemetery.

Adult Assistance Programs

This section contains appropriations for programs providing cash assistance to elderly and disabled individuals. The single cash fund source is the Old Age Pension program. Cash fund exempt sources include county matching funds and interim assistance reimbursements from the federal government for individuals who become eligible for Supplemental Security Income (SSI).

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
TOTAL	\$14,193,111	\$57,403,977	\$23,723,051	\$0	\$95,320,139	0.0
FY 2002-03 Appropriation:						
TOTAL	\$15,496,665	\$73,263,045	\$25,476,167	\$0	\$114,235,877	0.0
Increase/(Decrease)	\$1,303,554	\$15,859,068	\$1,753,116	\$0	\$18,915,738	0.0
Percentage Change	n/a	27.6%	7.4%	n/a	19.8%	n/a

The following chart summarizes the significant funding changes for the adult assistance programs:

Funding Changes for Major Adult Cash Assistance Programs					
Program	Estimated FY 02-03 Caseload	Percent Change	Estimated FY 02-03 Average Payment	Percent Change	Funding Change
Old Age Pension Program (max \$599/mo.*)	24,722	0.6%	\$181.42	1.5%	<u>\$16,859,067</u>
OAP-A (65+ years old)	17,837	0.8%	\$138.72	1.5%	\$607,701
OAP-B (60-64 years old)	6,880	0.0%	\$259.32	1.5%	\$324,029
OAP-C (institutionalized)	5	0.0%	\$383.42	0.0%	\$0
OAP other expenditures					\$15,927,337

Funding Changes for Major Adult Cash Assistance Programs					
Program	Estimated FY 02-03 Caseload	Percent Change	Estimated FY 02-03 Average Payment	Percent Change	Funding Change
Aid to the Needy Disabled State Supplemental Grant Program (max. \$561/mo.* for persons under age 60 receiving federal Supplemental Security Income benefits)	4,662	3.4%	\$56.72	1.5%	166,039
Aid to the Needy Disabled State-only Grant Program (\$259/mo.* for low income disabled persons under age 60 that are <u>not</u> receiving federal Supplemental Security Income benefits)	5,503	8.5%	\$225.52	2.3%	1,891,123

* Maximum monthly payment amounts as of January 2001.

General Fund Changes: The General Fund increase includes a \$1.2 million increase for the Aid to the Needy Disabled *State-only* Grant Program and a \$124,000 increase for the Aid to the Needy Disabled State *Supplemental* Grant Program.

Cash Funds Changes: The increase in cash funds is the result of reflecting \$10 million for the Old Age Pension Health and Medical Care Fund, \$4.3 million contributed to the Colorado Benefits Management System, \$932,000 provided for caseload and cash payment increases in the Old Age Pension cash assistance program and \$896,000 in estimated administration increases. These increases are offset by a reduction of \$232,000 due to the ending of the employment and self-sufficiency pilot.

Cash Funds Exempt Changes: The increase in cash funds exempt includes \$1.0 million provided by H.B. 02-1276, \$711,000 for the Aid to the Needy Disabled *State-only* Grant Program and \$42,000 for the Aid to the Needy Disabled State *Supplemental* Grant Program.

Aging Services Programs

This section includes appropriations for programs associated with the Older Americans Act. Responsibilities include developing a state plan on aging, overseeing federal grants and providing assistance to area agencies on aging and other local service providers. 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.

The cash fund exempt sources are local funds and the Older Coloradans Fund created by H.B. 00-1072. The federal funds source is the Older Americans Act.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
TOTAL	\$4,620,911	\$0	\$9,394,813	\$11,817,706	\$25,833,430	8.0
FY 2002-03 Appropriation:						
TOTAL	\$1,639,859	\$0	\$5,254,572	\$11,890,705	\$18,785,136	8.0
Increase/(Decrease)	(\$2,981,052)	\$0	(\$4,140,241)	\$72,999	(\$7,048,294)	0.0
Percentage Change	-64.5%	0.0%	-44.1%	0.6%	-27.3%	0.0%

General Fund and Federal Funds Changes: The primary General Fund change is the elimination of \$3.0 million General Fund provided in FY 2001-02 by H.B. 02-1390. House Bill 02-1390 changed the cash fund appropriation of H.B. 01-1079 for Older Coloradans programs to a General Fund appropriation in order to maintain the six percent limit in FY 2001-02. Other changes in the General Fund and federal funds appropriations are due to a change in the amount of General Fund needed to match anticipated federal grants.

Cash Funds Exempt Changes: The reduction in cash funds exempt is primarily due to the reduction of \$3.0 million in one-time funding provided in FY 2001-02 by H.B. 01-1079 and the elimination of a duplicate appropriation of \$3.0 million in cash funds spending authority also provided in FY 2001-02 by H.B. 02-1390 for Older Coloradans programs. In addition, state ombudsman funding provided by S.B. 01-78 was reduced by \$126,000 pursuant to H.B. 02-1457. These decreases are offset by the addition of \$2.0 million in on-going funding for older Coloradans programs provided by H.B. 02-1209.

Homelake Domiciliary

The Homelake Domiciliary is a 46-bed group living system which serves residents who do not require continuous nursing or medical care, but may need assistance with meals, housekeeping, personal care, laundry, and access to a physician. Residents pay rental fees which provide the source of cash funds exempt to the program. The U.S. Veteran's Administration accounts for the source of federal funds. Most residents are veterans or their relations.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
TOTAL	\$180,414	\$0	\$444,858	\$227,725	\$852,997	16.4

	GF	CF	CFE	FF	Total	FTE
FY 2002-03 Appropriation:						
TOTAL	\$211,012	\$0	\$448,659	\$228,789	\$888,460	16.4
Increase/(Decrease)	\$30,598	\$0	\$3,801	\$1,064	\$35,463	0.0
Percentage Change	17.0%	n/a	0.9%	0.5%	4.2%	0.0%

Overall Funding Changes: The increases include \$32,000 for salary survey and anniversary increases awarded in FY 2001-02 and \$4,000 for medical and food inflationary adjustments.

Division of Child Welfare

This section provides funding and state staff associated with the state supervision and county administration of programs which protect children from harm and assist families in caring for and protecting their children. This section also provides funding for domestic abuse programs. Cash funds sources reflect fees paid by individuals and agencies requesting information from the Child Abuse Registry. Cash funds exempt sources include Medicaid funds transferred from the Department of Health Care Policy and Financing, county tax revenues, reserves from the Family Issues Cash Fund, reserves in the Child Abuse Registry Cash Fund, and grants and donations. Federal fund sources include Titles IV-B, IV-E, and XX of the Social Security Act, and the National Center for Child Abuse.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-129	(\$5,853,255)	\$0	\$5,853,255	\$0	\$0	0.0
SB 01-212	141,308,243	251,005	125,585,381	67,150,235	334,294,864	42.0
HB 01-1184	26,776	0	0	0	26,776	0.0
HB 01-1227	0	16,390	0	0	16,390	0.0
HB 02-1372	(15,799,404)	0	14,434,243	3,624,727	2,259,566	0.0
HB 02-1427	<u>(1,063,500)</u>	<u>0</u>	<u>0</u>	<u>992,750</u>	<u>(70,750)</u>	<u>0.0</u>
TOTAL	\$118,618,860	\$267,395	\$145,872,879	\$71,767,712	\$336,526,846	42.0
FY 2002-03 Appropriation:						
HB 02-1420	<u>\$147,989,369</u>	<u>\$285,997</u>	<u>\$127,155,900</u>	<u>\$73,819,428</u>	<u>\$349,250,694</u>	<u>42.0</u>
TOTAL	\$147,989,369	\$285,997	\$127,155,900	\$73,819,428	\$349,250,694	42.0

	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$29,370,509	\$18,602	(\$18,716,979)	\$2,051,716	\$12,723,848	0.0
Percentage Change	24.8%	7.0%	-12.8%	2.9%	3.8%	0.0%

FTE Detail	FY 2001-02	FY 2002-03
State Administration	29.0	29.0
Family and Children's Programs	3.0	3.0
Family Preservation/ Family Support Program	2.0	2.0
Child Abuse Registry	3.0	3.0
Child Abuse Grants	3.0	3.0
Domestic Abuse Program	<u>2.0</u>	<u>2.0</u>
	42.0	42.0

General Fund Changes: The increase in General Fund includes the following significant increases: (1) \$22,786,000 to offset reductions in spending from Family Issues Cash Fund reserves; (2) \$6,316,000 to provide for caseload and cost-of-living increases; (3) \$105,000 for salary survey and anniversary increases awarded in FY 2001-02; and (4) \$100,000 for domestic abuse programs, pursuant to H.B. 02-1184.

Cash Funds Changes: The increase in cash funds is provided to cover increases in administrative costs related to the Central Registry of Child Protection.

Cash Funds Exempt Changes: The decrease in cash funds exempt includes the following significant changes: (1) a reduction of \$22,786,000 in spending from Family Issues Cash Fund reserves; (2) a reduction of \$869,000 in funding, scheduled, for the expedited permanency planning project; (3) a \$63,000 reduction in spending from the Central Registry Fund to eliminate one-time funding provided in FY 2001-02; (4) an increase of \$4,709,000 to provide for caseload and cost-of-living increases; (5) an increase of \$206,000 local funds to draw down additional federal funds for the Promoting Safe and Stable Families program; and (6) \$82,000 in additional spending authority from the Domestic Abuse Program Fund.

Federal Funds Changes: The increase in federal funds includes: (1) \$1,431,000 to provide for caseload and cost-of-living increases; (2) \$586,000 to reflect additional funds anticipated to be available for the Promoting Safe and Stable Families program; and (3) \$35,000 additional Title IV-E funds anticipated to be available for administrative expenses.

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, 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 sources reflect fees and fines paid by child care facilities. Cash funds exempt sources reflect county tax revenues. Federal fund sources include Child Care Development Funds, and Title IV-E and Title XX of the Social Security Act.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-32	\$19,132	\$0	\$0	\$76,526	\$95,658	2.5
SB 01-212	17,922,153	349,880	8,042,488	50,803,376	77,117,897	60.5
HB 01-1289	0	0	0	25,000	25,000	0.0
HB 01-1293	0	0	0	130,000	130,000	0.0
HB 02-1372	<u>(61,581)</u>	<u>0</u>	<u>0</u>	<u>(6,842)</u>	<u>(68,423)</u>	<u>0.0</u>
TOTAL	\$17,879,704	\$349,880	\$8,042,488	\$51,028,060	\$77,300,132	63.0
FY 2002-03 Appropriation:						
HB 02-1297	\$0	\$0	\$0	\$440,493	\$440,493	0.5
HB 02-1420	<u>20,045,448</u>	<u>349,880</u>	<u>8,042,488</u>	<u>56,389,832</u>	<u>84,827,648</u>	<u>63.0</u>
TOTAL	\$20,045,448	\$349,880	\$8,042,488	\$56,830,325	\$85,268,141	63.5
Increase/(Decrease)	\$2,165,744	\$0	\$0	\$5,802,265	\$7,968,009	0.5
Percentage Change	12.1%	0.0%	0.0%	11.4%	10.3%	0.8%

FTE Detail	FY 2001-02	FY 2002-03
Licensing Professionals	55.0	55.0
Administrative Support	<u>8.0</u>	<u>8.5</u>
	63.0	63.5

FTE Changes: The appropriation reflects an increase of 0.5 FTE for the administration of the School-readiness Child Care Subsidization Program, pursuant to H.B. 02-1297.

General Fund Changes: The increase in General Fund includes \$2,040,000 to provide the required match to draw down additional federal Child Care Development Funds anticipated to be available for FY 2002-03 and to increase funding available for the Child Care Assistance Program. The appropriation also reflects an increase of \$101,000 for salary survey and anniversary increases awarded in FY 2001-02 and \$25,000 to allow the Department to prepare a feasibility study concerning enhancements to existing licensing information systems.

Federal Funds Changes: The overall increase in federal funds primarily reflects an additional \$5,220,000 made available for the Child Care Assistance Program. In addition, the appropriation reflects the following changes: (1) an increase of \$440,000 for the implementation of the School-readiness Child Care Subsidization Program, pursuant to H.B. 02-1297; (2) an increase of \$114,000 for the Early Childhood Professional Loan Repayment Program, pursuant to H.B. 01-1293; (3) an increase of \$28,000 for salary survey and anniversary increases awarded in FY 2001-02; (4) an increase of \$25,000 associated with the licensing system upgrade project; and (5) the elimination of a \$25,000 appropriation provided in FY 2001-02 for a licensing study.

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.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-77	(\$328,693)	\$0	\$0	\$0	(\$328,693)	(1.7)
SB 01-212	107,810,905	55,046	14,260,789	267,098	122,393,838	898.1
HB 01-1357	80,038	0	(194,996)	0	(114,958)	(0.7)
HB 02-1372	(2,585,383)	0	(597,963)	0	(3,183,346)	0.0
HB 02-1427	<u>(1,326,218)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1,326,218)</u>	<u>0.0</u>
TOTAL	\$103,650,649	\$55,046	\$13,467,830	\$267,098	\$117,440,623	895.7
FY 2002-03 Appropriation:						
HB 02-1420	<u>\$112,910,296</u>	<u>\$51,176</u>	<u>\$12,192,814</u>	<u>\$983,564</u>	<u>\$126,137,850</u>	<u>895.7</u>
TOTAL	\$112,910,296	\$51,176	\$12,192,814	\$983,564	\$126,137,850	895.7

	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$9,259,647	(\$3,870)	(\$1,275,016)	\$716,466	\$8,697,227	0.0
Percentage Change	8.9%	-7.0%	-9.5%	268.2%	7.4%	0.0%

FTE Detail	FY 2001-02	FY 2002-03
Administration	16.5	16.5
Institutional Programs	753.8	753.8
Community Programs	<u>125.4</u>	<u>125.4</u>
	895.7	895.7

General Fund Changes: The increase in General Fund is primarily attributable to changes in the purchase of contract placements to keep pace with population growth and to make adjustments in the types of beds purchased, based on the demographics of youth served. Other significant General Fund changes in the Division include: (1) an increase of \$2,929,000 due to application of common policies for personal services and operating expenses; (2) an increase of \$1,910,000 to annualize costs of operating the Community Accountability Program originally authorized by H.B. 01-1357; (3) an increase of \$210,000 in parole program services to keep pace with population growth; (4) an increase of \$169,000 in medical services to keep pace with population growth; (5) a net increase of \$71,000 General Fund to convert 13.0 beds at the state-operated Spring Creek facility from serving committed youth to serving detained youth; and, (6) a \$600,000 offset of General Fund with increased earnings through the federal Title IV-E program. Finally, the increase in General Fund includes restoration of \$1,326,000 reduced in FY 2001-02 on a one-time basis to balance the budget. Of this amount \$220,000 is for the Girls Treatment Unit, and \$1,020,000 is for the Community Accountability Program, both of which experienced delays in opening in FY 2001-02 due to problems with procuring a contractor. The remaining \$86,000 is for the S.B. 91-94 programs.

Cash Funds Exempt Changes: The decrease in cash funds exempt is primarily attributable to a decrease in Medicaid cash funds associated with using fewer residential treatment centers as contract providers.

Federal Funds Changes: The increase in federal funds is primarily attributable to an expected increase in earnings through the federal Title IV-E program.

Division of Children's Health and Rehabilitation

This section contains appropriations for three subsections: Administration, Services for Children with Developmental Disabilities, and Children's Mental Health Services. Detailed information on each of these subsections is included in the tables and narrative below.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$14,274,818	\$5,977	\$4,604,210	\$68,142	\$18,953,147	4.5
HB 02-1372	(80,152)	(5,977)	(17,932)	23,909	(80,152)	0.0
HB 02-1427	<u>0</u>	<u>0</u>	<u>494,111</u>	<u>0</u>	<u>494,111</u>	<u>0.0</u>
TOTAL	\$14,194,666	\$0	\$5,080,389	\$92,051	\$19,367,106	4.5
FY 2002-03 Appropriation:						
HB 02-1420	<u>\$15,208,876</u>	<u>\$5,890</u>	<u>\$5,650,181</u>	<u>\$137,369</u>	<u>\$21,002,316</u>	<u>4.5</u>
TOTAL	\$15,208,876	\$5,890	\$5,650,181	\$137,369	\$21,002,316	4.5
Increase/(Decrease)	\$1,014,210	\$5,890	\$569,792	\$45,318	\$1,635,210	0.0
Percentage Change	7.1%	100.0%	11.2%	49.2%	8.4%	0.0%

Administration

This section contains funding for the administration of mental health, alcohol and drug abuse, and developmental disabilities programs for children.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
TOTAL	\$88,763	\$0	\$109,404	\$92,051	\$290,218	4.5
FY 2002-03 Appropriation:						
TOTAL	\$87,309	\$5,890	\$125,213	\$67,019	\$285,431	4.5
Increase/(Decrease)	(\$1,454)	\$5,890	\$15,809	(\$25,032)	(\$4,787)	0.0
Percentage Change	-1.6%	100.0%	14.5%	-27.2%	-1.6%	0.0%

Overall Funding Changes: Funding changes are associated with salary survey and anniversary increases. This section receives cash funds from various sources. Cash fund exempt sources include Medicaid funds transferred from the Department of Health Care Policy and Financing and local sources.

Services for Children with Developmental Disabilities

This section contains appropriations for the Early Intervention, Family Support Services and Children's Extensive Support programs for children with developmental disabilities. Cash fund exempt sources include Medicaid funds transferred from the Department of Health Care Policy and Financing and local sources.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
TOTAL	\$12,717,219	\$0	\$4,336,188	\$0	\$17,053,407	0.0
FY 2002-03 Appropriation:						
TOTAL	\$13,290,736	\$0	\$4,679,332	\$0	\$17,970,068	0.0
Increase/(Decrease)	\$573,517	\$0	\$343,144	\$0	\$916,661	0.0
Percentage Change	4.5%	n/a	7.9%	n/a	5.4%	n/a

Overall Funding Changes: The increases in General Fund and cash funds exempt reflect \$454,000 in annualization costs for services provided in FY 2001-02, \$202,000 for additional early intervention services for children with developmental disabilities, \$174,000 to provide a 1.0 percent cost of living adjustment for community providers, and \$98,000 for additional children's extensive support services.

Children's Mental Health Services

This new section contains appropriations for community-based mental health services for children, including several specialized pilot programs. Appropriations reflected below include only a portion of funding for children's mental health services: most core funding for children's mental health services is included in the appropriation for community mental health services in the Office of Behavioral Health and Housing.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
TOTAL	\$1,388,684	\$0	\$634,797	\$0	\$2,023,481	0.0
FY 2002-03 Appropriation:						
TOTAL	\$1,830,831	\$0	\$845,636	\$70,350	\$2,746,817	0.0

	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$442,147	\$0	\$210,839	\$70,350	\$723,336	n/a
Percentage Change	31.8%	n/a	33.2%	100.0%	35.7%	n/a

General Fund Changes: The General Fund increase includes: (1) \$399,000 to support early intervention mental health services in 10 of the State's 17 community mental health centers; and (2) \$246,000 to develop community-based alternatives to inpatient hospitalization for youth, using funds reinvested from the closure of 10 adolescent beds at the mental health institutes. These increases are partially offset by the elimination of \$182,000 in one-time FY 2001-02 expenditures for Columbine Mental Health Services and a reduction of \$22,000 in subsidies for residential treatment for youth (the H.B. 99-1116 program) pursuant to the Governor's one percent reductions.

Cash Funds Exempt Changes: The cash funds exempt increase includes: (1) \$180,000 to more accurately reflect expenditures of matching local funds associated with the juvenile mental health pilot programs created through H.B. 00-1034; and (2) an increase of \$30,000 Medicaid cash funds, based on anticipated increases in costs and utilization for the H.B. 99-1116 program. This is a Medicaid entitlement program that funds residential services for youth based on disability and out-of-home placement, even when such youth remain in the legal custody of their parents

Federal Funds Changes: The federal funds now reflected in this section are Child Care Development funds that will be used to help support early intervention mental health services provided by 10 community mental health centers.

Recent Legislation

2001 Session Bills

S.B. 01-12: Makes several modifications to the child welfare services provisions of the Human Services Code and the Child Care Licensing Act. Creates the Family Stabilization Services Fund, consisting of \$75 of every docketing fee paid for a dissolution of marriage action, beginning July 1, 2002. Moneys in the fund are to be allocated to counties to provide short-term, voluntary services to help stabilize families that are at risk of having their children placed in out-of-home placement. Specifies minimum standards for the training of foster parents. Authorizes the Department to permit any county to review its child welfare caseload and seek, prior to June 30, 2002, retroactive reimbursement for claims pursuant to federal law.

S.B. 01-14: Makes several modifications to the Child Care Licensing Act. Requires the State Auditor to conduct a performance and financial audit of the state foster care program. Requires the Department to study standards for assessing the quality and performance of foster care in foster homes based on national standards for such services, as well as standards for the accreditation of

county departments of social services and child placement agencies for purposes of foster care services.

S.B. 01-32: Requires the use of both the Department of Public Safety's Colorado Bureau of Investigation records and the Judicial Department's Integrated Court On-line Network system in conducting criminal background checks on licensed child care providers. For more information, see the Department of Public Safety section of this report.

S.B. 01-77: Reduces the mandatory minimum length of stay on parole for juveniles committed to the Division of Youth Corrections from 12 months to 9 months. Reduces appropriations to the Division of Youth Corrections, based on a lower projected parole population, by \$328,693 General Fund and 1.7 FTE.

S.B. 01-129: Makes a number of changes related to K-12 education. Adjusts FY 2000-01 appropriations to both the Department of Education and the Department of Human Services in order to make additional General Fund moneys available for the State's FY 2001-02 share of school districts' total program funding. For more information, see the Department of Education section of this report.

S.B. 01-212: General appropriations act for FY 2001-02.

H.B. 01-1079: Pertaining to the Older Coloradans Program in the Department of Human Services (DHS). Removed the provision in H.B. 00-1072 that the appropriation shall only be used for one-time purposes and not be used in a manner that would create a need for on-going state funding in FY 2001-02 and subsequent fiscal years. Appropriates \$3,000,000 cash funds exempt to the Department of Human Services for FY 2001-02 to provide grants for community-based services to persons 60 and older.

H.B. 01-1102: Expands the membership and makes other changes to the Juvenile Parole Board and appropriates \$7,879 in FY 2001-02 for the per-diem and travel reimbursement for the two new Juvenile Parole Board members.

H.B. 01-1117: Requires review of new juvenile sex offender treatment programs by the sex offender management board.

H.B. 01-1184: Makes modifications to the Uniform Dissolution of Marriage Act and the Criminal Code related to domestic violence. Requires the Department of Human Services to provide ongoing domestic violence training to county staff involved in administering the Colorado Works Program and to assist counties in developing and utilizing local resources to provide services to victims of domestic violence, and provides \$122,788 federal TANF funds and 1.0 FTE for such purpose. Also appropriates an additional \$26,776 General Fund to the Department of Human Services for FY 2001-02 for the Colorado Domestic Abuse Program, and includes a provision indicating that the General

Fund appropriation for such program should increase by another \$100,000 for FY 2002-03. For more information, see the Judicial Department section of this report.

H.B. 01-1193: Makes a number of changes to the Children's Code to be consistent with the federal Adoption and Safe Families Act and associated federal regulations. Appropriates \$81,713 General Fund to the Department of Human Services and reflects \$9,079 federal funds anticipated to be received by the Department to provide training for county attorneys, court personnel, and county child welfare staff to achieve compliance with federal law. Identifies the General Fund appropriation as exempt from the statutory six percent limitation.

H.B. 01-1227: Beginning July 1, 2001, requires the Director of the Central Registry of Child Protection to expunge the name of a subject of a "minor" report of child abuse or neglect who has been listed for six months if neither criminal charges nor a petition in dependency or neglect has been filed against the subject. For offenses reported on or after July 1, 2001, eliminates the requirement that the Director of the Central Registry examine records related to first-time listings which are based on minor offenses and expunge such records after two years if good cause exists. If the Director of the Central Registry requests a hearing to reinstate a subject's name on the Central Registry, requires the Director to designate the subject's name "status pending" pending the outcome of a hearing and any judicial review.

H.B. 01-1264: Makes modifications to the Workers' Compensation Act of Colorado, the Uniform Dissolution of Marriage Act, and the Human Services Code related to child support obligations. Allows a noncustodial parent, at a county's option, to receive services under the Colorado Works Program. Makes minor adjustments to various cash funds exempt appropriations of retained child support collections.

H.B. 01-1271: Directs the department of health care policy and financing to submit an amendment to the state medical assistance plan and to request any waivers necessary to expand eligibility under medicaid to implement a Medicaid buy-in program for individuals with disabilities who would otherwise be eligible for supplemental security income (SSI) except for their income and for individuals with disabilities whose medical condition improves.

H.B. 01-1289: Specifies that the Child Care Licensing Act does not apply to short-term child care services (i.e., less than three hours in a day) provided by a facility that operates in connection with a church, shopping center, or business. Requires the Department of Human Services to examine the safety of such facilities and report its findings to the General Assembly.

H.B. 01-1293: Directs the Colorado Commission on Higher Education to develop and implement the Early Childhood Professional Loan Repayment Program. Appropriates federal Child Care Development Fund moneys for repayment of student loans.

H.B. 01-1357: Created the community accountability program to replace the regimented juvenile training program (boot camp). Reduced appropriations for the Department of Human Services by \$2,056,522 General Fund and \$194,966 cash funds exempt (Medicaid transfer from the Department of Health Care Policy and Financing) based on a lower projected juvenile delinquent population. Made a corresponding reduction of \$97,483 General Fund and \$97,483 federal funds in the money appropriated to the Department of Health Care Policy and Financing for transfer to the Department of Human Services. Made a new appropriation to the Division of Youth Corrections of \$2,129,020 General Fund to create the Community Accountability Program.

S.B. 01S2-12: Expanded the Colorado Medicaid program to include a Medicaid treatment benefit for qualifying low-income women screened through the CDC system for breast and cervical cancer. Appropriated \$58,746 cash funds exempt from the Breast and Cervical Prevention and Treatment Cash Fund, the source of which includes interest earnings from the Tobacco Settlement Litigation Cash Fund, and 0.5 FTE to the Department of Health Care Policy and Financing (HCPF). Also, reflects an increase of \$103,386 federal funds for HCPF in FY 2002-03. Finally, provided \$24,000 cash funds exempt spending authority to the Department of Human Services, Office of Information Technology, to receive payments from HCPF for computer work related to implementing the bill.

S.B. 01S2-22: Provides a 4.3 percent increase in the state contribution rate for state employees for CY 2002 and provides funding to pay for the additional costs associated with health insurance for state employees who reside in Pueblo. For more information, refer to the bill description in the Department of Personnel.

2002 Session Bills

S.B. 02-50: For an explanation of this bill please see the Recent Legislation section in the Department of Corrections.

H.B. 02-1026: Authorizes the Department to segregate Works Program county block grant funds.

H.B. 02-1038: For an explanation of this bill please see the Recent Legislation section in the Department of Corrections.

H.B. 02-1138: Creates the Integrated Care Management Program for the delivery of child welfare services. Specifies that those counties serving at least 80 percent of the total child welfare population (i.e., the largest ten counties) are eligible to participate in the Program. Continues the Department's authority to enter into performance agreements with individual counties or groups of counties, but limits participation to those counties serving at least 80 percent of the total child welfare population. Increases docket fees for dissolution of marriage from \$90 to \$130 (effective July 1, 2003), thus increasing revenues to the Family Stabilization Fund. Creates the Performance Incentive Cash Fund to provide incentives to counties participating in the Integrated Care Management Program. Such fund will consist of 75 percent of dissolution of marriage docket fees credited to the Family

Stabilization Fund, as well as any appropriations by the General Assembly and gifts, grants, or donations received for such purpose.

H.B. 02-1155: Adds prenatal and postpartum care to the Children's Basic Health Plan (CBHP) for pregnant women who are not Medicaid eligible. Associated adjustments include an appropriation of \$74,750 cash funds exempt to the Department of Human Services, Office of Information Technology Services, derived from funds transferred from the Department of Health Care Policy and Financing. The appropriation to the Department of Human Services will be used to fund modifications to the Colorado Benefits Management System, a computer system that will be used to determine eligibility for the CBHP. For additional information on this bill, please see the Recent Legislation section in the Department of Health Care Policy and Financing.

H.B. 02-1180: Transfers \$650,000 from the Disabled Telephone User's Fund to the Colorado Commission for the Deaf and Hard of Hearing Fund. Provides an appropriation of \$244,000 cash funds to the Colorado Commission for the Deaf and Hard of Hearing in the Office of Rehabilitation and Disability Services for FY 2002-03.

H.B. 02-1209: Pertains to the Older Coloradans Program, created by H.B. 00-1072, in the Department of Human Services (DHS). Transfers \$2.0 million from sales and use tax revenue to the Older Coloradans Fund for FY 2002-03 and subsequent years. Appropriates \$2.0 million to the Department of Human Services for FY 2002-03 to provide grants for community-based services to persons 60 and older.

H.B. 02-1214: Modifies the method of calculating Works Program County Reserve Account balances, effective July 1, 2002. Specifies that moneys in the Long-term Works Reserve Fund that have been transferred from County Reserve Accounts shall be used only for the purpose of implementing the Works Program at the county level.

H.B. 02-1229: Reauthorizes legislation concerning the regulation of controlled substances. Transfers the licensing and record-keeping functions relating to the use of controlled substances by researchers, analytical laboratories, and addictions programs from the Department of Public Health and Environment to the Department of Human Services. Requires license fee revenue and other moneys received by the Department of Human Services to be deposited in the Controlled Substances Program Fund, rather than into the General Fund, and appropriates \$500 cash funds from this fund to the Alcohol and Drug Abuse Division in the Department of Human Services in FY 2002-03.

H.B. 02-1276: Creates the Supplemental Old Age Pension Health and Medical Fund and transfers \$1.0 million from sales and use tax revenue into the Fund. Appropriates \$1.0 million to the Department of Human Services to be transferred to the Department of Health Care Policy and Financing to provide medical care for the Old Age Pension population in FY 2002-03.

H.B. 02-1297: Creates the School-readiness Child Care Subsidization Program to provide three-year subsidies to certain licensed child care facilities whose enrolled children ultimately attend low-performing neighborhood elementary schools for the purpose of enhancing school-readiness. Directs the Child Care Commission to adopt a voluntary school-readiness rating system to measure the quality of services provided by a child care provider to prepare children to enter elementary school. Requires the General Assembly to review the appropriateness of continuing school-readiness subsidies during the 2006 Session. Appropriates \$440,493 from federal Child Care Development Funds and 0.5 FTE to the Division of Child Care for FY 2002-03.

H.B. 02-1372: First supplemental appropriation to the Department of Human Services to modify the appropriation included in the FY 2001-02 Long Bill and the appropriation included in H.B. 01-1357.

H.B. 02-1390: Changed the FY 2001-02 appropriation for Older Coloradans Programs from a cash fund appropriation to a General Fund in order to increase the amount of General Fund appropriations made during FY 2001-02 in order to maintain the six percent spending limit on General Fund.

H.B. 02-1413: Creates the Division of Veterans Affairs in the Department of Military Affairs and renames the department, the Department of Military and Veterans Affairs. Transfers appropriations made in H.B. 02-1420 for veterans services, including the Colorado State Veterans Trust Fund (funded by the Tobacco Litigation Settlement), from the Division of Adult and Veterans Services in the Department of Human Services to the newly named Department of Military and Veterans Affairs.

H.B. 02-1420: General Appropriations Act for FY 2002-03. Includes supplemental adjustments to the FY 2001-02 Long Bill appropriation as amended by H.B. 02-1372 and H.B. 02-1427.

H.B. 02-1427: Second supplemental appropriation to the Department of Human Services to modify the appropriations included in the FY 2001-02 Long Bill and H.B. 01-1357, as these were amended by H.B. 02-1372.

H.B. 02-1457: Reduces scope of S.B. 01-78, thereby reducing \$126,130 in funding for the anticipated need for state ombudsman services. See the Recent Legislation section in the Department of Health Care Policy and Financing section of this report for more detail on this bill.

H.B. 02-1468: Refinances the FY 2001-02 appropriation made pursuant to S.B. 01S2-22. Establishes the CY 2003 state contribution rate for health, life, and dental insurance to be the same as the state contribution rate for CY 2002. Authorizes the General Assembly to annually adjust the state contribution for health, life, and dental insurance effective CY 2004 through the Long Bill. For more information, refer to the bill description in the Department of Personnel.

H.B. 02-1474: Third supplemental appropriation to the Department of Human Services to modify the appropriation for community mental health services included in the FY 2001-02 Long Bill, as amended by H.B. 02-1420 and H.B. 02-1427, and to modify the FY 2002-03 appropriation for

community mental health services included the FY 2002-03 Long Bill. Specifically addresses appropriations associated with the Goebel Lawsuit Settlement.

JUDICIAL BRANCH

The Colorado Judicial Department is a constitutionally separate branch of state government. The state court system includes the Supreme Court, the Court of Appeals, district courts in 22 judicial districts, and 63 county courts (Denver County Court is not part of the state court system). The Judicial Department is also responsible for the operation of the State's probation system and monitoring and regulating the practice of law within the State. The Judicial Branch currently includes three independent agencies, the Colorado State Public Defender, the Office of Alternate Defense Counsel, and the Office of the Child's Representative. The Chief Justice of the Supreme Court is the head of the state judicial system. The Office of the State Court Administrator provides management supervision and support for the court system and the probation department, pursuant to the policies, guidelines, and directives promulgated by the Chief Justice.

Department Budget: Recent Actual Expenditures and Appropriations

Funding Source	FY 1999-00 Actual	FY 2000-01 Actual	FY 2001-02 Approp.	FY 2002-03 Approp.
General Fund	\$194,268,468	\$206,485,128	\$214,887,046	\$228,144,226
Cash Funds	35,694,125	40,543,942	46,961,384	46,813,542
Cash Funds Exempt	5,384,519	7,468,675	7,829,428	7,271,445
Federal Funds	<u>1,555,451</u>	<u>2,189,120</u>	<u>1,783,069</u>	<u>1,934,546</u>
Total Funds	\$236,902,563	\$256,686,865	\$271,460,927	\$284,163,759
Full Time Equiv. Staff	2,999.3	3,038.0	3,174.9	3,228.3

FY 2002-03 Budget Changes

Significant changes in appropriations for FY 2002-03 compared to FY 2001-02 include the following:

- Add \$10.2 million for the salary survey and anniversary increases awarded in FY 2001-02;
- Add \$1.7 million and 31.5 FTE for six new district court judges and associated staff;
- Add \$1.3 million General Fund to increase judicial salaries pursuant to a three year compensation plan approved by the General Assembly;
- Add \$350,000 General Fund for increased Alternate Defense Counsel caseloads;
- Add \$308,000 cash funds and 7.3 FTE to the collections investigator program;

- Add \$207,000 cash funds and 5.6 FTE to the Alcohol/Drug Driving Safety program to cope with increased caseloads;
- Add \$85,000 and 2.5 secretarial FTE to the Public Defender to address increased workloads;
- Add \$85,000 General Fund for District Attorney mandated costs;
- Reduce \$2.6 million, including \$2 million General Fund, for a 1.5 percent personal services base reduction;
- Reduce expenditures by \$1.4 million General Fund for County Courthouse furnishings; and
- Reduce appropriations for computer hardware replacement by \$1.4 million General Fund for the Judicial Department and the Public Defender.

General Factors Driving the Budget

Funding for this department consists of 80.3 percent General Fund, 16.5 percent cash funds, 2.6 percent cash funds exempt, and 0.6 percent federal funds. Some of the most important factors driving the budget are reviewed below.

The main factor driving the budget of the Judicial Branch is caseload. Judges, magistrates, probation officers, public defenders and their staffs can only handle so many cases per year before increases in FTE are necessary. Caseload in turn is related to increases in the overall population in Colorado. The number of each type of case also impacts the Judicial Branch budget, particularly in the trial courts. A misdemeanor costs less than a civil case, which costs less than a homicide. The number of new or renovated courthouses that need to be furnished also impacts the budget.

The Judicial Branch receives cash funds from a few main sources. The courts receive a large amount of cash funds from fees charged to use the court system. These moneys are used to fund operating expenses of the courts. Probation receives its cash funds from individuals sentenced to probation who pay fees that are put towards their supervision and treatment. A large amount of cash funds are also received from attorney licensing fees. These dollars are used by the Supreme Court to regulate the practice of law in Colorado.

Supreme Court Caseload

The Supreme Court is comprised of seven justices. The majority of its cases are from requests to review decisions of the Court of Appeals. It has direct appellate jurisdiction over: cases in which a statute has been held to be unconstitutional; cases involving decisions of the Public Utilities Commission; writs of habeas corpus; cases involving adjudication of water rights; summary

proceedings initiated under the election code; and prosecutorial appeals concerning search and seizure questions in pending criminal proceedings. In addition to deciding various appellate matters, the Supreme Court regulates the practice of law in Colorado by investigating grievances filed against attorneys, regulating attorney conduct, and monitoring and upgrading the rules of court procedure. Recent caseloads have been as follows:

	FY 95-96 Actual	FY 96-97 Actual	FY 97-98 Actual	FY 98-99 Actual	FY 99-00 Actual	FY 00-01 Actual
New filings	1,401	1,511	1,401	1,525	1,617	1,367
Pending July 1	489	522	489	560	476	530
Total Caseload	1,985	2,129	1,987	2,183	2,192	1,897

Court of Appeals Caseload

The Court of Appeals is composed of 16 judges. The Court of Appeals receives cases from several different venues: District Courts, Denver probate and juvenile courts, state agencies, and the Industrial Appeal Claims Office. Recent caseloads have been as follows:

	FY95-96 Actual	FY 96-97 Actual	FY 97-98 Actual	FY 98-99 Actual	FY 99-00 Actual	FY 00-01 Actual
New filings	2,289	2,245	2,410	2,647	2,502	2,335
Pending July 1	2,130	2,101	2,072	2,251	2,440	2,343
Total Caseload	4,419	4,346	4,482	4,898	4,942	4,678

Trial Courts Caseload

There will be 132 district judges in 22 judicial districts in FY 2002-03. The passage of H.B. 01-1075 added six new judges in FY 2001-02, and will add six additional judges in FY 2002-03, and each of the next two fiscal years if funding is available. District Courts preside over felony criminal matters, civil claims, all juvenile matters, probate, mental health, divorce proceedings, and water cases. They also preside over jury trials, handle appeals from Colorado's municipal and county courts, and review decisions of administrative boards and agencies. Recent caseloads have been as follows:

District Court Filings						
	FY 95-96 Actual	FY 96-97 Actual	FY 97-98 Actual	FY 98-99 Actual	FY 99-00 Actual	FY 00-01 Actual
Domestic Relations	31,764	31,819	32,179	31,885	32,318	31,068
Civil	33,434	33,434	40,389	38,848	39,161	37,235
Probate	11,263	11,432	11,112	11,714	11,605	11,360

District Court Filings						
	FY 95-96 Actual	FY 96-97 Actual	FY 97-98 Actual	FY 98-99 Actual	FY 99-00 Actual	FY 00-01 Actual
Juvenile	36,025	37,540	38,905	37,214	36,601	34,481
Mental Health	3,873	3,840	4,139	4,142	4,141	4,216
Criminal	30,613	33,867	38,815	37,538	35,770	36,860
Total	146,972	151,932	165,539	161,341	159,596	155,220

County Court Filings						
	FY 95-96 Actual	FY 96-97 Actual	FY 97-98 Actual	FY 98-99 Actual	FY 99-00 Actual	FY 00-01 Actual
Civil	116,127	119,076	120,846	121,897	127,017	139,919
Small Claims	16,843	17,349	16,650	15,888	15,568	14,961
Traffic	164,217	169,593	170,614	159,861	140,183	133,860
Infractions	74,687	82,963	68,184	64,018	70,094	70,090
Misdemeanor	67,376	69,125	70,271	69,932	73,853	72,354
Felony Complaints	18,504	14,345	21,097	20,301	20,010	13,445
Total	457,754	472,451	467,662	451,897	446,725	444,629

Probation and Related Services Caseload

Probation is a sentencing alternative to the Department of Corrections or the Division of Youth Corrections. Individuals placed upon probation remain under the supervision of the court which sentenced them. Failure to meet the terms of probation set forth in the court's sentencing order may result in incarceration. There are different types of probation which cater to defendants' assessed risk levels and other needs such as substance abuse treatment. Recent caseloads have been as follows:

Probation Caseloads as of July 1						
	FY 95-96 Actual	FY 96-97 Actual	FY 97-98 Actual	FY 98-99 Actual	FY 99-00 Actual	FY 00-01 Actual
Adult	28,592	30,856	33,754	36,529	35,513	36,635
Juvenile	9,741	9,666	9,333	9,490	8,722	9,041
Total	38,333	40,522	43,087	46,019	44,235	45,676

In addition, there were 2,721 individuals sentenced directly to private probation during FY 2000-01.

Public Defender Caseload

The Public Defender represents criminal defendants who have inadequate resources to pay for their own defense. As in the court system, more complicated felony cases consume more resources than simpler cases; felonies cost more than misdemeanors, and homicides more than assaults or robbery cases. Recent caseloads have been as follows:

Public Defender Closed Cases					
	FY 96-97 Actual	FY 97-98 Actual	FY 98-99 Actual	FY 99-00 Actual	FY 00-01 Actual
Felony	16,585	17,092	17,657	16,500	17,233
Misdemeanor/Traffic	11,695	11,596	11,848	12,532	12,793
Juvenile (All)	4,542	4,582	4,418	4,481	4,214
Other Proceedings	18,318	19,225	21,236	22,586	23,665
Partial work on cases	7,415	8,379	8,654	8,639	9,667
Total	58,555	60,874	63,813	64,738	67,572

Alternate Defense Counsel Caseload

The Alternate Defense Counsel contracts with private attorneys to represent indigent defendants in cases where the Public Defender has a conflict of interest and may not ethically represent a defendant. Representation in this situation is more expensive because private attorneys represent the defendants. Here too, complexity of case as well as overall caseload determines the amount of resources required. Representation in a death penalty case costs far more than an assault or burglary case. Recent caseloads have been as follows:

ADC Caseload				
	FY 97-98	FY 98-99	FY 99-00	FY 00-01
Felony	2,733	3,364	4,907	4,750
Appeals	175	420	609	498
Rule 35(c) motions	296	559	692	688
Total	3,204	4,343	6,208	5,936

Office of the Child's Representative Caseload

The Office of the Child's Representative is an agency within the Judicial Branch, and is responsible for representing the best interests of children who are participants before courts, but who do not have counsel. Appointments of guardians ad-litem, the attorneys who represent the best interest of the

child, drive the budget of this agency. In FY 2000-01, the OCR was not yet fully operational, and had no caseload.

Summary of FY 2001-02 and FY 2002-03 Appropriations

Total Department Appropriations

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Total Appropriation:	\$214,887,046	\$46,961,384	\$7,829,428	\$1,783,069	\$271,460,927	3,174.9
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Supreme Court	2,426,925	4,690,000	355,000	0	7,471,925	88.7
Court of Appeals	5,184,351	8,000	0	0	5,192,351	80.0
Administration	5,884,579	0	0	0	5,884,579	47.5
Administrative Special Purpose	14,234,429	3,895,830	939,530	85,000	19,154,789	68.9
Judicial/Heritage Complex	676,484	1,700	0	0	678,184	4.0
IIS (Computer Dept)	5,630,080	85,000	91,096	0	5,806,176	44.8
Trial Courts	93,573,356	26,019,838	74,380	772,315	120,439,889	1,530.3
Probation and Related Services	38,715,460	12,181,876	6,274,553	925,754	58,097,643	965.8
Public Defender	29,206,356	76,140	93,046	0	29,375,542	337.9
Alternate Defense Counsel	11,948,152	3,000	276	0	11,951,428	3.0
Office of the Child's Representative	7,406,874	0	1,547	0	7,408,421	4.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 01-48	415,582	0	0	0	415,582	6.1
SB 01-95	0	1,432,923	0	0	1,432,923	30.0
SB 01-210	0	36,060	0	0	36,060	0.5
SB 01-212	214,186,440	43,340,861	7,785,782	2,189,120	267,502,203	3,099.3
HB 01-1075	2,235,252	0	0	0	2,235,252	32.5

	GF	CF	CFE	FF	Total	FTE
HB 01-1184	26,776	0	0	0	26,776	0.0
HB 01-1229	0	358,497	0	0	358,497	0.0
SB 01S2-22	0	0	218,510	0	218,510	0.0
HB 02-1373	(2,752,139)	1,783,017	(164,838)	(406,051)	(1,540,011)	6.5
HB 02-1420	775,135	0	0	0	775,135	0.0
HB 02-1468	0	10,026	(10,026)	0	0	0.0
FY 2002-03 Total Appropriation:	\$228,144,226	\$46,813,542	\$7,271,445	\$1,934,546	\$284,163,759	3,228.3
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Supreme Court	2,566,586	4,690,000	355,000	0	7,611,586	88.7
Court of Appeals	5,454,228	8,000	0	0	5,462,228	80.0
Administration	5,448,882	178,410	74,475	2,967	5,704,734	51.5
Administrative Special Purpose	17,571,656	4,554,695	929,537	100,000	23,155,888	76.2
Judicial/Heritage Complex	562,799	1,700	0	0	564,499	4.0
IIS (Computer Dept)	4,562,476	85,000	0	133,510	4,780,986	42.8
Trial Courts	98,646,215	26,019,838	74,380	772,315	125,512,748	1,562.9
Probation	42,679,252	11,166,759	5,773,157	925,754	60,544,922	972.3
Public Defender	31,281,819	76,140	64,896	0	31,422,855	342.9
Alternate Defense Counsel	11,970,512	3,000	0	0	11,973,512	3.0
Office of the Child's Representative	7,399,801	30,000	0	0	7,429,801	4.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 02-018	0	729,399	0	0	729,399	5.8
SB 02-050	14,373	0	0	0	14,373	0.3
HB 02-1038	12,947	0	0	0	12,947	0.3
HB 02-1101	0	122,200	0	0	122,200	0.5
HB 02-1420	227,978,775	45,958,287	7,267,723	1,934,546	283,139,331	3,221.4
HB 02-1468	138,131	3,656	3,722	0	145,509	0.0

	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$13,257,180	(\$147,842)	(\$557,983)	\$151,477	\$12,702,832	53.4
Percentage Change	6.2%	-0.3%	-7.1%	8.5%	4.7%	1.7%

Detail of Appropriation by Administrative Section

Supreme Court

The Supreme Court is the highest court in the State and has general supervisory control over the lower courts. The Supreme Court provides appellate review of final judgements of lower courts and has original jurisdiction over cases relating to the constitutionality of a statute, ordinance, or charter; decisions of the state Public Utilities Commission; writs of habeas corpus; certain water cases; certain proceedings arising from the state election code; and some prosecutorial appeals.

The Supreme Court has rule-making authority over the state court system, both procedural and administrative, and it is responsible for promulgating civil and criminal rules of procedure. There are seven justices appointed to the Supreme Court. The Chief Justice is elected by the members of the Supreme Court. The Supreme Court is also responsible for overseeing the state law library, the law examiner board, the attorney regulation committees, and the continuing legal education program

The Supreme Court receives nearly all of its cash funds from fees charged to attorneys for the Colorado Bar Examination, and for licenses to practice law. These cash funds are used to monitor the legal profession to ensure that attorneys practicing in Colorado are competent and ethical. Cash funds exempt are from reserves in those funds.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	<u>\$2,426,925</u>	<u>\$4,690,000</u>	<u>\$355,000</u>	<u>\$0</u>	<u>\$7,471,925</u>	<u>88.7</u>
TOTAL	\$2,426,925	\$4,690,000	\$355,000	\$0	\$7,471,925	88.7
FY 2002-03 Appropriation:						
HB 02-1420	<u>\$2,566,586</u>	<u>\$4,690,000</u>	<u>\$355,000</u>	<u>\$0</u>	<u>\$7,611,586</u>	<u>88.7</u>
TOTAL	\$2,566,586	\$4,690,000	\$355,000	\$0	\$7,611,586	88.7
Increase/(Decrease)	\$139,661	\$0	\$0	\$0	\$139,661	0.0
Percentage Change	5.8%	0.0%	0.0%	0.0%	1.9%	0.0%

FTE Detail	FY 2001-02	FY 2002-03
Judges and Staff	39.0	39.0
Attorney Regulation Committees	35.5	35.5
Continuing Legal Education	4.0	4.0
Law Examiner Board	8.2	8.2
Law Library	<u>2.0</u>	<u>2.0</u>
	88.7	88.7

General Fund Change: The General Fund increase of \$140,000 is for salary survey and anniversary increases awarded for FY 2001-02, and for a judicial pay increase for FY 2002-03.

Court of Appeals

The Court of Appeals has initial appellate jurisdiction over appeals from district courts and Denver's probate and juvenile courts. In addition, the Court of Appeals has initial statutory jurisdiction over appeals of certain final orders from various state agencies. The Court of Appeals is comprised of 16 judges who serve eight-year terms. The Court sits in panels of three judges and the Chief Judge of the Court of Appeals is appointed by the Chief Justice of the Supreme Court.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	<u>\$5,184,351</u>	<u>\$8,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$5,192,351</u>	<u>80.0</u>
TOTAL	\$5,184,351	\$8,000	\$0	\$0	\$5,192,351	80.0
FY 2002-03 Appropriation:						
HB 02-1420	<u>\$5,454,228</u>	<u>\$8,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$5,462,228</u>	<u>80.0</u>
TOTAL	\$5,454,228	\$8,000	\$0	\$0	\$5,462,228	80.0
Increase/(Decrease)	\$269,877	\$0	\$0	\$0	\$269,877	0.0
Percentage Change	5.2%	n/a	n/a	n/a	5.2%	0.0%

FTE Detail	FY 2001-02	FY 2002-03
Judges	16.0	16.0
Staff	<u>64.0</u>	<u>64.0</u>
	80.0	80.0

General Fund Change: The increase results from higher personal services expenditures due to an increase in judicial compensation, and salary survey and anniversary increases awarded in FY 2001-02.

Courts Administration

This division contains appropriations for the administration of Colorado's courts and probation department. It also includes several specialized programs. The main division includes four subdivisions: Administration (State Court Administrator's Office and County Courthouse Furnishings), Administrative Special Purpose (Centralized appropriations and assorted administrative programs such as training), Judicial/Heritage Complex (Buildings housing the Supreme Court and Court of Appeals) and Integrated Information Services (The Judicial Branch's Computer Department).

Administration (State Court Administrator's Office)

Responsibilities of the State Court Administrator's Office include coordination and control of budgeting, human resources, data processing, and management services; internal audits of court programs, judicial districts, and probation offices; training and technical assistance; and support for the probation offices. Cash funds are from the Family Friendly Court Program Cash Fund, as appropriated in H.B. 01-1101, and the collection of statewide indirect cost recoveries. Cash funds exempt and federal funds are from the collection of statewide indirect cost recoveries.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$6,082,803	\$0	\$0	\$0	6,082,803	47.5
HB 01-1184	26,776	0	0	0	26,776	0.0
HB 02-1373	<u>(225,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(225,000)</u>	<u>0.0</u>
TOTAL	\$5,884,579	\$0	\$0	\$0	\$5,884,579	47.5
FY 2002-03 Appropriation:						
HB 02-1101	\$0	\$122,200	\$0	\$0	\$122,200	0.5
HB 02-1420	<u>5,448,882</u>	<u>56,210</u>	<u>74,475</u>	<u>2,967</u>	<u>5,582,534</u>	<u>51.0</u>
TOTAL	\$5,448,882	\$178,410	\$74,475	\$2,967	\$5,704,734	51.5
Increase/(Decrease)	(\$435,697)	\$178,410	\$74,475	\$2,967	(\$179,845)	4.0
Percentage Change	-7.4%	0.0%	0.0%	0.0%	-3.1%	8.4%

FTE Detail	FY 2001-02	FY 2002-03
Administration	11.0	11.0
Court Services	8.5	9.0
Financial Services	11.0	14.5
Planning	8.0	8.0
Human Resources	<u>9.0</u>	<u>9.0</u>
	47.5	51.5

FTE Changes: The increase of 4.0 FTE includes the transfer of 3.5 FTE from integrated information services and trial courts for accounting purposes, and the addition of 0.5 FTE appropriated in H.B. 02-1101 to help administer the Family Friendly Court Program. No appropriation was associated with this transfer.

General Fund Changes: The \$0.4 million General Fund decrease is attributable to: (1) a \$1.4 million reduction in expenditures for county courthouse furnishings; (2) a \$66,000 offset of General Fund appropriations by the collection of statewide indirect costs for the first time and; (3) a 1.5 percent base reduction for personal services of \$60,000. These decreases were partially offset by the following increases: (1) \$895,000 in salary survey and anniversary awards in FY 2001-02; (2) a \$120,000 transfer of operating expenses from probation and trial courts, for accounting purposes; (3) \$75,000 for the family violence grant program; and (4) \$13,000 for PERA and medicare contributions.

Cash Funds Changes: The increase in cash funds is due largely to the passage of H.B. 02-1101, which appropriated \$122,000 from the newly created Family Friendly Courts Program Cash Fund, and the collection of statewide indirect cost recoveries for the first time.

The new cash exempt and federal funds appropriations are due to the collection of statewide indirect costs for the first time.

Administrative Special Purpose

This section includes several programs within the Judicial Department, such as the Office of Dispute Resolution, the child support enforcement program, the retired judge program, and the Commission on Judicial Performance. This section also includes centrally appropriated line items, such as salary survey and anniversary increases, workers' compensation, legal services, and payments related to risk management. Cash funds are from the Offender Services Fund, and the Fines Collection Fund, the Drug Offender Surcharge Fund and the Alcohol and Drug Driving Safety Program Fund. Exempt cash funds are from reserves in the Dispute Resolution Fund.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$15,176,508	\$3,863,604	\$753,344	\$85,000	\$19,878,456	68.9
SB 01S2-22	0	0	188,537	0	188,537	0.0
HB 02-1373	(942,079)	22,200	7,675	0	(912,204)	0.0
HB 02-1468	<u>0</u>	<u>10,026</u>	<u>(10,026)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$14,234,429	\$3,895,830	\$939,530	\$85,000	\$19,154,789	68.9
FY 2002-03 Appropriation:						
HB 02-1420	\$17,453,834	\$4,551,039	\$925,815	\$100,000	\$23,030,688	76.2
HB 02-1468	<u>117,822</u>	<u>3,656</u>	<u>3,722</u>	<u>0</u>	<u>125,200</u>	<u>0.0</u>
TOTAL	\$17,571,656	\$4,554,695	\$929,537	\$100,000	\$23,155,888	76.2
Increase/(Decrease)	\$3,337,227	\$658,865	(\$9,993)	\$15,000	\$4,001,099	7.3
Percentage Change	23.4%	16.9%	-1.1%	17.6%	20.9%	10.6%

FTE Detail	FY 2001-02	FY 2002-03
Collections Investigators	61.9	69.2
Office of Dispute Resolution	4.5	4.5
Child Support Enforcement	1.0	1.0
CICJIS Data Scrubber	<u>1.5</u>	<u>1.5</u>
	68.9	76.2

FTE Changes: The increase of 7.3 FTE is for collections investigator staff.

General Fund Changes: The net increase in the General Fund appropriation is attributable to: (1) an increase of \$3.2 million for centralized salary survey and performance-based pay expenditures for FY 2002-03; (2) an increase of \$470,000 for health, workers' compensation, short-term disability, and general liability insurance; (3) an increase of \$80,000 for the retired judge program; and (4) an increase of \$47,000 for leased space and payments for legal services. The increase is partially offset by a one-time decrease of \$300,000 for the judicial performance evaluation program, and the Governor's veto of the Training and Judicial Conference line items which cut \$275,000.

Cash Fund Changes: The net increase in cash fund spending authority is due to an increase of \$370,000 in spending authority for the Office of Dispute Resolution due to increased caseloads and

an expected fee increase, and an increase of \$308,000 for the addition of new collections investigators. This was partially offset by a 1.5 percent personal services base reduction.

Cash Fund Exempt Change: The decrease in cash fund exempt spending authority is due to a reduction in exempt spending for health insurance.

Federal Funds Change: The increase in the reflected federal funds is due to the addition of a federal grant for the Office of Dispute Resolution.

Judicial/Heritage Complex

The Judicial/Heritage Complex consists of two buildings and a parking lot. The Judicial Building houses the Supreme Court, the Court of Appeals, and the state law library. The second building houses the State Historical Society and Museum. The appropriation for the complex provides for maintenance and security services. Cash funds are from parking lot revenues.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$540,684	\$1,700	\$0	\$0	\$542,384	4.0
HB 02-1373	<u>135,800</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>135,800</u>	<u>0.0</u>
TOTAL	\$676,484	\$1,700	\$0	\$0	\$678,184	4.0
FY 2002-03 Appropriation:						
HB 02-1420	<u>\$562,799</u>	<u>\$1,700</u>	<u>\$0</u>	<u>\$0</u>	<u>\$564,499</u>	<u>4.0</u>
TOTAL	\$562,799	\$1,700	\$0	\$0	\$564,499	4.0
Increase/(Decrease)	(\$113,685)	\$0	\$0	\$0	(\$113,685)	0.0
Percentage Change	-16.8%	0.0%	n/a	n/a	-16.8%	0.0%

FTE Detail	FY 2001-02	FY 2002-03
Facilities Planning Manager	1.0	1.0
Building Mechanics	2.0	2.0
Security Guard	<u>1.0</u>	<u>1.0</u>
	4.0	4.0

General Fund Change: The General Fund appropriation reflects a decrease due to the elimination of one-time expenditures for Supreme Court building security in FY 2001-02.

Integrated Information Services (IIS)

This section provides automated data processing services to the state courts and probation offices. Major systems supported by IIS include the Integrated Colorado On-line Network (ICON), which handles case tracking and financial functions for the trial courts and probation departments; the Colorado Integrated Criminal Justice Information System (CICJIS), which shares and tracks data concerning offenders among the various criminal justice agencies, including law enforcement, district attorneys, courts, and adult and youth corrections; the appellate case tracking system; the court-appointed counsel system; and the state court administrator's local-area network. Cash funds are from revenues from label production.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$5,778,982	\$85,000	\$0	\$0	\$5,863,982	44.8
HB 02-1373	<u>(148,902)</u>	<u>0</u>	<u>91,096</u>	<u>0</u>	<u>(57,806)</u>	<u>0.0</u>
TOTAL	\$5,630,080	\$85,000	\$91,096	\$0	\$5,806,176	44.8
FY 2002-03 Appropriation:						
HB 02-1420	<u>\$4,562,476</u>	<u>\$85,000</u>	<u>\$0</u>	<u>\$133,510</u>	<u>\$4,780,986</u>	<u>42.8</u>
TOTAL	\$4,562,476	\$85,000	\$0	\$133,510	\$4,780,986	42.8
Increase/(Decrease)	(\$1,067,604)	\$0	(\$91,096)	\$133,510	(\$1,025,190)	(2.0)
Percentage Change	-19.0%	0.0%	-100.0%	n/a	-17.7%	-4.5%

FTE Detail	FY 2001-02	FY 2002-03
Admin./Support	5.0	3.0
Programmers/Technical	27.8	27.8
Programming/Tech Supervisors	4.0	4.0
Customer Support	<u>8.0</u>	<u>8.0</u>
	44.8	42.8

FTE Changes: The decrease of 2.0 FTE is due to the transfer of two administrative personnel to the State Court Administrator's Office for accounting purposes. This shift does not result in a change in appropriation.

General Fund Changes: The net decrease in the General Fund appropriation is attributable to a \$1.4 million decrease for the replacement of computer hardware and a \$42,000 reduction due to a 1.5

percent base reduction for personal services. These decreases were partially offset by a \$195,000 increase for salary survey and anniversary awards for FY 2001-02 and an \$84,000 increase for the Multiuse Network.

Cash Funds Exempt Changes: The decrease in the cash funds exempt appropriation is due to the elimination of one-time spending authority for the Multiuse Network.

Federal Funds Changes: The increase in the reflection of federal funds is due to the addition of Grants for the Colorado Integrated Criminal Information Justice System.

Trial Courts

The trial courts represent the largest portion of the Judicial Department's budget. The trial courts include district courts in 22 judicial districts, 62 county courts, and 7 water courts. Each judicial district includes one district court and a county court in each county served by the district. The Second Judicial District (Denver) also includes a probate court and a juvenile court. However, the Denver County Court is not part of the state court system. Cash funds are generated through operating charges to those who use the court system, and include filing fees and copying fees. Cash funds exempt and federal funds are from grants from other departments and the federal government.

The district courts are trial courts of general jurisdiction and have appellate jurisdiction over final judgements of county courts and municipal courts. The county courts have limited jurisdiction, as set by statute. County courts have appellate jurisdiction over municipal courts. Water courts are separately created by the Water Right Determination and Administration Act of 1969 and have general jurisdiction over water use, water rights, and water administration.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-048	256,738	0	0	0	256,738	3.4
SB 01-212	\$90,853,351	\$26,019,838	\$240,000	\$326,068	\$117,439,257	1,496.9
HB 01-1075	2,109,267	0	0	0	2,109,267	30.0
HB 02-1373	(121,135)	0	(165,620)	446,247	159,492	0.0
HB 02-1420	<u>475,135</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>475,135</u>	<u>0.0</u>
TOTAL	\$93,573,356	\$26,019,838	\$74,380	\$772,315	\$120,439,889	1,530.3
FY 2002-03 Appropriation:						
HB 02-1420	<u>\$98,646,215</u>	<u>\$26,019,838</u>	<u>\$74,380</u>	<u>\$772,315</u>	<u>\$125,512,748</u>	<u>1,562.9</u>
TOTAL	\$98,646,215	\$26,019,838	\$74,380	\$772,315	\$125,512,748	1,562.9

	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$5,072,859	\$0	\$0	\$0	\$5,072,859	32.6
Percentage Change	5.4%	0.0%	0.0%	0.0%	4.2%	2.1%

FTE Detail	FY 2001-02	FY 2002-03
District Court Judges	126.0	132.0
County Court Judges	82.7	83.0
Magistrates & Water Referee	60.5	63.0
Division Staff	390.6	403.9
Court Reporters	129.8	135.8
Clerks' Offices	603.6	609.6
Administrative/Office Support	128.6	127.1
Grants and Federal Funds	<u>8.5</u>	<u>8.5</u>
	1,530.3	1,562.9

FTE Changes: The appropriation reflects an increase of 32.6 FTE based upon the following: (1) an increase of 30.0 FTE to add six new district court judges and associated staff; (2) an increase of 2.5 FTE to reflect water referee positions not previously reflected, and; (3) the addition of 1.6 FTE to annualize the appropriation for the creation of a new judgeship in Broomfield County. These additions are offset in part by the transfer of 1.5 FTE to the State Court Administrator's Office for accounting purposes. There is no change in appropriation associated with this transfer, or the reflection of the water referee positions.

General Fund Changes: The net General Fund change includes the following increases: (1) \$3.2 million for salary survey and anniversary awards for FY 2001-02; (2) \$1.7 million for six new district court judges and associated staff; (3) \$1.3 million for judicial pay increases; (4) \$192,000 for PERA and Medicare contributions and; (5) \$85,000 for District Attorney mandated costs. These increases are partially offset by: (1) a \$1.2 million reduction due to a 1.5 percent base reduction for personal services; (2) a \$141,000 reduction in one-time capital expenditures due to the creation of a new county court judgeship in Broomfield County; (3) a \$50,000 transfer to the State Court Administrator's Office for accounting reasons; and (4) a \$30,000 reduction in operating expenses.

Probation and Related Services

Probation is a sentencing alternative available to the courts. The offender serves a sentence in the community under the supervision of a probation officer, subject to the conditions imposed by the court. There are varying levels of supervision that may be required under a probation sentence, and

there are numerous services, ranging from drug counseling to child care, that may be provided to offenders sentenced to probation. The amount of supervision and the types of services vary depending on the profile and history of each offender. In addition, probation officers are responsible for investigating the background of persons brought before the court for sentencing. Cash funds are generated by supervision and testing fees charged to offenders.

Cash funds are from the Offender Services Fund, the Drug Offender Surcharge Fund, the Alcohol and Drug Driving Safety Fund, the Sex Offender Surcharge Fund, revenues for which are generated by fees paid by probationers, and fees from probationers required to perform useful public service. Cash funds exempt are from grants from other departments, and federal funds are from grants from the federal government.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-048	91,768	0	0	0	91,768	2.1
SB 01-095	0	1,432,923	0	0	1,432,923	30.0
SB 01-210	0	36,060	0	0	36,060	0.5
SB 01-212	\$40,233,106	\$8,593,579	\$6,372,542	\$1,778,052	\$56,977,279	926.7
HB 01-1229	0	358,497	0	0	358,497	0.0
HB 02-1373	<u>(1,609,414)</u>	<u>1,760,817</u>	<u>(97,989)</u>	<u>(852,298)</u>	<u>(798,884)</u>	<u>6.5</u>
TOTAL	\$38,715,460	\$12,181,876	\$6,274,553	\$925,754	\$58,097,643	965.8
FY 2002-03 Appropriation:						
SB 02-18	\$0	\$666,009	\$0	\$0	\$666,009	4.2
HB 02-1420	<u>\$42,679,252</u>	<u>\$10,500,750</u>	<u>\$5,773,157</u>	<u>\$925,754</u>	<u>\$59,878,913</u>	<u>968.1</u>
TOTAL	\$42,679,252	\$11,166,759	\$5,773,157	\$925,754	\$60,544,922	972.3
Increase/(Decrease)	\$3,963,792	(\$1,015,117)	(\$501,396)	\$0	\$2,447,279	6.5
Percentage Change	10.2%	-8.3%	-8.0%	0.0%	4.2%	0.7%

FTE Detail	FY 2001-02	FY 2002-03
Chief Officers	21.0	21.0
Probation Supervisors	60.4	62.5
Probation Officers	506.0	535.0

FTE Detail	FY 2001-02	FY 2002-03
Admin. / Support	140.1	145.9
Female Offender Program	6.0	0.0
Offender Services	33.5	11.7
Alcohol/Drug Driving Safety	70.2	75.8
Drug Offender Assessment	19.7	11.5
Victims Grants	17.3	17.3
S.B. 91-94	59.3	59.3
Grants and Federal Funds	<u>32.3</u>	<u>32.3</u>
Total	965.8	972.3

FTE Changes: The appropriation reflects a net increase of 6.5 FTE. This is due to an increase of 5.6 FTE for the Alcohol/Drug Driver Safety program and an increase of 0.9 FTE for the annualization of S.B. 01-48.

General Fund Changes: The net increase in the General Fund appropriation includes \$3 million for salary survey and anniversary increases awarded in FY 2001-02 and an increase of \$1.6 million due to a one-time financing of General Fund with cash funds in FY 2001-02 to cope with the revenue shortfall. These increases are offset by a 1.5 percent personal services base reduction of \$610,000 and a transfer of \$35,000 to the State Court Administrator's Office for accounting purposes.

Cash Fund Changes: The decrease in the cash funds appropriation is due to: (1) the elimination of \$1.6 million in one-time refinancing of General Fund with cash funds to cope with the revenue shortfall and (2) a 1.5 percent personal services base reduction of \$121,000. This is partially offset by an increase of \$380,000 in salary survey and anniversary awards for FY 2001-02, and an increase in cash funding of drug offender assessment and treatment of \$320,000.

Cash Funds Exempt Changes: The decrease in cash funds exempt appropriations is due to the elimination of a fund balance in the Drug Offender Surcharge Fund, and the resulting \$697,000 decrease in cash exempt expenditures for drug offender assessment and treatment expenditures, and a \$12,000 decrease in amounts spent on programs to keep youth from being incarcerated. These decreases are partially offset by a \$207,000 increase in cash exempt expenditures for Alcohol/Drug Driving Safety program FTE.

Public Defender

The Public Defender is responsible for providing legal counsel for criminal defendants whom the courts have found to be indigent and who are facing the possibility of incarceration. The Public Defender maintains 21 regional offices and an appellate division. The Public Defender is appointed by an independent Public Defender Commission.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-48	\$67,076	\$0	\$0	\$0	\$67,076	0.6
SB 01-212	29,381,075	76,140	64,896	0	29,522,111	334.8
HB 01-1075	125,985	0	0	0	125,985	2.5
SB 01S2-22	0	0	28,150	0	28,150	0.0
HB 02-1373	<u>(367,780)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(367,780)</u>	<u>0.0</u>
TOTAL	\$29,206,356	\$76,140	\$93,046	\$0	\$29,375,542	337.9
FY 2002-03 Appropriation:						
SB 02-18	\$0	\$63,390	\$0	\$0	\$63,390	1.6
SB 02-50	14,373	0	0	0	14,373	0.3
HB 02-1038	12,947	0	0	0	12,947	0.3
HB 02-1420	31,235,601	12,750	64,896	0	31,313,247	340.7
HB 02-1468	<u>18,898</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>18,898</u>	<u>0.0</u>
TOTAL	\$31,281,819	\$76,140	\$64,896	\$0	\$31,422,855	342.9
Increase/(Decrease)	\$2,075,463	\$0	(\$28,150)	\$0	\$2,047,313	5.0
Percentage Change	7.1%	0.0%	-30.3%	n/a	7.0%	1.5%

FTE Detail	FY 2001-02	FY 2002-03
State Public Defender and Deputies	3.0	3.0
Public Defenders	202.4	205.1
Investigators	63.0	62.6
Paralegals	7.0	7.0
Admin./Support	<u>62.5</u>	<u>65.2</u>
	337.9	342.9

FTE Change: The increase of 5.0 FTE includes the following increases: (1) 2.5 FTE administrative support staff due to increased caseloads; (2) 1.5 attorney FTE due to the addition of six new district court judges; (3) 0.4 FTE to annualize the appropriation in S.B. 01-048 which created a new judge for Broomfield County, and; (4) 0.6 FTE authorized by H.B. 02-1038 and S.B. 02-050 to cover caseload increases caused by those bills.

General Fund Change: The General Fund appropriation is comprised of the following increases: (1) \$2.1 million in salary survey and anniversary awards for FY 2001-02; (2) \$300,000 due to a one-time decrease in personal services in FY 2001-02 to cope with the revenue shortfall; (3) \$290,000 for leased space; (4) \$85,000 for the increase in FTE; (4) \$75,000 to cover new FTE due to six new district court judges; (5) \$70,000 for health insurance, Medicare and PERA contributions and; (6) \$17,000 for Multiuse Network expenditures. These increases are offset by: (1) a 1.5 percent base reduction for personal services of \$360,000; (2) a decrease of \$349,000 for salary survey awards in FY 2002-03; and (3) a \$200,000 reduction in spending for computer hardware replacement.

Alternate Defense Counsel

The Office of Alternate Defense Counsel (ADC) is an independent agency that was established by S.B. 96-205. The ADC provides representation for indigent defendants when the Public Defender is precluded from doing so because of a conflict of interest. Private attorneys are appointed by the courts and are hired on a per hour contract basis by the ADC. The Office also contracts with private investigators to assist in the defense of the appointed cases, and the Office is responsible for the payment of expenses for discovery and interpreters in the appointed cases. The Office is governed by a nine-member advisory commission appointed by the Supreme Court. Cash Funds are from fees for training provided by the ADC.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$11,648,152	\$3,000	\$0	\$0	\$11,651,152	3.0
SB 01S2-22	0	0	276	0	276	0.0
HB 02-1420	<u>300,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>300,000</u>	<u>0.0</u>
TOTAL	\$11,948,152	\$3,000	\$276	\$0	\$11,951,428	3.0
FY 2002-03 Appropriation:						
HB 02-1420	\$11,970,335	\$3,000	\$0	\$0	\$11,973,335	3.0
HB 02-1468	<u>177</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>177</u>	<u>0.0</u>
TOTAL	\$11,970,512	\$3,000	\$0	\$0	\$11,973,512	3.0
Increase/(Decrease)	\$22,360	\$0	(\$276)	\$0	\$22,084	0.0
Percentage Change	0.2%	0.0%	-100.0%	n/a	0.2%	0.0%

General Fund Change: The increase in the General Fund appropriation is due to increases for salaries for FY 2001-02 and FY 2002-03, and increases for Medicare and PERA contributions.

Office of the Child's Representative

The Office of the Child's Representative was created by H.B. 00-1371 and is an independent agency within the Judicial Department. The structure and organization of the Office was established during FY 2000-01, and became fully operational in FY 2001-02, pursuant to the bill. The Office is responsible for overseeing the representation of children by attorneys, guardians ad-litem and other representatives, within the judicial system.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$6,880,503	\$0	\$0	\$0	\$6,880,503	4.0
SB 01S2-22	0	0	1,547	0	1,547	0.0
HB 02-1373	<u>526,371</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>526,371</u>	<u>0.0</u>
TOTAL	\$7,406,874	\$0	\$1,547	\$0	\$7,408,421	4.0
FY 2002-03 Appropriation:						
HB 02-1420	\$7,398,567	\$30,000	\$0	\$0	\$7,428,567	4.0
HB 02-1468	<u>\$1,234</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,234</u>	<u>0.0</u>
TOTAL	\$7,399,801	\$30,000	\$0	\$0	\$7,429,801	4.0
Increase/(Decrease)	(\$7,073)	\$30,000	(\$1,547)	\$0	\$21,380	0.0
Percentage Change	-0.1%	n/a	-100.0%	n/a	0.3%	0.0%

General Fund Changes: The decrease in the General Fund appropriation is due to the elimination of one time expenditures associated with the start-up of full-time operations, which is mostly offset by an increase due to salary survey and anniversary expenditures for FY 2001-02.

Cash Funds Change: The increase in cash fund spending authority is due to anticipated donations for the court appointed special advocate program.

Cash Funds Exempt Change: The decrease in the cash exempt funds appropriation is the elimination of one-time spending for health insurance in legislation from the second special session.

Recent Legislation

2001 Session Bills

S.B. 01-048: Adds a county court judge and affiliated staff for the new county of Broomfield. Appropriates 5.5 FTE and \$348,506 General Fund to the Judicial Branch, and 0.5 FTE and \$67,076 General Fund to the Public Defender's Office.

S.B. 01-095: Allows the Offender Services Fund to be used to pay personal services expenses connected with the monitoring of individuals sentenced to probation. Appropriates \$1,432,923 cash funds and 30.0 FTE to Probation and Related Services.

S.B. 01-104: Sets forth the procedures by which a defendant will be adjudged mentally incompetent to receive the death penalty, and specifies that such a person may be restored to competency.

S.B. 01-186: Supplemental appropriation to the Judicial Department to modify the appropriation included in the FY 2000-01 Long Bill.

S.B. 01-210: Makes failure to register as a sex offender a class six felony for a defendant convicted of a felony sex offense, and a class five felony for second and subsequent offense of failure to register. Appropriates \$36,060 cash funds and 0.5 FTE to Probation.

S.B. 01-212: General appropriations act for FY 2001-02.

H.B. 01-1075: Subject to available appropriations, creates 24 additional judge positions over the next four years, beginning with 4 judges in FY 2001-02. Appropriates \$125,985 General Fund and 2.5 FTE to the Public Defender and 30.0 FTE and \$2,109,267 General Fund to the Judicial Branch for FY 2001-02.

H.B. 01-1184: Requires the Department of Human Services to provide domestic violence training to county staff, and to assist counties in developing local resources and utilizing available community resources to assist victims of domestic violence. Also requires disclosure of prior restraining orders when petitioning for dissolution of marriage or legal separation, and in proceedings concerning parental responsibilities. Requires the court to advise parties about available services to help victims of domestic violence. Appropriates \$26,776 General Fund to the Judicial Department to fund grants for the provision of domestic violence counseling services.

H.B. 01-1229: Requires certain sex offenders to register as sex offenders on a quarterly basis for life, and expands the number of offenses which require participation in Probation's Sex Offender Intensive Supervision program if the defendant is sentenced to probation. Appropriates \$358,497 cash funds to Probation for FY 2001-02.

S.B. 01S2-22: Provides a 4.3 percent increase in the state contribution rate for state employees for CY 2002 and provides funding to pay for the additional costs associated with health insurance for state employees who reside in Pueblo. For more information, refer to the recent legislation section for the Department of Personnel.

2002 Session Bills

S.B. 02-18: Allows demonstration drug courts created by S.B. 00-163 to be funded from the Offender Services Fund rather than the Drug Offender Surcharge Fund, and appropriates \$729,399 cash funds and 5.8 FTE to provide continuing funding for those courts.

S.B. 02-50: Makes possession of certain substances used to manufacture methamphetamine illegal. Includes a five-year statutory appropriation pursuant to Section 2-2-703, C.R.S. Additionally, the act includes an appropriation of \$14,373 General Fund and 0.3 FTE for the Public Defenders Office for FY 2002-03. The act also reduces General Fund appropriations in the Long Bill for performance-based pay, for all state agencies, to offset the costs of the bill in FY 2002-03. For a complete description of this bill, please see the Recent Legislation section in the Department of Corrections.

H.B. 02-1038: Makes possession of certain items with the intent to manufacture methamphetamine illegal. Includes a five year statutory appropriation pursuant to Section 2-2-703, C.R.S. for the next five fiscal years. Additionally, the act appropriates \$12,947 General Fund and 0.3 FTE to the Public Defender's Office in FY 2002-03. The act also reduces the General Fund appropriations in the Long Bill for performance-based pay, for all state agencies, to cover the FY 2002-03 costs of the bill. For a complete description of this bill, please see the Recent Legislation section in the Department of Corrections.

H.B. 02-1101: Establishes the Family Friendly Court Program, which will provide child care services and information centers for other family oriented state services such as the provision of health care. Raises the county court docket fee by one dollar and directs those funds to the newly created Family Friendly Court Program Cash Fund. Appropriates \$122,200 and 0.5 FTE, from the newly created cash fund, to the Judicial Department for implementation of the act.

H.B. 02-1373: Supplemental appropriation to the Judicial Department to modify the appropriation included in the FY 2001-02 Long Bill.

H.B. 02-1420: General appropriations act for FY 2002-03.

H.B. 02-1468: Refinances the FY 2001-02 appropriation made pursuant to S.B. 01S2-22. Establishes the CY 2003 state contribution rate for health, life, and dental insurance to be the same as the state contribution rate for CY 2002. Authorizes the General Assembly to annually adjust the state contribution for health, life, and dental insurance effective CY 2004 through the Long Bill. For more information, refer to the Recent Legislation section in the Department of Personnel.

DEPARTMENT OF LABOR AND EMPLOYMENT

The Department is responsible for: administering state and federal employment and training programs; enforcing state and federal labor laws; operating state regulatory programs for the oil industry, school construction and boilers and; administering the workers' compensation program. The Department is comprised of the following divisions: the Executive Director's Office, the Division of Employment and Training, the Division of Labor, the Division of Oil and Public Safety, and the Division of Workers' Compensation. The Division of Oil and Public Safety was originally part of the Division of Labor, but pursuant to H.B. 01-1373 it was split from the Division of Labor and made into a separate division. For ease of comparison, the two divisions are treated separately throughout this section.

Department Budget: Recent Actual Expenditures and Appropriations

Funding Source	FY 1999-00 Actual	FY 2000-01 Actual	FY 2001-02 Approp.	FY 2002-03 Approp.
General Fund	\$0	\$0	\$0	\$0
Cash Funds	22,295,338	26,165,566	26,880,472	27,163,058
Cash Funds Exempt	16,298,002	15,459,690	16,379,411	16,101,148
Federal Funds	<u>70,721,321</u>	<u>65,595,627</u>	<u>87,041,924</u>	<u>88,541,721</u>
Total Funds	\$109,314,661	\$107,220,883	\$130,301,807	\$131,805,927
Full Time Equiv. Staff	1,027.3	997.6	1,035.4	1,072.0

FY 2002-03 Budget Changes

Significant changes in appropriations for FY 2002-03 compared to FY 2001-02 include the following:

- An increase of \$1.1 million in anticipated federal funds and 45.0 federally funded FTE for economic research, unemployment insurance, and employment and training programs;
- An increase in payments for administrative law judge services of \$139,000 cash funds;
- A \$43,000 increase in cash funds spending authority for physicians workers' compensation accreditation programs;
- A reduction in the number of federally funded FTE working at county one-stop centers of 8.4 FTE;

- ❑ A reduction in appropriations for information technology hardware of \$275,000, including cash funds, cash funds exempt, and federal funds; and
- ❑ A reduction in payments for legal services related to the Subsequent Injury Fund of \$206,000 cash funds exempt.

General Factors Driving the Budget

Funding for this department consists of 20.6 percent cash funds, 12.2 percent cash funds exempt, and 67.2 percent federal funds. There is no General Fund appropriation for the Department of Labor. Some of the most important factors driving the budget are reviewed below.

Unemployment Insurance

The provision of unemployment insurance services is a major component of the Department's budget. The State collects unemployment taxes which are then forwarded to Colorado's federal trust fund which is maintained by the U.S. government for Colorado. Naturally, the state of the economy locally and nationally affects the degree to which unemployment insurance services are needed and how high these taxes need to be. The Department maintains a comprehensive economic database which can be reached at www.state.co.us. There is a fraud investigation unit that is also sensitive to the state of the Colorado economy.

	FY 1999-00 Actual	FY 2000-01 Actual	FY 2001-02 Estimate	FY 2002-03 Projected	FY 2003-04 Projected
Number of Initial Claims Established	103,693	121,397	124,514	132,657	140,836
Number of New Employer Accounts	22,288	25,722	23,803	24,541	25,265
Number of Appeals Decisions Rendered	15,000	15,050	15,571	16,589	17,612
Percentage of Cases Involving Fraud	1.1%	1.1%	1.0%	1.0%	1.0%

Employment and Training

The Department provides employment and training services, including welfare-to-work programs, through "one-stop" centers run by either the state or by counties. Under the federal Workforce Investment Act of 1998, there is a much greater emphasis on working to match employers with employees. Thus, while a poor economy increases the number of workers seeking assistance, a strong economy increases the number of employers seeking qualified employees.

Fiscal Year	95-96	96-97	97-98	98-99	99-00	00-01	01-02 est	02-03 est
Individuals Served	197,432	196,938	227,948	209,267	194,905	201,323	194,000	194,000
Number Entering Employment	46,121	49,403	47,304	42,941	42,467	37,404	42,000	42,000

Workers' Compensation/Major Medical and Subsequent Injury

This program's budget is driven by the number of workers injured in a given year, and the number of hearings requested by an employer/insurance company or an injured employee to determine the benefits provided. The Workers' Compensation program offers claims intervention, mediation, pre-hearing conferences, settlement conferences, and arbitration to assist with claims dispute resolution. Colorado employers are mandated to have workers' compensation insurance. This insurance pays medical expenses for work-related injuries, as well as partial wage replacement while the worker recovers. The Division of Workers' Compensation provides various services to support this mandate, including customer service, oversight, claims resolution, employer and employee education, and assistance to employers to reduce accident frequency and thus contain costs.

Fiscal Year	98-99	99-00	00-01	01-02 estimate	02-03 projected
Applications for Workers' Compensation Hearings	10,831	13,213	14,011	10,500	10,500
Hearings Held	1,526	1,449	1,287	1,223	1,167
Customer Contacts	83,974	82,771	78,546	77,900	77,400
Work Related Accident Cost Reduction (savings)	\$10,945,859	\$11,744,116	\$9,612,606	\$10,000,000	\$10,000,000

The Major Medical Insurance Fund program provides benefits to workers who sustained catastrophic injuries between July 1, 1971 and June 30, 1981. There are currently 1,514 of these cases still open. The Subsequent Injury Fund program provides compensation to injured workers who have become permanently, totally disabled by more than one work-related injury. There are currently 517 open cases. The Major Medical and Subsequent Injury programs are continuously appropriated.

Summary of FY 2001-02 and FY 2002-03 Appropriations

Total Department Appropriations

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Total Appropriation:	\$0	\$26,880,472	\$16,379,411	\$87,041,924	\$130,301,807	1,035.4
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	0	8,054,495	1,205,504	14,402,963	23,662,962	165.4
Division of Employment and Training	0	7,267,192	705,958	72,101,528	80,074,678	670.8
Division of Labor	0	527,947	419,819	0	947,766	13.5
Division of Oil and Public Safety	0	2,331,802	761,037	537,433	3,630,272	57.3
Division of Workers' Compensation	0	8,699,036	13,287,093	0	21,986,129	128.4
<u>Breakdown of Total Appropriation by Bill</u>						
SB 01-212	182,199	26,494,875	16,408,248	87,383,172	130,468,494	1,035.4
SB 01-233	(182,199)	182,199	0	0	0	0.0
SB 01S2-22	0	0	55,727	0	55,727	0.0
HB 02-1374	0	188,995	(32,618)	(378,791)	(222,414)	0.0
HB 02-1468	0	14,403	(51,946)	37,543	0	0.0
FY 2002-03 Total Appropriation:	\$0	\$27,163,058	\$16,101,148	\$88,541,721	\$131,805,927	1,072.0
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	0	8,063,326	1,170,503	14,708,720	23,942,549	165.4
Division of Employment and Training	0	7,275,385	686,379	73,292,493	81,254,257	707.4
Division of Labor	0	471,759	412,052	0	883,811	13.5
Division of Oil and Public Safety	0	2,760,138	519,161	540,508	3,819,807	57.3
Division of Workers' Compensation	0	8,592,450	13,313,053	0	21,905,503	128.4

	GF	CF	CFE	FF	Total	FTE
<u>Breakdown of Total Appropriation by Bill</u>						
HB 02-1420	0	27,149,369	16,098,888	88,511,791	131,760,048	1,072.0
HB 02-1468	0	13,689	2,260	29,930	45,879	0.0
Increase/(Decrease)	\$0	\$282,586	(\$278,263)	\$1,499,797	\$1,504,120	36.6
Percentage Change	n/a	1.1%	-1.7%	1.7%	1.2%	3.5%

Detail of Appropriation by Administrative Section

Executive Director's Office

The Executive Director's Office performs departmental administrative functions, including public relations, information management, accounting, budgeting, data processing, and personnel management. The Office also administers three programs: (1) the Industrial Claims Appeal Panel, which adjudicates appeals relating to unemployment insurance and workers' compensation issues; (2) the Public Employees' Social Security Program, which administers the federal-state agreement with the U.S. Social Security Administration; and (3) Investigations and Criminal Enforcement, which investigates potential fraud in the Unemployment Insurance and the Workers' Compensation programs.

Cash funds used for administration of the Department's programs are primarily from the Workers' Compensation Cash Fund, the Employment Support Fund, and the Petroleum Storage Tank Fund. Cash funds exempt used for administration are from the Major Medical Insurance Fund, the Subsequent Injury Fund and reserves in the Petroleum Storage Tank and Unemployment Revenue Funds. Federal funds are used to administer unemployment programs. As the Executive Director's Office administers programs throughout the Department, its funding sources reflect the funding sources for programs in other divisions. For example, an increase in federally funded activity in other divisions will be reflected by an increase in federal funding for the Executive Director's Office.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$0	\$8,204,419	\$1,234,341	\$14,744,211	\$24,182,971	165.4
SB 01S2-22	0	0	55,727	0	55,727	0.0
HB 02-1374	0	(164,327)	(32,618)	(378,791)	(575,736)	0.0
HB 02-1468	<u>0</u>	<u>14,403</u>	<u>(51,946)</u>	<u>37,543</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$0	\$8,054,495	\$1,205,504	\$14,402,963	\$23,662,962	165.4

	GF	CF	CFE	FF	Total	FTE
FY 2002-03 Appropriation:						
HB 02-1420	\$0	\$8,049,637	\$1,168,243	\$14,678,790	\$23,896,670	165.4
HB 02-1468	<u>0</u>	<u>13,689</u>	<u>2,260</u>	<u>29,930</u>	<u>45,879</u>	<u>0.0</u>
TOTAL	\$0	\$8,063,326	\$1,170,503	\$14,708,720	\$23,942,549	165.4
Increase/(Decrease)	\$0	\$8,831	(\$35,001)	\$305,757	\$279,587	0.0
Percentage Change	n/a	0.1%	-2.9%	2.1%	1.2%	0.0%

FTE Detail	FY 2001-02	FY 2002-03
Director's Office	28.4	28.4
Industrial Claims Appeals	9.5	9.5
Information Services	66.5	66.5
Finance	19.0	19.0
Human Resources	11.0	11.0
Investigations/ Criminal Enforcement	7.0	7.0
Budget	6.0	6.0
Facilities	<u>18.0</u>	<u>18.0</u>
	165.4	165.4

The increase in appropriations is due to: (1) an increase of \$605,000 for salary survey and anniversary increases awarded for FY 2001-02; (2) an increase of \$134,000 for centralized salary survey and performance-based pay awards for FY 2002-03; (3) an \$89,000 increase for liability and short-term disability insurance; (4) an increase for multiuse network payments of \$22,000, and; (5) an increase of \$21,000 for medicare and PERA contributions. These increases are mostly offset by the following: (1) a reduction for information technology hardware replacement of \$275,000; (2) a 1.5 percent base personal services reduction of \$267,000; (3) a \$64,000 reduction in amounts for leased space, and; (4) a reduction for the purchase of workers' compensation insurance and utilities of \$39,000.

Cash Funds Changes: The increase in the cash funds spending authority is a result of a small shift towards cash fund support for department administration. This is due to an increase in cash funded activity in the Department, particularly in the Division of Oil and Public Safety.

Cash Funds Exempt Changes: The reduction in the cash exempt appropriation is a result of an overall decrease in reliance on cash exempt funding for programs in the Department, which leads to a slight decrease in the use of these funds for administrative purposes.

Federal Funds Changes: The increase in reflected federal funds for administration is the result of increased federally funded programmatic activity, particularly with respect to employment and training programs, and unemployment insurance programs.

Division of Employment and Training

The Division administers three major program areas: (1) the unemployment insurance program, which is responsible for administering all aspects of unemployment insurance, including benefits, taxes, appeals, and fraud; (2) employment and training programs, which provide job placement and related services to job-seeking applicants and employers; and (3) the labor market information section, which tracks and disseminates labor market and economic trend information and statistics.

Cash funds are from the Employment Support Fund, and the Unemployment Revenue Fund, cash funds exempt are from reserves in the Employment Revenue Fund, and federal funds are from welfare-to-work block grants, Workforce Investment Act grants, and other federal grants designated for unemployment programs.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$0	\$7,267,192	\$705,958	\$72,101,528	\$80,074,678	670.8
TOTAL	\$0	\$7,267,192	\$705,958	\$72,101,528	\$80,074,678	670.8
FY 2002-03 Appropriation:						
HB 02-1420	\$0	\$7,275,385	\$686,379	\$73,292,493	\$81,254,257	707.4
TOTAL	\$0	\$7,275,385	\$686,379	\$73,292,493	\$81,254,257	707.4
Increase/(Decrease)	\$0	\$8,193	(\$19,579)	\$1,190,965	\$1,179,579	36.6
Percentage Change	n/a	0.1%	-2.8%	1.7%	1.5%	5.5%

FTE Detail	FY 2001-02	FY 2002-03
<u>Unemployment Insurance</u>		
Administration	4.0	4.0
Tax Collection	133.0	133.0

FTE Detail	FY 2001-02	FY 2002-03
Benefits	184.0	221.0
Appeals	44.0	44.0
Quality Control	14.0	14.0
<u>Unemployment Insurance Fraud</u>		
Criminal Investigators	4.0	4.0
Labor & Employment Specialists	16.0	16.0
<u>Employment and Training</u>		
Management	1.5	1.5
Labor and Employment Specialists	129.3	132.3
General Professionals	5.1	5.1
Support Staff / Administrators	4.5	4.5
One Stop County Contracts	51.9	40.5
Workforce Investment Act	40.0	40.0
<u>Labor Market Information</u>		
Total Staff	<u>39.5</u>	<u>47.5</u>
	670.8	707.4

FTE Changes: There is a net increase of 36.6 FTE. Of this amount, 37.0 FTE are attributable to an increase in federally funded FTE for unemployment insurance programs, and 8.0 FTE are due to an increase in federally funded FTE for labor market data and research programs. These increases are offset by a decrease of 8.4 state funded FTE working on employment and training programs.

Cash Funds Changes: The slight increase in the cash funds appropriation is primarily due to an increase of \$100,000 in collections of statewide indirect cost recoveries and a \$60,000 increase in cash funds for unemployment insurance fraud programs including salary survey and anniversary increases awarded in for FY 2001-02. These amounts are almost entirely offset by a decrease in cash support for unemployment insurance programs due to a 2.5 percent base personal services reduction.

Cash Funds Exempt Changes: The decrease in appropriated cash funds exempt is the result of a decrease in cash exempt support of personal services in the unemployment insurance fraud division.

Federal Funds Changes: The increase in reflected federal funds is the result of: (1) an anticipated \$626,000 increase for unemployment insurance programs; (2) a \$454,000 anticipated increase in funds available for employment and training programs, and; (3) a \$110,000 anticipated increase for economic research and data programs.

Division of Labor

Pursuant to H.B. 01-1373, this division now consists of a single unit responsible for labor administration and standards. Public safety functions and the responsibilities of the Office of State Inspector of Oils Labor were moved into a new division pursuant to the legislation. The labor administration and standards program ensures compliance with wage, youth employment, and labor practice laws. This division also administers labor relations programs in the public and private sectors.

Cash funds are from the Employment Support Fund. Cash funds exempt are from statewide indirect cost recoveries.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$182,199	\$0	\$675,567	\$0	\$857,766	13.5
SB 01-233	(182,199)	437,947	(255,748)	0	0	0.0
HB 02-1374	<u>0</u>	<u>90,000</u>	<u>0</u>	<u>0</u>	<u>90,000</u>	<u>0.0</u>
TOTAL	\$0	\$527,947	\$419,819	\$0	\$947,766	13.5
FY 2002-03 Appropriation:						
HB 02-1420	<u>\$0</u>	<u>\$471,759</u>	<u>\$412,052</u>	<u>\$0</u>	<u>\$883,811</u>	<u>13.5</u>
TOTAL	\$0	\$471,759	\$412,052	\$0	\$883,811	13.5
Increase/(Decrease)	\$0	(\$56,188)	(\$7,767)	\$0	(\$63,955)	0.0
Percentage Change	n/a	-10.6%	-1.9%	n/a	-6.7%	0.0%

FTE Detail	FY 2001-02	FY 2002-03
Director	0.5	0.5
Labor Relations	11.0	11.0
Investigations	<u>2.0</u>	<u>2.0</u>
	13.5	13.5

Cash Funds Changes: The reduction in cash fund appropriations is due the elimination of one-time funding of \$90,000 for an information technology project and a 1.5 percent base reduction for personal services of \$11,000. This reduction is partially offset by increases for salary survey and anniversary awards in FY 2001-02.

Cash Funds Exempt Changes: The reduction in cash funds exempt appropriations is the result of a 1.5 percent base personal services reduction which was partially offset by salary survey and anniversary increases awarded in FY 2001-02.

Division of Oil and Public Safety

The Division of Oil and Public Safety was created pursuant to H.B. 01-1373. This legislation combined the duties of the Office of State Inspector of Oils with the public safety functions of the Division of Labor, and moved those functions from the Division of Labor into a new division. The appropriations for those functions were not affected.

The public safety unit conducts annual 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, and enforces statutory requirements pertaining to safety in public schools, carnivals, explosives, and bungee jumping. The Office of the State Oil Inspector is responsible for monitoring and expediting the clean-up of leaking petroleum storage tanks and monitoring the accuracy of meters on pumps used to dispense petroleum products.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$0	\$2,587,550	\$505,289	\$537,433	\$3,630,272	57.3
SB 01-233	<u>0</u>	<u>(255,748)</u>	<u>255,748</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$0	\$2,331,802	\$761,037	\$537,433	\$3,630,272	57.3
FY 2002-03 Appropriation:						
HB 02-1420	<u>\$0</u>	<u>\$2,760,138</u>	<u>\$519,161</u>	<u>\$540,508</u>	<u>\$3,819,807</u>	<u>57.3</u>
TOTAL	\$0	\$2,760,138	\$519,161	\$540,508	\$3,819,807	57.3
Increase/(Decrease)	\$0	\$428,336	(\$241,876)	\$3,075	\$189,535	0.0
Percentage Change	n/a	18.4%	-31.8%	0.6%	5.2%	0.0%

FTE Detail	FY 2001-02	FY 2002-03
Boiler Inspection	13.0	13.0
Public Safety Inspection	2.0	2.0
Oil Inspection	<u>42.3</u>	<u>42.3</u>
	57.3	57.3

Cash Funds Changes: The increase in cash fund appropriations is the result of a \$275,000 increase for salary survey and anniversary increases awarded in FY 2001-02 and a shift toward cash fund support for the program of \$230,000. These increases are partially offset by a 2.5 percent reduction in base funding for personal services.

Cash Funds Exempt Changes: The reduction in cash funds exempt appropriations is the result a shift away from cash funds exempt support for programmatic needs due to a reduction in statewide indirect cost recoveries.

Federal Funds Changes: The increase in reflected federal funds is due to an expected increase in federal funds available for leaking petroleum product storage tank clean-ups.

Division of Workers' Compensation

The Division of Workers' Compensation is responsible for assuring the quick and efficient delivery of disability and medical benefits to injured workers at a reasonable cost to employers. The Division is comprised of five major sections: customer service, dispute resolution, medical cost containment, employer services, and special funds.

The customer service unit provides administrative oversight of injury claims to assure compliance with all benefit and reporting requirements. This unit provides information and technical assistance, and audits insurers' claims handling practices.

The dispute resolution unit provides mediation, arbitration, pre-hearing, and settlement services. These services are designed to resolve frequently contested issues, thus reducing the need for administrative hearings and/or litigation. This unit also coordinates with the Division of Administrative Hearings in the Department of Personnel for those cases requiring an administrative hearing.

The medical cost containment unit oversees several programs including physician accreditation, medical utilization review, medical treatment guidelines, medical fee schedule, and independent medical examinations. These programs are intended to ensure that medical services are provided in a cost-effective manner.

The employer services section administers the self-insurance and premium cost-containment programs, and ensures employer compliance with workers' compensation coverage requirements.

The special funds section administers three insurance funds. The Major Medical Insurance Fund, which covers workers who sustained catastrophic injuries between July 1971, and June 1981, has approximately 1,700 open cases. The Medical Disaster Insurance Fund provides similar medical benefits to workers who were injured prior to July 1971; 12 cases remain open. The Subsequent Injury Fund provides compensation to injured workers who have become permanently and completely disabled from more than one industrial injury, as well as those workers who are disabled from certain occupational diseases. This fund, which was closed to new incidents in April 1994, currently has approximately 600 open cases.

The primary sources of cash funds are the Workers' Compensation Cash Fund and the Subsequent Injury and Major Medical Insurance Cash Funds. Cash funds exempt are from reserves in the same funds.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$0	\$8,435,714	\$13,287,093	\$0	\$21,722,807	128.4
HB 02-1374	<u>0</u>	<u>263,322</u>	<u>0</u>	<u>0</u>	<u>263,322</u>	<u>0.0</u>
TOTAL	\$0	\$8,699,036	\$13,287,093	\$0	\$21,986,129	128.4
FY 2002-03 Appropriation:						
HB 02-1420	<u>\$0</u>	<u>\$8,592,450</u>	<u>\$13,313,053</u>	<u>\$0</u>	<u>\$21,905,503</u>	<u>128.4</u>
TOTAL	\$0	\$8,592,450	\$13,313,053	\$0	\$21,905,503	128.4
Increase/(Decrease)	\$0	(\$106,586)	\$25,960	\$0	(\$80,626)	0.0
Percentage Change	n/a	-1.2%	0.2%	n/a	-0.4%	0.0%

FTE Detail	FY 2001-02	FY 2002-03
Customer Service	27.0	27.0
Dispute Resolution	13.0	13.0
Medical Cost Containment	5.0	5.0
Employer Services	15.0	15.0
Administration / Technical Operations	46.4	46.4

FTE Detail	FY 2001-02	FY 2002-03
Accounting	5.0	5.0
Program Administration	1.0	1.0
Compensation Insurance Specialists	12.0	12.0
Support Staff	<u>4.0</u>	<u>4.0</u>
	128.4	128.4

Cash Funds Changes: The decrease in appropriated cash funds is primarily due to: (1) a reduction of \$280,000 in statewide indirect cost recoveries; (2) a reduction of \$145,000 for a 2.5 percent personal services base reduction; (3) a shift away from cash fund support for workers' compensation programs of \$175,000; and (4) a reduction of \$80,000 for one time contract services in FY 2001-02. These decreases are partially offset by: (1) an increase of \$388,000 for salary survey and anniversary increases awarded in FY 2001-02; (2) an increase of \$139,000 to pay for administrative law judge services; (3) an increase of \$43,000 for physician accreditation programs, and; (4) an increase of \$11,000 for PERA and medicare contributions.

Cash Funds Exempt Changes: The increase in cash exempt appropriations is due to: (1) a \$175,000 shift to cash exempt support for workers' compensation programs; (2) an increase of \$75,000 for salary survey and anniversary increases awarded in FY 2001-02; and (3) an increase of \$15,000 for statewide indirect cost recoveries. This is partially offset by a \$206,000 reduction in payments for legal services related to the subsequent injury fund and a personal services base reduction of \$33,000.

Recent Legislation

2001 Session Bills

S.B. 01-187: Supplemental appropriation to the Department of Labor to modify the appropriation included in the FY 2000-01 Long Bill.

S.B. 01-212: General appropriations act for FY 2001-02.

S.B. 01-233: Allows the Employment Support Fund to be used for the labor standards, labor relations, and the Colorado works grievance procedure until July 1, 2003. Eliminates the General Fund appropriation of \$182,199, and increases the cash funds appropriation by the same amount.

H.B. 01-1279: Increases by specified amounts the statutory limits on fees that may be charged by the Department of Labor for boiler inspections. The bill authorizes the Department to assess a certificate of boiler operation issuance fee of not more than \$25.

H.B. 01-1373: Creates the Division of Oil and Public Safety in the Department of Labor and Employment by combining the duties of the Office of State Inspector of Oils with the public safety functions of the Division of Labor.

S.B. 01S2-22: Provides a 4.3 percent increase in the state contribution rate for state employees for CY 2002 and provides funding to pay for the additional costs associated with health insurance for state employees who reside in Pueblo. For more information, refer to the bill description in the Department of Personnel.

2002 Session Bills

H.B. 02-1374: Supplemental appropriations act for FY 2001-02 to modify appropriations included for the Department of Labor in the FY 2001-02 Long Bill, S.B. 01-212.

H.B. 02-1401: Under current law, an employer is eligible for a credit of 20 percent of the unemployment insurance taxes otherwise due if the following conditions are met:

- as of the most recent computation date, the employer has filed all required reports and paid all taxes due under Articles 70 to 82 of Title 8, C.R.S.;
- the employer is not a negative excess employer assigned the maximum tax rate; the employer has not elected to make reimbursement payments in lieu of taxes; and
- as of the computation date immediately preceding the calendar year for which the credit is to be taken, the unexpended and unencumbered balance in the Unemployment Compensation Fund equaled or exceeded 1.1 percent of the total amount of insured wages paid in Colorado during the calendar year immediately preceding the computation date.

The bill continues the 20 percent credit against unemployment insurance indefinitely.

H.B. 02-1420: General appropriations act for FY 2002-03.

H.B. 02-1468: Refinances the FY 2001-02 appropriation made pursuant to S.B. 01S2-22. Establishes the CY 2003 state contribution rate for health, life, and dental insurance to be the same as the state contribution rate for CY 2002. Authorizes the General Assembly to annually adjust the state contribution for health, life, and dental insurance effective CY 2004 through the Long Bill. For more information, refer to the bill description in the Department of Personnel.

DEPARTMENT OF LAW

The Attorney General, as head of the Department of Law, is the chief legal counsel for all agencies of state government. The Department represents the State in criminal appeals; in legal actions before the State Supreme Court, the State Court of Appeals, and federal courts; and in other circumstances as required by law. The Department is also responsible for a number of other programs, including enforcement of consumer protection and antitrust laws, assisting local district attorneys in handling death penalty cases, and investigating and prosecuting Medicaid-related crimes. The Department is comprised of the following divisions: Administration, Legal Services to State Agencies, Criminal Justice and Appellate, Water and Natural Resources, Consumer Protection, and Special Purpose.

Department Budget: Recent Actual Expenditures and Appropriations

Funding Source	FY 1999-00 Actual	FY 2000-01 Actual	FY 2001-02 Approp.	FY 2002-03 Approp.
General Fund	\$10,238,037	\$8,854,954	\$9,931,631	\$9,589,539
Cash Funds	1,399,935	1,271,993	1,120,223	1,060,489
Cash Funds Exempt	17,622,829	19,351,128	21,959,467	22,195,984
Federal Funds	<u>662,997</u>	<u>677,065</u>	<u>796,649</u>	<u>826,020</u>
Total Funds	\$29,923,798	\$30,155,140	\$33,807,970	\$33,672,032
Full Time Equiv. Staff	329.3	324.9	350.2	345.7

FY 2002-03 Budget Changes

Significant changes in appropriations for FY 2002-03 compared to FY 2001-02 include the following:

- A net decrease of \$342,000 General Fund for the Arkansas River litigation, reflecting the elimination of a one-time \$389,000 supplemental increase in FY 2001-02. This reduction was partially offset by an increase of \$47,000 to provide a rate increase to the private attorneys handling the Arkansas River case;
- A decrease of \$227,000 cash funds exempt and 3.1 FTE, reflecting a net reduction of 4,396 hours of legal services anticipated to be provided to state agencies in FY 2002-03;
- A decrease of \$88,000 General Fund and 2.0 FTE for the Comprehensive Environmental Response Compensation and Liability Act (CERCLA) program, reflecting a reduced program workload;

- ❑ An increase of \$61,000 General Fund and 0.8 FTE to provide statewide coordination of efforts in prosecuting gang-related crimes and to help implement programs designed to prevent youth from joining gangs; and
- ❑ An increase of \$18,000 cash funds exempt to pursue litigation against foreign tobacco manufacturers who have failed to comply with the State's non-participating manufacturer laws.

General Factors Driving the Budget

Funding for this department consists of 28.5 percent General Fund, 3.1 percent cash funds, 65.9 percent cash funds exempt, and 2.5 percent federal funds. Some of the most important factors driving the budget are reviewed below.

Legal Services to State Agencies

In FY 2002-03, the provision of legal services to state agencies will cost roughly \$16.2 million, representing 48.2 percent of the Department of Law's budget (Note: if centralized and overhead costs contained in the Administration section of the budget are included, the cost of providing legal services to state agencies would rise to \$18.2 million and would account for 54.1% of the Department's budget). Seven departments (the Departments of Regulatory Agencies, Natural Resources, Personnel, Public Health and Environment, Human Services, Corrections, and Transportation) account for over 78 percent of the total legal services used by state agencies.

Legal Services by State Agency

	FY 98-99 Actual	FY 99-00 Actual	FY 00-01 Actual	FY 01-02 Approp	FY 02-03 Approp
Regulatory Agencies	\$3,769,962	\$4,230,414	\$4,452,017	\$4,863,421	\$4,968,961
Natural Resources	1,718,754	1,913,089	2,072,094	2,229,105	2,335,788
Personnel	176,103	164,492	226,649	2,062,112	2,110,462
Public Health & Env.	1,332,726	1,470,798	1,503,409	1,638,319	1,658,513
Corrections	571,847	799,952	987,124	1,540,614	1,622,731
Human Services	1,081,761	1,001,351	1,041,762	1,131,731	1,172,977
Transportation	816,750	869,012	615,668	960,122	994,320
Other	<u>3,213,561</u>	<u>3,322,445</u>	<u>3,803,361</u>	<u>4,335,034</u>	<u>4,060,052</u>
Total	\$12,681,464	\$13,771,553	\$14,702,084	\$18,760,456	\$18,923,804

Appellate Unit

The Appellate Unit defends the State position in state and federal appellate courts. In this regard, the appellate unit attempts to prosecute and defend convictions for a variety of serious crimes including homicide, assault, sexual assault, kidnaping, theft/burglary, drug-related crimes, crimes against children, and other felonies. The caseload of the Appellate Unit has exhibited significant volatility in recent years. For example, appellate caseload grew from about 600 new appellate cases per year in the mid-1990s to over 950 cases projected for FY 2001-02. Based on this growth in the appellate caseload, a total of 10.0 additional FTE were appropriated to the Unit over a two year period starting in FY 2000-01. However, when the actual appellate caseload was slightly lower than originally projected, the General Assembly reduced the Appellate Unit by a total of 1.0 FTE through both a FY 2001-02 supplemental appropriation and the FY 2002-03 Long Bill.

	FY 98-99 Actual	FY 99-00 Actual	FY 00-01 Actual	FY 01-02 Approp	FY 02-03 Approp
Appropriation	N/A	\$1,152,089	\$1,726,691	\$1,858,046	\$1,986,422
FTE	N/A	20.9	27.3	31.2	31.0
Appellate Unit - New Cases	904	1,015	849	950	1,000

Summary of FY 2001-02 and FY 2002-03 Appropriations

Total Department Appropriations

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Total Appropriation:	\$9,931,631	\$1,120,223	\$21,959,467	\$796,649	\$33,807,970	350.2
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Administration	1,533,434	24,165	4,327,866	84,206	5,969,671	38.7
Legal Services to State Agencies	0	511,636	15,388,811	0	15,900,447	198.0
Criminal Justice and Appellate	3,172,537	320,652	619,734	712,443	4,825,366	68.2
Water and Natural Resources	2,784,483	0	216,735	0	3,001,218	18.3
Consumer Protection	927,731	263,770	919,621	0	2,111,122	27.0
Special Purpose	1,513,446	0	486,700	0	2,000,146	0.0

	GF	CF	CFE	FF	Total	FTE
<u>Breakdown of Total Appropriation by Bill</u>						
SB 01-73	0	0	5,860	0	5,860	0.1
SB 01-100	0	0	2,791	0	2,791	0.0
SB 01-164	0	0	12,836	0	12,836	0.1
SB 01-212	9,825,809	769,957	21,992,827	781,937	33,370,530	350.5
SB 01-214	0	0	25,673	0	25,673	0.3
HB 01-1097	0	0	2,232	0	2,232	0.0
HB 01-1195	0	0	83,715	0	83,715	0.8
HB 01-1354	0	0	19,534	0	19,534	0.2
SB 01S2-22	0	0	17,741	0	17,741	0.0
SB 02-182	0	0	2,450	0	2,450	0.0
HB 02-1375	144,606	350,150	(205,800)	14,436	303,392	(1.8)
HB 02-1428	(38,784)	0	0	0	(38,784)	0.0
HB 02-1468	0	116	(392)	276	0	0.0
FY 2002-03 Total Appropriation:	\$9,589,539	\$1,060,489	\$22,195,984	\$826,020	\$33,672,032	345.7
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Administration	1,511,462	19,862	4,128,464	78,319	5,738,107	38.7
Legal Services to State Agencies	0	450,000	15,776,410	0	16,226,410	194.9
Criminal Justice and Appellate	3,450,931	331,495	626,404	747,701	5,156,531	68.8
Water and Natural Resources	2,403,771	0	172,893	0	2,576,664	16.3
Consumer Protection	925,808	259,132	1,025,613	0	2,210,553	27.0
Special Purpose	1,297,567	0	466,200	0	1,763,767	0.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 02-050	(7,775)	0	0	0	(7,775)	0.0
SB 02-179	0	0	5,843	0	5,843	0.0
SB 02-182	0	0	1,125	0	1,125	0.0
HB 02-1038	(7,752)	0	0	0	(7,752)	0.0

	GF	CF	CFE	FF	Total	FTE
HB 02-1186	0	0	10,517	0	10,517	0.0
HB 02-1310	0	0	5,843	0	5,843	0.0
HB 02-1321	0	0	584	0	584	0.0
HB 02-1323	0	0	9,349	0	9,349	0.0
HB 02-1420	9,599,013	1,060,362	22,152,551	825,685	33,637,611	345.7
HB 02-1468	6,053	127	10,172	335	16,687	0.0
Increase/(Decrease)	(\$342,092)	(\$59,734)	\$236,517	\$29,371	(\$135,938)	(4.5)
Percentage Change	-3.4%	-5.3%	1.1%	3.7%	-0.4%	-1.3%

Detail of Appropriation by Administrative Section

Administration

This division funds overhead costs for the entire department, as well as personal services and operating costs for the following centralized Department functions: the Office of the Attorney General, human resources, fiscal (accounting/budgeting), information services, text management, and administrative services. Cash and cash exempt funds appropriated consist of direct and indirect cost recoveries used to cover the general administrative costs associated with cash, cash exempt, and federal programs within the Department. Federal funds are associated with centralized appropriations for the Medicaid Fraud Control Unit.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$1,600,279	\$23,899	\$4,289,058	\$85,244	\$5,998,480	38.7
SB 01S2-22	0	0	17,741	0	17,741	0.0
HB 02-1375	(31,345)	150	21,459	(1,314)	(11,050)	0.0
HB 02-1428	(35,500)	0	0	0	(35,500)	0.0
HB 02-1468	<u>0</u>	<u>116</u>	<u>(392)</u>	<u>276</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$1,533,434	\$24,165	\$4,327,866	\$84,206	\$5,969,671	38.7
FY 2002-03 Appropriation:						
SB 02-50	(\$7,775)	\$0	\$0	\$0	(\$7,775)	0.0
HB 02-1038	(7,752)	0	0	0	(7,752)	0.0

	GF	CF	CFE	FF	Total	FTE
HB 02-1420	1,520,936	19,735	4,118,292	77,984	5,736,947	38.7
HB 02-1468	<u>6,053</u>	<u>127</u>	<u>10,172</u>	<u>335</u>	<u>16,687</u>	<u>0.0</u>
TOTAL	\$1,511,462	19,862	4,128,464	78,319	5,738,107	38.7
Increase/(Decrease)	(\$21,972)	(\$4,303)	(\$199,402)	(\$5,887)	(\$231,564)	0.0
Percentage Change	-1.4%	-17.8%	-4.6%	-7.0%	-3.9%	0.0%

FTE Detail	FY 2001-02	FY 2002-03
Office of the Attorney General	8.0	8.0
Human Resources	2.5	2.5
Fiscal	5.5	5.5
Information Services Unit	11.7	11.7
Text Management	7.0	7.0
Administrative	<u>4.0</u>	<u>4.0</u>
	38.7	38.7

General Fund Changes: The General Fund appropriation includes: (1) a decrease of \$51,000 to reflect the elimination of one-time funding in FY 2001-02 to upgrade the wiring of the State Services Building and to enhance the security of the Department's computers/databases from outside intrusion, and; (2) a decrease of \$41,000 for the replacement of Department computers. These decreases were partially offset by: (1) an increase of \$52,000 for the Risk Management and Property Funds line item; and (2) an increase of \$15,000 for salary survey and performance-based pay to be awarded in FY 2002-03.

Cash Funds Exempt Changes: The \$199,000 cash funds exempt appropriation decrease includes: (1) a reduction of \$199,000 to reflect the elimination of one-time funding in FY 2001-02 to upgrade the wiring of the State Services Building and to enhance the security of the Department's computers/databases from outside intrusion; (2) a decrease of \$78,000 for the replacement of Department computers, and; (3) a decrease of \$57,000 for salary survey and performance-based pay increases to be awarded in FY 2002-03. These decreases are partially offset by: (1) an increase of \$108,000 in indirect cost recoveries; and (2) an increase of \$23,000 to upgrade the operating system and office suite on a limited number of Department computers to take advantage of enhanced multi-media capabilities and to meet the requirements of some courts regarding the electronic submission of court documents.

Legal Services to State Agencies

This section contains appropriations for attorneys, paralegals, and support personnel who provide direct legal services to state agencies, as well as to other public entities and state enterprises such as the Public Employees Retirement Association, the Correctional Industries Subprogram, Veterans' Nursing Homes in the Department of Human Services, the State Lottery Division, the Colorado Student Loan Program, the Colorado Student Obligation Bonding Authority, and the Auraria Higher Education Center. The attorneys in this section represent the State in legal disputes and provide advice to agencies, public entities, offices, boards, and commissions on a fee-for-service basis. In FY 2002-03, the Department anticipates providing 307,302 hours of legal services to state agencies and other public entities through the Legal Services to State Agencies program. In FY 2002-03, legal services will be provided to state agencies by the Department of Law at a \$59.80 per hour legal rate. Cash funds represent funds earned by the Department for the provision of legal services to state enterprises and other public entities. Cash funds exempt reflect revenue earned from the provision of services to state agencies.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-73	\$0	\$0	\$5,860	\$0	\$5,860	0.1
SB 01-100	0	0	2,791	0	2,791	0.0
SB 01-164	0	0	12,836	0	12,836	0.1
SB 01-212	0	161,636	15,583,720	0	15,745,356	196.5
SB 01-214	0	0	25,673	0	25,673	0.3
HB 01-1097	0	0	2,232	0	2,232	0.0
HB 01-1195	0	0	83,715	0	83,715	0.8
HB 01-1354	0	0	19,534	0	19,534	0.2
SB 02-182	0	0	2,450	0	2,450	0.0
HB 02-1375	<u>0</u>	<u>350,000</u>	<u>(350,000)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$0	\$511,636	\$15,388,811	\$0	\$15,900,447	198.0
FY 2002-03 Appropriation:						
SB 02-179	\$0	\$0	\$5,843	\$0	\$5,843	0.0
SB 02-182	0	0	1,125	0	1,125	0.0
HB 02-1186	0	0	10,517	0	10,517	0.0
HB 02-1310	0	0	5,843	0	5,843	0.0
HB 02-1321	0	0	584	0	584	0.0

	GF	CF	CFE	FF	Total	FTE
HB 02-1323	0	0	9,349	0	9,349	0.0
HB 02-1420	0	450,000	15,743,149	0	16,193,149	194.9
TOTAL	\$0	\$450,000	\$15,776,410	\$0	\$16,226,410	194.9
Increase/(Decrease)	\$0	(\$61,636)	\$387,599	\$0	\$325,963	(3.1)
Percentage Change	n/a	-12.0%	2.5%	n/a	2.1%	-1.6%

FTE Detail	FY 2001-02	FY 2002-03
Attorneys	144.4	142.2
Paralegals	31.2	30.7
Support Staff	<u>22.4</u>	<u>22.0</u>
	198.0	194.9

FTE Changes: The decrease of 3.1 FTE reflects a net reduction of 4,396 hours of legal services appropriated to state agencies in FY 2002-03. Departments receiving significant legal services reductions include the Department of Labor (for support of the Subsequent Injury Fund), the Limited Gaming Commission, the Colorado State Fair, the Department of Local Affairs, and the Governor's Office. These decreases are partially offset by anticipated increases in assisting state agencies to achieve compliance with the new federal Health Insurance Portability and Accountability Act (HIPAA), by an increase for the Department of Natural Resources to handle water abandonment cases, and by an increase for the Department of Corrections to handle personnel cases and inmate litigation.

Cash Funds Changes: The cash funds decrease more accurately reflects the purchase of legal services by state enterprises and other quasi-governmental entities such as the Division of Wildlife, the Public Employees Retirement Association (PERA), the Colorado Student Obligation Bonding Authority, the Limited Gaming Division, and State Veterans Nursing Homes.

Cash Funds Exempt Changes: The cash funds exempt appropriation includes: (1) an increase of \$931,000 for annualization of salary survey and anniversary increases awarded in FY 2001-02; and (2) an increase of \$62,000 to reflect the fact that state agencies (as opposed to state enterprises and quasi-governmental agencies which are reflected as cash funds) are anticipated to utilize a greater percentage of the overall legal hours provided by the Legal Services to State Agencies program in FY 2002-03. These increases are partially offset by: (1) a \$450,000 base reduction to better reflect the anticipated cost of the program; (2) a decrease of \$132,000 associated with the aforementioned FTE reduction; and (3) a decrease of \$18,000 in indirect cost assessments paid by the Legal Services to State Agencies Program.

Criminal Justice and Appellate

The Criminal Justice and Appellate Section consists of the following programs:

- **Special Prosecution Unit** - This unit investigates and prosecutes a wide variety of cases, including securities fraud, insurance fraud, workers' compensation fraud, gang-related criminal activity, organized criminal activity, white collar crimes, political corruption, election fraud, tax evasion, misappropriation of state funds, and environmental crimes. This unit also coordinates the activities of the Statewide Grand Jury and works with the Mexican government to prosecute fugitives under Article IV of the Mexican penal code.
- **Appellate Unit** - This unit defends the State position in state and federal appellate courts. In this regard, the appellate unit attempts to prosecute and defend convictions for a variety of serious crimes including homicide, assault, sexual assault, kidnaping, theft/burglary, drug-related crimes, crimes against children, and other felonies.
- **Medicaid Fraud Control Unit** - This unit investigates and prosecutes criminal fraud against the Medicaid program. This unit also investigates and prosecutes patient abuse, including physical abuse, sexual abuse, threatened abuse, and criminal neglect, at Medicaid-funded facilities throughout Colorado.
- **Capital Crimes Unit** - This unit provides State assistance to local district attorneys in reviewing, investigating, and prosecuting death penalty cases. In addition, staff in this unit participate in defending death penalty cases on appeal in both state and federal court.
- **Peace Officers Standards and Training (POST) Board** - The POST Board fulfills a number of functions related to the training and certification of peace officers appointed by state and local law enforcement agencies.
- **Victims' Assistance** - The Victims' Assistance program provides certain victims of crime with case status and scheduling information, explanations, court accompaniment, and liaison services.

Cash funds in this section are from training fees paid by peace officers and from the State Compensation Insurance Authority (for the investigation and prosecution of workers' compensation fraud). Cash funds exempt are from the Department of Regulatory Agencies for the prosecution of securities and insurance fraud. The section also receives federal Medicaid moneys for operation of the Medicaid Fraud Control Unit.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$3,231,633	\$320,652	\$625,984	\$696,693	\$4,874,962	69.0

	GF	CF	CFE	FF	Total	FTE
HB 02-1375	(59,096)	0	(6,250)	15,750	(49,596)	(0.8)
TOTAL	\$3,172,537	\$320,652	\$619,734	\$712,443	\$4,825,366	68.2
FY 2002-03 Appropriation:						
HB 02-1420	\$3,450,931	\$331,495	\$626,404	\$747,701	\$5,156,531	68.8
TOTAL	\$3,450,931	\$331,495	\$626,404	\$747,701	\$5,156,531	68.8
Increase/(Decrease)	278,394	10,843	6,670	35,258	331,165	0.6
Percentage Change	8.8%	3.4%	1.1%	4.9%	6.9%	0.9%

FTE Detail	FY 2001-02	FY 2002-03
Special Prosecutions Unit	16.0	16.8
Appellate Unit	31.2	31.0
Medicaid Fraud Control Unit	11.0	11.0
Capital Crimes Prosecution Unit	5.0	5.0
POST Board	4.0	4.0
Victims' Assistance	1.0	1.0
	68.2	68.8

FTE Changes: The appropriation includes an increase of 0.8 FTE to provide statewide coordination of efforts in prosecuting gang-related crimes and to help implement programs designed to prevent youth from joining gangs. This increase was partially offset by a decrease of 0.2 FTE for the Appellate Unit, annualizing a FY 2001-02 supplemental reduction and better reflecting the projected FY 2002-03 appellate caseload.

General Fund Changes: The General Fund appropriation increase includes the following: (1) a net increase of \$217,000 for the increased personal service costs of the Appellate Unit, the Special Prosecutions Unit, the Medicaid Fraud Control Unit, the Capital Crimes Prosecution Unit, and the Peace Officers Standard and Training (POST) Board; and (2) an increase of \$61,000 for the personal service costs of the Gang Prosecution and Prevention FTE described above.

Federal Funds Changes: The anticipated increase in federal funds reflects the higher personal services costs of the Medicaid Fraud Control Unit.

Water and Natural Resources

The Water and Natural Resources Section includes two major programs:

- Federal and Interstate Water Unit** - This unit provides legal counsel and representation to the State in: (1) cases involving federal water rights claims, such as the U.S. Forest Service reserved rights cases; (2) compliance with federal regulatory programs, such as the Federal Endangered Species Act; and (3) representing the State interests in interstate water allocations such as the Arkansas River compact. Included in this unit are payments to private attorneys and consultants assisting the State of Colorado in water litigation cases.
- CERCLA Litigation Unit** - This unit leads the state's efforts to obtain effective clean-up of sites contaminated with hazardous substances under the federal Comprehensive Environmental Response, Compensation, and Liability Act.

Cash funds exempt in this section are from site-specific subaccounts in the Hazardous Substance Response Fund.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$2,470,249	\$0	\$151,735	\$0	\$2,621,984	19.3
HB 02-1375	317,518	0	65,000	0	382,518	(1.0)
HB 02-1428	<u>(3,284)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(3,284)</u>	<u>0.0</u>
TOTAL	\$2,784,483	\$0	\$216,735	\$0	\$3,001,218	18.3
FY 2002-03 Appropriation:						
HB 02-1420	<u>\$2,403,771</u>	<u>\$0</u>	<u>\$172,893</u>	<u>\$0</u>	<u>\$2,576,664</u>	<u>16.3</u>
TOTAL	\$2,403,771	\$0	\$172,893	\$0	\$2,576,664	16.3
Increase/(Decrease)	(\$380,712)	\$0	(\$43,842)	\$0	(\$424,554)	(2.0)
Percentage Change	-13.7%	n/a	-20.2%	n/a	-14.1%	-10.9%

FTE Detail	FY 2001-02	FY 2002-03
Federal and Interstate Water Unit	7.0	7.0
Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) Litigation Unit	<u>11.3</u>	<u>9.3</u>
	18.3	16.3

FTE Changes: The appropriation provides for a decrease of 2.0 FTE for the Comprehensive Environmental Response Compensation and Liability Act (CERCLA) program. The decrease reflects the reduced workload of the program as sites move from the litigation phase of the CERCLA process to site cleanup. Much of the workload reduction is directly related to the recent settlement of lawsuits related to the Summitville Mine Site.

General Fund Changes: The General Fund appropriation decrease includes: (1) the elimination of a one-time \$389,000 supplemental increase in FY 2001-02 for the Arkansas River litigation; and (2) a decrease of \$88,000 associated with the 2.0 FTE decrease for the CERCLA Litigation Unit. These decreases were partially offset by the following increases: (1) \$47,000 to provide a rate increase to the private attorneys handling the Arkansas River case; (2) \$29,000 for the Republican River Litigation; and (3) \$17,000 for the increased personal service costs of the Federal and Interstate Water Unit.

Cash Funds Exempt Changes: The decrease in cash funds exempt is attributable to the elimination of a one-time appropriation of \$65,000 in custodial funds in FY 2001-02 to help fund the Republican River Litigation. Reflecting that the custodial accounts are now completely exhausted, the FY 2002-03 appropriation does not include any custodial funds. This decrease was partially offset by an increase of \$21,000 to better reflect anticipated funding from the Department of Public Health and Environment for oversight activities at settled CERCLA sites.

Consumer Protection

The Consumer Protection Section includes the following programs:

- **Antitrust Program** - This program investigates and prosecutes antitrust violations, including price fixing, bid rigging, and companies attempting to monopolize the market or requiring dealers to sell products at specified prices.
- **Consumer Protection Program** - This program: (1) investigates and prosecutes deceptive and fraudulent trade and advertising practices; (2) educates the public about deceptive trade practices; (3) participates in multi-state initiatives and joint investigations/prosecutions of consumer protection cases; (4) administers registrations and/or bonding programs involving telephone solicitors, health clubs, automobile repossession, and manufactured home sales; (5) responds to consumer complaints; and (6) enforces and defends the Tobacco Master Settlement Agreement.
- **Collection Agency Board** - The Collection Agency Board enforces Colorado's Fair Debt Collection Practices Act, which regulates collection agencies. The Collection Agency Board seeks to: (1) protect the rights of lending businesses and the consumers who owe them money from harassment, abuse, and deceptive practices by collection agencies and debt collectors; and (2) ensure that Colorado businesses receive full and timely remittance of recovered funds from collection agencies.

- Uniform Consumer Credit Code** - This program protects the rights of consumers who borrow money, including: (1) setting a fair limit on credit rates that balances consumer interests with the creditor's ability to earn a reasonable profit; (2) ensuring creditors are adequately disclosing all costs associated with credit; (3) protecting consumers from costly, deceptive, and fraudulent "credit repair" businesses and "rent-to-own" practices; and (4) protecting consumers against unfair credit practices, such as abusive repossession and unreasonable default/collection costs.

Cash funds in this division include fees paid by non-depository lenders, collection agencies, and debt collectors. Additional cash funds are from the Manufactured Home Cash Fund to enforce the registration and bonding of persons selling manufactured homes. Cash funds exempt are from: (1) reserves in the Collection Agency Board Cash Fund; (2) reserves in the Uniform Consumer Credit Code Cash Fund; (3) moneys from the Defense Account of the Tobacco Litigation Settlement Cash Fund; and (4) custodial funds awarded to the Department for consumer protection purposes.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$927,731	\$263,770	\$855,630	\$0	\$2,047,131	27.0
HB 02-1375	<u>0</u>	<u>0</u>	<u>63,991</u>	<u>0</u>	<u>63,991</u>	<u>0.0</u>
TOTAL	\$927,731	\$263,770	\$919,621	\$0	\$2,111,122	27.0
FY 2002-03 Appropriation:						
HB 02-1420	<u>\$925,808</u>	<u>\$259,132</u>	<u>\$1,025,613</u>	<u>\$0</u>	<u>\$2,210,553</u>	<u>27.0</u>
TOTAL	\$925,808	\$259,132	\$1,025,613	\$0	\$2,210,553	27.0
Increase/(Decrease)	(\$1,923)	(\$4,638)	\$105,992	\$0	\$99,431	0.0
Percentage Change	-0.2%	-1.8%	11.5%	n/a	4.7%	0.0%

FTE Detail	FY 2001-02	FY 2002-03
Consumer Protection and Anti-Trust	16.0	16.0
Collection Agency Board	2.5	2.5
Uniform Consumer Credit Code	<u>8.5</u>	<u>8.5</u>
	27.0	27.0

General Fund Changes: The General Fund appropriation includes a decrease of \$44,000 to more accurately reflect the cost of 3.0 FTE funded out of custodial funds and the Tobacco Settlement Defense Account. This decrease is partially offset by an additional \$42,000 General Fund for increased personal service costs of the Consumer Protection and Anti-Trust Program.

Cash Funds Exempt Changes: The cash funds exempt appropriation includes: (1) an additional \$39,000 for the increased personal services costs of the Consumer and Anti-Trust Program, the Collection Agency Board, and the Uniform Consumer Credit Code Program; (2) an increase of \$44,000 to more equitably reflect the cost of 2.0 Consumer Protection FTE funded from custodial funds and 1.0 Tobacco Litigation FTE funded from the Tobacco Settlement Defense Account; and (3) an increase of \$18,000 to pursue litigation against foreign tobacco manufacturers who have failed to comply with the State's non-participating manufacturer laws.

Special Purpose

This section contains the appropriation for District Attorneys' salaries. This section also includes separate line item funding for large lawsuits. The FY 2002-03 appropriation includes funding specifically for the Trinidad Correctional Facility Construction Litigation. Cash funds exempt are General Fund dollars transferred from the Department of Corrections for the Trinidad Correctional Facility Construction Litigation.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$1,595,917	\$0	\$486,700	\$0	\$2,082,617	0.0
HB 02-1375	<u>(82,471)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(82,471)</u>	<u>0.0</u>
TOTAL	\$1,513,446	\$0	\$486,700	\$0	\$2,000,146	0.0
FY 2002-03 Appropriation:						
HB 02-1420	<u>\$1,297,567</u>	<u>\$0</u>	<u>\$466,200</u>	<u>\$0</u>	<u>\$1,763,767</u>	<u>0.0</u>
TOTAL	\$1,297,567	\$0	\$466,200	\$0	\$1,763,767	0.0
Increase/(Decrease)	(\$215,879)	\$0	(\$20,500)	\$0	(\$236,379)	0.0
Percentage Change	-14.3%	n/a	-4.2%	n/a	-11.8%	n/a

General Fund Changes: The General Fund appropriation includes: (1) a decrease of \$200,000 to reflect elimination of the Litigation Management Fund line item; and (2) a decrease of \$18,000 to reflect elimination of a one-time appropriation to provide legal assistance to state agencies in complying with HIPAA.

Cash Funds Exempt Changes: The cash funds exempt appropriation reflects the elimination of spending authority for funds previously received from the Colorado Historical Society to fund the Cumbres & Toltec Scenic Railroad Operator Litigation. Elimination of funding for this purpose reflects the anticipation that this litigation will be completed in FY 2001-02.

Recent Legislation

2001 Session Bills

S.B. 01-73: Reauthorizes the state's liquor enforcement program.

S.B. 01-100: Amends the "Colorado Charitable Solicitations Act" to impose additional reporting and registration requirements on charitable organizations that solicit donations, as well as on professional fund-raising consultants and paid solicitors.

S.B. 01-164: Creates a state dental loan repayment program for dentists and dental hygienists who provide a significant level of services to under-served populations.

S.B. 01-212: General appropriations act for FY 2001-02.

S.B. 01-214: Expands the prescribed burn provisions of the Colorado Air Pollution Prevention and Control Act and requires the Department of Public Health and Environment to review land management plans adopted by any significant user of prescribed fire.

H.B. 01-1097: Provides incentives for insurance companies to invest in capital companies (CAPCOs) that are certified by the Office of Economic Development (OED) and are qualified to offer assistance to business enterprises that create jobs in the state.

H.B. 01-1195: Allows public utilities to appeal local government siting and building decisions for power plants and other facilities to the Public Utilities Commission.

H.B. 01-1354: Creates the Arkansas River Water Bank Pilot Program.

S.B. 01S2-22: Provides a 4.3 percent increase in the state contribution rate for state employees for CY 2002 and provides funding to pay for the additional costs associated with health insurance for state employees who reside in Pueblo. For more information, refer to the bill description in the Department of Personnel.

2002 Session Bills

S.B. 02-50: For an explanation of this bill please see the Recent Legislation section in the Department of Corrections.

S.B. 02-179: Contains a number of provisions concerning transportation funding, including: (1) allocating certain General Fund surplus revenues to the Highway Users Tax Fund; (2) allowing the Regional Transportation District to submit a ballot question to registered voters increasing the sales and use tax devoted for transit purposes by four-tenths of one percent; and (3) authorizing the Transportation Commission to create and supervise a statewide tolling enterprise. Appropriates the Department of Law \$5,843 cash funds exempt to provide legal support to the tolling enterprise.

S.B. 02-182: Requires the Secretary of State to accept certain suggestions for moving state legislative district boundaries from counties and proposing changes to the Colorado Supreme Court. Appropriates \$2,450 cash funds for FY 2001-02 and \$1,225 cash funds for FY 2002-03 to the Department of State from the Department of State Cash. These amounts are further appropriated to the Department of Law for legal assistance in presenting proposed boundary changes for legislative districts to the Colorado Supreme Court.

H.B. 02-1038: For an explanation of this bill please see the Recent Legislation section in the Department of Corrections.

H.B. 02-1186: Abolishes the current state organic certification program and establishes a program that is consistent with federal law and regulations as they relate to organic produce. Appropriates \$118,951 cash funds to the Department of Agriculture from the Organic Certification Fund for implementation of the act. Of this amount, \$10,517 is further appropriated to the Department of Law for legal support of accreditation and enforcement activities.

H.B. 02-1259: Adds a new article to the Uniform Consumer Credit Code increasing consumer protections for loans covered by the federal Home Ownership and Equity Protection Act of 1994. Prohibits certain deceptive, fraudulent, and unconscionable practices by mortgage brokers and mortgage originators. Provides that the Attorney General or a district attorney may, in certain cases, seek an injunction against a mortgage broker or mortgage originator continuing to participate in the mortgage business for up to two years for certain continued violations.

H.B. 02-1310: Contains a number of provisions concerning transportation funding, including: (1) allocating certain General Fund surplus revenues to the Highway Users Tax Fund; (2) allowing the Regional Transportation District to submit a ballot question to registered voters increasing the sales and use tax devoted for transit purposes by four-tenths of one percent; and (3) authorizing the Transportation Commission to create and supervise a statewide tolling enterprise. Appropriates the Department of Law \$5,843 cash funds exempt to provide legal support to the tolling enterprise.

H.B. 02-1321: Modifies the regulation of bingo and raffle games by the Secretary of State and allows the Department to impose a fee for certifying bingo games managers. Eliminates the Bingo-Raffle Cash Fund and consolidates revenues into the Department of State Cash Fund. Appropriates \$8,731 and 0.1 FTE to the Department of State for FY 2002-03. Further appropriates \$534 cash funds exempt to the Department of Law to assist the Department of State in handling cases revoking the certifications of bingo managers who violate bingo and raffle laws.

H.B. 02-1323: Increases fees in order to fund existing regulatory functions related to the inspection and monitoring of assisted living facilities. Increases three licensing fees and creates four new licensee fees. Fee revenue is credited to the Assisted Living Residence Cash Fund. Appropriates \$291,482 cash funds and 3.3 FTE to the Health Facilities Division in the Department of Public Health and Environment for FY 2002-03. Further appropriates \$9,349 cash funds exempt to the Department of Law to assist the Department of Public Health and Environment in legal appeals of remedies sought as a result of enforcement actions.

H.B. 02-1375: Supplemental appropriation to the Department of Law to modify the appropriation included in the FY 2001-02 Long Bill.

H.B. 02-1420: General appropriations act for FY 2002-03.

H.B. 02-1428: Second supplemental appropriation to the Department of Law to modify the appropriation included in the FY 2001-02 Long Bill, as modified by H.B. 02-1375.

H.B. 02-1468: Refinances the FY 2001-02 appropriation made pursuant to S.B. 01S2-22. Establishes the CY 2003 state contribution rate for health, life, and dental insurance to be the same as the state contribution rate for CY 2002. Authorizes the General Assembly to annually adjust the state contribution for health, life, and dental insurance effective CY 2004 through the Long Bill. For more information, refer to the bill description in the Department of Personnel.

LEGISLATIVE BRANCH

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

Department Budget: Recent Actual Expenditures and Appropriations

Funding Source	FY 1999-00 Actual	FY 2000-01 Actual	FY 2001-02 Approp.	FY 2002-03 Approp.
General Fund	\$24,116,364	\$27,317,023	\$29,675,577	\$33,193,702
Cash Funds	92,345	132,516	90,000	90,000
Cash Funds Exempt	1,147,270	2,058,691	1,097,759	1,598,984
Federal Funds	0	0	0	0
Total Funds	\$25,355,979	\$29,508,230	\$30,863,336	\$34,882,686
Full Time Equiv. Staff	263.3	257.0	273.9	272.8

FY 2002-03 Budget Changes

Significant changes in appropriations for FY 2002-03 compared to FY 2001-02 include the following:

- An increase of \$1,790,900 General Fund for the ballot analysis which in part reflects the depletion of a one-time cash balance in FY 2001-02;
- An increase of \$966,900 General Fund for salary survey and merit increases anticipated to be awarded in FY 2002-03;
- An increase of \$500,000 General Fund for the State Auditor's Office to restore a one-time reduction in General Fund in FY 2001-02;
- An increase of \$513,000 cash funds exempt for the restoration of funds received by the State Auditor's Office for an evaluation of the Works Program that was reduced in FY 2001-02;
- A decrease of \$602,000 General Fund due to completion of activities related to the Reapportionment Commission.

General Factors Driving the Budget

Funding for this department consists of 95.1 percent General Fund, 0.3 percent cash funds, and 4.6 percent cash funds exempt. Some of the most important factors driving the budget are reviewed below.

Special Studies or Functions

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

	FY 98-99 Actual	FY 99-00 Actual	FY 00-01 Actual	FY 01-02 Approp.	FY 02-03 Approp.
Property Tax Study	\$794,350	\$794,000	\$526,825	\$792,000	\$840,000
Ballot Analysis	\$2,091,170	\$1,520,443	\$2,815,590	\$429,443	\$2,170,000
Reapportionment Commission	\$0	\$0	\$334,547	\$602,792	\$0

Summary of FY 2001-02 and FY 2002-03 Appropriations

Total Department Appropriations

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Total Appropriation:	\$29,675,577	\$90,000	\$1,097,759	\$0	\$30,863,336	273.9
<u>Breakdown of Total Appropriation by Administrative Section</u>						
General Assembly	12,624,060	90,000	0	0	12,714,060	73.3
State Auditor	5,712,956	0	1,085,942	0	6,798,898	73.2
Joint Budget Committee	1,193,697	0	0	0	1,193,697	16.0
Legislative Council	5,314,183	0	11,817	0	5,326,000	53.9
Committee on Legal Services	4,227,889	0	0	0	4,227,889	56.0

	GF	CF	CFE	FF	Total	FTE
Colorado Reapportionment Commission	602,792	0	0	0	602,792	1.5
<u>Breakdown of Total Appropriation by Bill</u>						
SB 01-202	27,702,976	90,000	1,500,000	0	29,292,976	273.9
SB 01-212	3,398,993	0	0	0	3,398,993	0.0
SB 01S2-022	0	0	11,817	0	11,817	0.0
HB 02-1376	(1,426,392)	0	(414,058)	0	(1,840,450)	0.0
FY 2002-03 Total Appropriation:	\$33,193,702	\$90,000	\$1,598,984	\$0	\$34,882,686	272.8
<u>Breakdown of Total Appropriation by Administrative Section</u>						
General Assembly	13,409,741	90,000	0	0	13,499,741	73.2
State Auditor	6,469,262	0	1,598,984	0	8,068,246	73.0
Joint Budget Committee	1,293,896	0	0	0	1,293,896	16.0
Legislative Council	7,491,942	0	0	0	7,491,942	54.6
Committee on Legal Services	4,528,861	0	0	0	4,528,861	56.0
Colorado Reapportionment Commission	0	0	0	0	0	0.0
<u>Breakdown of Total Appropriation by Bill</u>						
HB 02-1322	28,402,896	90,000	1,598,984	0	30,091,880	272.8
HB 02-1420	4,775,558	0	0	0	4,775,558	0.0
HB 02-1468	15,248	0	0	0	15,248	0.0
Increase/(Decrease)	\$3,518,125	\$0	\$501,225	\$0	\$4,019,350	(1.1)
Percentage Change	11.9%	0.0%	45.7%	n/a	13.0%	-0.4%

Detail of Appropriation by Administrative Section

General Assembly

Comprised of 35 members of the Senate and 65 members of the House of Representatives, the General Assembly meets annually beginning in early January and per the Colorado Constitution must adjourn within 120 days. The Colorado Constitution vests all legislative power in the General Assembly, except those powers specifically reserved by the people.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-202	\$11,254,428	\$90,000	\$0	\$0	\$11,344,428	73.3
SB 01-212	1,585,993	0	0	0	1,585,993	0.0
HB 02-1376	<u>(216,361)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(216,361)</u>	<u>0.0</u>
TOTAL	\$12,624,060	\$90,000	\$0	\$0	\$12,714,060	73.3
FY 2002-03 Appropriation:						
HB 02-1322	\$11,644,183	\$90,000	\$0	\$0	\$11,734,183	73.2
HB 02-1420	<u>1,765,558</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,765,558</u>	<u>0.0</u>
TOTAL	\$13,409,741	\$90,000	\$0	\$0	\$13,499,741	73.2
Increase/(Decrease)	\$785,681	\$0	\$0	\$0	\$785,681	(0.1)
Percentage Change	6.2%	0.0%	n/a	n/a	6.2%	-0.1%

FTE Detail	FY 2001-02	FY 2002-03
House Staff	35.5	35.0
Senate Staff	30.8	31.2
Legislative Information Services	<u>7.0</u>	<u>7.0</u>
	73.3	73.2

FTE Changes: The net decrease of 0.1 FTE reflects a transfer of 1.0 FTE Chief Bill Room Clerk position from the House staff to the Senate staff which is customary every two years; a 0.5 FTE increase in House session-only staff to make the minority media relations staff a full-time position; and a decrease of 0.6 FTE Senate session-only enrolling clerk position which was left vacant in FY 2001-02.

General Fund Changes: The General Fund appropriation includes increases for salary survey for legislative staff; merit increases for House and Senate staff; projected retirement payouts and an increase in operating costs as a result of term limits.

State Auditor

The duties of the State Auditor are to conduct post-audits of all financial transactions and accounts of all state departments, institutions and agencies of the executive, legislative, and judicial branches; conduct performance post-audits; and prepare summary audit reports and recommendations concerning each agency. Legislative oversight is provided by the Legislative Audit Committee, which is comprised of four Senators, two from each major political party, and four Representatives, two from each major political party.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-202	\$6,283,163	\$0	\$1,500,000	\$0	\$7,783,163	73.2
HB 02-1376	<u>(570,207)</u>	<u>0</u>	<u>(414,058)</u>	<u>0</u>	<u>(984,265)</u>	<u>0.0</u>
TOTAL	\$5,712,956	\$0	\$1,085,942	\$0	\$6,798,898	73.2
FY 2002-03 Appropriation:						
HB 02-1322	<u>\$6,469,262</u>	<u>\$0</u>	<u>\$1,598,984</u>	<u>\$0</u>	<u>\$8,068,246</u>	<u>73.0</u>
TOTAL	\$6,469,262	\$0	\$1,598,984	\$0	\$8,068,246	73.0
Increase/(Decrease)	\$756,306	\$0	\$513,042	\$0	\$1,269,348	(0.2)
Percentage Change	13.2%	n/a	47.2%	n/a	18.7%	-0.3%

FTE Detail	FY 2001-02	FY 2002-03
Audit Staff	65.6	66.0
Support Staff	<u>7.6</u>	<u>7.0</u>
	73.2	73.0

FTE Changes: The net decrease of 0.2 FTE reflects a reallocation of FTE between audit and support staff resulting in an overall net decrease.

General Fund Changes: The General Fund appropriation includes increases for contract audit services, and salary costs. The overall General Fund increase is primarily due to one-time General Fund refinancing that was taken in FY 2001-02.

Cash Funds Exempt Changes: The overall cash funds exempt is due to restoration of funds received for an evaluation of the Works Program that was reduced in FY 2001-02.

Joint Budget Committee

The Joint Budget Committee is the permanent fiscal and budget review agency of the General Assembly. The six-member Committee is comprised of three members from the House and three members from the Senate. The Committee, through its staff, is responsible for analyzing the programs, management, operations, and fiscal needs of state agencies. After holding budget hearings with all state departments and agencies, the Committee and its staff prepare the annual appropriations bill. The staff is also responsible for providing support for both the House and Senate Appropriations Committees.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-202	\$1,207,175	\$0	\$0	\$0	\$1,207,175	16.0
HB 02-1376	<u>(13,478)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(13,478)</u>	<u>0.0</u>
TOTAL	\$1,193,697	\$0	\$0	\$0	\$1,193,697	16.0
FY 2002-03 Appropriation:						
HB 02-1322	<u>\$1,293,896</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,293,896</u>	<u>16.0</u>
TOTAL	\$1,293,896	\$0	\$0	\$0	\$1,293,896	16.0
Increase/(Decrease)	\$100,199	\$0	\$0	\$0	\$100,199	0.0
Percentage Change	8.4%	n/a	n/a	n/a	8.4%	0.0%

FTE Detail	FY 2001-02	FY 2002-03
Analysts	14.0	14.0
Support Staff	<u>2.0</u>	<u>2.0</u>
	16.0	16.0

General Fund Changes: The General Fund appropriation includes annualization of salary survey increases for FY 2001-02 and merit increases for FY 2002-03.

Legislative Council

The Legislative Council is comprised of 18 legislators, nine from the House and nine from the Senate. The staff of the Council provides fact-finding and information-collecting services for all members of

the General Assembly. In addition, the staff provides support for all standing committees except Appropriations, and for most interim committees. The staff maintains a reference library for all legislators and staff, and the Council contracts for special studies as needed. The State Capitol building tour guide coordinator is an employee of the Council. The Council staff is also responsible for preparing fiscal notes on new legislation and for providing revenue estimates.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-202	\$4,079,840	\$0	\$0	\$0	\$4,079,840	53.9
SB 01-212	1,813,000	0	0	0	1,813,000	0.0
SB 01S2-022	0	0	11,817	0	11,817	0.0
HB 02-1376	<u>(578,657)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(578,657)</u>	<u>0.0</u>
TOTAL	\$5,314,183	\$0	\$11,817	\$0	\$5,326,000	53.9
FY 2002-03 Appropriation:						
HB 02-1322	\$4,466,694	\$0	\$0	\$0	\$4,466,694	54.6
HB 02-1420	3,010,000	0	0	0	3,010,000	0.0
HB 02-1468	<u>15,248</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>15,248</u>	<u>0.0</u>
TOTAL	\$7,491,942	\$0	\$0	\$0	\$7,491,942	54.6
Increase/(Decrease)	\$2,177,759	\$0	(\$11,817)	\$0	\$2,165,942	0.7
Percentage Change	41.0%	n/a	-100.0%	n/a	40.7%	1.3%

FTE Detail	FY 2001-02	FY 2002-03
Administration	4.0	4.0
Economics and Forecasting	5.5	5.5
Fiscal Notes	8.0	9.0
Policy Research and Committee Staff	23.8	24.5
Support Staff	<u>12.6</u>	<u>11.6</u>
	53.9	54.6

FTE Changes: The net increase in FTE reflects an increase of 0.7 temporary FTE to help with constituent services during the legislative session.

General Fund Changes: The General Fund appropriations includes additional costs associated with the annual Property Tax Study, for the ballot analyses that are estimated to be necessary over the next two years, and for increases in salary costs. The increase in General Fund is primarily due to increases associated with the ballot analyses.

Committee on Legal Services

The Committee on Legal Services consists of ten members, five from the House of Representatives and five from the Senate. It provides the legislative oversight to the Office of Legislative Legal Services and coordinates litigation involving the General Assembly.

The Office of Legislative Legal Services drafts and prepares bills, resolutions, amendments, conference committee reports, and digests of enacted bills. The Office also reviews rules promulgated by executive agencies to determine whether they are within the powers delegated to the agency; performs legal research; aids in legal representation of the General Assembly; participates in the review of and comments on the titles given to initiated measures; and assists in staffing interim committees.

The Office is also responsible for compiling, editing, arranging and preparing for publication all of the laws of the State of Colorado, and for assisting in publication and distribution of portions of the statutes in accordance with Section 2-5-118, C.R.S. Annually, the Office prepares the session laws and supplements to the statutes as necessary. The staff of the Committee on Legal Services also prepares the index and case law annotations for the Colorado Revised Statutes.

The Colorado Commission of Uniform State Laws, comprised of seven members who are attorneys-at-law in Colorado (three of whom are state legislators) represent Colorado at the National Conference of Commissioners on Uniform State Laws. The purpose of the conference is to promote uniformity of state laws on all subjects where uniformity is deemed desirable and practical.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-202	\$4,275,578	\$0	\$0	\$0	\$4,275,578	56.0
HB 02-1376	<u>(47,689)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(47,689)</u>	<u>0.0</u>
TOTAL	\$4,227,889	\$0	\$0	\$0	\$4,227,889	56.0
FY 2002-03 Appropriation:						
HB 02-1322	<u>\$4,528,861</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$4,528,861</u>	<u>56.0</u>
TOTAL	\$4,528,861	\$0	\$0	\$0	\$4,528,861	56.0

	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$300,972	\$0	\$0	\$0	\$300,972	0.0
Percentage Change	7.1%	n/a	n/a	n/a	7.1%	0.0%

FTE Detail	FY 2001-02	FY 2002-03
Administration	4.8	4.8
Attorneys	26.0	26.0
Legislative Assistants	<u>25.2</u>	<u>25.2</u>
	56.0	56.0

General Fund Changes: The General Fund appropriation includes salary increases, operating expense increases for communications, ADP purchased services, contract printing, and outside legal fees.

Colorado Reapportionment Commission

Once every ten years, all congressional districts and state legislative districts are redrawn based on the latest census information. The General Assembly is responsible for redrawing congressional districts and a separate Reapportionment Commission is responsible for redrawing state legislative districts. The Commission consists of eleven members, including four from the General Assembly (the Speaker of the House, the minority leader of the House and the majority and minority leaders of the Senate), three appointed by the Governor, and four appointed by the Chief Justice of the Supreme Court. Funds are provided for this Commission once each decade.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-202	<u>\$602,792</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$602,792</u>	<u>1.5</u>
TOTAL	\$602,792	\$0	\$0	\$0	\$602,792	1.5
FY 2002-03 Appropriation:						
TOTAL	\$0	\$0	\$0	\$0	\$0	0.0
Increase/(Decrease)	(\$602,792)	\$0	\$0	\$0	(\$602,792)	(1.5)
Percentage Change	-100.0%	n/a	n/a	n/a	-100.0%	-100.0%

General Fund Changes: The decrease in General Fund appropriations reflects the completion of the work necessary for redrawing the boundaries of state legislative districts.

Recent Legislation

2001 Session Bills

S.B. 01-202: Separate legislative appropriation bill for FY 2001-02. Also contains supplemental appropriations for FY 2000-01.

S.B. 01-212: General appropriations act for FY 2001-02.

S.B. 01S2-022: Provides a 4.3 percent increase in the state contribution rate for state employees for CY 2002 and provides funding to pay for the additional costs associated with health insurance for state employees who reside in Pueblo. For more information, refer to the bill description in the Department of Personnel.

2002 Session Bills

H.B. 02-1003: Authorizes the Department of Health Care Policy and Financing to implement a Medicaid pharmaceutical disease management program using a contingency fee basis for reimbursement of any associated administrative expenses. In addition, the bill creates a Health Care Systems Interim Committee to study various health care issues during the 2002 interim. No additional funding is provided for this interim committee since funding for interim studies is provided in the separate legislative appropriation.

H.B. 02-1322: Separate legislative appropriation bill for FY 2002-03.

H.B. 02-1376: Supplemental legislative appropriation bill for FY 2001-02.

H.B. 02-1420: General appropriations act for FY 2002-03.

H.B. 02-1468: Refinances the FY 2001-02 appropriation made pursuant to S.B. 01S2-22. Establishes the CY 2003 state contribution rate for health, life, and dental insurance to be the same as the state contribution rate for CY 2002. Authorizes the General Assembly to annually adjust the state contribution for health, life, and dental insurance effective CY 2004 through the Long Bill. For more information, refer to the bill description in the Department of Personnel.

DEPARTMENT OF LOCAL AFFAIRS

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

Department Budget: Recent Actual Expenditures and Appropriations

Funding Source	FY 1999-00 Actual	FY 2000-01 Actual	FY 2001-02 Approp.	FY 2002-03 Approp.
General Fund	\$37,544,790	\$12,899,935	\$10,517,242	\$9,735,370
Cash Funds	12,768,929	12,700,986	24,389,708	23,770,420
Cash Funds Exempt	58,895,520	64,927,323	87,754,500	100,046,189
Federal Funds	<u>43,988,463</u>	<u>51,243,560</u>	<u>41,948,467</u>	<u>47,509,429</u>
Total Funds	\$153,197,702	\$141,771,804	\$164,609,917	\$181,061,408
Full Time Equiv. Staff	182.4	167.7	179.8	179.5

FY 2002-03 Budget Changes

Significant changes in appropriations for FY 2002-03 compared to FY 2001-02 include the following:

- Provide an anticipated increase of \$7.5 million cash funds exempt for Conservation Trust Fund disbursements, reflecting in part the increased lottery revenues resulting from Powerball;
- Provide an increase of \$3.9 million General Fund, reflecting elimination of a one-time refinancing of \$3.9 million of General Fund expenses in FY 2001-02 with moneys from the from the Local Government Severance Tax Fund;
- Reflect an anticipated increase of \$3.8 million federal funds in Section 8 certificates and vouchers which provide rental subsidies to low-income persons;
- Provide a net increase of \$3.3 million in Mineral and Local Government Mineral and Energy Impact Grants and Disbursements;
- Provide a reduction of \$2.5 million General Fund for affordable housing construction due to the Governor's veto of the Colorado Affordable Housing Construction Grants and Loans line item;

- ❑ Provide an increase of \$650,000 cash funds exempt in Limited Gaming Fund revenues anticipated to be granted in FY 2002-03, and;
- ❑ Provide a reduction of \$330,000 federal funds and 2.0 FTE for the Office of Emergency Management, reflecting the transfer of such funds to the Office of Preparedness, Security, and Fire Safety under H.B. 02-1315.

General Factors Driving the Budget

Funding for this department in FY 2002-03 consists of 5.4 percent General Fund, 13.1 percent cash funds, 55.3 percent cash funds exempt, and 26.2 percent federal funds. Some of the most important factors driving the budget are reviewed below.

Dedicated Funding Sources

The Department of Local Affairs is responsible for a number of programs with dedicated cash funds and cash funds exempt revenue sources. These include the Conservation Trust Fund (a portion of state lottery proceeds distributed to local entities on a formula basis for parks and open space purposes); the Severance Tax and Mineral Impact grants (distributing a portion of the state and federal taxes on the severance of minerals as grants to local governments affected by mineral extraction activities); and several other grant programs. Program expenditures fluctuate with changes in the revenue earned from various dedicated funding sources.

	FY 98-99 Actual	FY 99-00 Actual	FY 00-01 Actual	FY 01-02 Approp.	FY 02-03 Approp.
Conservation Trust Fund	\$33,895,855	\$35,790,712	\$31,713,775	\$40,500,000	\$48,000,000
Severance Tax & Mineral Impact Receipts	\$15,746,387	\$25,227,237	\$32,227,482	\$59,269,242	\$62,544,000
Limited Gaming, Search and Rescue, and Waste Tire Fund	\$3,945,313	\$5,575,311	\$6,592,333	\$8,404,631	\$9,469,631

Federal Funds

Federally-funded programs make up more than 26 percent of the Department of Local Affairs' FY 2002-03 appropriation. These programs generally have no state match, and funding is provided at the discretion of federal authorities. Major federal grants in FY 2002-03 include the U.S. Department of Housing and Urban Development (HUD) housing program grants (\$11.5 million), Section 8 Low Income Rental Subsidies (\$13.0 million), Community Development Block Grants (\$8.2 million), Community Services Block Grants (\$5.5 million), Office of Emergency Management

support (\$3.8 million), Emergency Shelter Program grants (\$0.9 million), and other miscellaneous federal grants and federal moneys used by the Department for grant administration (\$4.9 million).

	FY 98-99 Actual	FY 99-00 Actual	FY 00-01 Actual	FY 01-02 Estimate	FY 02-03 Estimate
Federal Funds	\$32,617,323	\$43,988,463	\$51,243,560	\$41,946,539	\$47,839,033

Summary of FY 2001-02 and FY 2002-03 Appropriations

Total Department Appropriations

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Total Appropriation:	\$10,517,242	\$24,389,708	\$87,754,500	\$41,948,467	\$164,609,917	179.8
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	2,152,045	71,061	721,373	278,697	3,223,176	18.0
Property Taxation	3,189,564	0	0	0	3,189,564	56.0
Division of Housing	3,191,989	236,387	409,973	22,640,811	26,479,160	28.9
Division of Local Government	1,983,644	24,082,260	86,623,154	19,028,959	131,718,017	76.9
<u>Breakdown of Total Appropriation by Bill</u>						
SB 01-57	0	77,647	0	0	77,647	1.0
SB 01-212	14,547,657	24,310,998	83,082,910	41,938,885	163,880,450	178.3
HB 01-1018	0	0	0	0	0	0.5
SB 01S2-22	0	0	11,555	0	11,555	0.0
HB 02-1377	(4,101,149)	698	4,764,328	7,654	671,531	0.0
HB 02-1420	248,949	0	0	0	248,949	0.0
HB 02-1429	(178,215)	0	(102,000)	0	(280,215)	0.0
HB 02-1468	0	365	(2,293)	1,928	0	0.0

	GF	CF	CFE	FF	Total	FTE
FY 2002-03 Total Appropriation:	\$9,735,370	\$23,770,420	\$100,046,189	\$47,509,429	\$181,061,408	179.5
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	2,349,873	78,440	744,250	244,130	3,416,693	18.0
Property Taxation	3,304,799	0	0	0	3,304,799	56.0
Division of Housing	1,037,578	243,510	108,788	26,214,006	27,603,882	28.9
Division of Local Government	3,043,120	23,448,470	99,193,151	21,051,293	146,736,034	76.6
<u>Breakdown of Total Appropriation by Bill</u>						
SB 02-50	(5,756)	0	0	0	(5,756)	0.0
HB 02-1038	(5,740)	0	0	0	(5,740)	0.0
HB 02-1315	0	0	0	(329,604)	(329,604)	(2.0)
HB 02-1420	9,739,828	23,770,068	100,045,730	47,837,289	181,392,915	181.5
HB 02-1468	7,038	352	459	1,744	9,593	0.0
Increase/(Decrease)	(\$781,872)	(\$619,288)	\$12,291,689	\$5,560,962	\$16,451,491	(0.3)
Percentage Change	-7.4%	-2.5%	14.0%	13.3%	10.0%	-0.2%

Detail of Appropriation by Administrative Section

Executive Director's Office

This office 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 and support of the federal Workforce Development Council. Cash funds, cash funds exempt, and federal funds appropriations consist of direct and indirect cost recoveries used to cover the general administrative costs associated with cash, cash exempt, and federal programs within the Department. Funding in this division also consists of cash funds and cash funds exempt spending from lease revenues generated from the operation of the Moffat Tunnel, as well as from the cash funds exempt transfer of federal funds from other agencies to support the Workforce Development Council.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-57	\$0	\$3,016	\$0	\$0	\$3,016	0.0
SB 01-212	2,265,887	66,982	713,073	269,115	3,315,057	18.0
SB 01S2-22	0	0	11,555	0	11,555	0.0
HB 02-1377	(54,527)	698	(962)	7,654	(47,137)	0.0
HB 02-1429	(59,315)	0	0	0	(59,315)	0.0
HB 02-1468	<u>0</u>	<u>365</u>	<u>(2,293)</u>	<u>1,928</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$2,152,045	\$71,061	\$721,373	\$278,697	\$3,223,176	18.0
FY 2002-03 Appropriation:						
SB 02-050	(\$5,756)	\$0	\$0	\$0	(\$5,756)	0.0
HB 02-1038	(5,740)	0	0	0	(5,740)	0.0
HB 02-1420	2,354,331	78,088	743,791	242,386	3,418,596	18.0
HB 02-1468	<u>7,038</u>	<u>352</u>	<u>459</u>	<u>1,744</u>	<u>9,593</u>	<u>0.0</u>
TOTAL	\$2,349,873	\$78,440	\$744,250	\$244,130	\$3,416,693	18.0
Increase/(Decrease)	\$197,828	\$7,379	\$22,877	(\$34,567)	\$193,517	0.0
Percentage Change	9.2%	10.4%	3.2%	-12.4%	6.0%	0.0%

FTE Detail	FY 2001-02	FY 2002-03
Executive Director's Staff and Help Desk Staff	4.0	4.0
Accounting / Budgeting	8.0	8.0
Human Resources	2.0	2.0
Workforce Development Council	<u>4.0</u>	<u>4.0</u>
	18.0	18.0

General Fund Changes: The General Fund appropriation includes the following: (1) an increase of \$75,000 for salary survey and senior executive service to be awarded in FY 2002-03; (2) an increase of \$38,000 for the personal service costs of the 8.0 General Fund FTE in the Executive Director's Office; (3) an increase of \$32,000 for payments to the Risk Management and Property Funds; (4) an increase of \$25,000 for the health, life, and dental insurance costs of Department employees; (5) an increase of \$18,000 General Fund for legal services, reflecting the partial restoration of funding after

a significant one-time supplemental reduction in FY 2001-02; and (6) an increase of \$10,000 for the cost of leasing Department vehicles.

Cash Funds Changes: The cash funds appropriation increase predominantly reflects the increased costs of salary survey and performance-based pay increases to be awarded in FY 2002-03 to cash funded employees throughout the Department.

Cash Funds Exempt Changes: The cash funds exempt appropriation includes: (1) an anticipated increase of \$41,000 for the costs of the Workforce Development Council; (2) an increase of \$14,000 in indirect cost recoveries used to offset the need for General Fund appropriations in the Executive Director's Office; and (3) an increase of \$10,000 for salary survey increases to be awarded in FY 2002-03. These increases were partially offset by a decrease of \$31,000 for health, life, and dental insurance costs and a \$10,000 decrease for IT Asset Maintenance.

Federal Fund Changes: The federal funds appropriation includes: (1) a decrease of \$17,000 for Information Technology Asset Maintenance, reflecting elimination of funding for computer replacements in FY 2002-03; (2) a decrease of \$15,000 for performance-based pay and salary survey increases; and (3) a decrease of \$12,000 for capitol complex leased space payments. These decreases were partially offset by an \$8,000 federal funds increase for the health, life, and dental insurance costs of federally-funded Department employees.

Property Taxation

This division supervises property tax collection by local governments to ensure property tax laws are administered consistently and fairly throughout the State. This includes training county assessors, calculating property tax for certain multi-county companies such as utilities, pipelines, and railroads, as well as determining eligibility for property tax exemptions. The Division includes the Board of Assessment Appeals, which is responsible for hearing appeals of decisions by county boards of equalization, county boards of commissioners, and the State Property Tax Administrator on the valuation of real and personal property, property tax abatements, and property tax exemptions. The Board hears roughly 1,400 - 1,500 appeals annually. The Division also values roughly 560 companies for property tax purposes and processes roughly 650 property tax exemption requests annually.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$3,212,909	\$0	\$0	\$0	\$3,212,909	56.0
HB 02-1377	(23,345)	0	0	0	(23,345)	0.0
TOTAL	\$3,189,564	\$0	\$0	\$0	\$3,189,564	56.0

	GF	CF	CFE	FF	Total	FTE
FY 2002-03 Appropriation:						
HB 02-1420	<u>\$3,304,799</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$3,304,799</u>	<u>56.0</u>
TOTAL	\$3,304,799	\$0	\$0	\$0	\$3,304,799	56.0
Increase/(Decrease)	\$115,235	\$0	\$0	\$0	\$115,235	0.0
Percentage Change	3.6%	n/a	n/a	n/a	3.6%	0.0%

FTE Detail	FY 2001-02	FY 2002-03
Board of Assessment Appeals	16.0	16.0
Property Taxation	<u>40.0</u>	<u>40.0</u>
	56.0	56.0

General Fund Changes: The General Fund appropriation reflects increased personal services costs for the Board of Assessment Appeals and the Division of Property Taxation.

Division of Housing

The mission of the Division of Housing (DOH) is to ensure that Coloradans live in safe, decent, and affordable housing. The Division provides financial and technical assistance to help communities meet their goal of providing affordable housing to low-income, elderly, and disabled people. Financial assistance programs include state and federal grants, loans, loan guarantees, and other means to provide incentives for the construction, acquisition, and rehabilitation of affordable housing. The Division also develops and updates various studies on the availability and affordability of housing in Colorado. Finally, DOH regulates the manufacture of factory-built residential and commercial buildings. In FY 2002-03, the Division of Housing will administer \$15.3 million in affordable housing grants and \$13.0 million in federal low-income rental assistance subsidies.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$5,563,056	\$236,387	\$109,973	\$22,640,811	\$28,550,227	28.9
HB 02-1377	(2,368,567)	0	300,000	0	(2,068,567)	0.0
HB 02-1429	<u>(2,500)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(2,500)</u>	<u>0.0</u>
TOTAL	\$3,191,989	\$236,387	\$409,973	\$22,640,811	\$26,479,160	28.9

	GF	CF	CFE	FF	Total	FTE
FY 2002-03 Appropriation:						
HB 02-1420	<u>\$1,037,578</u>	<u>\$243,510</u>	<u>\$108,788</u>	<u>\$26,214,006</u>	<u>\$27,603,882</u>	<u>28.9</u>
TOTAL	\$1,037,578	\$243,510	\$108,788	\$26,214,006	\$27,603,882	28.9
Increase/(Decrease)	(\$2,154,411)	\$7,123	(\$301,185)	\$3,573,195	\$1,124,722	0.0
Percentage Change	-67.5%	3.0%	-73.5%	15.8%	4.2%	0.0%

FTE Detail	FY 2001-02	FY 2002-03
Director	1.0	1.0
Program Administrators	14.7	16.2
Inspectors / Engineers	7.0	6.0
Support Staff	<u>6.2</u>	<u>5.7</u>
	28.9	28.9

General Fund Changes: The General Fund appropriation includes a reduction of \$2.5 million General Fund for affordable housing construction due to the Governor's veto of the Colorado Affordable Housing Construction Grants and Loans line item. This decrease is offset by an increase of \$352,000 for the increased personal service costs of administering the Division. Of this \$352,000 personal service increase, \$300,000 General Fund was required to offset the elimination of a one-time refinancing in FY 2001-02 of General Fund expenses with moneys from the Local Government Severance Tax Fund. The remaining \$52,000 increase is attributable to salary survey and anniversary increases awarded in FY 2001-02 after a 2.5 percent personal services reduction.

Cash Funds Exempt Changes: The cash funds exempt appropriation includes the elimination of a one-time refinancing in FY 2001-02 of \$300,000 of General Fund administrative expenses within the Division of Housing with moneys from the Local Government Severance Tax Fund.

Federal Funds Changes: The anticipated federal funds in FY 2002-03 include the following increases: (1) \$3,756,000 in Section 8 certificates and vouchers which provide rental subsidies to low-income persons; (2) \$50,000 for the Housing Opportunities for Persons with AIDS federal grant program; (3) \$31,000 for the increased personal service and operating costs of administering the Division of Housing; (4) \$30,000 in indirect cost assessments on federal grants; and (4) \$21,000 for Community Development Block Grant monies to be used for business development as well as public facilities and infrastructure development. These increases were offset by a decrease of \$252,000 for the HOME Investment Partnership Program and a decrease of \$62,000 for the Permanent Housing for the Handicapped Homeless program.

Division of Local Government

This division includes programs to assist local governments in identifying and responding to financial issues, problem-solving, administrative, and leadership development needs. To provide this assistance to local governments, the Division of Local Government operates eight field offices. Specific programs operated by the Division include: (a) training and technical assistance for local governments on such issues as budget review, property tax limitations, the Taxpayers Bill of Rights (TABOR), water and sewer financing, election rules, purchasing, and land use planning; (b) providing demographic and economic information, statistics, and analysis to public and private organizations; (c) administration of the local government funding and technical assistance programs, including the Community Services Block Grant program, the Local Utility Management Assistance program, Conservation Trust Fund disbursements, waste tire recycling grants, and the Non-rated Public Securities program; and (d) provision of technical and financial assistance, through the Office of Emergency Management, to support communities in preparing for, responding to, recovering from, and mitigating the effect of emergencies.

Cash funds in this division include: (1) local severance tax revenues; (2) revenues generated by the \$0.75 waste tire recycling development fee imposed pursuant to Section 25-17-202 (1) (a) (II), C.R.S.; (3) revenues from the various Search and Rescue surcharges on various outdoor licenses, registrations, and tickets; (4) moneys from the Water Resources and Power Development Authority for the Local Utility Management Assistance program; and (5) miscellaneous revenues generated from product sales and fees charged for participation in training seminars conducted by the Department.

Cash funds exempt consist primarily of (1) moneys distributed from the Local Government Mineral Impact Fund; (2) grants made from reserves in the Local Government Severance Tax Fund; (3) grants made from the Limited Gaming Fund; (4) grants for Smart Growth projects from the Colorado Heritage Communities Fund; (5) indirect cost on federal grants used to offset divisional overhead; and (6) spending of reserves in the Waste Tire Recycling Development Cash Fund.

Federal funds in this section include the Community Development Block Grant, the Community Services Block Grant, and various emergency preparedness, response, recovery, and mitigation grants administered through the state Office of Emergency Management.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-57	\$0	\$74,631	\$0	\$0	\$74,631	1.0
SB 01-212	3,505,805	24,007,629	82,259,864	19,028,959	128,802,257	75.4
HB 01-1018	0	0	0	0	0	0.5
HB02-1377	(1,654,710)	0	4,465,290	0	2,810,580	0.0
HB 02-1420	248,949	0	0	0	248,949	0.0

	GF	CF	CFE	FF	Total	FTE
HB 02-1429	(116,400)	0	(102,000)	0	(218,400)	0.0
TOTAL	\$1,983,644	\$24,082,260	\$86,623,154	\$19,028,959	\$131,718,017	76.9
FY 2002-03 Appropriation:						
HB 02-1315	\$0	\$0	\$0	(\$329,604)	(\$329,604)	(2.0)
HB 02-1420	3,043,120	23,448,470	99,193,151	21,380,897	147,065,638	78.6
TOTAL	\$3,043,120	\$23,448,470	\$99,193,151	\$21,051,293	\$146,736,034	76.6
Increase/(Decrease)	\$1,059,476	(\$633,790)	\$12,569,997	\$2,022,334	\$15,018,017	(0.3)
Percentage Change	53.4%	-2.6%	14.5%	10.6%	11.4%	-0.4%

FTE Detail	FY 2001-02	FY 2002-03
Local Government and Community Services	26.2	26.3
Field Services	27.2	27.3
Office of Emergency Management	23.5	23.0
	76.9	76.6

FTE Changes: The appropriated FTE include the transfer of 2.0 FTE from the Office of Emergency Management in the Department of Local Affairs to the new Office of Preparedness and Security in the Department of Public Safety pursuant to H. B. 02-1315. The appropriation also includes a decrease of 0.1 FTE as a result of the Department moving toward the electronic submission of annual levy law information, which will reduce the amount of data entry performed by Department staff. These decreases are partially offset by: (1) an increase of 1.5 federally-funded FTE for the Office of Emergency Management to provide technical assistance to local government in terrorism planning and training for event response and recovery (these new FTE were part of the 2.0 FTE which were transferred to the Office of Preparedness and Security under H.B. 02-1315); (2) an increase of 0.2 FTE to address both increased grant funding and increased reporting requirements under the federal Community Services Block Grant; and (3) an increase of 0.1 FTE to handle increased reporting requirements under the federal Community Development Block Grant.

General Fund Changes: The General Fund appropriation includes an increase of \$1.1 million to restore General Fund within the Division after a one-time refinancing in FY 2001-02 of General Fund expenses in the Division with Local Government Severance Tax Fund moneys. The General Fund appropriation also includes an increase of \$137,000 for growth in the personal service expenses of the Division's Administration, Field Services, and Office of Emergency Management programs.

These two increases are partially offset by: (1) a decrease of \$100,000 for administration and technical assistance involved in providing rural telecommunications grants; and (2) an \$87,000 decrease in funding for smart growth grants.

Cash Funds Changes: The cash funds appropriation reflects a decrease of \$966,000 in Local Government Severance Tax Fund moneys to be distributed in FY 2002-03. This decrease is partially offset by: (1) an increase of \$300,000 in anticipated waste tire recycling revenues, of which two-thirds will be granted out by the Department and one-third will go to the Colorado Commission on Higher Education; (2) an increase of \$27,000 in indirect cost assessments on the waste tire recycling and search and rescue programs; and (3) an increase of \$5,000 for the Local Utility Management Assistance program.

Cash Funds Exempt Changes: The cash funds exempt appropriation increase of \$12.6 million includes the following: (1) an anticipated increase of \$7.5 million for Conservation Trust Fund disbursements, reflecting in part the increased lottery revenues resulting from Powerball; (2) a net increase of \$4.7 million in spending from reserves in the Local Government Severance Tax Fund for Energy Impact Grants and Disbursements; (3) an increase of \$0.7 million from the Disaster Emergency Fund to match federal disaster funds and provide reimbursement for forest fire suppression costs; (4) an increase of \$0.7 million in Limited Gaming Fund revenues anticipated to be granted in FY 2002-03, and; (5) an increase of \$0.1 million in spending from reserves in the Waste Tire Recycling Development Cash Fund. These increases are partially offset by a decrease of \$1.1 million in Local Government Severance Tax moneys appropriated for the administrative costs of the Division of Local Government reflecting the discontinuation of a FY 2001-02 supplemental appropriation to refinance General Fund expenditures in the Department to address the State's General Fund revenue shortfall. The cash funds exempt increases are also offset by a decrease of \$0.1 million in Colorado Heritage Communities ("smart growth") grants.

Federal Funds Changes: The federal funds appropriation includes: (1) an increase of \$590,000 in federal funds to reimburse local governments for flood damage to public facilities which occurred in previous years; (2) an increase of \$565,000 in federal funds for mitigation assistance grants to local governments (for planning and preparedness to mitigate the impacts and avoid losses when emergencies occur); (3) an increase of \$492,000 for federal grants passed through to local governments for emergency management planning; (4) \$300,000 in federal funds to reimburse local governments for forest fire damages incurred in previous fiscal years; (5) an increase of \$161,000 anticipated from the federal Community Services Block Grant program; (6) an increase of \$146,000 anticipated from the Community Development Block Grant Program; (7) an increase of \$94,000 in personal service and operating costs associated with administering the Division of Local Government; and (8) an increase of \$62,000 for the personal service and operating expenses associated with administering the Office of Emergency Management. These increases are partially offset by: (1) a reduction of \$330,000 federal funds and 2.0 FTE for the Office of Emergency Management, reflecting the transfer of such funds to the Office of Preparedness, Security, and Fire Safety under H.B. 02-1315; and (2) a \$59,000 decrease in federal indirect cost assessments.

Recent Legislation

2001 Session Bills

S.B. 01-57: Establishes the Colorado Outdoor Recreation Search and Rescue Card program.

S.B. 01-212: General appropriations act for FY 2001-02.

H.B. 01-1018: Clarifies various statutes related to the recycling of waste tires.

S.B. 01S2-22: Provides a 4.3 percent increase in the state contribution rate for state employees for CY 2002 and provides funding to pay for the additional costs associated with health insurance for state employees who reside in Pueblo. For more information, refer to the bill description in the Department of Personnel.

2002 Session Bills

S.B. 02-50: For an explanation of this bill please see the Recent Legislation section in the Department of Corrections.

S.B. 02-52: Repeals certain provisions allocating moneys from the Waste Tire Recycling Development Cash Fund.

S.B. 02-97: Provides that the property of multijurisdictional housing authorities and county housing authorities shall be exempt from taxes and special assessments on the same basis and subject to the same conditions as provided for city housing authorities. Provides the new tax exemption for taxable years starting after December 31, 2000.

H.B. 02-1038: For an explanation of this bill please see the Recent Legislation section in the Department of Corrections.

H.B. 02-1254: Modifies the Public Securities Information Reporting Act.

H.B. 02-1315: Creates the Office of Preparedness and Security (OPS) as a division within the Department of Public Safety. The legislation transfers the Division of Fire Safety into the newly created office. In addition, the legislation creates an Office of Anti-terrorism Planning and Training, and an Office of Security. In creating this new office, transfers \$329,604 federal funds and 2.0 FTE from the Office of Emergency Management in the Department of Local Affairs to the new Office of Preparedness and Security.

H.B. 02-1377: Supplemental appropriation to the Department of Local Affairs to modify the appropriation included in the FY 2001-02 Long Bill.

H.B. 02-1420: General appropriations act for FY 2002-03.

H.B. 02-1429: Second supplemental appropriation to the Department of Local Affairs to modify the appropriation included in the FY 2001-02 Long Bill.

H.B. 02-1468: Refinances the FY 2001-02 appropriation made pursuant to S.B. 01S2-22. Establishes the CY 2003 state contribution rate for health, life, and dental insurance to be the same as the state contribution rate for CY 2002. Authorizes the General Assembly to annually adjust the state contribution for health, life, and dental insurance effective CY 2004 through the Long Bill. For more information, refer to the bill description in the Department of Personnel.

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

The Department of Military Affairs consists of the Executive Director's Office and the Army National Guard, the Air National Guard, the Civil Air Patrol, and the Division of Veterans Affairs. The Adjutant General is the administrative head of the Department as well as the Chief of Staff of the Colorado National Guard. The Colorado National Guard is a federal and state military organization whose primary mission is to support the federal, state, and local governments in times of need.

The Department receives federal funds from the U.S. Department of Defense for maintenance and construction of facilities. In addition, the Adjutant General is responsible for managing federal funds that do not pass through the State's accounting system, but are used for recruiting, training, and retaining members of the Colorado National Guard. Federal funds and the associated FTE are shown in the Long Bill under the Federal Funded Programs section for informational purposes only.

Department Budget: Recent Actual Expenditures and Appropriations

Funding Source	FY 1999-00 Actual	FY 2000-01 Actual	FY 2001-02 Approp.	FY 2002-03 Approp.
General Fund	\$3,899,899	\$4,172,424	\$4,000,507	\$4,872,858
Cash Funds	23,284	7,640	25,009	25,113
Cash Funds Exempt	366,889	0	1,891	1,317,301
Federal Funds	<u>118,239,487</u>	<u>116,874,796</u>	<u>112,725,518</u>	<u>122,073,473</u>
Total Funds	\$122,529,559	\$121,054,860	\$116,752,925	\$128,288,745
Full Time Equiv. Staff	1,215.1	1,196.7	1,286.8	1,157.3

FY 2002-03 Budget Changes

Significant changes in appropriations for FY 2002-03 compared to FY 2001-02 include the following:

- An increase of \$28.7 million federal funds for construction projects and operations and maintenance;
- An offsetting decrease of \$19.6 million federal funds and 143.0 FTE for National Guard personnel and training and special programs;
- An increase of \$2,134,000 (\$678,000 General Fund, \$1,317,000 cash funds exempt, \$139,000 federal funds) and 12.0 FTE pursuant to the creation of the Division of Veterans Affairs in H.B. 02-1413;

- ❑ An increase of \$335,000 (\$149,000 General Fund and \$186,000 federal funds) for the salary survey and annualized anniversary increases awarded in FY 2001-02;
- ❑ An increase of \$20,000 General Fund and 0.5 FTE for an information technology position; and
- ❑ An increase of \$19,000 General Fund for a phased upgrade to the radio repeaters used by the Civil Air Patrol that will be obsolete upon activation of new frequencies determined by the federal government.

General Factors Driving the Budget

Funding for this department consists of 95.2 percent federal funds, 3.8 percent General Fund, 1.0 percent cash funds exempt, and a nominal percent cash funds. Some important factors driving the budget are reviewed below.

Federal Funding

The vast majority of resources, 95.2 percent of total funding (\$122.1 million) and 95.9 percent of total FTE (1,109.3) for the department's organizations and programs come from the federal government. Efforts to reduce the size of the federal government require the state budget to support many FTE that are funded with federal dollars resulting in "Federally Funded State FTE." Furthermore, many of these positions are funded by a split of state and federal funds (e.g., 80/20, 75/25, 50/50) which is based on predetermined classifications that estimate the overall federal versus state support functions for any given position.

State Support

All State FTE in the Department's budget, those funded by the General Fund as well as by the National Guard Bureau, primarily provide administrative and maintenance support for buildings and facilities used by the Colorado National Guard and the Civil Air Patrol. Of State funding (\$4,873,000 for FY 2002-03), 55.0 percent (\$2,678,000) is allocated to personnel (46.9 FTE), 23.3 percent (\$1,137,000) is used for property and equipment maintenance and repair costs, 13.8 percent (\$672,000) is used for utility costs, and 7.9 percent (\$386,000) is allocated to the Colorado National Guard Tuition Fund.

Summary of FY 2001-02 and FY 2002-03 Appropriations

Total Department Appropriations

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Total Appropriation:	\$4,000,507	\$25,009	\$1,891	\$112,725,518	\$116,752,925	1,286.8
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director and Army National Guard	3,394,560	25,009	1,891	2,279,495	5,700,955	40.7
Air National Guard	442,832	0	0	2,870,304	3,313,136	46.1
Federal Funded Programs	0	0	0	107,575,719	107,575,719	1,198.0
Civil Air Patrol	163,115	0	0	0	163,115	2.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 01-212	4,096,566	25,009	0	112,725,961	116,847,536	1,286.8
SB 01S2-22	0	0	5,044	0	5,044	0.0
HB 02-1378	(34,571)	0	0	(3,596)	(38,167)	0.0
HB 02-1430	(61,488)	0	0	0	(61,488)	0.0
HB 02-1468	0	0	(3,153)	3,153	0	0.0
FY 2002-03 Total Appropriation:	\$4,872,858	\$25,113	\$1,317,301	\$122,073,473	\$128,288,745	1,157.3
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director and Army National Guard	3,542,502	25,113	0	2,240,044	5,807,659	42.2
Air National Guard	457,787	0	0	2,967,489	3,425,276	46.1
Federal Funded Programs	0	0	0	116,727,204	116,727,204	1,055.0
Civil Air Patrol	194,583	0	0	0	194,583	2.0
Veterans Affairs	677,986	0	1,317,301	138,736	2,134,023	12.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 02-50	(2,107)	0	0	0	(2,107)	0.0
HB 02-1038	(2,101)	0	0	0	(2,101)	0.0

	GF	CF	CFE	FF	Total	FTE
HB 02-1413	677,986	0	1,317,301	138,736	2,134,023	12.0
HB 02-1420	4,197,646	25,113	0	121,932,927	126,155,686	1,145.3
HB 02-1468	1,434	0	0	1,810	3,244	0.0
Increase/(Decrease)	\$872,351	\$104	\$1,315,410	\$9,347,955	\$11,535,820	(129.5)
Percentage Change	21.8%	0.4%	69561.6%	8.3%	9.9%	-10.1%

Detail of Appropriation by Administrative Section

Executive Director and Army National Guard

This division is responsible for the overall management and administration of the Department. The appropriation includes the operating budget for the Executive Director as well as all centrally appropriated items for the Department. In addition, this section includes appropriations for tuition assistance for National Guard members attending college and the State's share of maintenance upkeep for the State's Army National Guard facilities.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$3,465,073	\$25,009	\$0	\$2,279,938	\$5,770,020	40.7
SB 01S2-22	0	0	5,044	0	5,044	0.0
HB 02-1378	(10,525)	0	0	(3,596)	(14,121)	0.0
HB 02-1430	(59,988)	0	0	0	(59,988)	0.0
HB 02-1468	<u>0</u>	<u>0</u>	<u>(3,153)</u>	<u>3,153</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$3,394,560	\$25,009	\$1,891	\$2,279,495	\$5,700,955	40.7
FY 2002-03 Appropriation:						
SB 02-50	(\$2,107)	\$0	\$0	\$0	(\$2,107)	0.0
HB 02-1038	(2,101)	0	0	0	(2,101)	0.0
HB 02-1420	3,545,276	25,113	0	2,238,234	5,808,623	42.2
HB 02-1468	<u>1,434</u>	<u>0</u>	<u>0</u>	<u>1,810</u>	<u>3,244</u>	<u>0.0</u>
TOTAL	\$3,542,502	\$25,113	\$0	\$2,240,044	\$5,807,659	42.2

	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$147,942	\$104	(\$1,891)	(\$39,451)	\$106,704	1.5
Percentage Change	4.4%	0.4%	-100.0%	-1.7%	1.9%	3.7%

FTE Detail	FY 2001-02	FY 2002-03
Administration and Staff Support	13.2	14.2
Financial	6.0	6.0
Information Technology	1.0	1.5
Physical Plant	<u>20.5</u>	<u>20.5</u>
	40.7	42.2

FTE Changes: The change in FTE includes an increase of 0.5 General Fund FTE for an information technology position, and an increase of 1.0 federally funded FTE that is a part of the Army National Guard Cooperative Agreements.

General Fund Changes: The General Fund increase is primarily due to: (1) \$100,000 for salary survey and annualized anniversary increases awarded in FY 2001-02; (2) a restoration of \$58,000 which represents a portion of the Governor's 1.5 percent reductions for FY 2001-02; (3) \$49,000 in payments to the risk management and property funds; (4) \$20,000 and 0.5 FTE for an information technology position; and (5) \$6,000 in centrally appropriated items such as salary survey and performance-based pay. These increases are partially offset by decreases in the following areas: (1) \$39,000 in capital outlay; (2) \$22,000 for a portion of the Governor's 1.0 percent reduction; (3) \$19,000 for health, life, and dental; and (4) \$4,000 due to the stipulations of S.B. 02-50 and H.B. 02-1038.

Cash Funds Exempt Changes: The \$2,000 decrease in cash funds exempt is due to a change in which the state's contribution to the health, life, and dental appropriation is determined through H.B. 02-1468.

Federal Funds Changes: The net decrease in federal funds is primarily due to the following: (1) an increase of \$41,000 for salary survey and annualized anniversary increases awarded in FY 2001-02; (2) an increase of \$30,000 and 1.0 FTE in the cooperative agreements of the Department; (3) an increase of \$11,000 for shift differential payments; and (4) \$6,000 for vehicle lease payments. These increases are partially offset by the following decreases: (1) \$58,000 for health, life, and dental; (2) \$22,000 for capitol complex leased space; (3) \$20,000 in other centrally appropriated items; and (4) \$10,000 due to a 2.5 percent base reduction in personal services. There are also several other miscellaneous changes contributing to the net decrease in federal funding.

Air National Guard

This division provides funding for the operations of the Buckley and Greeley Air National Guard bases. The State's share of operating and maintenance costs for facilities varies under agreements with the federal government based on the type of building, how it is used, and whether it is on state or federal land. For Air Guard facilities, the state share is typically 25 percent.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$462,179	\$0	\$0	\$2,870,304	\$3,332,483	46.1
HB 02-1378	(17,847)	0	0	0	(17,847)	0.0
HB 02-1430	<u>(1,500)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1,500)</u>	<u>0.0</u>
TOTAL	\$442,832	\$0	\$0	\$2,870,304	\$3,313,136	46.1
FY 2002-03 Appropriation:						
HB 02-1420	<u>\$457,787</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,967,489</u>	<u>\$3,425,276</u>	<u>46.1</u>
TOTAL	\$457,787	\$0	\$0	\$2,967,489	\$3,425,276	46.1
Increase/(Decrease)	\$14,955	\$0	\$0	\$97,185	\$112,140	0.0
Percentage Change	3.4%	n/a	n/a	3.4%	3.4%	0.0%

FTE Detail	FY 2001-02	FY 2002-03
Administrative Support	2.1	2.1
Air Traffic Controllers	7.0	7.0
Physical Plant	32.0	32.0
Security Guards	<u>5.0</u>	<u>5.0</u>
	46.1	46.1

General Fund Changes: The General Fund increase is due to \$18,000 in salary survey and anniversary increases awarded in FY 2001-02 which is partially offset by a \$3,000 decrease that results from a 2.5 percent personal services reduction.

Federal Funds Changes: The \$97,000 federal fund increase is due to an increase of \$119,000 in salary survey and anniversary increases that were awarded in FY 2001-02 and an increase of \$4,000 in PERA and short term disability. This increase is partially offset by a decrease of \$28,000 due to a 2.5 percent base reduction in personal services.

Federal Funded Programs

Federal Funded Programs include funding for weekend and annual training for all members of the National Guard. These federal funds do not flow through the State's accounting system, but are shown for informational purposes to demonstrate the full scope of the Department's activities.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$0	\$0	\$0	\$107,575,719	\$107,575,719	1,198.0
TOTAL	\$0	\$0	\$0	\$107,575,719	\$107,575,719	1,198.0
FY 2002-03 Appropriation:						
HB 02-1420	\$0	\$0	\$0	\$116,727,204	\$116,727,204	1,055.0
TOTAL	\$0	\$0	\$0	\$116,727,204	\$116,727,204	1,055.0
Increase/(Decrease)	\$0	\$0	\$0	\$9,151,485	\$9,151,485	(143.0)
Percentage Change	n/a	n/a	n/a	8.5%	8.5%	-11.9%

The appropriation reflects an estimate of federal funds available for federal FY 2001-02 for the programs of the National Guard, which include weekend and two weeks per year training for each member of the Colorado National Guard. All figures are estimates based on the federal fiscal year and, although a change is reflected between FY 2001-02 and FY 2002-03, the appropriations to this division do not flow through the state's accounting system. The estimate includes a net increase that results from: (1) \$20.7 million in funding for construction projects; and (2) \$8.0 million in operations and maintenance funding. These increases are partially offset by the following estimated decreases: (1) \$18.9 million and 143.0 FTE in the National Guard Bureau for personnel and training; and (2) \$730,000 for special programs.

Civil Air Patrol

The Civil Air Patrol provides skilled volunteer personnel to assist in the following activities: search and rescue of missing and lost persons, the search and rescue of missing and downed aircraft, the airlift of blood, drugs, and medical supplies, the transport of Red Cross and State emergency personnel to disaster areas, and activities of the Office of Emergency Management during natural disasters.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$169,314	\$0	\$0	\$0	\$169,314	2.0

	GF	CF	CFE	FF	Total	FTE
HB 02-1378	(6,199)	<u>0</u>	<u>0</u>	<u>0</u>	(6,199)	0.0
TOTAL	\$163,115	\$0	\$0	\$0	\$163,115	2.0
FY 2002-03 Appropriation:						
HB 02-1420	<u>\$194,583</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$194,583</u>	<u>2.0</u>
TOTAL	\$194,583	\$0	\$0	\$0	\$194,583	2.0
Increase/(Decrease)	\$31,468	\$0	\$0	\$0	\$31,468	0.0
Percentage Change	19.3%	n/a	n/a	n/a	19.3%	0.0%

General Fund Changes: The General Fund increase includes: (1) \$19,000 for the phased replacement of radio repeaters; (2) \$8,000 for salary survey and annualized anniversary increases awarded in FY 2001-02; and (3) a restoration of \$5,000 for a one-time operating expenses reduction that took place in the FY 2001-02 that will assist in the funding of radio repeaters. These increases are partially offset by a \$1,000 decrease in operating expenses for a portion of the Governor's 1.0 percent FY 2002-03 reductions.

Veterans Affairs

The Division of Veterans Affairs was established in the Department of Military and Veterans Affairs through H.B. 02-1413. Transferred from the Department of Human Services, Office of Adult and Veterans Services, this new division will be responsible for acquiring the necessary services the state's veterans need from the federal government based on reports from division case workers and the County Veterans Services Officers. The division works with the State Board of Veterans Affairs to administer the Western Slope Veterans Cemetery and the State Veterans Trust Fund which consists of a portion of the tobacco settlement money Colorado receives each year.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
N/A	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$0	\$0	\$0	\$0	\$0	0.0
FY 2002-03 Appropriation:						
HB 02-1413	<u>\$677,986</u>	<u>\$0</u>	<u>\$1,317,301</u>	<u>\$138,736</u>	<u>\$2,134,023</u>	<u>12.0</u>
TOTAL	\$677,986	\$0	\$1,317,301	\$138,736	\$2,134,023	12.0

	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$677,986	\$0	\$1,317,301	\$138,736	\$2,134,023	12.0
Percentage Change	n/a	n/a	n/a	n/a	n/a	n/a

This is a new division in the Department of Military and Veterans Affairs, which was created in H.B. 02-1413. As there was no appropriation in the FY 2001-02 Long Bill, or in the FY 2002-03 Long Bill, there were no adjustments made in the appropriation to this division aside from the appropriation contained in the act.

Recent Legislation

2001 Session Bills

S.B. 01-190: Supplemental appropriation to the Department of Military Affairs to modify the appropriation included in the FY 2000-01 Long Bill.

S.B. 01-212: General appropriations act for FY 2001-02.

S.B. 01S2-22: Provides a 4.3 percent increase in the state contribution rate for state employees for CY 2002 and provides funding to pay for the additional costs associated with health insurance for state employees who reside in Pueblo. For more information, refer to the bill description in the Department of Personnel.

2002 Session Bills

S.B. 02-50: For an explanation of this bill please see the Recent Legislation section in the Department of Corrections.

H.B. 02-1038: For an explanation of this bill please see the Recent Legislation section in the Department of Corrections.

H.B. 02-1378: Supplemental appropriation to the Department of Military Affairs to modify the appropriation included in the FY 2001-02 Long Bill.

H.B. 02-1413: Renames the department to the Department of Military and Veterans Affairs and creates the Division of Veterans Affairs in the department. Transfers appropriations associated with the Office of Adult and Veterans Services in the Department of Human Services made in H.B. 02-1420 to the newly named Department of Military and Veterans Affairs.

H.B. 02-1420: General appropriations act for FY 2002-03.

H.B. 02-1430: Supplemental appropriation to the Department of Military Affairs to modify the appropriation included in the FY 2001-02 Long Bill.

H.B. 02-1468: Refinances the FY 2001-02 appropriation made pursuant to S.B. 01S2-22. Establishes the CY 2003 state contribution rate for health, life, and dental insurance to be the same as the state contribution rate for CY 2002. Authorizes the General Assembly to annually adjust the state contribution for health, life, and dental insurance effective CY 2004 through the Long Bill. For more information, refer to the bill description in the Department of Personnel.

DEPARTMENT OF NATURAL RESOURCES

The Department is responsible for developing, protecting and enhancing Colorado's natural resources for the use and enjoyment of the state's present and future residents and visitors. The Department is comprised of the following agencies and divisions: Executive Director's Office, Minerals and Geology, Geological Survey, Oil and Gas Conservation Commission, State Board of Land Commissioners, Parks and Outdoor Recreation, Water Conservation Board, Water Resources Division, and the Division of Wildlife.

Department Budget: Recent Actual Expenditures and Appropriations

Funding Source	FY 1999-00 Actual	FY 2000-01 Actual	FY 2001-02 Approp.	FY 2002-03 Approp.
General Fund	\$27,817,745	\$29,092,602	\$24,661,869	\$28,603,238
Cash Funds	73,782,162	83,278,869	31,966,357	33,186,151
Cash Funds Exempt	21,683,944	33,560,909	97,814,909	97,694,125
Federal Funds	<u>15,850,496</u>	<u>14,063,522</u>	<u>14,829,059</u>	<u>15,605,218</u>
Total Funds	\$139,134,347	\$159,995,902	\$169,272,194	\$175,088,732
Full Time Equiv. Staff	1,400.6	1,474.4	1,515.3	1,552.9

FY 2002-03 Budget Changes

Significant changes in appropriations for FY 2002-03 compared to FY 2001-02 include the following:

- An increase of \$6.6 million cash funds exempt from the Water Conservation Board Construction Fund provided in H.B. 02-1152 for the Water Conservation Board and the Division of Water Resources for various water studies and projects, water education, data collection, satellite monitoring, imaging and mapping;
- An increase of \$1.5 million cash funds exempt for the Division of Wildlife to manage chronic wasting disease, including efforts to thin infected deer herds and to perform chronic wasting disease research;
- An increase of \$1.4 million for 24.0 FTE in established state parks and new state parks. The total includes \$1.3 million from the Parks Cash Fund and \$122,000 cash funds exempt GOCO Board Grants. Of this total, \$270,000 cash funds and 2.0 FTE were originally awarded in FY 2001-02 but delayed through supplemental action;

- ❑ An increase of \$1.3 million General Fund for elimination of a FY 2001-02 refinancing of General Fund with reserves in the Water Conservation Board Construction Fund for the Water Conservation Board;
- ❑ An increase of \$1.0 million General Fund for increases to centrally appropriated line items;
- ❑ An increase of \$1.0 million General Fund for annualization of salary survey and anniversary payments made in FY 2001-02 for the Division of Water Resources;
- ❑ An increase of \$793,000 cash funds exempt for the Division of Wildlife's Habitat Partnership Program, reflecting an increase in dedicated program revenue pursuant to S.B. 01-6;
- ❑ An additional \$600,000 cash funds exempt to increase the purchase of trout from private hatcheries, including \$300,000 for the purchase of whirling disease negative trout and \$300,000 for the purchase of whirling disease positive trout;
- ❑ An anticipated increase of \$594,000 federal funds for the Colorado Geological Survey, including an increase of \$285,000 from NASA for a study using satellite and image processing technology to locate natural and anthropogenic (human-induced) acidic and/or metals laden drainages and to track their downstream impacts and an increase of \$120,000 to study coal bed methane resources in Northwest Colorado;
- ❑ An increase of \$353,000 cash funds exempt from reserves in the Water Conservation Board Construction Fund for 3.0 FTE for the River Decision Support Systems program. This includes \$271,000 and 2.0 FTE in the Water Conservation Board, \$75,000 and 1.0 FTE in the Division of Water Resources, and \$7,000 for one-time costs in the Executive Director's Office; and
- ❑ An increase of \$46,400 General Fund and 1.0 FTE for increased water administration in the South Platte river basin. This includes \$42,500 and 1.0 FTE in the Division of Water Resources and \$3,900 for one-time costs in the Executive Director's Office.

General Factors Driving the Budget

Funding for this department consists of 16.3 percent General Fund, 19.0 percent cash funds, 55.8 percent cash funds exempt, and 8.9 percent federal funds. Some of the most important factors driving the budget are reviewed below.

Great Outdoors Colorado (GOCO) Board Grants

Both the Division of Parks and Outdoor Recreation and the Division of Wildlife receive funding from the GOCO Board, as established in Article XXVII of the Colorado Constitution. These grants

represent approximately 62.5 percent of the Department's total cash funds exempt funding. GOCO grants are not subject to legislative authority, and thus are reflected in the Long Bill for information only.

GOCO Grants to the Division of Parks and Outdoor Recreation are used for developing new parks (capital) as well as enhancing and maintaining existing parks (operating). For FY 2001-02, a significant portion of the GOCO grant funding was shifted from the operating to the capital construction section of the Long Bill, to more accurately reflect use of the funds. Additionally, long-term capital grants have been reflected for the first time.

GOCO Grants to the Division of Wildlife are used for species protection, habitat development, watchable wildlife, and wildlife education. Funding shown below for the Division of Wildlife does not include money for capital construction purposes. In FY 2002-03, an increase in GOCO grants for land acquisitions resulted in less GOCO funding being reflected in the Division of Wildlife's operating budget.

Great Outdoors Colorado Board Grants	FY 98-99	FY 99-00	FY 00-01	FY 01-02	FY 02-03
Parks Capital Budget	\$0	\$0	\$0	\$4,662,000	\$3,049,500
Parks Operating Budget	<u>4,500,440</u>	<u>5,582,414</u>	<u>6,000,000</u>	<u>2,772,334</u>	<u>3,139,000</u>
Total GOCO Grants to Parks	\$4,500,440	\$5,582,414	\$6,000,000	\$7,434,334	\$6,188,500
<i>Percent of Parks' Budget</i>	<i>14.9%</i>	<i>16.9%</i>	<i>16.8%</i>	<i>18.7%</i>	<i>14.3%</i>
Grants to Division of Wildlife	\$734,740	\$3,431,130	\$8,341,256	\$8,447,956	\$7,180,000
<i>Percent of DOW Budget</i>	<i>1.2%</i>	<i>5.4%</i>	<i>11.9%</i>	<i>11.6%</i>	<i>9.3%</i>

Division of Water Resources General Fund

This division receives approximately 67.7 percent of the Department's total Long Bill General Fund appropriations, including appropriations to the division and the Executive Director's Office. Approximately 92.5 percent of the division's General Fund appropriation is attributable to personal services costs.

Division of Water Resources Long Bill General Fund	FY 98-99 Actual	FY 99-00 Actual	FY 00-01 Actual	FY 01-02 Approp.	FY 02-03 Approp.
General Fund - Division	\$13,639,582	\$14,483,423	\$15,109,894	\$15,088,847	\$15,979,898
General Fund - Central Pots	<u>2,511,968</u>	<u>2,661,029</u>	<u>2,671,334</u>	<u>3,051,883</u>	<u>3,374,306</u>
Total GF Attributable to DWR	\$16,151,550	\$17,144,452	\$17,781,228	\$18,140,730	\$19,354,204
<i>Percent Increase</i>	<i>N/A</i>	<i>6.1%</i>	<i>3.7%</i>	<i>2.0%</i>	<i>6.7%</i>

Division of Water Resources Long Bill General Fund	FY 98-99 Actual	FY 99-00 Actual	FY 00-01 Actual	FY 01-02 Approp.	FY 02-03 Approp.
Total Department General Fund	\$25,532,839	\$27,817,745	\$29,092,602	\$24,661,869	\$28,603,238
<i>DWR GF As Percent of Department GF</i>	<i>63.3%</i>	<i>61.6%</i>	<i>61.1%</i>	<i>73.6%</i>	<i>67.7%</i>

Division of Wildlife

For FY 2002-03, the Division of Wildlife's \$76.9 million appropriation represents about 45.6 percent of the total Department's budget. The table below describes the various revenue sources used to fund the operation and management of the Division of Wildlife.

	FY 98-99 Actual	FY 99-00 Actual	FY 00-01 Actual	FY 01-02 Approp.	FY 02-03 Approp.
Wildlife Cash Fund	\$46.6	\$43.4	\$48.3	\$53.1	\$55.9
Federal Funds	8.9	11.0	8.5	9.3	9.5
Great Outdoors Colorado (GOCO) Board Grants	2.2	4.5	6.1	8.4	7.2
Habitat Partnership Cash Fund	1.5	1.0	1.0	1.0	1.8
Species Conservation Trust Fund	0.0	0.0	0.0	0.0	1.2
Colorado Outdoor Magazine Subscription Revenue	0.6	0.5	0.4	0.6	0.6
Nongame Wildlife Voluntary Tax Contributions	0.4	0.5	0.4	0.4	0.5
Other	<u>0.1</u>	<u>0.1</u>	<u>0.2</u>	<u>0.1</u>	<u>0.2</u>
Total DOW Budget	\$60.3	\$61.0	\$64.9	\$72.9	\$76.9

Notes:

1. All figures are shown in millions of dollars.
2. For FY 2002-03, the General Assembly changed the budget format for the Division of Wildlife's Long Bill Appropriation. As part of its FY 2002-03 budget request, the Division tracked expenditures by these new line items back through FY 1999-00.
3. Species Conservation Trust Fund spending was first reflected in the Long Bill in FY 2002-03.

Severance Tax Expenditures

The Operational Account of the Severance Tax Trust Fund was created to fund programs within the Department that promote responsible resource development, offset the environmental impacts of mineral and mineral fuel development, and encourage sound management of natural resources. (For

further information, see the description of S.B. 96-70 in the Summary of Major Legislation section of this overview.) As can be seen below, significant growth in severance tax spending occurred in FY 2001-02 as a result of the refinancing of \$1.85 million of General Fund appropriations with severance tax revenues.

	FY 97-98	FY 98-99	FY 99-00	FY 00-01	FY 01-02	FY 02-03
Oil & Gas Conservation Commission	\$1,424,854	\$1,672,926	\$2,174,019	\$1,948,342	\$1,375,810	\$1,398,965
Minerals & Geology	203,316	826,605	671,770	735,640	2,566,266	2,241,685
Geological Survey	744,792	790,000	1,312,601	1,331,781	2,139,019	2,118,530
Water Conservation Board	<u>100,000</u>	<u>275,000</u>	<u>500,000</u>	<u>603,720</u>	<u>628,750</u>	<u>628,750</u>
TOTAL	\$2,472,962	\$3,564,531	\$4,658,390	\$4,619,483	\$6,709,845	\$6,387,930

Summary of FY 2001-02 and FY 2002-03 Appropriations

Total Department Appropriations

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Total Appropriation:	\$24,661,869	\$31,966,357	\$97,814,909	\$14,829,059	\$169,272,194	1,515.3
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director	4,004,135	7,478,443	10,659,918	1,532,443	23,674,939	60.6
Minerals and Geology	362,937	2,663,067	476,881	2,478,477	5,981,362	67.7
Geological Survey	0	2,350,851	1,086,087	553,980	3,990,918	37.0
Oil and Gas	0	2,572,430	400,000	112,612	3,085,042	35.0
State Land Board	0	1,473,789	1,398,789	0	2,872,578	33.0
Parks	5,205,950	13,875,705	4,950,639	582,239	24,614,533	248.3
Water Conservation	0	931,877	12,619,866	230,768	13,782,511	36.5
Water Resources	15,088,847	620,195	2,634,743	13,215	18,357,000	244.7
Wildlife	0	0	63,587,986	9,325,325	72,913,311	752.5

	GF	CF	CFE	FF	Total	FTE
<u>Breakdown of Total Appropriation by Bill</u>						
SB 01-157	0	0	9,969,131	0	9,969,131	0.0
SB 01-212	29,164,002	89,849,156	25,206,584	14,848,563	159,068,305	1,517.2
HB 01-1354	0	0	75,787	0	75,787	0.1
SB 01S2-22	0	0	101,533	0	101,533	0.0
HB 02-1379	(4,318,677)	(57,940,789)	62,528,087	(27,727)	240,894	(2.0)
HB 02-1431	(183,456)	0	0	0	(183,456)	0.0
HB 02-1468	0	57,990	(66,213)	8,223	0	0.0
FY 2002-03 Total Appropriation:	\$28,603,238	\$33,186,151	\$97,694,125	\$15,605,218	\$175,088,732	1,552.9
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director	6,532,253	5,099,268	11,942,383	1,103,000	24,676,904	60.6
Minerals and Geology	370,672	2,662,287	478,334	2,546,868	6,058,161	66.7
Geological Survey	0	2,317,981	1,130,136	1,147,618	4,595,735	37.0
Oil and Gas	0	2,801,177	428,498	105,460	3,335,135	34.0
State Land Board	0	1,316,247	1,736,079	0	3,052,326	33.0
Parks	4,407,692	17,371,012	4,121,846	1,009,274	26,909,824	272.3
Water Conservation	1,312,723	931,877	8,820,659	223,409	11,288,668	38.5
Water Resources	15,979,898	686,302	1,624,424	13,858	18,304,482	246.6
Wildlife	0	0	67,411,766	9,455,731	76,867,497	764.2
<u>Breakdown of Total Appropriation by Bill</u>						
SB 02-50	(15,460)	0	0	0	(15,460)	0.0
SB 02-68	0	0	10,800	0	10,800	0.0
SB 02-87	0	0	100,000	0	100,000	0.0
HB 02-1038	(15,416)	0	0	0	(15,416)	0.0
HB 02-1084	0	0	5,868	0	5,868	0.0
HB 02-1152	0	0	6,636,500	0	6,636,500	0.0
HB 02-1414	0	48,000	0	0	48,000	0.0
HB 02-1420	28,611,495	33,121,563	90,903,472	15,602,779	168,239,309	1,552.9
HB 02-1468	22,619	16,588	37,485	2,439	79,131	0.0

	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$3,941,369	\$1,219,794	(\$120,784)	\$776,159	\$5,816,538	37.6
Percentage Change	16.0%	3.8%	-0.1%	5.2%	3.4%	2.5%

Detail of Appropriation by Administrative Section

Executive Director's Office

This office is responsible for the management and administration of the Department, including the following functional areas: departmental administration and policy development, human resources, accounting and purchasing, budgeting, information technology services, and the Youth in Natural Resources Program. Approximately 69.1 percent of funding includes both cash funds and cash funds exempt collected from various divisions, either in direct support of specific activities or for direct and indirect cost recoveries.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$4,545,622	\$11,513,604	\$6,357,923	\$1,551,947	\$23,969,096	60.6
HB 01-1354	0	0	19,534	0	19,534	0.0
SB 01S2-22	0	0	101,533	0	101,533	0.0
HB 02-1379	(393,031)	(4,093,151)	4,247,141	(27,727)	(266,768)	0.0
HB 02-1431	(148,456)	0	0	0	(148,456)	0.0
HB 02-1468	<u>0</u>	<u>57,990</u>	<u>(66,213)</u>	<u>8,223</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$4,004,135	\$7,478,443	\$10,659,918	\$1,532,443	\$23,674,939	60.6
FY 2002-03 Appropriation:						
SB 02-50	(\$15,460)	\$0	\$0	\$0	(\$15,460)	0.0
HB 02-1038	(15,416)	0	0	0	(15,416)	0.0
HB 02-1420	6,540,510	5,082,680	11,904,898	1,100,561	24,628,649	60.6
HB 02-1468	<u>22,619</u>	<u>16,588</u>	<u>37,485</u>	<u>2,439</u>	<u>79,131</u>	<u>0.0</u>
TOTAL	\$6,532,253	5,099,268	11,942,383	1,103,000	24,676,904	60.6

	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$2,528,118	(\$2,379,175)	\$1,282,465	(\$429,443)	\$1,001,965	0.0
Percentage Change	63.1%	-31.8%	12.0%	-28.0%	4.2%	0.0%

FTE Detail	FY 2001-02	FY 2002-03
Administration and Policy	10.0	10.0
Budgeting	2.0	2.0
Human Resources	10.0	10.0
Accounting	21.6	21.6
Information Technology Services	15.0	15.0
Youth In Natural Resources	<u>2.0</u>	<u>2.0</u>
	60.6	60.6

General Fund Changes: Of the net General Fund increase, approximately \$1.6 million is attributable to a change in the financing of the Division of Parks and Outdoor Recreation's share of centrally appropriated line items. The remaining increase is largely attributable to the following: (1) \$203,000 for vehicle lease payments; (2) \$185,000 for health, life, and dental insurance; (3) \$184,000 for salary survey; (4) \$178,000 for legal services; (5) \$105,000 for the multiuse network; (6) \$44,000 for information technology asset maintenance; (7) \$44,000 for workers' compensation payments; (8) \$44,000 for operating expenses and capital outlay; (9) \$30,000 for payments to the risk management and property funds; and (10) \$23,000 appropriated by H.B. 02-1468 for health, life, and dental insurance costs. These increases are slightly offset by the following: (1) a decrease of \$114,000 due to the Governor's veto of the Youth in Natural Resources program; and (2) pay-for-performance decreases made by S.B. 02-50 (\$15,000) and H.B. 02-1038 (\$15,000).

Cash Funds Changes: The cash funds decrease is largely attributable to the following: (1) a decrease of approximately \$1.6 million for the refinancing of central appropriations for the Division of Parks and Outdoor Recreation, (2) elimination of \$618,000 appropriated in FY 2001-02 for one-time technology projects; and (3) a decrease of \$177,000 reflecting a change in the allocation of indirect cost recoveries from cash funds sources. These decreases are slightly offset by an increase of \$17,000 appropriated by H.B. 02-1468 for health, life, and dental insurance costs.

Cash Funds Exempt Changes: The net increase in cash funds exempt is largely attributable to the following increases: (1) \$305,000 for the multiuse network; (2) \$281,000 reflecting a change in the allocation of indirect cost recoveries from cash funds exempt sources; (3) \$195,000 for vehicle lease payments; (4) \$185,000 for workers' compensation; (5) \$119,000 for payments to the general government computer center; (6) \$105,000 for operating expenses and capital outlay; (7) \$75,000 for payments to the risk management and property funds; (8) \$61,000 for salary survey; (9) \$38,000 appropriated by H.B. 02-1468 for health, life, and dental insurance costs; and (10) \$32,000 for short-

term disability. These increases are partially offset by the following decreases: (1) \$143,000 for legal services; (2) \$84,000 for performance-based pay awards; and (3) elimination of \$76,000 appropriated in FY 2001-02 for one-time technology projects.

Federal Funds Changes: The net decrease in federal funds is largely attributable to the following decreases: (1) \$161,000 for health, life, and dental insurance; (2) \$265,000 for salary survey; and (3) \$30,000 for performance-based pay awards. These decreases are partially offset by an increase of \$26,000 for vehicle lease payments.

Minerals and Geology

This division includes the following four programs:

- ❑ **Coal Land Reclamation** - This program protects society and the environment from the adverse effects of coal mining, as well as complying with the requirements of the federal Surface Mining Control and Reclamation Act. This includes the requirement that lands impacted by coal operations are reclaimed in such a manner that the land may be beneficially used after the mining is completed. To meet this charge, the program will analyze roughly 200 coal mining permits and perform over 600 site inspections in FY 2002-03. Cash funding for this program is from the Operational Account of the Severance Tax Trust Fund.
- ❑ **Inactive Mines** - This program safeguards mine openings, inspects and monitors mine sites, and reclaims abandoned mines. Annually, this program safeguards about 300 mine openings. Cash funding for this program is from the Operational Account of the Severance Tax Trust Fund.
- ❑ **Minerals** - This program issues and enforces mining and reclamation permits for all non-coal mines in Colorado on state, federal, and private lands. In this regard, the program issues permits for and inspects the roughly 1,733 non-coal mines in Colorado. The Minerals program also regulates approximately 374 active prospecting operations. Cash Funds are from the Operational Account of the Severance Tax Trust Fund and from permit fees. Cash Funds Exempt come from spending reserves in the Mined Land Reclamation Fund.
- ❑ **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/safety, and regulates underground diesel equipment and mining explosives. Cash funds are from fees for certification of electricians, foremen, and other underground mining professionals, as well as from the Operational Account of the Severance Tax Trust Fund.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$368,464	\$2,663,067	\$471,354	\$2,478,477	\$5,981,362	67.7
HB 02-1379	<u>(5,527)</u>	<u>0</u>	<u>5,527</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$362,937	\$2,663,067	\$476,881	\$2,478,477	\$5,981,362	67.7
FY 2002-03 Appropriation:						
HB 02-1420	<u>\$370,672</u>	<u>\$2,662,287</u>	<u>\$478,334</u>	<u>\$2,546,868</u>	<u>\$6,058,161</u>	<u>66.7</u>
TOTAL	\$370,672	\$2,662,287	\$478,334	\$2,546,868	\$6,058,161	66.7
Increase/(Decrease)	\$7,735	(\$780)	\$1,453	\$68,391	\$76,799	(1.0)
Percentage Change	2.1%	0.0%	0.3%	2.8%	1.3%	-1.5%

FTE Detail	FY 2001-02	FY 2002-03
Coal Reclamation	24.0	23.0
Inactive Mines	13.8	13.8
Minerals	23.9	23.9
Mine Safety Training	<u>6.0</u>	<u>6.0</u>
	67.7	66.7

FTE Changes: The appropriation includes a reduction of 1.0 FTE in the Coal Program. Many of the duties performed by the eliminated position were related to providing geotechnical support of remediation and litigation efforts at the Summitville Mine Site. These duties are no longer needed due to the recent settlement agreement at Summitville, as well as the fact that remediation plans are already underway. The remaining duties of the position have been reassigned to other Division staff.

General Fund Changes: The General Fund appropriation reflects salary survey and anniversary increases awarded in FY 2001-02 for the Minerals Program.

Cash Funds Changes: The cash funds appropriation includes a decrease of \$93,000 related to the 1.0 FTE reduction in the Coal Program and a decrease of \$38,000 to reflect elimination of a one-time appropriation in FY 2001-02 to produce two mine safety educational videos. These decreases are offset by: (1) an increase of \$81,000 for increased personal services costs of the Coal Land Reclamation Program, the Minerals Program, and the Mines Program; and (2) an increase of \$48,000 in indirect costs assessments paid by Division programs.

Federal Funds Changes: The federal fund appropriation reflects increased personal services costs of the Inactive Mines Program.

Geological Survey

This division includes the following three programs:

- ❑ **Environmental and Geological Hazards** - This program is designed to lessen the impact of, and increase the awareness and understanding of, geological hazards in Colorado. This program includes three main activities: (1) providing technical assistance on geological hazards; (2) acquiring data to better understand geological conditions and hazards; and (3) performing mandatory geological land use reviews of subdivisions and school sites, as well as other non-mandatory reviews performed upon request for local governments and state agencies. In FY 2002-03, the Survey anticipates performing 400 geological reviews of subdivisions and 35 school site reviews. Cash funds for this program are from the Operational Account of the Severance Tax Trust Fund and from fees for geological services. Cash funds exempt reflect moneys earned for performing geological work for other state agencies, including moneys from the Colorado Department of Transportation for rockfall mitigation work along state highways.
- ❑ **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. This program also includes the geological mapping subprogram, which provides useful information on the basic geological structures and formations in mapped areas. The Colorado Geological Survey anticipates mapping 8 quadrangles in FY 2002-03 as well as assessing 663,000 million acres of State Land Board property.
- ❑ **Colorado Avalanche Information Center** - This program provides avalanche forecasting services and education to back country recreation users, industry, and travelers. In addition to operating a hotline and sending avalanche forecasts via e-mail, the Center anticipates conducting 100 avalanche safety classes which will be attended by an estimated 3,500 people. The cash funds for this program are from the Operational Account of the Severance Tax Trust Fund as well as from training and publication fees. Cash funds exempt funding includes: (1) the transfer of money from the Colorado Department of Transportation to provide assistance in monitoring and mitigating avalanche dangers along State Highways; and (2) donations from recreational user groups and other individuals and groups.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$0	\$2,350,851	\$1,086,087	\$553,980	\$3,990,918	37.0
TOTAL	\$0	\$2,350,851	\$1,086,087	\$553,980	\$3,990,918	37.0

	GF	CF	CFE	FF	Total	FTE
FY 2002-03 Appropriation:						
HB 02-1420	\$0	\$2,317,981	\$1,130,136	\$1,147,618	\$4,595,735	37.0
TOTAL	\$0	\$2,317,981	\$1,130,136	\$1,147,618	\$4,595,735	37.0
Increase/(Decrease)	\$0	(\$32,870)	\$44,049	\$593,638	\$604,817	0.0
Percentage Change	N/A	-1.4%	4.1%	107.2%	15.2%	0.0%

FTE Detail	FY 2001-02	FY 2002-03
Environmental Geology and Geological Hazards	18.2	18.2
Mineral Resources and Mapping	11.5	11.5
Colorado Avalanche Information Center	<u>7.3</u>	<u>7.3</u>
	37.0	37.0

Cash Fund Changes: The cash funds appropriation includes the elimination of a one-time appropriation in FY 2001-02 of \$95,000 from the Operational Account of the Severance Tax Trust Fund to develop a pilot interactive CD-ROM to promote exploration and development of natural resources in Paradox basin. This decrease was partially offset by a net increase of \$62,000 cash funds for the personal service costs of the Environmental Geology & Geological Hazards Program and the Mineral Resources and Mapping Program.

Cash Funds Exempt Changes: The cash funds exempt appropriation reflects the increased personal service costs of the Environmental Geology & Geological Hazards Program and the Colorado Avalanche Information Center.

Federal Funds Changes: The federal funds appropriation includes the following: (1) an increase of \$285,000 from NASA for a study using satellite and image processing technology to locate natural and anthropogenic (human-induced) acidic and/or metals laden drainages and to track their downstream impacts; (2) an increase of \$120,000 to study coal bed methane resources in Northwest Colorado; (3) an increase of \$55,000 from the U.S. Geological Survey to characterize and assess the water quality impacts associated with abandoned mine sites on federal lands; (4) an increase of \$49,000 from the U.S. Geological Survey for additional geological mapping; (5) a net increase of \$75,000 in miscellaneous other federal grants; and (6) an increase of \$10,000 in federal indirect costs assessments paid by federal grants.

Oil and Gas Conservation Commission

The Commission is responsible for promoting the exploration, development, and conservation of Colorado's oil and natural gas resources in a responsible fashion. To achieve these goals, the Commission promulgates regulations governing oil and gas development, issues permits, enforces laws and regulations, maintains a financial surety program to ensure proper reclamation of well sites, and provides information to the public and industry pertaining to oil and gas production. The Commission also has the authority to regulate oil and gas operations so as to protect public health, prevent significant adverse environmental impacts, prevent waste, and protect correlative rights. 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. Due to increasing oil and gas prices, the Commission anticipates that there will be 23,423 active oil and gas wells operating in Colorado in CY 2002. The number of active wells directly drives the Commission workload. In FY 2002-03, the Commission anticipates responding to 1,900 well permit requests and performing 5,500 field inspections. Cash funds are provided by a mix of severance tax revenues and a mill levy on the value of oil and gas production. Cash funds exempt are from reserves in the Environmental Response Fund created pursuant to Section 34-60-122 (1), C.R.S. Federal funds are from the U.S. Environmental Protection Agency for regulating the underground injection of oil and gas production wastes, as well as the injection of liquids underground to enhance fuel recovery.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$0	\$2,572,430	\$400,000	\$112,612	\$3,085,042	35.0
TOTAL	\$0	\$2,572,430	\$400,000	\$112,612	\$3,085,042	35.0
FY 2002-03 Appropriation:						
HB 02-1420	\$0	\$2,801,177	\$428,498	\$105,460	\$3,335,135	34.0
TOTAL	\$0	\$2,801,177	\$428,498	\$105,460	\$3,335,135	34.0
Increase/(Decrease)	\$0	\$228,747	\$28,498	(\$7,152)	\$250,093	(1.0)
Percentage Change	n/a	8.9%	7.1%	-6.4%	8.1%	-2.9%

FTE Detail	FY 2001-02	FY 2002-03
Oil and Gas Conservation Commission (State funded)	33.0	32.0
Underground Injection Control Program (federally funded)	<u>2.0</u>	<u>2.0</u>
	35.0	34.0

FTE Changes: The appropriation includes a net decrease of 1.0 FTE, reflecting the outsourcing of data entry functions to the Pueblo Data Entry Center. The decision to outsource is intended to address growth in data entry workload and the fact that the Pueblo Data Entry Center can perform the work in a more cost-efficient manner.

Cash Funds Changes: The appropriation includes a net \$229,000 cash funds increase, including: (1) an increase of \$126,000 from the Operational Account of the Severance Tax Trust Fund to fund the second and final year of a project to review, verify, and correct well data files migrated from the Commission's old computer system to the new computer system; and (2) an increase of \$110,000 for the personal service costs of the Commission's 32.0 cash funded FTE. These increases are partially offset by a decrease of \$7,000 in indirect cost assessments paid by cash sources.

Cash Funds Exempt Changes: The cash funds exempt appropriation reflects federal indirect cost recoveries which will, for the first time, be used to fund the administration of the Oil and Gas Conservation Commission. This change reflects a revised indirect cost methodology adopted by the Department under which less costs will be billed directly to federal grants and certain overhead costs will now be billed indirectly to federal grants.

Federal Funds Changes: The federal funds appropriation reflects an anticipated reduction in moneys received for the Underground Injection Program based on historical funding received by the Commission for this program over the last several years.

State Board of Land Commissioners

The 5-member volunteer Board is responsible for managing 3 million surface acres and 4 million mineral acres of state lands for the benefit of eight trusts, as well as managing 300,000 acres for a Stewardship Trust designed to preserve the long-term value of designated lands. Appropriations to this division support daily management of state lands carried out by the Director and staff in the six district offices throughout the state, and minerals, real estate, finance, and operations sections. Funding includes cash funds and cash funds exempt, and reflects the approximate mix of revenue earned. Cash funds sources include leases, timber production, and interest, while cash fund exempt sources include land sales and mineral royalties and bonuses.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$0	\$1,443,619	\$1,368,619	\$0	\$2,812,238	33.0
HB 02-1379	<u>0</u>	<u>30,170</u>	<u>30,170</u>	<u>0</u>	<u>60,340</u>	<u>0.0</u>
TOTAL	\$0	\$1,473,789	\$1,398,789	\$0	\$2,872,578	33.0

	GF	CF	CFE	FF	Total	FTE
FY 2002-03 Appropriation:						
HB 02-1420	\$0	\$1,316,247	\$1,736,079	\$0	\$3,052,326	33.0
TOTAL	\$0	\$1,316,247	\$1,736,079	\$0	\$3,052,326	33.0
Increase/(Decrease)	\$0	(\$157,542)	\$337,290	\$0	\$179,748	0.0
Percentage Change	n/a	-10.7%	24.1%	n/a	6.3%	0.0%

FTE Detail	FY 2001-02	FY 2002-03
Director/Operations	6.0	6.0
Field Operations	12.0	12.0
Minerals Section	6.0	6.0
Real Estate Section	4.0	4.0
Financial Section	<u>5.0</u>	<u>5.0</u>
	33.0	33.0

Cash Funds and Cash Funds Exempt Changes: The overall increases include: (1) \$177,000 for salary survey and anniversary increases awarded in FY 2001-02; (2) \$15,000 for the Lowry Range Planning project; and (3) \$3,000 for an increase in the state's PERA contribution rate. These increases are partially offset by the following reductions: (1) \$9,000 for a decreased indirect cost assessment; (2) \$4,000 for a personal services base reduction; and (3) \$2,000 for out-of-state travel. Changes specific to cash funds and cash funds exempt reflect changes in the revenue stream between the respective cash funds or cash funds exempt sources.

Parks and Outdoor Recreation

This division manages 40 established parks, six new parks, and statewide recreation programs, including the snowmobile program, off-highway vehicle program, river outfitters regulation, and the Colorado Natural Areas Program. Cash fee revenue comprises approximately 64.6 percent of the total operating budget funding. The General Fund supports approximately 16.4 percent of the division's costs, and grants from Great Outdoors Colorado represent the bulk of cash funds exempt.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$6,476,598	\$13,728,790	\$4,162,734	\$582,239	\$24,950,361	250.3
HB 02-1379	(1,245,648)	146,915	787,905	0	(310,828)	(2.0)

	GF	CF	CFE	FF	Total	FTE
HB 02-1431	(25,000)	0	0	0	(25,000)	0.0
TOTAL	\$5,205,950	\$13,875,705	\$4,950,639	\$582,239	\$24,614,533	248.3
FY 2002-03 Appropriation:						
HB 02-1420	\$4,407,692	\$17,371,012	\$4,121,846	\$1,009,274	\$26,909,824	272.3
TOTAL	\$4,407,692	\$17,371,012	\$4,121,846	\$1,009,274	\$26,909,824	272.3
Increase/(Decrease)	(\$798,258)	\$3,495,307	(\$828,793)	\$427,035	\$2,295,291	24.0
Percentage Change	-15.3%	25.2%	-16.7%	73.3%	9.3%	9.7%

FTE Detail	FY 2001-02	FY 2002-03
Director, Deputy Director	3.0	3.0
Administration	13.0	13.0
Field Services	12.0	12.0
Statewide Programs	12.0	12.0
Established Parks Field Staff	197.8	218.8
New Parks Field Staff	<u>10.5</u>	<u>13.5</u>
	248.3	272.3

FTE Changes: The increase of 24.0 FTE includes 21.0 FTE for Established State Parks and 3.0 FTE for New State Parks. Of the 21.0 FTE in Established State Parks, 2.0 FTE were awarded in FY 2001-02 but delayed through supplemental action to FY 2002-03. Of the 19.0 new FTE, 12.5 are park managers, 2.0 FTE are resource technicians, and 4.5 FTE are tourist assistants. The 3.0 FTE in New State Parks are for John Martin State Park, and include 2.0 FTE park managers and 1.0 FTE tourist assistant.

General Fund Changes: The General Fund decrease is largely attributable to a reduction of \$1.6 million reflecting a change in the financing of the Division of Parks and Outdoor Recreation's share of centrally appropriated line items in the Executive Director's Office and a decrease of \$330,000 for a reduction to the personal services base. This total reduction of \$1.9 million is partially offset by the following increases: (1) \$0.9 million for annualized salary survey and anniversary increases awarded in FY 2001-02; (2) \$270,000 for 2.0 FTE that were originally awarded in FY 2001-02 but delayed through supplemental action; (3) \$75,000 for operating, utilities, and seasonal work program expenses for new facilities in established state parks; and (4) \$22,000 for a change in the state's PERA contribution rate.

Cash Funds Changes: The cash funds increase includes: (1) \$1.6 million for the refinancing of central appropriations; (2) \$1.0 million for 22.0 new FTE; and (3) \$0.8 million increased total funding from the Parks Cash Fund, offsetting the General Fund need.

Cash Funds Exempt Changes: The cash funds exempt decrease is largely attributable to elimination of \$1.1 million reserves spending in the parks cash fund, \$81,000 reserves in the snowmobile recreation fund, and \$37,000 reserves in the river outfitters cash fund. These decreases are partially offset by \$367,000 increased GOCO board grants.

Federal Funds Changes: The increase in federal funds is largely attributable to anticipated funding from the United States Bureau of Reclamation through a cost-share agreement for various parks.

Water Conservation Board

Under the guidance of the Board, this division is responsible for protecting, conserving, and developing the state's water resources to realize the greatest utilization for present and future water users, and to minimize the risk of flood damage and associated economic loss. The division is divided into two main functional areas: administration and special purpose programs. Since FY 1994-95, funding for the administration section has been supported by 50 percent General Fund and 50 percent cash funds exempt from reserves in the Water Conservation Board Construction Fund. The exception to this was in FY 2001-02, when supplemental action taken in H.B. 02-1379 replaced General Fund with cash funds exempt from the Water Conservation Board Construction Fund. Special purpose programs are generally supported by specific cash funds or cash funds exempt sources mandated or authorized in statute, and/or federal funds.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-157	\$0	\$0	\$9,571,131	\$0	\$9,571,131	0.0
SB 01-212	1,264,492	635,850	2,080,270	230,768	4,211,380	36.5
HB 02-1379	<u>(1,264,492)</u>	<u>296,027</u>	<u>968,465</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$0	\$931,877	\$12,619,866	\$230,768	\$13,782,511	36.5
FY 2002-03 Appropriation:						
SB 02-68	\$0	\$0	\$10,800	\$0	\$10,800	0.0
SB 02-87	0	0	100,000	0	100,000	0.0
HB 02-1152	0	0	6,332,500	0	6,332,500	0.0
HB 02-1420	<u>1,312,723</u>	<u>931,877</u>	<u>2,377,359</u>	<u>223,409</u>	<u>4,845,368</u>	<u>38.5</u>
TOTAL	\$1,312,723	\$931,877	\$8,820,659	\$223,409	\$11,288,668	38.5

	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$1,312,723	\$0	(\$3,799,207)	(\$7,359)	(\$2,493,843)	2.0
Percentage Change	n/a	0.0%	-30.1%	-3.2%	-18.1%	5.5%

FTE Detail	FY 2001-02	FY 2002-03
Director, Deputy	2.0	2.0
Administration	5.8	5.8
Water Supply Protection	5.9	5.9
Water Supply Planning and Finance	8.1	8.1
Flood Protection	4.1	4.1
Stream and Lake Protection	7.0	7.0
Water Information	<u>3.6</u>	<u>5.6</u>
	36.5	38.5

FTE Changes: The increase of 2.0 FTE includes 1.0 FTE program coordinator and 1.0 FTE geographic information systems specialist for the River Decision Support Systems line item.

General Fund Changes: The General Fund increase is attributable to the following: (1) the elimination of a FY 2001-02 refinance of \$1.3 million General Fund with cash funds exempt from the Water Conservation Board Construction Fund; and (2) a net increase of \$48,000 for changes shared equally between the General Fund and cash funds exempt reserves in the Water Conservation Board Construction Fund. Specifically, total changes of \$96,000 shared equally between the General Fund and cash funds exempt include: (1) an increase of \$158,000 for annualization of salary survey and anniversary increases awarded in FY 2001-02; (2) \$3,000 for an increase in the state's PERA contribution rate; (3) a personal services base reduction of \$64,000; and (4) an out-of-state travel reduction of \$1,700.

Cash Funds Exempt Changes: The cash funds exempt decrease is largely attributable to the following: (1) elimination of \$9.6 million awarded in FY 2001-02 in S.B. 01-157; and (2) \$1.3 million less required from the Water Conservation Board Construction Fund as a result of returning to the cost-share with the General Fund. These decreases are partially offset by the following increases: (1) \$6.3 million appropriated by H.B. 02-1152 for water construction projects and studies; (2) \$271,000 associated with the additional 2.0 FTE awarded for the River Decision Support Systems line item; (3) \$267,000 increased indirect costs; (4) \$100,000 appropriated by S.B. 02-87 for the Watershed Protection Fund; (5) \$48,000 for changes shared equally between the General Fund and cash funds exempt reserves in the Water Conservation Board Construction Fund; (5) \$15,000 for

annualization of salary survey and anniversary costs awarded in FY 2001-02; and (6) \$11,000 appropriated by S.B. 02-68 for Water Conservation Board members' per diem.

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 allocation within the state and downstream interstate compact compliance, monitoring of water supply through streamflow measurements, and groundwater regulation. The division is also responsible for ensuring public safety through regulating dam safety and groundwater well construction. Finally, the office collects, preserves, and provides current and historic water records and information. The General Fund provides approximately 87.3 percent of funding for the division, although various statutorily-defined cash funds support specific programs and activities. Additionally, the Water Conservation Board Construction Fund provides the bulk of cash funds exempt.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-157	\$0	\$0	\$398,000	\$0	\$398,000	0.0
SB 01-212	16,508,826	620,195	312,206	13,215	17,454,442	244.6
HB 01-1354	0	0	56,253	0	56,253	0.1
HB 02-1379	(1,409,979)	0	1,868,284	0	458,305	0.0
HB 02-1431	<u>(10,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(10,000)</u>	<u>0.0</u>
TOTAL	\$15,088,847	\$620,195	\$2,634,743	\$13,215	\$18,357,000	244.7
FY 2002-03 Appropriation:						
HB 02-1152	\$0	\$0	\$304,000	\$0	\$304,000	0.0
HB 02-1414	0	48,000	0	0	48,000	0.0
HB 02-1420	<u>15,979,898</u>	<u>638,302</u>	<u>1,320,424</u>	<u>13,858</u>	<u>17,952,482</u>	<u>246.6</u>
TOTAL	\$15,979,898	\$686,302	\$1,624,424	\$13,858	\$18,304,482	246.6
Increase/(Decrease)	\$891,051	\$66,107	(\$1,010,319)	\$643	(\$52,518)	1.9
Percentage Change	5.9%	10.7%	-38.3%	4.9%	-0.3%	0.8%

FTE Detail	FY 2001-02	FY 2002-03
State Engineer, Deputy, Assistants	3.0	3.0
Administration	21.0	21.0
Water Division Staff	165.3	167.3
Engineering Technology, Investigations	23.0	23.0
Water Supply, Interstate Compacts, Ground Water	<u>32.4</u>	<u>32.3</u>
	244.7	246.6

FTE Changes: The net increase of 1.9 FTE includes an increase of 2.0 FTE offset by elimination of a one-time authorization in H.B. 01-1354 of 0.1 FTE for water banking. The 2.0 FTE increase includes 1.0 FTE hydrographer for water administration in the South Platte Basin and 1.0 FTE groundwater modeler for the river decision support systems line item.

General Fund Changes: The General Fund increase includes: (1) \$972,000 for annualization of salary survey and anniversary awarded in FY 2001-02; (2) \$159,000 to eliminate refinancing of General Fund with cash funds exempt in the Water Conservation Board Construction Fund for the River Decision Support System line item; (3) \$38,000 personal services for the 1.0 FTE awarded for the South Platte River water administration; and (4) \$20,000 for an increase in the state's PERA contribution rate. These increases are partially offset by the following decreases: (1) \$151,000 for personal services base reductions; (2) \$123,000 reflecting the Governor's veto of the retirements line item; (3) \$82,000 for vacancy savings and delay of equipment purchases; and (3) \$25,000 for lower retirement payouts.

Cash Funds Changes: The cash funds increase is largely attributable to \$48,000 appropriated by H.B. 02-1414 for substitute water supply plans.

Cash Funds Exempt Changes: The cash funds exempt decrease includes the following: (1) a \$630,000 reduction in expenses associated with the Arkansas River and Republican River litigations; (2) elimination of \$398,000 appropriated by S.B. 01-157 for satellite monitoring; (3) \$159,000 less funding required for the River Decision Support Systems line item as a result of returning to the equal cost share with the General Fund; (4) elimination of one-time use of \$91,000 reserves in the water data bank cash fund; and (5) elimination of \$53,000 appropriated by H.B. 01-1354. These decreases are slightly offset by an increase of \$304,000 appropriated by H.B. 02-1152 for ongoing maintenance of the satellite monitoring system.

Division of Wildlife

This section contains appropriations for thirteen major programs, including the following:

- ❑ **Wildlife Habitat** - This program supports habitat for the more than 900 game and non-game species in Colorado. Activities include operation and maintenance of roughly 256 State

Wildlife Areas, identification of high priority wildlife habitat, conservation of high priority habitat, maintenance of instream flow, improvement of wildlife habitat (including water quality), improvement of habitat through cooperative projects on public and private lands, and providing comments to local, state, and federal agencies regarding the impact to wildlife of certain land use and permitting decisions.

- ❑ **Wildlife Species** - This program preserves, protects, and enhances the viability of all Colorado wildlife species. This program includes: efforts to inventory wildlife species and determine their population status; projects to assess, restore, and acquire species habitat; studies to better understand species' life needs; and projects to transplant / re-introduce species to bolster population levels. For species with dangerously low population levels, the program develops and implements management plans with the intent of ensuring these species maintain viable population levels and do not become candidates for listing under the federal Endangered Species Act.
- ❑ **Hunting Recreation** - This program funds the management of game species and their habitat, which includes habitat modification and improvement, predator control, herd inventory, development of herd objectives, and monitoring of harvest levels. This program also involves providing access to hunting on both public and private lands, managing the conflicts between big game and agricultural interests through the Habitat Partnership Program, compensating landowners for game related damage, and providing hunting information.
- ❑ **Fishing Recreation** - This program seeks to provide fishing opportunities by expanding access to fishing waters, monitoring catch levels, studying and strategically managing fish populations, producing and stocking certain fish species, researching Whirling Disease and other fish health topics, and protecting water habitats.
- ❑ **Watchable Wildlife** - This program provides wildlife viewing opportunities through the development, construction, and maintenance of watchable wildlife viewing facilities at state wildlife areas, at state parks, and on other public and private lands. This program also provides viewing guides, brochures, videos, and workshops aimed at educating the public regarding wildlife viewing.
- ❑ **Law Enforcement** - This program seeks to enforce regulations pertaining to hunting and fishing to ensure public safety. Activities under this program include maintaining a field presence to deter illegal activity and inspect licenses, checking bag and possession limits, responding to complaints of illegal activities, investigating hunting accidents, and conducting special law enforcement activities.
- ❑ **Licensing** - This program handles the licensing of hunters and anglers in Colorado, including managing "limited" licensing draws where a random drawing is used to allocate a fixed number of licenses. This program includes working with private sales agents who sell

licenses, as well as maintaining data about license holders in the Division's Colorado Outdoor Recreation Information System (CORIS) database.

- ❑ **Wildlife Education** - This program is designed to provide public outreach and education to the citizens of Colorado on wildlife protection and recreation issues. Activities include providing the public with information on how to live in harmony with wildlife and how to enjoy wildlife recreation, as well as providing basic ecological and scientific information to interested members of the public.
- ❑ **Wildlife Information** - This program is responsible for providing information about wildlife related recreation to the public. This information includes explanations of applicable statutes and regulations, how to apply for limited licenses, and how to enjoy wildlife related recreation safely. Information is provided through brochures, radio programs, videos, maps, magazines, the Internet, and newsletters.
- ❑ **Customer Service** - This program maintains 16 customer service centers through the State, as well as managing a telephone call center in the Denver headquarters office. These centers respond to customer inquiries, respond to calls about nuisance wildlife, and sell licenses and other Division products to the public.
- ❑ **Public Policy** - This program is designed to analyze public satisfaction with wildlife resource management by the Division and develop a policymaking process which includes the public. Activities under this program include establishing wildlife regulations, surveying public opinion, holding public meetings, and analyzing wildlife related policy issues.
- ❑ **Human Resources** - This program is responsible for the hiring of new Division staff, evaluating and providing staff training, overseeing basic training for new law enforcement officers, developing a diverse workforce, and working with Colorado colleges and universities to offer scholarships, internships, mentoring, volunteer experiences, and summer jobs to students.
- ❑ **Internal Systems** - This program provides computer and professional support for all Division programs and activities. Support functions include: (1) accounting; (2) supporting Division computer users, databases, telecommunications equipment, and website; (3) preparing contracts and legal documents; (4) applying for and monitoring grant expenditures; (5) procuring goods and services; (6) maintaining Division facilities, equipment, and vehicles; (7) maintaining dams on Division properties; (8) providing Division planning, budgeting and evaluation; (9) providing administrative office support of the Division; (10) providing engineering/design support for proposed construction projects; and (11) managing construction projects.

Cash funds exempt in the Division include the following: (1) hunting and fishing license revenue deposited into the Wildlife Cash Fund; (2) GOCO Board grant awards; and (3) voluntary nongame wildlife income tax checkoff contributions. Federal funding is predominantly from the federal Aid in Wildlife Restoration ("Pittman-Robertson") funds and from Sportfish Restoration Act ("Dingell-Johnson") funds.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$0	\$54,320,750	\$8,967,391	\$9,325,325	\$72,613,466	752.5
HB 02-1379	<u>0</u>	<u>(54,320,750)</u>	<u>54,620,595</u>	<u>0</u>	<u>299,845</u>	<u>0.0</u>
TOTAL	\$0	\$0	\$63,587,986	\$9,325,325	\$72,913,311	752.5
FY 2002-03 Appropriation:						
HB 02-1084	\$0	\$0	\$5,868	\$0	\$5,868	0.0
HB 02-1420	<u>0</u>	<u>0</u>	<u>67,405,898</u>	<u>9,455,731</u>	<u>76,861,629</u>	<u>764.2</u>
TOTAL	\$0	\$0	\$67,411,766	\$9,455,731	\$76,867,497	764.2
Increase/(Decrease)	\$0	\$0	\$3,823,780	\$130,406	\$3,954,186	11.7
Percentage Change	n/a	n/a	6.0%	1.4%	5.4%	1.6%

FTE Detail	FY 2001-02	FY 2002-03
Wildlife Habitat	134.2	135.1
Wildlife Species	59.5	56.9
Hunting Recreation	65.9	87.8
Fishing Recreation	122.1	122.3
Watchable Wildlife	5.1	6.6
Law Enforcement	46.5	49.8
Licensing	19.3	17.5
Wildlife Education	37.2	36.3
Wildlife Information	19.6	19.3
Customer Service	74.4	76.6
Public Policy	13.9	12.9

FTE Detail	FY 2001-02	FY 2002-03
Human Resources	56.3	42.4
Internal Systems	<u>98.5</u>	<u>100.7</u>
	752.5	764.2

FTE Changes: The appropriation to the Division of Wildlife includes an increase of 11.7 FTE. Of this amount, 10.7 FTE are for chronic wasting disease management, including efforts to thin infected deer herds, to monitor the spread and prevalence of the disease, and to perform chronic wasting disease research. An increase of 1.0 FTE, funded entirely from Great Outdoor Colorado (GOCO) Board grants, is included for implementation of the new Colorado Species Conservation Partnership (CSCP) program. CSCP is a cooperative program with the federal government, GOCO, the Colorado Division of Wildlife, local organizations, land trusts, and private landowners to protect critical habitat for declining wildlife species through fee title acquisitions, conservation easements, leases, and management agreements (with a focus on easements and management agreements).

Cash Funds Exempt Changes: The cash funds exempt appropriation includes the following increases: (1) \$1,543,000 for chronic wasting disease management, including efforts to thin infected deer herds and to perform chronic wasting disease research; (2) \$1,392,000 for increased personal service costs of Division employees; (3) \$793,000 for the Habitat Partnership Program, reflecting an increase in dedicated program revenue pursuant to S.B. 01-6; (4) \$300,000 to increase the purchase of whirling disease negative trout from private hatcheries, offsetting the decreased production of whirling disease negative trout by Division fish hatcheries; (5) \$300,000 to purchase whirling disease positive trout from private hatcheries, providing funding to infected private hatcheries while they implement Division approved hatchery cleanups; and (6) \$105,000 to reflect interest income from the Wildlife for Future Generations Trust Fund used for property maintenance (these funds were not reflected in the FY 2001-02 Long Bill). These increases are offset by the following decreases: (1) \$143,000 for the Public Education Advisory Council; (2) \$122,000 in the Division's indirect cost assessment; (3) \$119,000 to reflect the transfer of funds to the Executive Director's Office to pay for the Division's share of the Multiuse Network upgrade; and (4) \$111,000 to reflect the transfer of funds to the Executive Director's Office to pay for General Government Computer Center costs related to the scanning of license application data.

Federal Funds Changes: The federal funds appropriation includes an increase of \$313,000 federal funds for the increased personal service costs of Division FTE. This increase is partially offset by a decrease of \$183,000 in 100 percent federal grants. The decreased 100 percent federal grants related primarily to a decrease in U.S. Bureau of Reclamation Support of the Colorado River Endangered Fish Recovery Program and decreased federal support of operating agreements at state wildlife areas.

Recent Legislation

2001 Session Bills

S.B. 01-6: Funds the Habitat Partnership Program by transferring 5 percent of net sales of big game licenses in geographic areas represented by local habitat partnership committees from the Wildlife Cash Fund to the Habitat Partnership Cash Fund.

S.B. 01-157: Annual water projects bill for FY 2001-02 providing appropriations and loan authorizations from the Water Conservation Board Construction Fund and the Perpetual Account of the State Severance Tax Trust Fund.

S.B. 01-212: General appropriations act for FY 2001-02.

H.B. 01-1012: Designates the division of wildlife and the wildlife commission as an enterprise for purposes of section 20 of article X of the state constitution (TABOR).

H.B. 01-1354: Creates the Arkansas River Water Bank Pilot Program.

S.B. 01S2-22: Provides a 4.3 percent increase in the state contribution rate for state employees for CY 2002 and provides funding to pay for the additional costs associated with health insurance for state employees who reside in Pueblo. For more information, refer to the bill description in the Department of Personnel.

2002 Session Bills

S.B. 02-50: For an explanation of this bill please see the Recent Legislation section in the Department of Corrections.

S.B. 02-68: Authorizes each appointed member of the board who is not a full-time state employee to receive a per diem allowance of \$50 for each day actually and necessarily spent in the discharge of official duties. Appropriates \$10,800 cash funds exempt from the Colorado Water Conservation Board Construction Fund.

S.B. 02-87: Creates an income tax checkoff to allow Colorado citizens the opportunity to support local watershed efforts by allowing citizens to make a voluntary contribution on their state income tax returns for income tax years commencing on or after January 1, 2002, to January 1, 2005. The bill creates the Colorado Watershed Protection Fund to be comprised of citizen contributions and all interest derived from the investment of moneys in the fund. The bill requires an annual appropriation from the fund to the Department of Revenue to cover administration costs. All remaining moneys at the end of a fiscal year are to be transferred to the Colorado Water

Conservation Board (Board). The bill requires the Board, in cooperation with the Water Quality Control Commission and the Colorado Watershed Assembly, to administer moneys in the fund and to award competitive grants to any qualified Colorado resident to work toward the restoration and protection of land and natural resources within watersheds in Colorado. Appropriates \$100,000 cash funds exempt from the Colorado Watershed Protection Fund to the Water Conservation Board.

H.B. 02-1038: For an explanation of this bill please see the Recent Legislation section in the Department of Corrections.

H.B. 02-1041: Establishes the intent of the General Assembly that a year end balance be maintained in the Operational Account of the Severance Tax Trust Fund equal to twice the current year funding for severance tax programs in the Department of Natural Resources. During a revenue crisis, the requirement to maintain two years of funding in the balance of the Operational Account is waived and moneys may be loaned for other purposes. However, such loans shall be repaid as soon as moneys are available.

H.B. 02-1084: Increases the membership of the Wildlife Commission from ten to eleven members by adding an additional, at-large Commission member. Appropriates \$5,868 cash funds exempt from the Wildlife Cash Fund to the Division of Wildlife in FY 2002-03 for the per diem and travel costs of the additional Wildlife Commissioner.

H.B. 02-1152: Authorizes new loans from the Water Conservation Board Construction Fund (Construction Fund) for six projects totaling \$5.3 million, and two projects totaling \$26.0 million from the Severance Tax Trust Fund Perpetual Base Account (Perpetual Account). Authorizes decreases to prior loan authorizations from the Construction Fund for four projects totaling \$5.6 million, and one project from the Perpetual Account for \$0.9 million.

Requires the transfer of any unreserved funds for the Ridges Basin dam construction of the Animas-La Plata project back to the Construction Fund.

Appropriates \$6.3 million cash funds exempt from the Construction Fund to the Water Conservation Board (Board). Specific projects include: (1) \$295,000 for data collection related to satellite monitoring, flood forecasting and warning, in-stream flow monitoring, compact protection, and decision support systems; (2) \$200,000 for rehabilitation of the Closed Basin project groundwater wells; (3) \$445,000 to refinance a feasibility study and preconstruction activities associated with the Long Hollow and Red Mesa Ward projects; (4) \$300,000 for completion of the Fountain Creek watershed project; (5) \$2.0 million for continued development of databases, surface and groundwater models, consumptive use models, and an overall water budget model associated with the South Platte River decision support system; (6) \$150,000 for completion of a drainage and flood plain management criteria manual for the State; (7) \$100,000 for completion of flood plain maps; (8) \$192,500 for continued development of the Chatfield reservoir reallocation study; (8) \$150,000 for continued document imaging; (9) \$250,000 for establishment of a water education foundation and \$150,000 for the first annual grant to the Colorado Water Congress; (10) \$100,000 for operating

expenses associated with Colorado's representation in the International Boundary and Water Commission, the Mexican delta, and Minute 306 to the 1944 treaty with Mexico. Of the total \$6.3 million appropriated, \$3.3 million is appropriated to the Board for allocation to other entities or other funds.

Appropriates \$304,000 cash funds exempt from the Construction Fund to the Division of Water Resources for ongoing maintenance of the satellite monitoring system.

Authorizes the Board to make loans of up to \$1.0 million without General Assembly approval. Makes the unappropriated balances in the Construction Fund and the Perpetual Account continuously appropriated for this purpose. Requires the Board to submit a written determination of the basis for each loan by January 15 after the year in which the loan was made. *This change is a major diversion from historic spending from the Construction Fund and Perpetual Account. Previously, any expenditure required General Assembly authorization or appropriation prior to expenditure.*

Appropriates \$2.0 million from the Colorado River Recovery Program Loan Fund to the Colorado River Recovery Program for continued implementation of construction or improvement of certain water related projects in Colorado, under agreements with power users of the federal Colorado river storage project, required to recover the four endangered fish species of the upper Colorado river, including the San Juan river, pursuant to Section 37-60-122.9, C.R.S.

Restores the Emergency Infrastructure Repair Cash Fund balance through a transfer of \$2.0 million from the Construction Fund. Changes current statute to leave a balance of \$2.0 million at the end of any fiscal year in the fund with any excess reverting to the Construction Fund, rather than the previous requirement that any balance revert to the Construction Fund.

Restores the Flood Response Fund by a transfer of \$150,000 from the Construction Fund.

Restores the Fish and Wildlife Resources Fund through a transfer of \$5.0 million from the Construction Fund. Authorizes direct application to the Board for grants in support of activities associated with Section 37-60-122.2, C.R.S.

Repeals the Horse Creek basin account and requires that any unreserved funds be returned to the Construction Fund.

H.B. 02-1379: Supplemental appropriation to the Department of Natural Resources to modify appropriations included in the FY 2001-02 Long Bill, S.B. 01-212.

H.B. 02-1414: Authorizes the State Engineer to review and approve substitute water supply plans that allow out-of-priority diversions, prescribes the circumstances under which those plans may be approved, and establishes the procedures by which those plans shall be reviewed. Appropriates \$48,000 cash funds from the Ground Water Management Cash Fund.

H.B. 02-1420: General appropriations act for FY 2002-03.

H.B. 02-1431: Second supplemental appropriation to the Department of Natural Resources to modify appropriations included in the FY 2001-02 Supplemental Bill, H.B. 02-1379.

H.B. 02-1468: Refinances the FY 2001-02 appropriation made pursuant to S.B. 01S2-22. Establishes the CY 2003 state contribution rate for health, life, and dental insurance to be the same as the state contribution rate for CY 2002. Authorizes the General Assembly to annually adjust the state contribution for health, life, and dental insurance effective CY 2004 through the Long Bill. For more information, refer to the bill description in the Department of Personnel.

DEPARTMENT OF PERSONNEL

The Department of Personnel is responsible for administering the state personnel system, which includes approximately 28,000 FTE, excluding the Department of Higher Education. Responsibilities include development of the annual employee compensation plan; maintenance of the classification system; maintenance of the information system for classified employees; provision of recruiting, testing, and selection services to state agencies; review of services performed by agencies with delegated personnel authority; and provision of technical services such as training, career development, affirmative action, and disability assistance. The Department provides administration of all classified employee benefits programs, except the Public Employees Retirement Association. These benefit programs include group health, life, and dental insurance, short-term disability insurance, and deferred and defined compensation retirement plans. The Department also provides support to the State Personnel Board, which is responsible for ensuring conformance to the state personnel system as authorized in Article XII, Sections 13 through 15 of the Colorado Constitution.

In addition, the Department provides general support services for state agencies. These functions include: control of the State's purchasing activities; maintenance of the State's financial activities; maintenance of the State's archives and public records; maintenance of the buildings in the Capitol Complex; provision of central services to agencies in the Denver metropolitan area, including mail, printing, copying and motor pool services; maintenance of the State's telecommunications system; provision of centralized computer services; 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; and oversight of the State's liability, property, and workers' compensation insurance program.

The Department is comprised of the following divisions: (1) Executive Director's Office, (2) Human Resources Services, (3) Personnel Board, (4) Central Services, (5) Finance and Procurement, (6) Colorado Information Technology Services, and (7) Administrative Hearings.

Department Budget: Recent Actual Expenditures and Appropriations

Funding Source	FY 1999-00 Actual	FY 2000-01 Actual	FY 2001-02 Approp.	FY 2002-03 Approp.
General Fund	\$15,014,462	\$14,782,874	\$14,154,699	\$14,757,707
Cash Funds	6,511,621	7,842,824	10,657,026	9,548,651
Cash Funds Exempt	115,058,232	108,177,372	121,738,969	124,771,345
Federal Funds	<u>21,113</u>	<u>65,571</u>	<u>48,730</u>	<u>21,838</u>
TOTAL	\$136,605,428	\$130,868,641	\$146,599,424	\$149,099,541
Full Time Equiv. Staff	558.4	529.6	589.4	594.6

FY 2002-03 Budget Changes

Significant changes in appropriations for FY 2002-03 compared to FY 2001-02 include the following:

- An increase of \$2.0 million in payments from agencies statewide to pay for the Multiuse Network (MNT);
- An increase of \$1.9 million vehicle lease payments from agencies statewide for replacing and adding vehicles to the state fleet;
- A net increase of \$1.1 million for property insurance premiums statewide. This amount includes a \$2.0 million increase in cash fund exempt sources offset by a reduction of \$900,000 from cash exempt sources;
- An increase of \$291,000 cash funds exempt for rebates associated with the procurement card program. These funds are used to offset General Fund appropriations;
- An increase of \$253,000 cash funds exempt and 0.6 FTE for the addition of a new property in the capitol complex;
- An increase of \$55,000 General Fund and 1.0 FTE for a new budget analyst position; and
- A reduction of \$2.0 million for workers' compensation premiums statewide. This amount includes a \$700,000 cash fund reduction and a \$1.3 million reduction in cash funds exempt sources.

General Factors Driving the Budget

Funding for this department consists of 9.9 percent General Fund, 6.4 percent cash funds, and 83.7 percent cash funds exempt. The Department is primarily funded through transfers received from other state agencies for the provision of centralized services or products. All of these transfers are exempt from revenue limitations, except transfers received from entities, such as authorities or enterprises, that are considered non-state agencies for the purposes of complying with the TABOR amendment, Article X, Section (20) (1) of the Colorado Constitution. Such transfers are classified as cash funds when used to purchase services or products from this department. Two of the most important factors driving the budget are reviewed below.

Number of State Employees

The Department administers and oversees the State's workforce. The number of state employees affects other areas of the budget (such as the State's contributions for benefit and retirement

programs). Presently, there is not a central database that tracks and monitors statewide human resources. Consequently, it is difficult to reconcile full-time equivalent positions (FTE) appropriated by the General Assembly with the actual number of state employees. The following table provides a comparison of the number of FTE appropriated statewide, *excluding* all employees in the Department of Higher Education.

State Employees	FY 98-99	FY 99-00	FY 00-01	FY 01-02	FY 02-03
Total Number of FTE Appropriated by the General Assembly	26,288.8	26,987.8	27,462.8	27,954.9	27,960.6

State Fleet Program

This program provides light duty vehicles to all state agencies on a long-term basis, establishes a statewide network of service providers (including maintenance, repairs, and fuel) and manages a self-insured accident fund for comprehensive/collision damages. Since the mid 1990s, the program has acquired private-sector funding for additional and replacement vehicle rather than using treasury loans. It also manages a centralized information system for state fleet assets. The central coordination of statewide vehicles began on January 1, 1993.

Fiscal Year	Actual FY 98-99	Actual FY 99-00	Actual FY 00-01	Appropriated FY 01-02	Appropriated FY 02-03
Number of Fleet Vehicles	5,438	5,481	5,608	5,650	5,685
Total Cost of Fleet Management (Includes Vehicles, Maintenance, and Fuel)	\$21,248,575	\$24,945,472	\$26,093,202	\$28,100,065	\$29,944,189
<i>Staff Estimated Net General Fund Share of Vehicle Costs</i>	\$8,737,308	\$10,257,453	\$10,729,394	\$11,554,606	\$12,312,901

Summary of FY 2001-02 and FY 2002-03 Appropriations

Total Department Appropriations

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Total Appropriation:	\$14,154,699	\$10,657,026	\$121,738,969	\$48,730	\$146,599,424	589.4

	GF	CF	CFE	FF	Total	FTE
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	2,768,966	174,806	4,863,509	26,892	7,834,173	18.0
Human Resource Services	964,267	5,408,314	35,919,075	0	42,291,656	68.5
Personnel Board	374,565	1,200	800	0	376,565	4.8
Central Services	516,844	3,963,351	45,739,176	0	50,219,371	188.1
Finance and Procurement	1,147,232	221,597	1,792,677	0	3,161,506	45.2
Colorado Information Technology Services	8,382,825	887,758	30,436,200	21,838	39,728,621	224.5
Administrative Hearings	0	0	2,987,532	0	2,987,532	40.3
<u>Breakdown of Total Appropriation by Bill</u>						
SB 01-212	15,337,418	8,645,265	124,909,019	21,838	148,913,540	596.9
SB 01S2-22	0	0	46,405	0	46,405	0.0
HB 02-1380	(1,023,064)	2,011,761	(3,069,563)	0	(2,080,866)	(7.5)
HB 02-1432	(159,655)	0	(120,000)	0	(279,655)	0.0
HB 02-1468	0	0	(26,892)	26,892	0	0.0
FY 2002-03 Total Appropriation:						
	\$14,757,707	\$9,548,651	\$124,771,345	\$21,838	\$149,099,541	594.6
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	4,069,711	190,158	5,715,343	0	9,975,212	26.0
Human Resource Services	874,601	4,373,077	36,100,784	0	41,348,462	64.5
Personnel Board	400,702	1,200	800	0	402,702	4.8
Central Services	49,855	3,383,612	46,709,918	0	50,143,385	162.3
Finance & Procurement	1,557,105	741,138	2,538,984	0	4,837,227	70.2
Colorado Information Technology Services	7,805,733	859,466	30,633,643	21,838	39,320,680	226.5
Administrative Hearings	0	0	3,071,873	0	3,071,873	40.3
<u>Breakdown of Total Appropriation by Bill</u>						
SB 02-50	(10,297)	0	0	0	(10,297)	0.0

	GF	CF	CFE	FF	Total	FTE
HB 02-1038	(10,268)	0	0	0	(10,268)	0.0
HB 02-1226	(62,884)	0	426,944	0	364,060	4.5
HB 02-1420	14,830,733	9,548,330	124,329,370	21,838	148,730,271	590.1
HB 02-1468	10,423	321	15,031	0	25,775	0.0
Increase/(Decrease)	\$603,008	(\$1,108,375)	\$3,032,376	(\$26,892)	\$2,500,117	5.2
Percentage Change	4.3%	-10.4%	2.5%	-55.2%	1.7%	0.9%

Detail of Appropriation by Administrative Section

Executive Director's Office

This division is responsible for personnel appeals, affirmative action, and disability issues affecting all classified state employees, and is charged with reviewing the overall management and programs of state government. It provides centralized accounting, personnel, and budgeting services for the Department. The Executive Director (also known as the State Personnel Director) has administrative responsibility for the Total Compensation Advisory Council, the Deferred Compensation Committee, and the Short-term Disability Fund. The primary source of funding, cash funds exempt (57.3 percent), is from indirect cost recoveries from other divisions throughout the Department and from user fees from other state agencies. General Fund accounts for 40.8 percent of the Division's funding in FY 2002-03.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$3,064,662	\$175,464	\$4,841,307	\$0	\$8,081,433	18.0
SB 01S2-22	0	0	46,405	0	46,405	0.0
HB 02-1380	(295,696)	(658)	2,689	0	(293,665)	0.0
SB 02-1468	<u>0</u>	<u>0</u>	<u>(26,892)</u>	<u>26,892</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$2,768,966	\$174,806	\$4,863,509	\$26,892	\$7,834,173	18.0
FY 2002-03 Appropriation:						
SB 02-50	(\$10,297)	\$0	\$0	\$0	(\$10,297)	0.0
HB 02-1038	(10,268)	0	0	0	(10,268)	0.0
HB 02-1420	4,079,853	189,837	5,700,312	0	9,970,002	26.0

	GF	CF	CFE	FF	Total	FTE
HB 02-1468	<u>10,423</u>	<u>321</u>	<u>15,031</u>	<u>0</u>	<u>25,775</u>	<u>0.0</u>
TOTAL	\$4,069,711	\$190,158	\$5,715,343	\$0	\$9,975,212	26.0
Increase/(Decrease)	\$1,300,745	\$15,352	\$851,834	(\$26,892)	\$2,141,039	8.0
Percentage Change	47.0%	8.8%	17.5%	-100.0%	27.3%	44.4%

FTE Detail	FY 2001-02	FY 2002-03
Director and Administrative Staff	5.0	5.0
Accounting Staff	7.0	8.0
Human Resource Services	0.0	5.0
Computer Support	0.0	1.0
Contract Administration	0.0	1.0
Clerical Support	<u>6.0</u>	<u>6.0</u>
	18.0	26.0

FTE Changes: The increase of 8.0 FTE includes 7.0 FTE transferred from other divisions and an increase of 1.0 FTE for an additional budget analyst. The transferred FTE will provide human resource services and computer support for the Department, and contract administration. These functions had been performed in other divisions.

General Fund Changes: The \$1.3 million General Fund increase includes the following changes: (1) \$1.1 million transferred from the Colorado Information Technology Services Division to consolidate appropriations used for the Department's share of statewide computer services; (2) an additional \$67,000 for salary survey and anniversary payments awarded in FY 2001-02; (3) an additional \$55,000 associated with the 1.0 FTE budget analyst position; (4) an additional \$42,000 for higher leased space costs; (5) a \$19,000 reduction for a 1.5 percent reduction to personal services; and (6) \$65,000 in other miscellaneous increases.

Cash Funds Changes: The increase in cash funds reflects higher indirect cost recoveries and payments from other state agencies to reduce the need for General Fund.

Cash Funds Exempt Changes: The increase in cash funds exempt reflects: (1) \$533,000 for higher indirect cost recoveries and payments from other state agencies to reduce the need for General Fund; (2) \$346,000 transferred from other divisions for a new line item to pay the Department's share of Multiuse Network (MNT) Payments; and (3) miscellaneous changes.

Human Resource Services

This division is responsible for administration of the State's selection, classification, and compensation programs and administration of the State's employee benefit programs (including health, life, dental, and disability benefits and the deferred and defined compensation programs). It also administers the risk management program for all state agencies, which involves supervising the investigation, adjustment, and legal defense of property, liability, and workers' compensation claims, as well as administering loss-control programs designed to decrease the State's claims exposure and liability. The majority of funding for this division comes from user fees from state agencies.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$1,027,267	\$5,400,881	\$35,926,508	\$0	\$42,354,656	70.5
HB 02-1380	(60,000)	7,433	(7,433)	0	(60,000)	(2.0)
HB 02-1432	<u>(3,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(3,000)</u>	<u>0.0</u>
TOTAL	\$964,267	\$5,408,314	\$35,919,075	\$0	\$42,291,656	68.5
FY 2002-03 Appropriation:						
HB 02-1226	(\$62,884)	\$0	\$426,944	\$0	\$364,060	4.5
HB 02-1420	<u>937,485</u>	<u>4,373,077</u>	<u>35,673,840</u>	<u>0</u>	<u>40,984,402</u>	<u>60.0</u>
TOTAL	\$874,601	\$4,373,077	\$36,100,784	\$0	\$41,348,462	64.5
Increase/(Decrease)	(\$89,666)	(\$1,035,237)	\$181,709	\$0	(\$943,194)	(4.0)
Percentage Change	-9.3%	-19.1%	0.5%	n/a	-2.2%	-5.8%

FTE Detail	FY 2001-02	FY 2002-03
State Agency Services	41.0	37.0
Training Services	3.0	3.0
Colorado State Employee Assistance Program	4.5	4.5
Employee Benefits Services	11.0	11.0
Risk Management Services	<u>9.0</u>	<u>9.0</u>
	68.5	64.5

FTE Changes: The net reduction of 4.0 FTE includes a reduction of 6.0 FTE that were transferred to other divisions and an increase of 2.0 FTE to restore one-time reductions in FY 2001-02.

General Fund Changes: The \$90,000 General Fund net reduction includes the following reductions: (1) \$157,000 for higher statewide indirect cost recoveries; (2) \$63,000 for a 2.5 percent reduction to personal services per common policy; and (3) \$28,000 for the Governor's 1.0 percent budget reduction. These amounts are partially offset by the following increases: (1) \$152,000 associated with salary survey and anniversary payments awarded in FY 2001-02; (2) \$3,000 for the change in the PERA contribution rate; and (3) \$3,000 to restore a one-time reduction taken in FY 2001-02.

Cash Funds Changes: The \$1.0 million reduction in cash funds is attributable to the risk management program. It includes: (1) a reduction of \$900,000 for property insurance premiums statewide; (2) a reduction of \$700,000 for workers' compensation premiums statewide; and (3) an increase of \$600,000 for liability premiums statewide.

Cash Funds Exempt Changes: The net cash funds exempt reduction reflects the following changes: (1) a \$1.3 million reduction for workers' compensation premiums statewide; (2) a \$500,000 reduction for liability premiums statewide; (3) a \$267,000 reduction for transferring employees to other divisions; (4) a \$2.0 million increase for property insurance premiums statewide; and (5) and other miscellaneous changes.

Personnel Board

This division provides staff support for the five-member State Personnel Board authorized in Article XII, Sections 13 through 15, of the Colorado Constitution. Pursuant to Section 24-50-103, C.R.S., the Board has the authority to adopt by rule a uniform grievance procedure to be used by all departments and 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 Board conducts administrative hearings, promulgates rules under the authority of the State Administrative Procedures Act, and facilitates dispute resolution. The Board processes approximately 300 cases per year. Because employees trigger the adjudicatory process, the Board cannot directly control the number of cases filed. The Board also provides guidance in achieving and maintaining a sound, comprehensive, and uniform system of human resource management. The Division is primarily funded with General Fund, with relatively small amounts of cash funds from fees and exempt cash funds from user fees received from state agencies.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$375,513	\$1,200	\$800	\$0	\$377,513	5.0
HB 02-1380	<u>(948)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(948)</u>	<u>(0.2)</u>
TOTAL	\$374,565	\$1,200	\$800	\$0	\$376,565	4.8

	GF	CF	CFE	FF	Total	FTE
FY 2002-03 Appropriation:						
HB 02-1420	<u>\$400,702</u>	<u>\$1,200</u>	<u>\$800</u>	<u>\$0</u>	<u>\$402,702</u>	<u>4.8</u>
TOTAL	\$400,702	\$1,200	\$800	\$0	\$402,702	4.8
Increase/(Decrease)	\$26,137	\$0	\$0	\$0	\$26,137	0.0
Percentage Change	7.0%	0.0%	0.0%	n/a	6.9%	0.0%

FTE Detail	FY 2001-02	FY 2002-03
Director	1.0	1.0
Administrative Law Judge	1.8	1.8
Legal Assistant	1.0	1.0
Support / Clerical	<u>1.0</u>	<u>1.0</u>
	4.8	4.8

General Fund Changes: The increase in General Fund reflects \$31,700 for salary survey and anniversary increases awarded in FY 2001-02 and the change in the PERA contribution rate. This amount is offset by a \$5,700 reduction associated with a 1.5 percent reduction to the personal services line item.

Central Services

This division is responsible for realizing savings in governmental costs by providing centralized services to state agencies. The services provided include: management of the statewide travel program; processing of incoming and outgoing mail; mail delivery and messenger services; copying, printing and graphics design; microfilming and imaging services; vehicle leasing; management of the State's motor vehicle fleet; and operation and maintenance of buildings in the capitol Complex and other various state-owned facilities. It is funded primarily from fees paid by state agencies.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$517,493	\$2,103,846	\$48,922,090	\$0	\$51,543,429	187.7
HB 02-1380	(649)	1,859,505	(3,062,914)	0	(1,204,058)	0.4
HB 02-1432	<u>0</u>	<u>0</u>	<u>(120,000)</u>	<u>0</u>	<u>(120,000)</u>	<u>0.0</u>
TOTAL	\$516,844	\$3,963,351	\$45,739,176	\$0	\$50,219,371	188.1

	GF	CF	CFE	FF	Total	FTE
FY 2002-03 Appropriation:						
HB 02-1420	\$49,855	\$3,383,612	\$46,709,918	\$0	\$50,143,385	162.3
TOTAL	\$49,855	\$3,383,612	\$46,709,918	\$0	\$50,143,385	162.3
Increase/(Decrease)	(\$466,989)	(\$579,739)	\$970,742	\$0	(\$75,986)	(25.8)
Percentage Change	-90.4%	-14.6%	2.1%	n/a	-0.2%	-13.7%

FTE Detail	FY 2001-02	FY 2002-03
Administrative	10.0	11.0
Reprographics	30.1	30.1
Imaging and Microfilm Services	15.0	15.0
Mail Services	32.0	32.0
Fleet Management Program and Motor Pool Services	17.0	17.0
Collection Services	18.0	0.0
State Buildings and Real Estate Services	7.0	0.0
Facilities Maintenance and Planning	<u>59.0</u>	<u>57.2</u>
	188.1	162.3

FTE Changes: The decrease of 25.8 FTE is primarily due to a decrease of 26.0 FTE resulting from a departmental reorganization that transfers: (1) 18.0 FTE from the Central Collections Program; (2) 7.0 FTE from the State Buildings and Real Estate Services Program; and (3) 1.0 FTE from the Administrative Program. These 26.0 FTE are located in other divisions of the department in FY 2002-03. This decrease is partially offset by an increase of 0.2 FTE over the supplemental appropriation in FY 2001-02 due to the addition of a new property overseen by the Facilities Maintenance Program. In addition, the appropriation includes the transfer of 2.0 FTE between the Facilities Maintenance Program and the Administration Program that will occur in FY 2002-03.

General Fund Changes: The \$467,000 General Fund decrease is primarily due to a departmental reorganization that affects the State Buildings and Real Estate Services Program. This portion of the division is transferred to the Finance and Procurement Division in FY 2002-03.

Cash Funds Changes: The \$580,000 decrease in cash funds includes a transfer of \$510,000 associated with the transfer of the Central Collections Program to the Finance and Procurement Division resulting from a departmental reorganization and a \$70,000 decrease in the expected collections from services paid for by enterprises

Cash Funds Exempt Changes: The \$971,000 increase in the cash funds exempt appropriation includes an increase of \$1.9 million that is associated with statewide vehicle lease payments and an increase of \$430,000 due to salary survey and annualized anniversary increases awarded in FY 2001-02. The net increase also reflects changes in the payments other state agencies are charged for services the Department of Personnel provides. These increases are partially offset by: (1) a transfer of \$579,000 associated with the Central Collections Program to the Finance and Procurement Division; (2) a decrease of \$550,000 for one time contractual services; (3) a decrease of \$165,000 in indirect cost assessments in the division; and (4) a decrease of \$91,000 due to a 2.5 percent base reduction in personal services.

Finance and Procurement

This division administers a statewide procurement program through the Bid Information and Distribution System (BIDS), and meets the product and service needs of state agencies by negotiating contracts for acceptable goods and services in order to maximize the purchasing power of the State. This division manages the financial affairs of all department through the State Controller's Office by using the Colorado Financial Reporting Systems (COFRS). This division conducts statewide financial reporting, policy and procedural guidance, contract management, and the development of a statewide indirect cost allocation plan.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$1,353,216	\$221,597	\$1,586,693	\$0	\$3,161,506	45.2
HB 02-1380	<u>(205,984)</u>	<u>0</u>	<u>205,984</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$1,147,232	\$221,597	\$1,792,677	\$0	\$3,161,506	45.2
FY 2002-03 Appropriation:						
HB 02-1420	<u>\$1,557,105</u>	<u>\$741,138</u>	<u>\$2,538,984</u>	<u>\$0</u>	<u>\$4,837,227</u>	<u>70.2</u>
TOTAL	\$1,557,105	\$741,138	\$2,538,984	\$0	\$4,837,227	70.2
Increase/(Decrease)	\$409,873	\$519,541	\$746,307	\$0	\$1,675,721	25.0
Percentage Change	35.7%	234.5%	41.6%	0.0%	53.0%	55.3%

FTE Detail	FY 2001-02	FY 2002-03
State Controller's Office	42.7	42.7
Collection Services	0.0	18.0
State Buildings and Real Estate Services Program	0.0	7.0

FTE Detail	FY 2001-02	FY 2002-03
Supplier Database	<u>2.5</u>	<u>2.5</u>
	45.2	70.2

FTE Changes: The appropriation includes an increase of 25.0 FTE from the following transfers associated with the Department's reorganization: (1) 18.0 FTE from the Central Services Division for Collection Services; and (2) 7.0 FTE from the Colorado Information Technology Services Division for the Real Estate Services Program.

General Fund Changes: The net \$410,000 General Fund increase reflects the following changes: (1) a \$487,000 increase for the transfer of the Real Estate Program from the Central Services Division; (2) a \$181,000 increase associated with salary survey and anniversary payments awarded in FY 2001-02; (3) a \$105,000 increase due to lower indirect cost recoveries; and (4) a \$4,000 increase for the change in the PERA contribution rate. These increases are partially offset by the following reductions: (1) a \$291,000 decrease associated with higher anticipated rebates from the procurement card program; (2) a \$74,000 reduction for a 2.5 percent reduction in personal services; and (3) a \$2,000 reduction for out-of-state travel expenses.

Cash Funds Changes: The \$519,000 net cash funds increase reflects the following changes: (1) a \$510,000 increase for the transfer of the Collection Services Program to this division; (2) an \$11,000 increase for salary survey and anniversary payments awarded in FY 2001-02; and (3) a \$2,000 reduction associated with a 1.5 percent reduction for personal services.

Cash Funds Exempt Changes: The \$746,000 cash funds exempt increase includes: (1) a \$561,000 increase for the transfer of the Collection Services Program to this division; (2) a \$291,000 increase for rebates from the State Procurement Card Program; and (3) a \$104,000 reduction for lower indirect cost recoveries from the Department of Transportation and the Department of State.

Colorado Information Technology Services

This division integrates the State's information services into one group. Its responsibilities include: planning, coordinating, and integrating communication capabilities for radio and wireless technologies and the Multi-use Network (MNT), which consists of data, voice, internet, text, video and graphics content; planning, managing, operating, and delivering the State's computer infrastructure (such as desktop micro-computers, mainframe resources, and data-entry services); developing data sharing technologies; archiving historical records; and supporting all statewide applications (including payroll, personnel, financial, and purchasing systems). The majority of funding for this Division is cash funds exempt (77.9 percent) from fees paid by state agencies. General Fund accounts for 19.8 percent of the Division's funding.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$8,999,267	\$742,277	\$30,413,800	\$21,838	\$40,177,182	226.5
HB 02-1380	(459,787)	145,481	22,400	0	(291,906)	(2.0)
HB 02-1432	<u>(156,655)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(156,655)</u>	<u>0.0</u>
TOTAL	\$8,382,825	\$887,758	\$30,436,200	\$21,838	\$39,728,621	224.5
FY 2002-03 Appropriation:						
HB 02-1420	<u>\$7,805,733</u>	<u>\$859,466</u>	<u>\$30,633,643</u>	<u>\$21,838</u>	<u>\$39,320,680</u>	<u>226.5</u>
TOTAL	\$7,805,733	\$859,466	\$30,633,643	\$21,838	\$39,320,680	226.5
Increase/(Decrease)	(\$577,092)	(\$28,292)	\$197,443	\$0	(\$407,941)	2.0
Percentage Change	-6.9%	-3.2%	0.6%	0.0%	-1.0%	0.9%

FTE Detail	FY 2001-02	FY 2002-03
Business Services	8.0	8.0
Communications Services	45.0	45.0
Network Services	18.0	18.0
Computer Services	97.0	97.0
Information and Archival Services	15.0	15.0
Application Services	<u>41.5</u>	<u>43.5</u>
	224.5	226.5

FTE Changes: The increase of 2.0 FTE in the Application Services program is due to a restoration of the positions that were reduced in the FY 2001-02 supplemental appropriation process.

General Fund Changes: The \$577,000 net General Fund decrease includes a \$1,165,000 reduction due to a change in the General Government Computing Center (GGCC) payments expected in FY 2002-03. This reduction includes a transfer of the appropriation from Application Services to the Executive Director's Office. The decrease also includes a reduction of \$56,000 which represents an anticipated decrease in training offered by the division. These reductions are partially offset by increases of : (1) \$441,000 in salary survey and anniversary increases awarded in FY 2001-02; and (2) \$157,000 to restore one-time funding reductions from FY 2001-02 supplementals.

Cash Funds Changes: The \$28,000 decrease in cash funds is primarily attributable to a change in the expected collections from services paid for by enterprises within the state.

Cash Funds Exempt Changes: The \$197,000 cash funds exempt increase includes the following increases: (1) \$387,000 for salary survey and anniversary increases awarded in FY 2001-02; and (2) \$326,000 for indirect cost recoveries. These increases are partially offset by the following reductions: (1) \$315,000 because of a transfer to the Executive Director's Office for multi-use network payments; and (2) \$166,000 due to vacancy savings experienced in the division in FY 2000-01. There is also a decrease in cash funds exempt that is attributable to the expected revenues the division will collect from services paid for by state agencies.

Administrative Hearings

Pursuant to Section 24-30-1001, C.R.S., this division provides administrative law judge services to hear cases upon request by agencies of state government. Departments utilizing these services include: Corrections, Education, Human Services, Labor and Employment, Public Health and Environment, and Regulatory Agencies. Approximately one half of all hearings are related to workers' compensation cases. The funding for this Division is 100 percent cash funds exempt transfers from agencies using Administrative Hearings services.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$0	\$0	\$3,217,821	\$0	\$3,217,821	44.0
HB 02-1380	<u>0</u>	<u>0</u>	<u>(230,289)</u>	<u>0</u>	<u>(230,289)</u>	<u>(3.7)</u>
TOTAL	\$0	\$0	\$2,987,532	\$0	\$2,987,532	40.3
FY 2002-03 Appropriation:						
HB 02-1420	<u>\$0</u>	<u>\$0</u>	<u>\$3,071,873</u>	<u>\$0</u>	<u>\$3,071,873</u>	<u>40.3</u>
TOTAL	\$0	\$0	\$3,071,873	\$0	\$3,071,873	40.3
Increase/(Decrease)	\$0	\$0	\$84,341	\$0	\$84,341	0.0
Percentage Change	0.0%	0.0%	2.8%	0.0%	2.8%	0.0%

FTE Detail	FY 2001-02	FY 2002-03
Administrative Law Judges	16.3	16.3
Hearings Reporters	5.3	5.3
Paralegals	3.2	3.2

FTE Detail	FY 2001-02	FY 2002-03
Administration and Support Staff	<u>15.5</u>	<u>15.5</u>
	40.3	40.3

Cash Funds Exempt Changes: The net increase in cash funds exempt spending authority includes the following increases: (1) \$148,000 for salary survey and anniversary increases awarded in FY 2001-02; (2) \$6,000 for indirect cost assessments; and (3) \$3,000 for the change in the PERA contribution rate. These amounts are partially offset by a \$71,000 reduction associated with a 2.5 percent reduction to the personal services line item.

Recent Legislation

2001 Session Bills

S.B. 01-212: General appropriations act for FY 2001-02.

S.B. 01S2-22: For CY 2002, increases the amount of state contributions by 4.3 percent for employees, other than certain elected state officials, who are enrolled in group benefit plans. Specifies that, for purposes of providing parity in the amount of state contributions for all employees statewide, the state shall contribute an amount necessary to ensure that the employee contribution for any given medical benefits plan is identical for each employee, regardless of the county of residence of the employee. Appropriates \$3,000,341 cash funds exempt (the undesignated fund balance for medical plans in the Group Benefit Plans Reserve Fund) to all state agencies in FY 2001-02.

2002 Session Bills

S.B. 02-50: For an explanation of this bill please see the Recent Legislation section in the Department of Corrections.

H.B. 02-1038: For an explanation of this bill please see the Recent Legislation section in the Department of Corrections.

H.B. 02-1226: Provides statutory authority for the Colorado State Employee Assistance Program. Prohibits dependents of a state employee from participating in the program. Authorizes the program to be funded in FY 2002-03 with a combination of voluntary assessments against each state agency and mandatory assessments against an employee's share of the medical benefits premium for employees enrolled in the state's medical benefits plan. Authorizes the risk management fund to be used to fund the program.

H.B. 02-1380: Supplemental appropriation to the Department of Personnel to modify the appropriation included in the FY 2001-02 Long Bill.

H.B. 02-1420: General Appropriations Act for FY 2002-03.

H.B. 02-1432: Second supplemental appropriation to the Department of Personnel to modify the appropriation included in the FY 2001-02 Long Bill, as amended by H.B. 02-1380.

H.B. 02-1468: Refinances the FY 2001-02 appropriation made pursuant to S.B. 01S2-22. The cash funds exempt appropriation from the Group Benefit Plans Reserve Fund was reduced and the appropriations from miscellaneous cash, cash exempt, and federal fund sources were increased by an equal amount. Establishes the CY 2003 state contribution rate for health, life, and dental insurance to be the same as the state contribution rate for CY 2002. Authorizes the General Assembly to annually adjust the state contribution for health, life, and dental insurance effective CY 2004 through the Long Bill.

DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT

The Department of Public Health and Environment is responsible for: improving and protecting the health of the people of Colorado; maintaining and protecting the quality of Colorado's environment; and assuring the availability of health and medical care services to individuals and families.

The Department is organized into three sections: Administration, Environmental Programs, and Health Programs. Administration includes all central administrative, information technology, support services, and laboratory services. Environmental program areas include air and water quality control, hazardous materials, waste management, and consumer protection. Health program areas include disease control, local health services, inspection of health facilities, prevention services for children, emergency medical services, and health promotion.

The Department is comprised of the following divisions:

1. Administration and Support
2. Center for Health and Environmental Information
3. Laboratory and Radiation Services
4. Local Health Services
5. Air Quality Control Division
6. Water Quality Control Division
7. Hazardous Materials and Waste Management Division
8. Consumer Protection
9. Disease Control and Environmental Epidemiology Division
10. Prevention and Intervention Services for Children and Youth
11. Health Facilities Division
12. Health Promotion and Disease Prevention

Department Budget: Recent Actual Expenditures and Appropriations

Funding Source	FY 1999-00 Actual	FY 2000-01 Actual	FY 2001-02 Approp.	FY 2002-03 Approp.
General Fund	\$23,781,529	\$26,879,194	\$32,198,229	\$21,609,999
Cash Funds	18,939,966	20,517,359	24,342,105	25,995,985
Cash Funds Exempt	32,340,633	39,186,659	73,610,251	82,426,226
Federal Funds	<u>150,197,770</u>	<u>155,264,773</u>	<u>149,890,531</u>	<u>154,692,664</u>
TOTAL	\$225,259,898	\$241,847,985	\$280,041,116	\$284,724,874
Full Time Equiv. Staff	1,015.6	1,012.3	1,091.5	1,117.4

FY 2002-03 Budget Changes

In 2001, the Department of Public Health and Environment was reorganized to better link its organizational structure to services provided. As a result of the reorganization, the FY 2002-03 Long Bill was restructured to reflect the Department's new structure. For this Appropriations Report, FY 2001-02 appropriations are presented according to the Department's new organizational structure to show comparable figures for both years.

Significant changes in appropriations for FY 2002-03 compared to FY 2001-02 include the following:

- Reduce \$7.6 million General Fund as a result of the Governor's veto of the Prevention Services Programs line item in the Tony Grampas Youth Services Program;
- Reduce \$5.3 million, including \$4.9 million General Fund and \$400,000 federal funds, as a result of the Governor's veto of the Local, District, and Regional Health Department Distributions line item;
- Reflect \$5.3 million federal funds and 25.2 FTE for expenditures that have historically not been included in the Long Bill;
- Provide an increase of \$2.0 million cash funds exempt for the Nurse Home Visitor Program;
- Provide an increase of \$2.0 million cash funds exempt for Tobacco Cessation Grants;
- Provide \$900,000 cash funds exempt for orthodontia and hearing aid equipment for Medicaid patients;
- Reduce \$790,000 cash funds exempt to reflect a net change in the amount of General Fund expenditures refinanced for FY 2002-03 due to available indirect cost recoveries;
- Provide \$760,000 cash funds pursuant to H.B. 02-1344;
- Provide \$670,000 cash funds exempt for a grant from the American Legacy Foundation;
- Reduce \$600,000 General Fund with other funding sources;
- Reduce \$430,000 General Fund as a result of the Governor's veto of the Build a Generation Grants program;
- Provide \$290,000 cash funds and 3.3 FTE for increased inspection and monitoring of assisted living facilities;

- ❑ Provide \$260,000 General Fund for medical inflation;
- ❑ Reduce \$221,000 across all fund sources to reflect the common policy reduction for personal computer replacements for FY 2002-03;
- ❑ Provide \$172,000 cash funds exempt for the annual maintenance and replacement of the Department's networking infrastructure; and
- ❑ Provide \$160,000 General Fund to enable the Department to comply with the federal Health Insurance Portability and Accountability Act of 1996.

General Factors Driving the Budget

For FY 2002-03, funding for this department consists of 7.6 percent General Fund, 9.1 percent cash funds, 28.9 percent cash funds exempt, and 54.4 percent federal funds. Some of the most important factors driving the budget are reviewed below.

Providing Access to Health Care Services for Low-Income Persons

Many programs within the health divisions serve people whose income is at or below the federal poverty level. Many of the programs are directed at women and children or Medicaid recipients. Services are often carried out through contracts with local health providers. The following table shows those programs directly targeted at low-income individuals. Other programs within the Department may indirectly serve this same population.

	FY 99-00 Actual	FY 00-01 Actual	FY 01-02 Approp.	FY 02-03 Approp.
Low-Income Programs	\$98,478,946	\$97,278,046	\$97,020,744	\$98,077,488

Federal Programs

Federal funds are the largest funding source for programs in the health divisions. The federal funds percentage of the budget has historically been over 80 percent; however it decreased in FY 2000-01 due to the passage of S.B. 00-71, which dramatically increased the amount of overall funds to the Department from the tobacco settlement. The bulk of the federal funds represent "pure" federal programs, such as the Women, Infants and Children (WIC) Grant; although some programs are linked to state funds through a required match, such as the Maternal and Child Health (MCH) Block Grant.

Health Divisions	FY 99-00 Actual	FY 00-01 Actual	FY 01-02 Approp.	FY 02-03 Approp.
Total Federal Funds - Health Divisions	\$125,658,212	\$131,311,354	\$127,121,926	\$130,800,370

Health Divisions	FY 99-00 Actual	FY 00-01 Actual	FY 01-02 Approp.	FY 02-03 Approp.
As a Percent of the Total Health Divisions Budget	83.7%	77.2%	63.9%	63.0%

Over 40 percent of the budget for environmental programs is funded by federal dollars, some of which require a state matching contribution or maintenance of effort. The environmental divisions manage 109 active federal grants, including sub-awards of the Performance Partnership Block Grant and the Superfund Block Grant from the U.S. Environmental Protection Agency (EPA).

Environmental Divisions	FY 99-00 Actual	FY 00-01 Actual	FY 01-02 Approp.	FY 02-03 Approp.
Total Federal Funds - Environmental Divisions	\$19,902,914	\$19,508,709	\$17,661,006	\$17,760,304
As a Percent of the Total Environmental Divisions Budget	49.1%	47.0%	43.1%	42.7%

Number of Permits and Inspections

The environmental divisions use permits and inspections to enforce compliance with applicable state and federal regulations. Permits range from construction permits for expanding a factory to discharge permits at hazardous waste generators. Inspection responsibilities include regulating sanitary conditions at dairy farms, ensuring that contaminated sites are properly remediated, and monitoring wastewater treatment facilities for compliance with permit requirements.

Environmental Divisions	FY 97-98 Actual	FY 98-99 Actual	FY 99-00 Actual	FY 00-01 Actual	FY 01-02 Estimate
Permits and Applications Processed					
Air Quality Control Division	6,194	6,184	6,688	6,835	6,370
Water Quality Control Division	978	1,056	1,365	2,094	3,323
Hazardous Waste Division	1,028	990	1,059	1,064	1,040
Consumer Protection Division	<u>1,600</u>	<u>1,541</u>	<u>1,639</u>	<u>1,692</u>	<u>2,063</u>
Total Permits & Applications	9,800	9,771	10,751	11,685	12,796
Inspections Conducted					
Air Quality Control Division	4,738	4,783	4,886	4,505	3,677
Water Quality Control Division	56	71	371	345	306
Hazardous Waste Division	475	455	562	482	470

Environmental Divisions	FY 97-98 Actual	FY 98-99 Actual	FY 99-00 Actual	FY 00-01 Actual	FY 01-02 Estimate
Consumer Protection Division	<u>2,272</u>	<u>2,412</u>	<u>2,657</u>	<u>2,462</u>	<u>3,292</u>
Total Inspections	7,541	7,721	8,476	7,794	7,745

Summary of FY 2001-02 and FY 2002-03 Appropriations

Total Department Appropriations

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Total Appropriation:	\$32,198,229	\$24,342,105	\$73,610,251	\$149,890,531	\$280,041,116	1,091.5
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Administration and Support	629,224	1,563,663	13,999,992	1,729,047	17,921,926	71.7
Center for Health and Environmental Information	0	1,998,240	2,404,426	1,528,184	5,930,850	77.0
Laboratory and Radiation Services	1,379,002	5,574,821	568,749	1,691,444	9,214,016	95.4
Local Health Services	6,704,689	0	0	197,355	6,902,044	5.4
Air Quality Control Division	0	5,861,855	5,220,518	3,023,845	14,106,218	150.1
Water Quality Control Division	2,210,886	1,870,828	397,005	4,949,239	9,427,958	102.9
Hazardous Materials and Waste Management Division	675,265	4,927,279	319,573	9,374,655	15,296,772	131.4
Consumer Protection	1,413,546	410,933	67,990	274,836	2,167,305	27.7
Disease Control and Environmental Epidemiology Division	3,660,687	7,232	370,705	16,792,673	20,831,297	117.1
Prevention and Intervention Services for Children and Youth	12,323,184	1,242,300	15,621,744	96,822,114	126,009,342	118.3
Health Facilities Division	230,749	473,688	3,630,948	3,275,247	7,610,632	102.7
Health Promotion and Disease Prevention	2,970,997	411,266	31,008,601	10,231,892	44,622,756	91.8

	GF	CF	CFE	FF	Total	FTE
<u>Breakdown of Total Appropriation by Bill</u>						
SB 01-78	36,043	0	0	0	36,043	0.7
SB 01-121	0	512,761	0	0	512,761	8.6
SB 01-164	0	0	400,000	0	400,000	0.4
SB 01-212	34,474,485	22,641,360	53,858,595	150,003,418	260,977,858	1,081.9
SB 01-214	0	50,868	0	0	50,868	0.4
HB 01-1106	0	0	37,693	0	37,693	0.0
HB 01-1326	0	510,680	0	0	510,680	0.0
HB 01-1387	0	250,000	0	0	250,000	0.0
SB 01S2-22	0	0	53,067	0	53,067	0.0
HB 02-1381	(1,584,052)	359,519	18,860,634	(117,077)	17,519,024	(0.5)
HB 02-1433	(728,247)	0	421,369	0	(306,878)	0.0
HB 02-1468	0	16,917	(21,107)	4,190	0	0.0
FY 2002-03 Total Appropriation:	\$21,609,999	\$25,995,985	\$82,426,226	\$154,692,664	\$284,724,874	1,117.4
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Administration and Support	1,011,982	1,790,461	13,855,006	2,698,266	19,355,715	72.2
Center for Health and Environmental Information	745,085	1,917,161	2,120,797	1,502,390	6,285,433	77.6
Laboratory and Radiation Services	1,115,639	6,052,401	532,192	1,931,334	9,631,566	97.4
Local Health Services	1,659,690	0	0	235,084	1,894,774	5.4
Air Quality Control Division	0	5,874,789	5,185,312	3,081,065	14,141,166	149.9
Water Quality Control Division	2,134,532	2,457,954	310,758	5,156,415	10,059,659	105.9
Hazardous Materials and Waste Management Division	701,862	4,955,395	318,520	9,399,038	15,374,815	131.4
Consumer Protection	1,433,799	433,900	68,111	123,786	2,059,596	27.7

	GF	CF	CFE	FF	Total	FTE
Disease Control and Environmental Epidemiology Division	3,572,919	6,441	323,384	19,048,319	22,951,063	127.4
Prevention and Intervention Services for Children and Youth	4,501,911	1,292,848	20,156,027	95,475,554	121,426,340	112.6
Health Facilities Division	438,069	761,643	3,734,243	3,268,664	8,202,619	109.4
Health Promotion and Disease Prevention	4,294,511	452,992	35,821,876	12,772,749	53,342,128	100.5
<u>Breakdown of Total Appropriation by Bill</u>						
SB 02-50	(7,119)	0	0	0	(7,119)	0.0
HB 02-1038	(7,099)	0	0	0	(7,099)	0.0
HB 02-1125	0	0	39,857	0	39,857	0.5
HB 02-1315	0	0	0	(63,512)	(63,512)	(1.0)
HB 02-1323	0	291,482	0	0	291,482	3.3
HB 02-1329	0	0	(93,806)	0	(93,806)	(1.0)
HB 02-1344	0	764,762	0	0	764,762	4.0
HB 02-1348	1,215,079	0	0	0	1,215,079	0.0
HB 02-1420	20,343,844	24,918,695	82,560,331	154,754,054	282,576,924	1,112.1
HB 02-1440	0	11,000	0	0	11,000	0.2
HB 02-1457	58,514	0	(89,506)	0	(30,992)	(0.7)
HB 02-1468	6,780	10,046	9,350	2,122	28,298	0.0
Increase/(Decrease)	(\$10,588,230)	\$1,653,880	\$8,815,975	\$4,802,133	\$4,683,758	25.9
Percentage Change	-32.9%	6.8%	12.0%	3.2%	1.7%	2.4%

Detail of Appropriation by Administrative Section

Administration and Support

This division includes the executive director's office, support services, business services, and human resources. Under the purview of the executive director is the chief medical officer, the Office of Policy and Public/Private Initiatives, customer services, and communications. Support services include building operations, telecommunications, internal audit and management analysis. Business services include accounting, budgeting, contracts, payroll, and purchasing. The primary cash funds

and cash funds exempt sources include the Pollution Prevention Fund and the Automobile Inspection and Readjustment Account.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-164	\$0	\$0	\$12,836	\$0	\$12,836	0.0
SB 01-212	1,307,073	1,532,209	13,466,271	1,793,321	18,098,874	70.7
SB 01-214	0	25,673	0	0	25,673	0.0
HB 01-1326	0	6,174	0	0	6,174	0.0
SB 01S2-22	0	0	53,067	0	53,067	0.0
HB 02-1381	(554,434)	(17,310)	488,925	(68,464)	(151,283)	1.0
HB 02-1433	(123,415)	0	0	0	(123,415)	0.0
HB 02-1468	<u>0</u>	<u>16,917</u>	<u>(21,107)</u>	<u>4,190</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$629,224	\$1,563,663	\$13,999,992	\$1,729,047	\$17,921,926	71.7
FY 2002-03 Appropriation:						
SB 02-50	(\$7,119)	\$0	\$0	\$0	(\$7,119)	0.0
HB 02-1038	(7,099)	0	0	0	(7,099)	0.0
HB 02-1323	0	9,349	0	0	9,349	0.0
HB 02-1420	1,019,420	1,771,066	13,845,656	2,696,144	19,332,286	72.2
HB 02-1468	<u>6,780</u>	<u>10,046</u>	<u>9,350</u>	<u>2,122</u>	<u>28,298</u>	<u>0.0</u>
TOTAL	\$1,011,982	\$1,790,461	\$13,855,006	\$2,698,266	\$19,355,715	72.2
Increase/(Decrease)	\$382,758	\$226,798	(\$144,986)	\$969,219	\$1,433,789	0.5
Percentage Change	60.8%	14.5%	-1.0%	56.1%	8.0%	0.7%

FTE Detail	FY 2001-02	FY 2002-03
Executive Director and Staff	68.0	68.2
Tobacco Oversight	1.7	1.0
Environmental Leadership and Pollution Prevention	<u>2.0</u>	<u>3.0</u>
	71.7	72.2

FTE Changes: The net increase of 0.5 FTE represents: (1) 2.2 FTE for Department employees that have historically not been included in the Long Bill; (2) 1.0 FTE reduction due to a one-time expenditure in FY 2001-02; and (3) 0.7 FTE reduction as a result of lower levels needed for tobacco oversight functions.

General Fund Changes: The net increase in General Fund is due to the following increases: (1) \$220,000 for centrally appropriated items such as salary survey and performance-based pay awards; (2) \$160,000 to enable the Department to comply with the federal Health Insurance Portability and Accountability Act of 1996; (3) \$140,000 to restore funds taken in a one-time supplemental reduction; and (4) \$16,000 to restore personal services expenditures due to salary survey and performance-based pay increases awarded in FY 2001-02. These increases are partially offset by the following decreases: (1) \$100,000 to reduce General Fund by using other funding sources; (2) \$40,000 in indirect costs used to lower General Fund expenditures; and (3) \$9,000 due to a personal services base reduction.

Cash Funds Changes: The additional cash funds amount reflects the following increases: (1) \$225,000 for centrally appropriated items such as salary survey and performance-based pay awards; (2) \$5,000 for personal services expenditures due to salary survey and performance-based pay increases awarded in FY 2001-02; and (3) \$2,600 used to offset General Fund. These increases are partially offset by a \$2,500 personal services base reduction.

Cash Funds Exempt Changes: The reduction in cash funds exempt spending authority is the result of the following decreases: (1) \$150,000 as a result of lower levels needed for tobacco oversight functions; (2) \$90,000 for a personal services base reduction; (3) \$70,000 for lower operating costs; and (4) \$10,000 for an information technology common policy reduction. These decreases are partially offset by the following increases: (1) \$110,000 for centrally appropriated items such as salary survey and performance-based pay awards and (2) \$70,000 for personal services expenditures due to salary survey and performance-based pay increases awarded in FY 2001-02.

Federal Funds Changes: The increase in federal funds reflects additional federal grants the Department anticipates receiving for FY 2002-03 and funds that have not been historically included in the Long Bill.

Center for Health and Environmental Information

The Center for Health and Environmental Information division is divided into two subdivisions: (1) Health Statistics and Vital Records, and (2) Information Technology Services. Health Statistics and Vital Records is divided into three areas: registration, certification, and health statistics. Activities under the registration section include administration of birth, death, marriage, divorce, fetal death, and induced pregnancy termination records. This section also provides training and education on vital records rules, regulations, and statutes to individuals and local agencies as needed. The certification area issues certified copies of birth and death certificates, corrects and updates records, and administers the Voluntary Adoption Registry. The health statistics area provides statistical analysis

for vital records collected by the Department and provides information internally as well as to outside agencies. The primary cash funds and cash funds exempt sources include the following: Vital Records Cash Fund, laboratory fees, Stationary Sources Control Fund and indirect cost recoveries.

The Information Technology Services section is responsible for all departmental technology planning, network installation, operation and maintenance, end-user and personal computer support, applications development and maintenance, and internet support.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$884,345	\$2,085,464	\$1,412,489	\$1,538,366	\$5,920,664	77.0
HB 02-1381	<u>(884,345)</u>	<u>(87,224)</u>	<u>991,937</u>	<u>(10,182)</u>	<u>10,186</u>	<u>0.0</u>
TOTAL	\$0	\$1,998,240	\$2,404,426	\$1,528,184	\$5,930,850	77.0
FY 2002-03 Appropriation:						
HB 02-1420	<u>\$745,085</u>	<u>\$1,917,161</u>	<u>\$2,120,797</u>	<u>\$1,502,390</u>	<u>\$6,285,433</u>	<u>77.6</u>
TOTAL	\$745,085	\$1,917,161	\$2,120,797	\$1,502,390	\$6,285,433	77.6
Increase/(Decrease)	\$745,085	(\$81,079)	(\$283,629)	(\$25,794)	\$354,583	0.6
Percentage Change	n/a	-4.1%	-11.8%	-1.7%	6.0%	0.8%

FTE Detail	FY 2001-02	FY 2002-03
Health Statistics and Vital Records	47.1	47.1
Information Technology Services	<u>29.9</u>	<u>30.5</u>
	77.0	77.6

FTE Changes: The increased FTE level reflects an additional 0.6 FTE for the development of a computer system for the Prenatal Plus Program.

General Fund Changes: The increase in General Fund includes an increase of \$734,000 related to decreased indirect costs available to offset General Fund, and \$10,000 related to payments to the General Government Computer Center.

Cash Funds Changes: The decrease in cash funds includes the following decreases: (1) \$68,200 to reflect the information technology common policy reduction, (2) \$36,000 personal services reduction; (3) \$24,400 to reflect available cash funds exempt and federal funds; and (4) \$24,000 to reflect a

decrease in the indirect cost assessment. These decreases are partially offset by the following increases: (1) \$65,000 for salary survey and performance-based pay increases awarded in FY 2001-02; and (2) \$2,000 related to the development of an information and registration system for the Prenatal Plus program.

Cash Funds Exempt Changes: The decrease in cash funds exempt reflects the following decreases: (1) \$352,000 to eliminate one-time funding from FY 2001-02 (2) \$260,000 to reflect a net change in the amount of General Fund expenditures refinanced for FY 2002-03; (3) \$137,000 pursuant to the computer replacement policy; and (4) \$38,000 for a personal services reduction. These decreases are partially offset by the following increases: (1) \$200,000 to continue the replacement of the vital records information system; (2) \$194,000 related to replacement funding for networking and server equipment; (3) \$37,000 in salary survey and performance-based pay increases awarded in FY 2001-02; (4) \$30,000 to reflect Multi-use Network Costs, (5) \$26,000 to reflect available cash funds exempt; and (6) \$18,000 to reflect a net increase in the indirect cost assessment.

Federal Funds Changes: The federal funds level reflects a lower level of federal grants the Division is estimating to receive for FY 2002-03.

Laboratory and Radiation Services

This division has three subdivisions: (1) Director's Office; (2) Laboratory Services; and (3) Radioactive Materials and Certification. Laboratory services include clinical and environmental testing, as well as certification of laboratories, breath alcohol testing equipment, x-ray instruments, and facilities used for mammography. The radioactive materials and certification subdivision regulates radioactive materials through inspection, certification, and technical consultation. The emergency management subdivision is available to work with other agencies in response to emergency incidents impacting the environment and/or public health. The primary cash funds and cash funds exempt sources include the following: Newborn Screening and Genetic Counseling Fund, Radiation Control Fund, Law Enforcement Assistance Fund, funds appropriated to the Water Quality Control Division, and indirect cost recoveries.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$1,379,002	\$5,263,379	\$568,749	\$1,691,444	\$8,902,574	95.4
HB 01-1326	0	4,855	0	0	4,855	0.0
HB 02-1381	0	<u>306,587</u>	0	0	<u>306,587</u>	<u>0.0</u>
TOTAL	\$1,379,002	\$5,574,821	\$568,749	\$1,691,444	\$9,214,016	95.4
FY 2002-03 Appropriation:						
HB 02-1420	<u>\$1,115,639</u>	<u>\$6,052,401</u>	<u>\$532,192</u>	<u>\$1,931,334</u>	<u>\$9,631,566</u>	<u>97.4</u>

	GF	CF	CFE	FF	Total	FTE
TOTAL	\$1,115,639	\$6,052,401	\$532,192	\$1,931,334	\$9,631,566	97.4
Increase/(Decrease)	(\$263,363)	\$477,580	(\$36,557)	\$239,890	\$417,550	2.0
Percentage Change	-19.1%	8.6%	-6.4%	14.2%	4.5%	2.1%

FTE Detail	FY 2001-02	FY 2002-03
Director's Office	26.0	26.0
Laboratory Services - Chemistry and Microbiology	39.7	41.7
Radioactive Materials and Certification	<u>29.7</u>	<u>29.7</u>
	95.4	97.4

FTE Changes: The increase of 2.0 FTE reflects Department employees that have historically not been included in the Long Bill.

General Fund Changes: The net reduction in General Fund reflects the following decreases: (1) \$290,000 to reduce General Fund with other funding sources; (2) \$32,000 to eliminate one-time funding from FY 2001-02; (3) \$25,000 for a personal services base reduction; and (4) \$1,000 for state-wide reduction in travel expenses. These decreases are partially offset by the following increases: (1) \$75,000 for personal services expenditures due to salary survey and anniversary increases awarded in FY 2001-02; (2) \$7,000 for medical inflation; and (3) \$6,000 to replace laboratory equipment.

Cash Funds Changes: The additional cash funds is due to the following increases: (1) \$190,000 for personal services expenditures due to salary survey and anniversary increases awarded in FY 2001-02; (2) \$160,000 to offset reductions to General Fund; (3) \$150,000 for additional indirect cost assessments; and (4) \$110,000 to replace laboratory equipment. These increases are partially offset by the following decreases: (1) \$100,000 to restore one-time reductions applied in FY 2001-02 and (2) \$40,000 for a personal services base reduction.

Cash Funds Exempt Changes: The reduced level of cash funds exempt is the result of the following decreases: (1) \$80,000 for lower indirect cost assessments; (2) \$14,000 to eliminate a one-time expenditure in FY 2001-02; and (3) \$7,000 for a personal services base reduction. These decreases are partially offset by the following increases: (1) \$40,000 to offset General Fund; (2) \$13,000 to replace laboratory equipment; and (3) \$7,000 for personal services expenditures due to salary survey and anniversary increases awarded in FY 2001-02.

Federal Funds Changes: The increase in federal funds reflects additional federal grants the Department anticipates receiving for FY 2002-03.

Local Health Services

This division provides funding for local and regional health services. Funding in this division is provided to 14 local health departments and 38 county nursing and environmental health agencies in all 63 counties of the state. Although local agencies have discretion over how funds are spent, appropriations to this division are intended to support seven primary services, including: (1) disease prevention; (2) environmental hazard protection; (3) community health assessments and evaluation; (4) illness and injury prevention; (5) promotion of healthy behavior; (6) responding to disasters and assisting communities in recovery; and (7) health services quality assurance and accessibility. Specific services, such as family planning and teen pregnancy prevention, are supported by contract funds through other divisions. Section 25-1-516, C.R.S., requires the state to provide support for local and regional health services on a per-capita basis.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$6,704,689	\$0	\$0	\$197,355	\$6,902,044	5.4
TOTAL	\$6,704,689	\$0	\$0	\$197,355	\$6,902,044	5.4
FY 2002-03 Appropriation:						
HB 02-1420	\$1,659,690	\$0	\$0	\$235,084	\$1,894,774	5.4
TOTAL	\$1,659,690	\$0	\$0	\$235,084	\$1,894,774	5.4
Increase/(Decrease)	(\$5,044,999)	\$0	\$0	\$37,729	(\$5,007,270)	0.0
Percentage Change	-75.2%	n/a	n/a	19.1%	-72.5%	0.0%

FTE Detail	FY 2001-02	FY 2002-03
Community Nursing	5.4	5.4
	5.4	5.4

General Fund Changes: The reduced General Fund is the result of the Governor's veto of the Local, District, and Regional Health Department Distributions line item.

Federal Funds Changes: The increase in federal funds reflect additional federal grants the Department anticipates receiving for FY 2002-03.

Air Quality 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. Administration provides policy and regulatory recommendations to the Air Quality Control Commission, and coordinates all air programs. Technical Services performs statewide air monitoring, pollutant analysis, and emission modeling, forming the technical basis for state implementation plans and for attainment redesignations. Mobile Sources conducts research relating to the causes and effects of pollution from mobile sources (*e.g.*, motor vehicles) and investigates, implements, and evaluates strategies aimed at reducing vehicular emissions. Stationary Sources permits, monitors, and inspects stationary source air pollution emitters (*e.g.*, factories and power plants) and analyzes data to determine compliance with state implementation plans. The primary source of cash funds is the Stationary Sources Control Fund. The primary source of cash funds exempt is the Automobile Inspection and Readjustment Account of the Highway Users Tax Fund.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-121	\$0	\$512,761	\$0	\$0	\$512,761	8.6
SB 01-212	0	4,684,390	5,220,518	3,023,845	12,928,753	141.1
SB 01-214	0	25,195	0	0	25,195	0.4
HB 01-1326	0	499,651	0	0	499,651	0.0
HB 02-1381	<u>0</u>	<u>139,858</u>	<u>0</u>	<u>0</u>	<u>139,858</u>	<u>0.0</u>
TOTAL	\$0	\$5,861,855	\$5,220,518	\$3,023,845	\$14,106,218	150.1
FY 2002-03 Appropriation:						
HB 02-1420	<u>\$0</u>	<u>\$5,874,789</u>	<u>\$5,185,312</u>	<u>\$3,081,065</u>	<u>\$14,141,166</u>	<u>149.9</u>
TOTAL	\$0	\$5,874,789	\$5,185,312	\$3,081,065	\$14,141,166	149.9
Increase/(Decrease)	\$0	\$12,934	(\$35,206)	\$57,220	\$34,948	(0.2)
Percentage Change	n/a	0.2%	-0.7%	1.9%	0.2%	-0.1%

FTE Detail	FY 2001-02	FY 2002-03
Administration	4.5	4.5
Technical Services	33.8	33.6
Mobile Sources	38.4	38.4
Stationary Sources	<u>73.4</u>	<u>73.4</u>

FTE Detail	FY 2001-02	FY 2002-03
	150.1	149.9

FTE Changes: The decrease of 0.2 FTE is attributable to S.B. 01-214.

Cash Funds Changes: The net increase of \$12,000 includes an increase of \$224,000 related to pay increases awarded during FY 2001-02. This increase is partially offset by decreases of \$82,000 related to personal services reductions, \$75,000 for adjustments to reflect available cash funds exempt and federal funds, \$42,000 in indirect cost assessments, and \$12,000 in miscellaneous reductions.

Cash Funds Exempt Changes: The net decrease of \$35,000 includes decreases of \$144,000 to reflect the discontinuation of FY 2001-02 funding for new air quality data collection equipment, \$72,000 related to personal services reductions, and \$28,000 related to indirect cost assessments. These decreases are partially offset by increases of \$182,000 related to pay increases awarded during FY 2001-02 and a net increase of \$27,000 for adjustments made to reflect available cash funds exempt and federal funds.

Federal Funds Changes: The \$57,000 increase in federal funds anticipated to be received is associated with the revised Performance Partnership Grant negotiated with the U.S. Environmental Protection Agency.

Water Quality Control Division

The Water Quality Control Division enforces the water quality regulations of the Water Quality Control Commission and the State Board of Health. This includes developing stream classifications and standards, issuing permits to ensure that discharges are in compliance 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 the enforcement of the provisions of Amendment 14 (Regulation of Commercial Hog Facilities) approved by the voters in the 1998 statewide election. Sources of cash funds include the Water Quality Control Fund and the Sludge Management Program Fund. Sources of cash funds exempt include the Groundwater Protection Fund and commercial hog facility regulation fees pursuant to Amendment 14.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$2,221,745	\$1,870,828	\$397,005	\$4,949,575	\$9,439,153	102.9
HB 02-1381	(3,034)	0	0	(336)	(3,370)	0.0

	GF	CF	CFE	FF	Total	FTE
HB 02-1433	(7,825)	0	0	0	(7,825)	0.0
TOTAL	\$2,210,886	\$1,870,828	\$397,005	\$4,949,239	\$9,427,958	102.9
FY 2002-03 Appropriation:						
HB 02-1329	\$0	\$0	(\$93,806)	\$0	(\$93,806)	(1.0)
HB 02-1344	0	764,762	0	0	764,762	4.0
HB 02-1420	<u>2,134,532</u>	<u>1,693,192</u>	<u>404,564</u>	<u>5,156,415</u>	<u>9,388,703</u>	<u>102.9</u>
TOTAL	\$2,134,532	\$2,457,954	\$310,758	\$5,156,415	\$10,059,659	105.9
Increase/(Decrease)	(\$76,354)	\$587,126	(\$86,247)	\$207,176	\$631,701	3.0
Percentage Change	-3.5%	31.4%	-21.7%	4.2%	6.7%	2.9%

FTE Detail	FY 01-02	FY 02-03
Administration	12.5	12.5
Watershed Assessment, Outreach, and Assistance	28.8	27.8
Permitting and Compliance Assurance	33.2	37.2
Drinking Water Program	<u>28.4</u>	<u>28.4</u>
	102.9	105.9

FTE Changes: An increase of 3.0 FTE is related to an increase of 4.0 FTE related to H.B. 02-1344, partially offset by the transfer of 1.0 FTE related to H.B. 02-1329.

General Fund Changes: The \$76,000 reduction of General Fund includes a decrease of approximately \$120,000 associated with an adjustment to reflect anticipated cash, cash funds exempt, and federal fund revenues and \$41,000 to reflect a personal services reduction. These decreases are partially offset by an additional \$77,000 for salary survey and anniversary increases awarded in FY 2001-02 and \$8,000 to restore one-time reductions applied in FY 2001-02.

Cash Funds Changes: The \$587,000 increase in cash funds includes increases of: (1) \$765,000 related to H.B. 02-1344; (2) \$84,000 for an adjustment to reflect anticipated cash, cash funds exempt, and federal fund revenues; and (3) \$64,000 for salary survey and anniversary increases awarded in FY 2001-02. These increases are partially offset by reductions of: (1) \$244,000 to reflect current revenues to the Water Quality Control Fund in the Long Bill; (2) \$46,000 in the indirect cost assessment line; and (3) \$35,000 personal services reduction.

Cash Funds Exempt Changes: The net decrease in cash funds exempt includes a reduction of \$94,000 related to H.B. 02-1326, partially offset by an increase of \$8,000 to reflect cash exempt revenues.

Federal Funds Changes: The \$207,000 increase in federal funds anticipated to be received is associated with the revised Performance Partnership Grant negotiated with the U.S. Environmental Protection Agency.

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 permitted solid waste facilities; overseeing large- and small-quantity hazardous waste generators, transporters, and storage facilities; enforcing regulations promulgated by the Hazardous Waste Commission; responding to public complaints about such facilities; implementing remediation efforts at federal Superfund sites; reviewing corrective action plans for technical compliance with applicable state environmental regulations; providing technical services to local governments facing potential contamination from uranium mill tailings; and regulating commercial radioactive materials in Colorado. Sources of cash funds include the Hazardous Waste Service Fund, the Hazardous Substance Response Fund, the Hazardous Waste Commission Fund, and the Solid Waste Management Fund. The source of cash funds exempt is the Local Government Severance Tax Fund. Sources of federal funds include funds received from the U.S. Environmental Protection Agency, the U.S. Department of Defense, the Agency for Toxic Substances and Disease Registry, and the U.S. Department of Energy.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$679,625	\$4,677,279	\$317,853	\$9,412,750	\$15,087,507	131.9
HB 01-1106	0	0	37,693	0	37,693	0.0
HB 02-1381	(4,360)	0	(35,973)	(38,095)	(78,428)	(0.5)
HB 01-1387	<u>0</u>	<u>250,000</u>	<u>0</u>	<u>0</u>	<u>250,000</u>	<u>0.0</u>
TOTAL	\$675,265	\$4,927,279	\$319,573	\$9,374,655	\$15,296,772	131.4
FY 2002-03 Appropriation:						
HB 02-1420	<u>\$701,862</u>	<u>\$4,955,395</u>	<u>\$318,520</u>	<u>\$9,399,038</u>	<u>\$15,374,815</u>	<u>131.4</u>
TOTAL	\$701,862	\$4,955,395	\$318,520	\$9,399,038	\$15,374,815	131.4

	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$26,597	\$28,116	(\$1,053)	\$24,383	\$78,043	0.0
Percentage Change	3.9%	0.6%	-0.3%	0.3%	0.5%	0.0%

FTE Detail	FY 2001-02	FY 2002-03
Division Director's Office	4.5	4.5
Hazardous Waste Control Program	34.6	34.6
Solid Waste Control Program	13.2	13.2
Uranium Mill Tailings Remedial Action Program	3.6	3.6
Contaminated Site Cleanups	45.2	45.2
Rocky Flats Agreement	<u>30.3</u>	<u>30.3</u>
	131.4	131.4

General Fund Changes: The \$27,000 increase in General Fund reflects an increase of \$46,000 related to salary survey and anniversary increases awarded in FY 2001-02. This increase is partially offset by a \$15,000 reduction in personal services and a \$4,000 decrease associated with a statewide reduction for out-of-state travel.

Cash Funds Changes: The cash funds increase of \$28,000 includes an increase of \$170,000 to reflect pay increases awarded in FY 2001-02, and \$9,000 in miscellaneous increases including PERA and Medicare, partially offset by the following decreases: (1) \$74,000 to reflect a personal services reduction; (2) \$60,000 related to historic reversions within the Contaminated Site Cleanups line; (3) \$11,000 related to the consolidation of utilities expenditures; and (4) \$6,000 in indirect costs.

Cash Funds Exempt Changes: The cash funds exempt decrease of \$1,000 is related to reductions of \$3,000 related to the Cathode Ray Tube Recycling Program and \$3,000 for a personal services reduction. These reductions are partially offset by an increase of \$5,000 for annualized pay increases.

Federal Funds Changes: The \$24,000 increase in federal funds reflects a \$130,000 increase in annualized pay increases, an \$81,000 increase in indirect costs, and a \$68,000 increase to reflect available federal funds. These increases are partially offset by decreases of \$141,000 for a personal services reduction, and \$114,000 related to the consolidation of utilities expenditures.

Consumer Protection

This division is responsible for: investigating diversion of controlled substances to illegal channels of distribution; enforcing sanitation standards designed 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. Sources of cash funds include the Food

Protection Cash Fund and the Artificial Tanning Device Education Fund. Sources of cash funds exempt include the Department of Corrections and the Department of Human Services.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$1,413,546	\$403,576	\$67,990	\$274,836	\$2,159,948	27.7
HB 02-1381	<u>0</u>	<u>7,357</u>	<u>0</u>	<u>0</u>	<u>7,357</u>	<u>0.0</u>
TOTAL	\$1,413,546	\$410,933	\$67,990	\$274,836	\$2,167,305	27.7
FY 2002-03 Appropriation:						
HB 02-1420	<u>\$1,433,799</u>	<u>\$433,900</u>	<u>\$68,111</u>	<u>\$123,786</u>	<u>\$2,059,596</u>	<u>27.7</u>
TOTAL	\$1,433,799	\$433,900	\$68,111	\$123,786	\$2,059,596	27.7
Increase/(Decrease)	\$20,253	\$22,967	\$121	(\$151,050)	(\$107,709)	0.0
Percentage Change	1.4%	5.6%	0.2%	-55.0%	-5.0%	0.0%

FTE Detail	FY 2001-02	FY 2002-03
Division Director	1.0	1.0
Program Manager	7.0	7.0
Environmental Inspector	14.7	14.7
Fiscal Officer	1.0	1.0
Office Manager	1.0	1.0
Support Staff	2.8	2.8
Executive Director's Office Support	<u>0.2</u>	<u>0.2</u>
	27.7	27.7

General Fund Changes: The increase of \$20,000 includes salary survey and anniversary increases awarded during FY 2001-02 and \$9,000 related to increased travel costs for the Retail Food Inspection Program.

Cash Funds Changes: The increase of \$23,000 includes salary survey and anniversary increases awarded during FY 2001-02, partially offset by out-of-state travel and IT replacement reductions and decreased indirect costs.

Federal Funds Changes: The \$151,000 reduction in federal funds reflects the availability of federal grants related to tobacco.

Disease Control and Environmental Epidemiology Division

This division helps prevent and control communicable diseases, investigate the incidence and prevalence of environmental and chronic diseases, and evaluate of potential risks posed by environmental toxicologic exposures. The division is divided into three subdivisions: (1) administration, general disease control and surveillance; (2) special purpose disease control programs; and (3) environmental epidemiology. The primary cash funds and cash funds exempt sources include Medicaid funds appropriated to the Department of Health Care Policy and Financing and federal funds appropriated to the Department of Human Services.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$3,693,463	\$7,232	\$370,972	\$16,792,673	\$20,864,340	117.1
HB 02-1381	(19,734)	0	(267)	0	(20,001)	0.0
HB 02-1433	<u>(13,042)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(13,042)</u>	0.0
TOTAL	\$3,660,687	\$7,232	\$370,705	\$16,792,673	\$20,831,297	117.1
FY 2002-03 Appropriation:						
HB 02-1315	\$0	\$0	\$0	(\$63,512)	(\$63,512)	(1.0)
HB 02-1420	<u>3,572,919</u>	<u>6,441</u>	<u>323,384</u>	<u>19,111,831</u>	<u>23,014,575</u>	<u>128.4</u>
TOTAL	\$3,572,919	\$6,441	\$323,384	\$19,048,319	\$22,951,063	127.4
Increase/(Decrease)	(\$87,768)	(\$791)	(\$47,321)	\$2,255,646	\$2,119,766	10.3
Percentage Change	-2.4%	-10.9%	-12.8%	13.4%	10.2%	8.8%

FTE Detail	FY 2001-02	FY 2002-03
Administration, General Disease Control and Surveillance	14.5	14.5
Special Purpose Disease Control Programs	72.8	72.8
Environmental Epidemiology	23.6	23.6
Emergency Management	6.2	5.2
Federal Grants	<u>0.0</u>	<u>11.3</u>

FTE Detail	FY 2001-02	FY 2002-03
	117.1	127.4

FTE Changes: The increase of 10.3 FTE are related to new federal grants the Division is expecting to receive in FY 2002-03.

General Fund Changes: The reduction in the General Fund appropriation is the result of the following decreases: (1) \$200,000 to be offset with other funding sources; (2) \$30,000 for the Governor's requested base reduction for FY 2002-03; (3) \$15,000 related to the personal services base reduction; and (4) \$3,500 for a travel reduction based on common policy. These decreases are partially offset by the following increases: (1) \$110,000 for medical inflation; (2) \$40,000 for personal services expenditures due to salary survey and anniversary increases awarded in FY 2001-02; and (3) \$13,000 to restore a one-time reduction applied in FY 2001-02.

Cash Funds Exempt Changes: The reduction in cash funds exempt is the result of a \$70,000 decrease for lower indirect cost assessments and \$2,000 for a personal services base reduction. These decreases are offset by the following increases: (1) \$11,000 for medical inflation; (2) \$9,000 for personal services expenditures due to salary survey and anniversary increases awarded in FY 2001-02; and (3) \$8,000 to offset General Fund.

Federal Funds Changes: The increase in federal funds reflects additional federal grants the Department anticipates receiving for FY 2002-03 and funds that have not been historically not been included in the Long Bill.

Prevention and Intervention Services for Children and Youth

This division was created pursuant to H.B. 00-1342. This legislation consolidated a number of programs related to youth crime prevention from throughout state government into this new division, including the Tony Grampas Youth Services Program, the Colorado Children's Trust Fund, Safe Drug Free Program, and Build a Generation Grants.

When the Department of Public Health and Environment reorganized in 2001, the Maternal and Child Health and the Nutrition subdivisions were also added to this division. The Maternal and Child Health subdivision includes programs such as: Early and Periodic Screening, Diagnosis and Treatment (EPSDT), Nurse Home Visitor, Children With Special Needs, and Genetics Counseling. The Children with Special Needs area provides services such as care coordination and diagnostic and treatment services for uninsured and under-insured children with chronic physical conditions. Genetics counseling services include clinical evaluation, counseling, and care for families with children with inherited or congenital diseases.

The Nutrition subdivision includes the federal Women, Infants and Children (WIC) supplemental food grant, as well as the Child and Adult Food Care Program (CACFP). The WIC program provides supplemental food packages and nutrition education to approximately 125,000 eligible women and

children. The CACFP provides reimbursement for nutritious meals as well as provides nutrition education to child care centers, Head Start programs, Outside School Hours Centers, and adult day care centers.

The primary cash funds and cash funds exempt sources include the following: Newborn Screening and Genetic Counseling Fund, Medicaid funds transferred from the Department of Health Care Policy and Financing, Colorado Children's Trust Fund, Tobacco Litigation Cash Fund, and federal funds appropriated to the Department of Education.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$13,004,748	\$1,232,049	\$10,590,299	\$96,822,114	\$121,649,210	119.3
HB 02-1381	(97,599)	10,251	4,610,076	0	4,522,728	(1.0)
HB 02-1433	<u>(583,965)</u>	<u>0</u>	<u>421,369</u>	<u>0</u>	<u>(162,596)</u>	<u>0.0</u>
TOTAL	\$12,323,184	\$1,242,300	\$15,621,744	\$96,822,114	\$126,009,342	118.3
FY 2002-03 Appropriation:						
HB 02-1420	<u>\$4,501,911</u>	<u>\$1,292,848</u>	<u>\$20,156,027</u>	<u>\$95,475,554</u>	<u>\$121,426,340</u>	<u>112.6</u>
TOTAL	\$4,501,911	\$1,292,848	\$20,156,027	\$95,475,554	\$121,426,340	112.6
Increase/(Decrease)	(\$7,821,273)	\$50,548	\$4,534,283	(\$1,346,560)	(\$4,583,002)	(5.7)
Percentage Change	-63.5%	4.1%	29.0%	-1.4%	-3.6%	-4.8%

FTE Detail	FY 2001-02	FY 2002-03
Program and Administration	5.5	5.5
Prevention Partnerships	10.5	2.5
Maternal and Child Health	68.9	69.6
Nutrition Services	33.4	33.4
New Federal Grants	<u>0.0</u>	<u>1.6</u>
	118.3	112.6

FTE Changes: The reduction in FTE is the result of the following: (1) decrease of 5.0 FTE as a result of the Department no longer receiving federal funding for the Safe and Drug Free Program; (2) a decrease of 3.0 FTE to more accurately reflect actual staffing levels for the Maternal and Child Health Block grant; and (3) a decrease of 3.0 as a result of the Governor's veto of the Prevention

Services Programs in the Tony Grampas Youth Services Program. These decreases are partially offset by an additional 4.8 FTE related to new federal grants anticipated to be received and an increase of 0.5 FTE for the Nurse Home Visitor Program.

General Fund Changes: The reduction in General Fund is the result of the following decreases: (1) \$7.6 million as a result of the Governor's veto of the Prevention Services Programs line item in the Tony Grampas Youth Services Program; and (2) \$426,000 as a result of the Governor's veto of the Build a Generation line item; (3) \$30,000 for a personal services base reduction; and (4) \$20,000 to offset General Fund with other funding sources. These decreases are partially offset by \$250,000 to restore one-time reductions applied in FY 2001-02.

Cash Funds Exempt Changes: The reduction in cash funds is the result of a decrease of \$45,000 for medical inflation and \$3,000 for personal services expenditures due to salary survey and anniversary increases awarded in FY 2001-02.

Cash Funds Exempt Changes: The additional cash funds exempt is the result of the following increases: (1) \$2.0 million of tobacco settlement funds to be transferred into the Nurse Home Visitor Fund; (2) \$2.0 million from the Nurse Home Visitor Fund to be transferred into the Nurse Home Visitor Program; and (3) \$900,000 to provide orthodontia and hearing aid equipment to Medicaid patients. These increases are partially offset by a \$600,000 decrease to eliminate funding for one-time expenditures in FY 2001-02.

Federal Funds Changes: The reduction in federal funds reflects lower federal grants the Department anticipates receiving for FY 2002-03.

Health Facilities Division

This division establishes and enforces standards for the operation of health care facilities throughout the state. The division is divided into two subdivisions: (1) Licensure and (2) Medicaid/Medicare Certification Program. Activities include: licensure of hospitals, other health care facilities, health maintenance organizations, and personal care boarding homes; certification of nursing homes; and, training of non-licensed individuals to administer medications in residential care facilities and adult day programs. The primary cash funds and cash funds exempt sources include the following: Health Facilities Licensure Cash Fund, Personal Care Boarding Home Cash Fund, Medication Administration Cash Fund and Medicaid funds transferred from the Department of Health Care Policy and Financing.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-78	\$36,043	\$0	\$0	\$0	\$36,043	0.7
SB 01-212	<u>194,706</u>	<u>473,688</u>	<u>3,630,948</u>	<u>3,275,247</u>	<u>7,574,589</u>	<u>102.0</u>
TOTAL	\$230,749	\$473,688	\$3,630,948	\$3,275,247	\$7,610,632	102.7

	GF	CF	CFE	FF	Total	FTE
FY 2002-03 Appropriation:						
HB 02-1323	\$0	\$282,133	\$0	\$0	\$282,133	3.3
HB 02-1420	379,555	479,510	3,823,749	3,268,664	7,951,478	106.8
HB 02-1457	<u>58,514</u>	<u>0</u>	<u>(89,506)</u>	<u>0</u>	<u>(30,992)</u>	<u>(0.7)</u>
TOTAL	\$438,069	\$761,643	\$3,734,243	\$3,268,664	\$8,202,619	109.4
Increase/(Decrease)	\$207,320	\$287,955	\$103,295	(\$6,583)	\$591,987	6.7
Percentage Change	89.8%	60.8%	2.8%	-0.2%	7.8%	6.5%

FTE Detail	FY 2001-02	FY 2002-03
Licensure	9.9	18.0
Medicaid/Medicare Certification Program	<u>92.8</u>	<u>91.4</u>
	102.7	109.4

FTE Changes: The increase of 6.7 FTE includes the following: (1) an additional 3.3 FTE for added regulatory measures related to assisted living facilities pursuant to H.B. 02-1323; (2) an additional 3.0 FTE to increase inspections of assisted living facilities; (3) an additional 1.1 FTE pursuant to S.B. 01-078; and (4) a reduction of 0.7 FTE pursuant to H.B. 02-1457.

General Fund Changes: The additional General Fund is the result of the following increases: (1) \$170,000 for enhanced inspections and oversight of the State's personal care boarding homes; (2) \$59,000 pursuant to H.B. 02-1457; and (3) \$20,000 for personal services expenditures due to salary survey and anniversary increases awarded in FY 2001-02. These increases are partially offset by the following decreases: (1) \$36,000 to eliminate funding for one-time expenditures in FY 2001-02; (2) \$3,000 for a personal services base reduction; and (3) \$3,000 for the Governor's 1.0 percent reduction which offset General Fund with cash fund balances.

Cash Funds Changes: The additional cash funds is the result of the following increases: \$282,000 pursuant to H.B. 02-1323 and \$11,000 for personal services expenditures due to salary survey and anniversary increases awarded in FY 2001-02. These increases are partially offset by a decrease of \$4,000 for a personal services base reduction.

Cash Funds Exempt Changes: The additional cash funds exempt amount is due to the following increases: (1) \$170,000 for personal services expenditures due to salary survey and anniversary increases awarded in FY 2001-02; (2) \$90,000 for S.B. 01-78; and (3) \$3,000 for the Governor's 1.0

percent reduction which offset General Fund with cash fund balances. These increases are partially offset by the following decreases: (1) \$90,000 pursuant to H.B.02-1457 and (2) \$70,000 for a personal services base reduction.

Federal Funds Changes: The reduction in federal funds reflects lower federal grants the Department anticipates receiving for FY 2002-03.

Health Promotion and Disease Prevention

This division is divided into the following subdivisions: (1) Emergency Medical Services and Injury, (2) Prevention Programs, (3) Women's Health - Family Planning, and (4) Rural - Primary Care.

Emergency medical services support training and certification of emergency personnel, technical assistance to local agencies, and grants to support local activities. Prevention programs focus on mitigation of chronic disease, tobacco education and prevention and support for the cancer registry. The women's health subdivision primarily provides funds to public and private local agencies to support family planning and primary health care services including physical examinations, cancer and sexually transmitted disease screening and treatment, contraceptive supplies, counseling and education, and voluntary sterilization. Services provided in the rural-primary care subdivision focus on increasing awareness and availability of oral health services and providing primary health care services to under-served populations.

The primary cash funds and cash funds exempt sources include the following: Trauma System Cash Fund, Tobacco Litigation Cash Fund, Medicaid funds transferred from the Department of Health Care Policy and Financing, and the Medical Services Account in the Highway Users Tax Fund.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-164	\$0	\$0	\$387,164	\$0	\$387,164	0.4
SB 01-212	2,991,543	411,266	17,815,501	10,231,892	31,450,202	91.4
HB 02-1381	<u>(20,546)</u>	<u>0</u>	<u>12,805,936</u>	<u>0</u>	<u>12,785,390</u>	<u>0.0</u>
TOTAL	\$2,970,997	\$411,266	\$31,008,601	\$10,231,892	\$44,622,756	91.8
FY 2002-03 Appropriation:						
HB 02-1125	\$0	\$0	\$39,857	\$0	\$39,857	0.5
HB 02-1348	1,215,079	0	0	0	1,215,079	0.0
HB 02-1420	3,079,432	441,992	35,782,019	12,772,749	52,076,192	99.8
HB 02-1440	<u>0</u>	<u>11,000</u>	<u>0</u>	<u>0</u>	<u>11,000</u>	<u>0.2</u>

	GF	CF	CFE	FF	Total	FTE
TOTAL	\$4,294,511	\$452,992	\$35,821,876	\$12,772,749	\$53,342,128	100.5
Increase/(Decrease)	\$1,323,514	\$41,726	\$4,813,275	\$2,540,857	\$8,719,372	8.7
Percentage Change	44.5%	10.1%	15.5%	24.8%	19.5%	9.5%

FTE Detail	FY 2001-02	FY 2002-03
Emergency Medical Services and Injury	13.1	13.3
Prevention Programs	66.7	71.7
New Federal Grants	0.0	3.7
Women's Health - Family Planning	7.3	7.3
Rural - Primary Care	<u>4.7</u>	<u>4.5</u>
	91.8	100.5

FTE Changes: The increase of 8.7 FTE reflects the following: (1) an increase of 4.5 FTE related to an anti-smoking grant from the American Legacy Foundation; (2) an additional 3.7 FTE associated with new federal grants the Department anticipates receiving in FY 2002-03; (3) and additional 0.5 FTE associated with H.B. 02-1125; (4) an increase of 0.2 FTE associated with H.B. 02-1440; and (5) a reduction of 0.2 FTE as the result of S.B. 01-164.

General Fund Changes: The additional General Fund is the result of the following increases: (1) \$1.2 million pursuant to H.B. 02-1348; (2) \$100,000 for medical inflation; (3) \$30,000 for personal services expenditures due to salary survey and anniversary increases awarded in FY 2001-02; and (4) \$20,000 to restore one-time reductions applied in FY 2001-02. These increases are partially offset by the following decreases: (1) \$25,000 for the Governor's 1.0 percent reduction; (2) \$13,000 for a personal services base reduction; (3) \$5,000 to offset General Fund with other funding sources; and (4) \$2,000 travel reduction.

Cash Funds Changes: The increase in cash funds is the result of the following increases: (1) \$36,000 for indirect cost assessments and (2) \$11,000 pursuant to H.B. 02-1440. These increases are partially offset by a \$5,000 personal services base reduction.

Cash Funds Exempt Changes: The additional cash funds exempt is the result of the following increases: (1) \$2.0 million of tobacco settlement funds to be transferred into the Tobacco Program Fund; (2) \$2.0 million from the Tobacco Program Fund to be transferred into the Tobacco Cessation and Prevention Grants line item; (3) \$670,000 for an anti-smoking grant from the American Legacy Foundation; (4) \$70,000 for indirect cost assessments; (5) \$50,000 to build a prenatal plus module to the Department's Integrated Registration and Information System; and (6) \$40,000 pursuant to

H.B. 02-1125. These increases are partially offset by decreases of \$30,000 for a personal services base reduction and \$1,000 travel reduction based on common policy.

Federal Funds Changes: The increase in federal funds reflects additional federal grants the Department anticipates receiving for FY 2002-03 and funds that have historically not been included in the Long Bill.

Recent Legislation

2001 Session Bills

S.B. 01-78: Requires the Department to develop and implement a consumer satisfaction survey and make other changes regarding nursing facility quality assurance. Appropriates \$36,043 General Fund and 0.7 FTE to the Department. For a full description of S.B. 01-078, please refer to the Recent Legislation section of the Department of Health Care Policy and Financing.

S.B. 01-121: Re-authorizes the Asbestos Control Program within the Air Quality Control Division until July 1, 2006. Slightly expands the program and increases the scope of abatement regulations. Appropriates continuation funding and \$36,066 and 0.7 FTE in additional funding for FY 2001-02.

S.B. 01-164: Creates a state dental loan repayment program for dentists and dental hygienists who provide a significant level of services to under served populations. Changes the annual allocation from the Tobacco Litigation Cash Fund to provide for \$200,000 to the Dental Loan Repayment Fund and appropriates \$200,000 from the Dental Loan Repayment Fund and 0.4 FTE to the Department of Public Health and Environment. For a full description of S.B. 01-164, please refer to the Health Care Policy and Financing Section.

S.B. 01-212: General appropriations act for FY 2001-02. Includes an add-on appropriation to the Department of Public Health and Environment to modify the appropriation included in the FY 2000-01 Long Bill.

S.B. 01-214: Expands the prescribed burn provisions of the "Colorado Air Pollution Prevention and Control Act" and requires the Air Quality Control Commission (AQCC) in the Department of Public Health and Environment (DPHE) to review land management plans adopted by any significant user of prescribed fire, including federal, state, local government, and private land managers. Appropriates \$50,868 cash funds and 0.4 FTE to DPHE and \$25,673 and 0.3 FTE to the Department of Law for FY 2001-02.

H.B. 01-1106: Establishes a Cathode Ray Tube Recycling Pilot Program to be implemented by the Department of Public Health and Environment (DPHE) if it has received a grant, gift, or bequest that is sufficient to do so. Authorizes DPHE to make grants or loans to private industry and public-

private partnerships out of moneys appropriated to the pilot program. Appropriates \$30,693 cash funds exempt from the Cathode Ray Tube Recycling Fund to DPHE for FY 2001-02.

H.B. 01-1326: Increases fee sources to the Stationary Sources Control Fund, and appropriates continuation levels of funding for FY 2001-02 not included in the FY 2001-02 Long Bill.

H.B. 01-1387: Provides for additional expenditures from the Solid Waste Management Fund (SWMF), reduces "tipping" fees, and provides that any reserve balance in excess of S.B. 98-194 be transferred to the Hazardous Substance Response Fund (HSRF), which is exempt from the requirements of S.B. 98-194. Authorizes the department to expend moneys from the SWMF to respond to and mitigate hazards originating from solid waste.

S.B. 01S2-22: Provides a 4.3 percent increase in the state contribution rate for state employees for CY 2002 and provides funding to pay for the additional costs associated with health insurance for state employees who reside in Pueblo. For more information, refer to the Recent Legislation section in the Department of Personnel.

2002 Session Bills

S.B. 02-50: For an explanation of this bill please see the Recent Legislation section in the Department of Corrections.

S.B. 02-71: Reduces scope of S.B. 01-78, requires the Department of Public Health and Environment to develop and implement a pilot survey to aid in the implementation of a consumer satisfaction survey for nursing home residents.

H.B. 02-1038: For an explanation of this bill please see the Recent Legislation section in the Department of Corrections.

H.B. 02-1125: Creates a 14-member Stroke Advisory Board to be appointed by the executive director of the Department of Public Health and Environment. Creates the Stroke Prevention and Treatment Cash Fund and stipulates that for FY 2001-02, \$75,978 from moneys paid to the Department of Public Health and Environment for monitoring the operation and effectiveness of tobacco settlement programs, shall be allocated to the fund to cover the board's costs. Appropriates \$39,857 cash funds exempt out of the fund and 0.5 FTE to the Department of Public Health and Environment for FY 2002-03.

H.B. 02-1315: Creates the Office of Preparedness and Security (OPS) as a division within the Department of Public Safety. Directs the OPS to create and implement terrorist preparedness plans and develop protocols concerning the State's response to terrorism. Transfers \$63,512 federal funds and 1.0 FTE from the Department of Public Health and Environment to the Department of Public

Safety for the implementation of this act. Please see the Department of Public Safety for a full description of H.B. 02-1315.

H.B. 02-1323: Increases fees in order to fund existing regulatory functions related to the inspection and monitoring of assisted living facilities. Increases three licensing fees and creates four new licensee fees. Fee revenue is credited to the Assisted Living Residence Cash Fund. Appropriates \$291,482 cash funds and 3.3 FTE to the Health Facilities Division in the Department of Public Health and Environment for FY 2002-03.

H.B. 02-1329: Requires the Commissioner of Agriculture to identify areas where pesticide contamination of groundwater is probable and to conduct monitoring in those areas. Transfers \$93,806 cash funds exempt and 1.0 FTE associated with groundwater pesticide monitoring from the Department of Public Health and Environment to the Department of Agriculture beginning in FY 2002-03.

H.B. 02-1344: Requires the Department to examine whether the state Water Quality Control Program standard-setting and classification process should be modified to reasonably accommodate the unique attributes of Colorado's water bodies. Increases existing fees and establishes new fees for issuance or revision of water quality control discharge permits to be credited to the Water Quality Control Fund. Appropriates continuation levels of funding for FY 2002-03 that was not included in the FY 2002-03 Long Bill in order to match existing revenues.

H.B. 02-1348: Transfers the Poison Control Program from the Department of Health Care Policy and Financing to the Department of Public Health and Environment. Transfers \$1,215,079 General Fund to the Department of Public Health and Environment for FY 2002-03.

H.B. 02-1381: Supplemental appropriation to the Department of Public Health and Environment to modify the appropriation included in the FY 2001-02 Long Bill.

H.B. 02-1420: General appropriations act for FY 2002-03.

H.B. 02-1433: Supplemental appropriation to the Department of Public Environment to modify the appropriation included in the FY 2001-02 Long Bill.

H.B. 02-1440: Amends statutory requirements related to emergency services, including the following: repeals the \$100 limitation on licensing fees for ambulance services and the conditional licensing of ambulance services by counties; repeals the issuance of conditional licenses to an ambulance service; requires licensing of fixed-wing and rotor-wing ambulance services by the Department of Public Health and Environment; and creates the Fixed-Wing and Rotor-Wing Ambulances Cash Fund. Appropriates \$11,000 cash funds and 0.2 FTE to the Department of Public Health and Environment in FY 2002-03 for the implementation of the act.

H.B. 02-1457: Results in a \$58,514 General Fund appropriation, and a reduction of \$89,506 cash funds exempt and a reduction of 0.7 FTE for FY 2002-03. Please see the Recent Legislation section in the Department of Health Care Policy and Financing section of this report for more detail on this bill.

H.B. 02-1468: Refinances the FY 2001-02 appropriation made pursuant to S.B. 01S2-22. Establishes the CY 2003 state contribution rate for health, life, and dental insurance to be the same as the state contribution rate for CY 2002. Authorizes the General Assembly to annually adjust the state contribution for health, life, and dental insurance effective CY 2004 through the Long Bill. For more information, refer to the bill description in the Department of Personnel.

DEPARTMENT OF PUBLIC SAFETY

The Department of Public Safety's responsibilities include: enforcing motor vehicle laws on highways of the state; conducting automobile and truck safety checks; coordinating emergency responses to hazardous materials incidents; training emergency responders for hazardous materials accidents; providing assistance to local governments related to the delivery of fire safety services; providing investigative, forensic, and criminal history services to local law enforcement agencies; and administering adult and youth community corrections programs.

The Department is comprised of the following divisions:

1. Executive Director's Office
2. Colorado State Patrol
3. Division of Criminal Justice
4. Colorado Bureau of Investigation
5. Office of Preparedness, Security, and Fire Safety

Department Budget: Recent Actual Expenditures and Appropriations

Funding Source	FY 1999-00 Actual	FY 2000-01 Actual	FY 2001-02 Approp.	FY 2002-03 Approp.
General Fund	\$49,784,471	\$56,743,024	\$57,028,522	\$59,523,200
Cash Funds	4,921,395	5,551,601	7,052,166	7,585,691
Cash Funds Exempt	71,374,637	75,371,799	85,882,333	87,385,023
Federal Funds	<u>29,485,569</u>	<u>33,965,564</u>	<u>37,282,328</u>	<u>38,996,439</u>
TOTAL	\$155,566,072	\$171,631,988	\$187,245,349	\$193,490,353
Full Time Equiv. Staff	1,189.6	1,189.9	1,241.0	1,262.4

FY 2002-03 Budget Changes

Significant changes in appropriations for FY 2002-03 compared to FY 2001-02 include the following:

- An increase of \$1.7 million General Fund for community corrections beds;
- An increase of \$1.0 million cash funds exempt to provide criminal history records over the Internet;

- ❑ An increase of \$720,000 and 6.0 FTE to reflect federal funds anticipated to be available for the development of the new Office of Preparedness, Security, and Fire Safety pursuant to H.B. 02-1315;
- ❑ An increase of \$590,000 General Fund due to lower indirect cost recoveries which were used to decrease General Fund appropriations in FY 2001-02;
- ❑ An increase of \$530,000 General Fund increase for multiuse network costs;
- ❑ An increase of \$420,000 General Fund to purchase maintenance and software agreements for the Colorado Criminal Information Center computer system;
- ❑ An increase of \$394,000 and 0.6 FTE, including \$69,000 cash funds and \$325,000 cash funds exempt, for additional fingerprint-based background checks pursuant to legislation passed in the 2002 session;
- ❑ An increase of \$320,000 cash funds exempt for the purchase of additional officer safety equipment;
- ❑ An increase of \$320,000 General Fund for the DNA testing of felons pursuant to H.B. 01-1130;
- ❑ An increase of \$280,000 General Fund for centrally appropriated items such as salary survey and anniversary increases, and worker's compensation;
- ❑ An increase of \$120,000 General Fund and 4.0 FTE for increased capitol complex security;
- ❑ An increase of \$120,000 cash funds and 3.0 FTE for increased monitoring of nuclear materials shipments; and
- ❑ An increase of \$74,000 General Fund for additional investigation of methamphetamine laboratories.

General Factors Driving the Budget

Funding for this department consists of 30.8 percent General Fund, 3.9 percent cash funds, 45.2 percent cash funds exempt, and 20.1 percent federal funds. Some of the most important factors driving the budget are reviewed below.

Number of State Troopers

The Department of Public Safety uses the Police Allocation Model (PAM) to calculate the need for additional road troopers. The model's variables include: the hours of road coverage, the frequency that a stretch of highway is checked during a shift, the amount of traffic on a highway, and the percentage of time an officer is available to immediately respond to an accident. In recent years, PAM has shown a need for additional troopers in Colorado. In response, the General Assembly has approved an increased number of troopers in the state.

	FY 1998-99 Actual	FY 1999-00 Actual	FY 2000-01 Actual	FY 2001-02 Approp.	FY 2002-03 Approp.
Colorado State Patrol, Sergeants, Technicians, and Troopers	540.6	593.1	588.0	594.1	594.1

Highway Users Tax Fund (HUTF) "Off-the-Top" Appropriations

The Highway Users Tax Fund (HUTF) consists of taxes on motor fuel and registration fees on drivers and vehicles. A majority of HUTF revenue is allocated, to cities, counties and the Department of Transportation. The term "off-the-top" appropriations refers to funds that are removed from available HUTF revenues before the allocation to cities, counties, and the Department of Transportation. These "off-the-top" funds are appropriated to the State Patrol in the Department of Public Safety, to the Ports of Entry in the Department of Revenue, and for related capital expenditures. Senate Bill 95-47 limited the annual growth in "off-the-top" appropriations to six percent. The HUTF is a significant funding source for the Colorado State Patrol. The following table reflects the level of "off-the-top" since FY 1999-00.

	FY 1999-00	FY 2000-01	FY 2001-02	FY 2002-03
Total HUTF Off-the-Top Funding	\$67,185,102	\$71,216,208	\$75,489,180	\$79,963,827
Dept. of Public Safety - HUTF Funding - Operating Budget	\$57,684,628	\$60,755,775	\$67,366,667	\$70,443,245
HUTF Dept. of Public Safety Funding as a Percentage of Total HUTF Funding	85.9%	85.3%	89.2%	88.1%

Advancements in Technology

In recent years, the General Assembly has approved funding for the Department to implement a variety of technology projects in an effort to enhance the effectiveness of public safety services in the state. The following projects are examples of the Department's focus on technology.

- Mobile Data Computers: These computers are located in trooper vehicles and provide instant access to information on arrest warrants, stolen vehicles, and criminal histories. These

computers also eliminate the need to transcribe citations and investigation information from handwritten to electronic form, thereby improving efficiency.

- **Computer Aided Dispatch:** This network records all calls for service, the state troopers involved, and the chronology of the response. Furthermore, computer generated digital maps help communications officers visualize emergency situations and quickly identify nearby resources that may be available. Any data collected may also be used in statistical and other management analyses.
- **Colorado Integrated Criminal Justice Information System (CICJIS):** CICJIS is a computer system that integrates criminal justice information between five different state agencies. The five agencies include: (1) the Department of Public Safety, (2) the Department of Corrections, (3) the Department of Human Services, (4) the District Attorney's Council, and (5) the Judicial Department. CICJIS is intended to improve the transfer of data between criminal justice agencies, and improve the accuracy of the data.

Summary of FY 2001-02 and FY 2002-03 Appropriations

Total Department Appropriations

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:	\$57,028,522	\$7,052,166	\$85,882,333	\$37,282,328	\$187,245,349	1,241.0
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	972,672	448,111	16,100,539	759,620	18,280,942	38.5
Colorado State Patrol	1,631,514	2,322,976	65,795,502	1,750,698	71,500,690	927.2
Division of Fire Safety	149,497	311,074	128,509	0	589,080	6.0
Division of Criminal Justice	41,431,805	1,233,421	1,369,889	33,665,163	77,700,278	69.5
Colorado Bureau of Investigation	12,843,034	2,736,584	2,487,894	1,106,847	19,174,359	199.8
<u>Breakdown of Total Appropriation by Bill</u>						
SB 01-32	0	248,988	74,250	0	323,238	1.5
SB 01-174	0	29,603	44,000	0	73,603	0.3
SB 01-212	59,309,422	6,020,091	83,463,748	37,088,657	185,881,918	1,234.6
HB 01-1114	0	0	21,448	0	21,448	0.0
HB 01-1130	94,008	0	0	192,625	286,633	1.0
HB 01-1155	138,200	0	0	0	138,200	2.6

	GF	CF	CFE	FF	Total	FTE
SB 01S2-022	0	0	102,279	0	102,279	0.0
HB 02-1382	(1,623,467)	750,419	2,183,925	(3,206)	1,307,671	1.0
HB 02-1434	(889,641)	0	0	0	(889,641)	0.0
HB 02-1468	0	3,065	(7,317)	4,252	0	0.0
FY 2002-03 Appropriation:	\$59,523,200	\$7,585,691	\$87,385,023	\$38,996,439	\$193,490,353	1,262.4
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	2,452,271	357,663	12,211,681	741,476	15,763,091	37.5
Colorado State Patrol	2,045,265	2,478,023	70,974,015	2,807,520	78,304,823	938.0
Division of Fire Safety	0	0	0	0	0	0.0
Division of Criminal Justice	40,796,483	681,764	1,387,493	33,692,515	76,558,255	70.0
Colorado Bureau of Investigation	14,078,156	3,752,337	2,681,320	859,487	21,371,300	204.4
Office of Preparedness, Security, and Fire Safety	151,025	315,904	130,514	895,441	1,492,884	12.5
<u>Breakdown of Total Appropriation by Bill</u>						
SB 02-50	(9,945)	0	0	0	(9,945)	0.0
HB 02-1009	0	34,347	58,080	0	92,427	0.2
HB 02-1038	(9,917)	0	0	0	(9,917)	0.0
HB 02-1054	0	34,233	92,400	0	126,633	0.3
HB 02-1114	0	0	0	11,280	11,280	0.0
HB 02-1315	0	0	0	718,441	718,441	6.0
HB 02-1420	59,530,504	7,513,659	87,043,493	38,263,408	192,351,064	1,255.3
HB 02-1459	0	1,000	141,000	0	142,000	0.6
HB 02-1468	12,558	2,452	50,050	3,310	68,370	0.0
Increase/(Decrease)	\$2,494,678	\$533,525	\$1,502,690	\$1,714,111	\$6,245,004	21.4
Percentage Change	4.4%	7.6%	1.8%	4.6%	3.3%	1.7%

Detail of Appropriation by Administrative Section

Executive Director's Office

This office is responsible for managing the administrative and fiscal affairs of the Department and providing policy direction. In addition, the office is responsible for making distributions to local governments for hazardous materials equipment, and operating the Witness Protection Program. The office also houses the Colorado Integrated Criminal Justice Information System (CICJIS). The primary cash funds and cash funds exempt sources include the following: the Highway Users Tax Fund, limited gaming funds that are transferred from the Department of Revenue, the Hazardous Materials Safety Fund, and indirect cost recoveries.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$1,653,594	\$447,045	\$15,834,363	\$758,574	\$18,693,576	38.5
SB 01S2-22	0	0	102,279	0	102,279	0.0
HB 02-1382	(680,922)	(1,999)	171,214	(3,206)	(514,913)	0.0
HB 02-1468	<u>0</u>	<u>3,065</u>	<u>(7,317)</u>	<u>4,252</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$972,672	\$448,111	\$16,100,539	\$759,620	\$18,280,942	38.5
FY 2002-03 Appropriation:						
SB 02-50	(\$9,945)	\$0	\$0	\$0	(\$9,945)	0.0
HB 02-1038	(9,917)	0	0	0	(9,917)	0.0
HB 02-1420	2,459,575	355,211	12,161,631	738,166	15,714,583	37.5
HB 02-1468	<u>12,558</u>	<u>2,452</u>	<u>50,050</u>	<u>3,310</u>	<u>68,370</u>	<u>0.0</u>
TOTAL	\$2,452,271	\$357,663	\$12,211,681	\$741,476	\$15,763,091	37.5
Increase/(Decrease)	\$1,479,599	(\$90,448)	(\$3,888,858)	(\$18,144)	(\$2,517,851)	(1.0)
Percentage Change	152.1%	-20.2%	-24.2%	-2.4%	-13.8%	-2.6%

FTE Detail	FY 2001-02	FY 2002-03
Executive Director and Administration	33.5	32.5
CICJIS	<u>5.0</u>	<u>5.0</u>
	38.5	37.5

FTE Changes: The decrease of 1.0 FTE reflects the elimination of a vacant position.

General Fund Changes: The additional General Fund reflects the following increases: (1) \$590,000 to offset a reduction in indirect cost recoveries which were used to decrease General Fund appropriations in FY 2001-02; (2) \$530,000 for the multiuse network costs; (3) \$220,000 for centrally appropriated items such as salary survey and anniversary increases, and workers' compensation; (4) \$150,000 for personal services expenditures due to salary survey and anniversary increases awarded in FY 2001-02; and (5) \$13,000 pursuant to H.B. 02-1468. The increases are partially offset by the following decreases: (1) \$10,000 pursuant to S.B. 02-50; (2) \$10,000 pursuant to H.B. 02-1038; and (3) \$6,000 to reduce base personal services funding.

Cash Funds Changes: The reduction in cash funds reflects lower spending authority for centrally appropriated items such as salary survey and anniversary increases, and workers' compensation.

Cash Funds Exempt Changes: The reduction in cash funds exempt reflects the following decreases: (1) \$3.0 million for centrally appropriated items such as salary survey and anniversary increases, and workers' compensation; (2) \$590,000 in indirect cost recoveries which were used to decrease General Fund appropriations in FY 2001-02; (3) the elimination of \$350,000 in one-time funding provided for in FY 2001-02; and (4) \$60,000 to reduce personal services funding. These decreases are partially offset by a \$120,000 increase for personal services expenditures due to salary survey and anniversary increases awarded in FY 2001-02.

Federal Funds Changes: The decrease in federal funds represents a reduction in federal grant funds the Department anticipates receiving in FY 2002-03.

Colorado State Patrol

This division is responsible for the safe and efficient movement of motor vehicle traffic on federal, state, and county roads in Colorado. The State Patrol enforces motor vehicle laws, assists motorists in need, conducts automotive and motor carrier safety checks, investigates traffic accidents, and oversees the transportation of hazardous materials. The primary cash funds and cash funds exempt sources include: the Highway Users Tax Fund, limited gaming funds that are transferred from the Department of Revenue, the Vehicle Inspection Number Identification Fund, and user fees collected from state and non-state agencies.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$1,731,601	\$1,969,288	\$64,071,514	\$1,750,698	\$69,523,101	924.2
HB 01-1114	0	0	21,448	0	21,448	0.0
HB 02-1382	<u>(100,087)</u>	<u>353,688</u>	<u>1,702,540</u>	<u>0</u>	<u>1,956,141</u>	<u>3.0</u>
TOTAL	\$1,631,514	\$2,322,976	\$65,795,502	\$1,750,698	\$71,500,690	927.2

	GF	CF	CFE	FF	Total	FTE
FY 2002-03 Appropriation:						
HB 02-1420	<u>\$2,045,265</u>	<u>\$2,478,023</u>	<u>\$70,974,015</u>	<u>\$2,807,520</u>	<u>\$78,304,823</u>	<u>938.0</u>
TOTAL	\$2,045,265	\$2,478,023	\$70,974,015	\$2,807,520	\$78,304,823	938.0
Increase/(Decrease)	\$413,751	\$155,047	\$5,178,513	\$1,056,822	\$6,804,133	10.8
Percentage Change	25.4%	6.7%	7.9%	60.4%	9.5%	1.2%

FTE Detail	FY 2001-02	FY 2002-03
Colonel / Lt. Colonels / Majors / Captains	37.0	37.0
Patrol Supervisors and Troopers	636.1	638.1
Civilians and Administration	116.0	124.8
Dispatch Services	<u>138.1</u>	<u>138.1</u>
	927.2	938.0

FTE Changes: The net increase of 10.8 FTE is the result of the following: (1) an additional 4.8 FTE related to an increase in federal funds the division anticipates receiving in FY 2002-03; (2) an additional 4.0 FTE for increased capitol complex security; and (3) 3.0 FTE for increased monitoring of nuclear materials shipments. These increases are partially offset by a decrease of 1.0 FTE to eliminate a vacant position.

General Fund Changes: The additional General Fund reflects the following increases: (1) \$200,000 for salary survey and anniversary increases awarded in FY 2001-02; (2) \$150,000 for a one-time General Fund refinancing applied in FY 2001-02; and (3) \$120,000 for additional capitol complex security measures. These increases are partially offset by a \$60,000 decrease in base personal services funding.

Cash Funds Changes: The additional cash funds spending authority reflects a \$160,000 increase for salary survey and anniversary increases awarded in FY 2001-02 and a \$120,000 increase for monitoring nuclear materials shipments. These increases are partially offset by a \$90,000 decrease to more accurately reflect actual usage of the Department's dispatch services and a \$30,000 decrease in base personal services funding.

Cash Funds Exempt Changes: The additional cash funds exempt spending authority reflects the following increases: (1) \$6.4 million for salary survey and anniversary increases awarded in FY 2001-02; (2) \$700,000 for additional vehicles; and (3) \$320,000 to purchase additional officer safety equipment. These increases are offset by the following decreases: (1) the elimination of a \$1.1 million one-time appropriation for the counter-drug program in FY 2001-02; (2) a \$730,000

reduction in base personal services funding; and (3) \$400,000 to more accurately reflect actual expenditures.

Federal Funds Changes: The increase in federal funds reflects additional federal grant funds this division anticipates receiving in FY 2002-03.

Division of Fire Safety

This division assists local governments in developing solutions to fire safety issues that are common to local, state, and federal governmental units. The division provides technical assistance to local governments, maintains a statewide reporting system, administers certification and training programs, and oversees fireworks regulation. The primary sources of cash funds and cash funds exempt include: the Fire Service Education and Training Fund, the Hazardous Materials Responder Voluntary Certification Fund, the Fire Suppression Cash Fund, and limited gaming funds originally appropriated to the Department of Revenue.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	<u>\$149,497</u>	<u>\$311,074</u>	<u>\$128,509</u>	<u>\$0</u>	<u>\$589,080</u>	<u>6.0</u>
TOTAL	\$149,497	\$311,074	\$128,509	\$0	\$589,080	6.0
FY 2002-03 Appropriation:						
HB 02-1315	(\$151,025)	(\$315,904)	(\$130,514)	(\$177,000)	(\$774,443)	(6.5)
HB 02-1420	<u>151,025</u>	<u>315,904</u>	<u>130,514</u>	<u>177,000</u>	<u>774,443</u>	<u>6.5</u>
TOTAL	\$0	\$0	\$0	\$0	\$0	0.0
Increase/(Decrease)	(\$149,497)	(\$311,074)	(\$128,509)	\$0	(\$589,080)	(6.0)
Percentage Change	-100.0%	-100.0%	-100.0%	n/a	-100.0%	-100.0%

House Bill 02-1315 transferred this division into the newly created Office of Preparedness, Security, and Fire Safety (OPSFS). The duties and responsibilities that have been previously performed by this division will now be administered by the OPSFS. Please see the Office of Preparedness, Security and Fire Safety for a description of the new division.

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.

The primary sources of cash funds are the Drug Offender Surcharge Fund and the Sex Offender Surcharge Fund. The primary source of cash funds exempt is Victims Assistance and Law Enforcement Fund. The primary sources of federal funds include State and Local Crime Control and System Improvement Grants, Federal Victim Assistance and Compensation Grants, and Juvenile Justice Disbursement Grants.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$43,037,714	\$1,233,421	\$1,369,889	\$33,665,163	\$79,306,187	69.5
HB 02-1382	(716,268)	0	0	0	(716,268)	0.0
HB 02-1434	<u>(889,641)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(889,641)</u>	<u>0.0</u>
TOTAL	\$41,431,805	\$1,233,421	\$1,369,889	\$33,665,163	\$77,700,278	69.5
FY 2002-03 Appropriation:						
HB 02-1420	<u>\$40,796,483</u>	<u>\$681,764</u>	<u>\$1,387,493</u>	<u>\$33,692,515</u>	<u>\$76,558,255</u>	<u>70.0</u>
TOTAL	\$40,796,483	\$681,764	\$1,387,493	\$33,692,515	\$76,558,255	70.0
Increase/(Decrease)	(\$635,322)	(\$551,657)	\$17,604	\$27,352	(\$1,142,023)	0.5
Percentage Change	-1.5%	-44.7%	1.3%	0.1%	-1.5%	0.7%

FTE Changes: The overall appropriation includes an additional 0.5 FTE for a part-time employee to assist in monthly disbursement of payments to community corrections boards.

General Fund Changes: The overall decrease in General Fund reflects a \$2.5 million reduction in funding for juvenile diversion programs due to the Governor's vetoes. These reductions are partially offset by increases in funding for additional residential beds and additional special service slots, as well as inflationary increases for community corrections providers.

Cash Funds Changes: The cash funds decrease is the result of reduction in revenues to the Drug Offender Surcharge Fund for the substance abuse treatment program.

Cash Funds Exempt Changes: The cash funds exempt increase is due to an increased level of indirect cost recoveries.

Federal Funds Changes: The federal funds increase is the result of anticipated increases in federal grants for salary survey and indirect cost recoveries.

Colorado Bureau of Investigation

This division assists local law enforcement agencies by collecting, processing, and analyzing criminal evidence. In addition, it collects, maintains, and disseminates computerized information on crime in Colorado, conducts background checks for firearms, and provides training to other agencies in investigative techniques. In order to implement these functions, the division is divided into five subdivisions: (1) administration; (2) the Colorado Crime Information Center; (3) laboratory services; (4) investigative services; and (5) the Instant Criminal Background Check Program. The primary cash funds and cash funds exempt sources include the following: fingerprint and name check fees collected from other state and non-state agencies, the Victims Assistance and Law Enforcement Fund, and limited gaming funds transferred from the Department of Revenue.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-032	\$0	\$248,988	\$74,250	\$0	\$323,238	1.5
SB 01-174	0	29,603	44,000	0	73,603	0.3
SB 01-212	12,737,016	2,059,263	2,059,473	914,222	17,769,974	196.4
HB 01-1130	94,008	0	0	192,625	286,633	1.0
HB 01-1155	138,200	0	0	0	138,200	2.6
HB 02-1382	<u>(126,190)</u>	<u>398,730</u>	<u>310,171</u>	<u>0</u>	<u>582,711</u>	<u>(2.0)</u>
TOTAL	\$12,843,034	\$2,736,584	\$2,487,894	\$1,106,847	\$19,174,359	199.8
FY 2002-03 Appropriation:						
HB 02-1009	\$0	\$34,347	\$58,080	\$0	\$92,427	0.2
HB 02-1054	0	34,233	92,400	0	126,633	0.3
HB 02-1114	0	0	0	11,280	11,280	0.0
HB 02-1420	14,078,156	3,682,757	2,389,840	848,207	20,998,960	203.3
HB 02-1459	<u>0</u>	<u>1,000</u>	<u>141,000</u>	<u>0</u>	<u>142,000</u>	<u>0.6</u>
TOTAL	\$14,078,156	\$3,752,337	\$2,681,320	\$859,487	\$21,371,300	204.4
Increase/(Decrease)	\$1,235,122	\$1,015,753	\$193,426	(\$247,360)	\$2,196,941	4.6
Percentage Change	9.6%	37.1%	7.8%	-22.3%	11.5%	2.3%

FTE Detail	FY 2001-02	FY 2002-03
Administration	7.0	7.0
Crime Information Center	80.3	80.3
Laboratory Services	55.5	59.5
Investigative Services	35.0	35.6
Instant Criminal Background Check Program	<u>22.0</u>	<u>22.0</u>
	199.8	204.4

FTE Changes: The net increase of 4.6 FTE is attributable as follows: (1) an additional 3.0 FTE associated with the annualization of H.B. 01-1130, concerning the DNA testing of felons; (2) an additional 1.0 FTE for a criminal investigator to investigate methamphetamine laboratories; (3) an additional 1.0 FTE for the restoration of a position which was held open in FY 2001-02; (4) an additional 0.6 FTE associated with H.B. 02-1459; (5) an additional 0.3 FTE associated with H.B. 02-1054; (6) an additional 0.2 FTE associated with H.B. 02-1009; and (7) a reduction of 1.5 FTE related to one-time appropriations included in S.B. 01-32.

General Fund Changes: The net increase in General Fund reflects the following increases: (1) \$600,000 for salary survey and anniversary increases awarded in FY 2001-02; (2) \$420,000 to purchase maintenance and software agreements for the Colorado Criminal Information Center computer system; (3) \$320,000 for the DNA testing of felons pursuant to H.B. 01-1130; (4) \$90,000 for vehicle lease payments; and (5) \$74,000 for additional investigation of methamphetamine laboratories. The increases are partially offset by a \$270,000 decrease in base personal services funding.

Cash Funds Changes: The overall increase in cash funds spending authority is the result of the following increases: (1) \$1.0 million to allow the Department to provide criminal history records over the Internet; (2) \$35,000 pursuant to H.B. 02-1009; and (3) \$35,000 pursuant to H.B. 02-1054. These increases are partially offset by a \$50,000 decrease in base personal services funding.

Cash Funds Exempt Changes: The net increase in cash funds exempt reflects the following increases related to additional fingerprint and criminal background checks: (1) \$140,000 pursuant to H.B. 02-1459; (2) \$90,000 associated with H.B. 02-1054; and (3) \$60,000 pursuant to H.B. 02-1009. These increases are partially offset by the elimination of \$74,000 one-time appropriation in FY 2001-02 associated with S.B. 01-32 and the elimination of a \$22,000 one-time appropriation from the Instant Criminal Background Check Fund in FY 2001-02.

Federal Funds Changes: The decrease in federal funds reflects lower federal grants the Department anticipates receiving for FY 2002-03.

Office of Preparedness, Security, and Fire Safety

House Bill 02-1315 created the Office of Preparedness, Security, and Fire Safety (OPSFS) as a division within the Department of Public Safety. The OPS will consist of the Division of Fire Safety, the newly-created Office of Anti-terrorism Planning and Training, and an Office of Security. The bill directs the OPSFS to create and implement terrorist preparedness plans and develop protocols concerning the State's response to terrorism. The division will create law enforcement protocols; coordinate with other state agencies; administer a statewide reporting system for emergencies involving fire departments; create a statewide disaster mobilization plan for firefighting, emergency, and search and rescue resources; and develop rules for the continuity of state government in the event of an emergency.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
TOTAL	n/a	n/a	n/a	n/a	n/a	n/a
FY 2002-03 Appropriation:						
HB 02-1315	<u>\$151,025</u>	<u>\$315,904</u>	<u>\$130,514</u>	<u>\$895,441</u>	<u>\$1,492,884</u>	<u>12.5</u>
TOTAL	\$151,025	\$315,904	\$130,514	\$895,441	\$1,492,884	12.5
Increase/(Decrease)	\$151,025	\$315,904	\$130,514	\$895,441	\$1,492,884	12.5
Percentage Change	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

FTE Changes: The 12.5 FTE appropriated for this division consists of the following pursuant to H.B. 02-1315: (1) 6.5 FTE transferred from the Division of Fire Safety; (2) 3.0 FTE as the result of federal funds the Department is anticipating it will receive in FY 2002-03; (3) 2.0 FTE transferred from the Department of Local Affairs; and (4) 1.0 FTE transferred from the Department of Public Health and Environment.

General Funds Changes: The General Fund amount for this new division represents the amount appropriated to the Division of Fire Safety in the FY 2002-03 Long Bill and transferred to this new division pursuant to H.B. 02-1315.

Cash Funds Changes: The cash funds amount for this new division represents the amount appropriated to the Division of Fire Safety in the 2002-03 Long Bill and transferred to this new division pursuant to H.B. 02-1315.

Cash Funds Exempt Changes: The cash funds exempt amount for this new division represents the amount appropriated to the Division of Fire Safety in the 2002-03 Long Bill and transferred to this new division pursuant to H.B. 02-1315.

Federal Funds Changes: The federal funds for this new division come from the following sources pursuant to H.B. 02-1315: (1) \$329,604 transferred from the Department of Local Affairs; (2) \$325,325 the Department anticipates receiving for FY 2002-03; (3) \$177,000 from the former Division of Fire Safety; and (4) \$63,512 from the Department of Public Health and Environment.

Recent Legislation

2001 Session Bills

S.B. 01-32: Declares that the Judicial Department should continue working with other law enforcement entities to complete the Colorado Integrated Criminal Justice Information System (CICJIS), and consider the integration of municipal records, including county court records of the City and County of Denver. In addition, requires the use of both Colorado Bureau of Investigation (CBI) records and the Integrated Court On-line Network (ICON) system to conduct criminal background checks on child care providers licensed pursuant to state law. Clarifies that each applicant for a child care license must undergo a fingerprint-based criminal history background check through the CBI; except that each provider who has resided in Colorado less than two years must receive a fingerprint background check through the Federal Bureau of Investigation (FBI). Includes the following appropriations for FY 2001-02:

- \$95,658, including \$19,132 General Fund and \$76,526 federal child care development funds, and 2.5 FTE to the Department of Human Services, Division of Child Care, Child Care Licensing and Administration; and
- \$323,238 and 1.5 FTE, including \$248,988 cash funds and \$74,250 cash funds exempt, to the Department of Public Safety, CBI.

S.B. 01-174: Requires criminal background checks for emergency medical technicians (EMTs). The CBI is required to perform name and fingerprint checks for EMTs. Appropriates \$73,603, including \$29,603 from cash funds and \$44,000 from cash funds exempt, and 0.3 FTE for the implementation of this act.

S.B. 01-194: Supplemental appropriation to the Department of Public Safety to modify the appropriation included in the FY 2000-01 Long Bill.

S.B. 01-212: General appropriations act for FY 2001-02.

H.B. 01-1114: Requires the Colorado State Patrol and law enforcement agencies serving the City and County of Denver to collect specified information during traffic stops and make the information available to the public. In addition, requires Colorado state troopers and peace officers serving Denver to provide a business card to every driver detained in a traffic stop and not charged with a

violation. Appropriates \$21,448 cash funds exempt to the Department of Public Safety, for allocation to the Colorado State Patrol, for the implementation of this act.

H.B. 01-1130: Expands DNA testing to include all inmates in the custody of the Department of Corrections prior to discharge or release to parole. Includes the following appropriations:

- \$15,921 General Fund and 0.3 FTE for the Department of Corrections; and
- \$94,008 General Fund, \$192,625 federal funds, and 1.0 FTE for the Department of Public Safety.

The bill will only become effective upon enactment of S.B. 01-77 and the receipt of the required federal funds.

H.B. 01-1155: Expands the number of sex offenders whose identity will be posted on the Internet by adding adults who were convicted of two or more offenses involving unlawful sexual behavior or crimes of violence, and adult felony offenders who fail to register as a sex offender. Appropriates \$138,200 General Fund and 2.6 FTE to the Department of Public Safety, for allocation to the CBI. The bill will only become effective upon enactment of S.B. 01-77.

S.B. 01S2-22: Provides a 4.3 percent increase in the state contribution rate for state employees for CY 2002 and provides funding to pay for the additional costs associated with health insurance for state employees who reside in Pueblo. For more information, refer to the bill description in the Department of Personnel.

2002 Session Bills

S.B. 02-50: For an explanation of this bill please see the Recent Legislation section in the Department of Corrections.

H.B. 02-1009: Requires a moving party who is subject to a restraining order to obtain a certified copy of his or her fingerprint-based criminal history check before motioning the court for a modification of the restraining order. The moving party is required to provide certified copies of any criminal dispositions that are not reflected in the CBI or FBI records. The moving party is responsible for the cost of the fingerprint-based criminal history check. Appropriates \$92,427, including \$34,347 cash funds and \$58,080 cash funds exempt, and 0.2 FTE for the implementation of the act.

H.B. 02-1038: For an explanation of this bill please see the Recent Legislation section in the Department of Corrections.

H.B. 02-1054: Requires a CBI criminal history check to be included on all petitions for a name change. Specifies that the petitioner is responsible for supplying fingerprints and paying for the

criminal history check. Appropriates \$126,633, including \$34,233 cash funds and \$92,400 cash funds exempt, and 0.3 FTE for the implementation of the act.

H.B. 02-1114: Modifies current sex offender registration requirements to conform with the federal Campus Sex Crimes Prevention Act. Requires the CBI to develop a database of registered sex offenders living, working, or volunteering at institutions of post-secondary education institutions. The Department of Public Safety anticipates receiving \$11,280 of federal funds to pay for the implementation of this bill.

H.B. 02-1315: Creates the Office of Preparedness, Security, and Fire Safety (OPSFS) as a division within the Department of Public Safety. Transfers the Division of Fire Safety into the newly created office. In addition, creates an Office of Anti-terrorism Planning and Training and an Office of Security. Directs the OPS to create and implement terrorist preparedness plans and develop protocols concerning the State's response to terrorism. For FY 2002-03 reflects \$325,385 federal funds and 3.0 FTE the Department is anticipating to receive. In addition, makes the following transfers:

- \$774,443 and 6.5 FTE from the Division of Fire Safety;
- \$329,604 federal funds and 2.0 FTE from the Department of Local Affairs; and
- \$63,512 and 1.0 FTE from the Department of Public Health and Environment.

H.B. 02-1382: Supplemental appropriation to the Department of Public Safety to modify the appropriation included in the FY 2001-02 Long Bill.

H.B. 02-1420: General appropriations act for FY 2002-03.

H.B. 02-1434: Supplemental appropriation to the Department of Public Safety to modify the appropriation included in the FY 2001-02 Long Bill, as amended by H.B. 02-1382 (the first FY 2001-02 supplemental bill for the Department).

H.B. 02-1459: Modifies Colorado statutes regarding fingerprint-based criminal history record checks to conform with federal law. Requires the cost of additional criminal history checks to be paid by the applicant. Includes the following appropriations for FY 2002-03:

- \$142,000, including \$1,000 cash funds and \$141,000 cash funds exempt, and 0.6 FTE to the Department of Public Safety, CBI;
- \$135,000 cash funds to the Department of Regulatory Affairs, Real Estate Division; and
- \$7,800 cash funds exempt to the Department of Revenue, State Lottery Division.

H.B. 02-1468: Refinances the FY 2001-02 appropriation made pursuant to S.B. 01S2-22. Establishes the CY 2003 state contribution rate for health, life, and dental insurance to be the same as the state contribution rate for CY 2002. Authorizes the General Assembly to annually adjust the

state contribution for health, life, and dental insurance effective CY 2004 through the Long Bill. For more information, refer to the bill description in the Department of Personnel.

DEPARTMENT OF REGULATORY AGENCIES

The Department of Regulatory Agencies is responsible for protecting the citizens of Colorado from fraudulent, incompetent, and unsafe professionals and businesses. The Department strives to provide regulatory oversight of professions and industries only where such regulation is necessary to protect the public health, safety, and welfare. Therefore, an important part of the Department's mission is identifying and recommending the elimination of regulatory programs, statutes, and regulations that limit or inhibit economic development and the efficient workings of the free market.

The Department is comprised of the following divisions: (1) Executive Director's Office and Administrative Services, (2) Division of Banking, (3) Civil Rights Division, (4) Office of Consumer Counsel, (5) Division of Financial Services, (6) Division of Insurance, (7) Public Utilities Commission, (8) Division of Real Estate, (9) Division of Registrations, and (10) Division of Securities. Eight of the Department's ten divisions are funded primarily through fees and assessments.

Department Budget: Recent Actual Expenditures and Appropriations

Funding Source	FY 1999-00 Actual	FY 2000-01 Actual	FY 2001-02 Approp.	FY 2002-03 Approp.
General Fund	\$1,679,869	\$1,734,418	\$1,914,709	\$2,067,604
Cash Funds	43,106,348	46,225,536	48,813,125	50,903,643
Cash Funds Exempt	10,808,250	12,512,156	15,743,231	20,900,038
Federal Funds	<u>978,646</u>	<u>875,919</u>	<u>895,263</u>	<u>916,467</u>
Total Funds	\$56,573,113	\$61,348,029	\$67,366,328	\$74,787,752
Full Time Equiv. Staff	510.7	510.8	533.7	540.7

FY 2002-03 Budget Changes

Significant changes in appropriations for FY 2002-03 compared to FY 2001-02 include the following:

- An increase of 7.0 FTE to the Office of Information Technology Services within the Executive Director's Office for maintaining the Department's network and information technology assets, expanding its e-government capabilities, and standardizing three non-standard computer systems;
- An increase of \$1,499,000 cash funds for salary survey and anniversary increases awarded in FY 2001-02;
- An increase of \$377,000 cash funds due to additional indirect cost recoveries;

- ❑ A decrease of \$509,000 cash funds due to a reduction in personal services base funding;
- ❑ A decrease of \$407,000 cash funds that would have been used for information technology asset maintenance;
- ❑ An increase of \$4,600,000 cash funds exempt to fund the CoverColorado program;
- ❑ An increase of \$703,000 cash funds exempt for personal services in the Executive Director's Office, including \$240,000 for contractual services to convert nonstandard computer systems;
- ❑ An increase of \$173,000 cash funds exempt for enhancing the Department's wide-area network and improving its remote connectivity by installing fiber lines, a dedicated T-1 line, and a digital communication server; and
- ❑ The appropriation for the Office of Boxing was transferred from the Executive Director's Office to the Division of Registrations, pursuant to H.B. 02-1078.

General Factors Driving the Budget

Funding for this department consists of 68.1 percent cash funds, 27.9 percent cash funds exempt, 2.8 percent General Fund, and 1.2 percent federal funds. Some of the most important factors driving the budget are reviewed below.

Cash Funds

Cash funds and cash funds exempt spending authority make up 96.0 percent of the Department's budget. Five of the ten divisions are exclusively cash funded. Primarily, these cash funds are derived from fees and assessments paid by the regulated entities. There are 17 separate cash funds administered by the Department.

Legal Services

The Department uses more legal services than any other single state agency. The appropriation to the Department in FY 2002-03 represents approximately 31.0 percent of the legal services appropriation for all state agencies. Legal services also represent approximately seven percent of the Department's total appropriation, making it the largest component of the Department's budget aside from personal services and the CoverColorado program. Given that the Department's function is to regulate, legal services will continue to be a driving factor in this budget.

Population Growth

Population growth is a driving factor in budgets statewide. Continued growth impacts the Department of Regulatory Agencies in three ways. First, more individuals are applying for professional and occupational licenses. Likewise, more complaints are being filed by consumers

against licensed or registered individuals or entities, so more resources must be devoted to investigating those complaints, enforcing the state's laws and regulations, and where appropriate, disciplining the offending licensee. Secondly, increased building throughout the State has a direct impact on the number of inspections performed through the Division of Registration. Finally, the Department is impacted by the increase in uninsured and uninsurable individuals in the state, evident in the increased spending authority required for the CoverColorado program.

Summary of FY 2001-02 and FY 2002-03 Appropriations

Total Department Appropriations

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Total Appropriation:	\$1,914,709	\$48,813,125	\$15,743,231	\$895,263	\$67,366,328	533.7
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office and Administrative Services	308,806	9,796,540	12,769,290	138,492	23,013,128	51.0
Division of Banking	0	2,984,522	31,946	0	3,016,468	38.5
Civil Rights Division	1,369,503	0	187,052	564,556	2,121,111	35.0
Office of Consumer Counsel	0	784,453	0	0	784,453	7.0
Division of Financial Services	0	918,598	0	0	918,598	11.0
Division of Insurance	0	6,799,602	72,225	192,215	7,064,042	90.1
Public Utilities Commission	236,400	11,216,974	372,059	0	11,825,433	92.7
Division of Real Estate	0	2,872,793	0	0	2,872,793	37.0
Division of Registrations	0	11,397,303	2,310,659	0	13,707,962	151.4
Division of Securities	0	2,042,340	0	0	2,042,340	20.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 01-212	1,998,686	48,694,289	16,366,475	896,396	67,955,846	532.7
HB 01-1031	0	6,036	0	0	6,036	0.0
HB 01-1195	0	171,062	0	0	171,062	1.0
HB 01-1394	0	67,912	0	0	67,912	0.0

	GF	CF	CFE	FF	Total	FTE
SB 01S2-22	0	0	28,148	0	28,148	0.0
HB 02-1383	(53,997)	(100,417)	30,824	(1,133)	(124,723)	0.0
HB 02-1435	(29,980)	(48,742)	(659,231)	0	(737,953)	0.0
HB 02-1468	0	22,985	(22,985)	0	0	0.0
FY 2002-03 Total Appropriation:	\$2,067,604	\$50,903,643	\$20,900,038	\$916,467	\$74,787,752	540.7
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office and Administrative Services	333,263	10,116,999	18,221,466	144,664	28,816,392	57.0
Division of Banking	0	3,164,361	0	0	3,164,361	38.5
Civil Rights Division	1,494,341	0	115,418	572,220	2,181,979	35.0
Office of Consumer Counsel	0	811,282	0	0	811,282	7.0
Division of Financial Services	0	964,927	0	0	964,927	11.0
Division of Insurance	0	7,157,041	80,225	199,583	7,436,849	90.1
Public Utilities Commission	240,000	11,546,375	357,604	0	12,143,979	92.7
Division of Real Estate	0	3,150,187	0	0	3,150,187	37.0
Division of Registrations	0	11,854,692	2,125,325	0	13,980,017	152.4
Division of Securities	0	2,137,779	0	0	2,137,779	20.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 02-50	(1,352)	0	0	0	(1,352)	0.0
HB 02-1038	(1,348)	0	0	0	(1,348)	0.0
HB 02-1078	0	0	0	0	0	0.0
HB 02-1278	0	3,228	0	0	3,228	0.0
HB 02-1420	2,069,137	50,744,119	20,897,022	916,467	74,626,745	540.7
HB 02-1447	0	1,667	0	0	1,667	0.0
HB 02-1459	0	135,000	0	0	135,000	0.0
HB 02-1468	1,167	19,629	3,016	0	23,812	0.0

	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$152,895	\$2,090,518	\$5,156,807	\$21,204	\$7,421,424	7.0
Percentage Change	8.0%	4.3%	32.8%	2.4%	11.0%	1.3%

Detail of Appropriation by Administrative Section

Executive Director's Office and Administrative Services

This office coordinates and oversees the operations of the divisions within the department and performs administrative functions, including accounting, budgeting, data processing, personnel, purchasing, facilities planning, and management reporting. This section also includes funding and staff for the Office of Policy and Research, which conducts sunrise and sunset evaluations of divisions, commissions, and boards. The cash funds are from various cash sources within the Department and from grants from local government entities for services provided by the Office of Certification. The cash funds exempt are from indirect cost recoveries, transfers from other departments, and, for the CoverColorado program, interest on the Unclaimed Property Trust Fund and interest and reserves from the CoverColorado Cash Fund. The federal funds are from indirect cost recoveries from the Division of Civil Rights.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$385,183	\$9,769,362	\$13,424,480	\$139,625	\$23,718,650	51.0
HB 01-1195	0	83,715	0	0	83,715	0.0
SB 01S2-22	0	0	28,148	0	28,148	0.0
HB 02-1383	(53,997)	(79,522)	(1,122)	(1,133)	(135,774)	0.0
HB 02-1435	(22,380)	0	(659,231)	0	(681,611)	0.0
HB 02-1468	<u>0</u>	<u>22,985</u>	<u>(22,985)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$308,806	\$9,796,540	\$12,769,290	\$138,492	\$23,013,128	51.0
FY 2002-03 Appropriation:						
SB 02-50	(\$1,352)	\$0	\$0	\$0	(\$1,352)	0.0
HB 02-1038	(1,348)	0	0	0	(1,348)	0.0
HB 02-1078	0	(88,709)	0	0	(88,709)	(1.0)
HB 02-1420	334,796	10,186,079	18,218,450	144,664	28,883,989	58.0

	GF	CF	CFE	FF	Total	FTE
HB 02-1468	<u>1,167</u>	<u>19,629</u>	<u>3,016</u>	<u>0</u>	<u>23,812</u>	<u>0.0</u>
TOTAL	\$333,263	\$10,116,999	\$18,221,466	\$144,664	\$28,816,392	57.0
Increase/(Decrease)	\$24,457	\$320,459	\$5,452,176	\$6,172	\$5,803,264	6.0
Percentage Change	7.9%	3.3%	42.7%	4.5%	25.2%	11.8%

FTE Detail	FY 2001-02	FY 2002-03
Director and Administration	6.0	6.0
Policy and Research	5.5	5.5
Budget and Accounting	10.0	10.0
Human Resources	4.5	4.5
Information Technology	20.0	27.0
Office of Certification	4.0	4.0
Office of Boxing	<u>1.0</u>	<u>0.0</u>
	51.0	57.0

FTE Changes: The net increase in FTE includes an additional 7.0 new FTE for information technology services, and a reduction of 1.0 FTE due to the transfer of the Office of Boxing to the Division of Registrations pursuant to H.B. 02-1078.

General Fund Changes: The increase in General Fund is due to a \$16,000 increase for salary survey and an \$8,000 increase for performance-based pay.

Cash Funds Changes: The increase in cash funds is primarily due to the following increases: (1) \$270,000 for salary survey; (2) \$105,000 for legal services; (3) \$98,000 for leased space; (4) \$82,000 for administrative law judge services; (5) \$70,000 for risk management; (6) \$65,000 for vehicle lease payments; (7) \$66,000 for various line items that are dispersed throughout the Department; and (8) \$60,000 for performance-based pay. These increases are partially offset by a \$407,000 reduction for information technology asset maintenance and an \$89,000 reduction due to the transfer of the appropriation for the Office of Boxing to the Division of Registrations.

Cash Funds Exempt Changes: The increase in cash funds exempt is primarily due to the following increases: (1) \$4,553,000 for the CoverColorado program; (2) \$463,000 for personal services (3) \$240,000 for contractual services to convert non-standard systems; and (4) \$173,000 for improvements to the Department's wide-area network and remote connectivity.

Federal Funds Changes: The increase in federal funds is due to increases for legal services and payments to risk management.

Division of Banking

This division regulates state-chartered commercial and industrial banks, trust companies, debt adjusters, and money order companies. The Department estimates that the Divisions of Banking and Financial Services regulated approximately \$184.2 billion in assets in FY 2001-02. The Division is funded entirely through cash funds from fees and assessments paid by the aforementioned regulated entities.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$0	\$2,984,522	\$0	\$0	\$2,984,522	38.5
HB 02-1383	<u>0</u>	<u>0</u>	<u>31,946</u>	<u>0</u>	<u>31,946</u>	<u>0.0</u>
TOTAL	\$0	\$2,984,522	\$31,946	\$0	\$3,016,468	38.5
FY 2002-03 Appropriation:						
HB 02-1420	<u>\$0</u>	<u>\$3,164,361</u>	<u>\$0</u>	<u>\$0</u>	<u>\$3,164,361</u>	<u>38.5</u>
TOTAL	\$0	\$3,164,361	\$0	\$0	\$3,164,361	38.5
Increase/(Decrease)	\$0	\$179,839	(\$31,946)	\$0	\$147,893	0.0
Percentage Change	0.0%	6.0%	-100.0%	0.0%	4.9%	0.0%

FTE Detail	FY 2001-02	FY 2002-03
Commissioner	1.0	1.0
Examiners	25.5	25.5
Specialty Examiners	1.0	1.0
Operations	1.0	1.0
Administration	<u>10.0</u>	<u>10.0</u>
	38.5	38.5

Cash Funds Changes: The cash funds increase is due to salary survey and anniversary increases of \$174,000 awarded in FY 2001-02 and an increase in indirect costs of \$77,000. These increases are partially offset by a \$64,000 (2.5 percent) reduction in personal services base funding and an \$8,000 reduction in operating expenses.

Cash Funds Exempt Changes: The reduction in cash funds exempt is due to the elimination of a one-time increase in travel expenses for bank examiners in FY 2001-02.

Civil Rights Division

This division investigates and adjudicates complaints of discrimination involving employment, housing, and public accommodation. In FY 2001-02, the Division closed 1,150 cases. The Division receives moneys from the federal Equal Employment Opportunity Commission and the U.S. Housing and Urban Development Office for cases investigated and closed. The remainder of the Division's activities are supported by the General Fund, which is partially offset by cash funds exempt from statewide indirect cost recoveries collected from other divisions within the Department.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$1,373,503	\$0	\$187,052	\$564,556	\$2,125,111	35.0
HB 02-1435	<u>(4,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(4,000)</u>	<u>0.0</u>
TOTAL	\$1,369,503	\$0	\$187,052	\$564,556	\$2,121,111	35.0
FY 2002-03 Appropriation:						
HB 02-1420	<u>\$1,494,341</u>	<u>\$0</u>	<u>\$115,418</u>	<u>\$572,220</u>	<u>\$2,181,979</u>	<u>35.0</u>
TOTAL	\$1,494,341	\$0	\$115,418	\$572,220	\$2,181,979	35.0
Increase/(Decrease)	\$124,838	\$0	(\$71,634)	\$7,664	\$60,868	0.0
Percentage Change	9.1%	0.0%	-38.3%	1.4%	2.9%	0.0%

FTE Detail	FY 2001-02	FY 2002-03
Director's Office	6.0	6.0
Compliance	15.0	15.0
Research & Education	3.0	3.0
Regional Offices	<u>11.0</u>	<u>11.0</u>
	35.0	35.0

General Fund Changes: The General Fund increase is primarily due to a \$157,000 increase for salary survey and anniversary increases awarded in FY 2001-02. This increase is partially offset by a \$35,000 (2.5 percent) reduction in personal services base funding.

Cash Funds Exempt Changes: The cash funds exempt reduction is due to a reduction in available statewide indirect cost recoveries from other divisions within the Department; these funds would have been used to offset General Fund.

Federal Funds Changes: The federal funds increase is due to a \$22,000 increase for personal services. This increase is partially offset by a \$10,000 (2.5 percent) reduction in personal services base funding and other small reductions.

Office of Consumer Counsel

The Office of Consumer Counsel represents the interests of residential, agricultural, and small businesses in cases before the Public Utilities Commission (PUC). These cases involve proposed changes to electric, gas, and telecommunications utility rates, services, and policies. The Office is funded entirely through cash funds from assessments paid by entities regulated by the PUC.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$0	\$784,178	\$0	\$0	\$784,178	7.0
HB 02-1383	<u>0</u>	<u>275</u>	<u>0</u>	<u>0</u>	<u>275</u>	<u>0.0</u>
TOTAL	\$0	\$784,453	\$0	\$0	\$784,453	7.0
FY 2002-03 Appropriation:						
HB 02-1420	<u>\$0</u>	<u>\$811,282</u>	<u>\$0</u>	<u>\$0</u>	<u>\$811,282</u>	<u>7.0</u>
TOTAL	\$0	\$811,282	\$0	\$0	\$811,282	7.0
Increase/(Decrease)	\$0	\$26,829	\$0	\$0	\$26,829	0.0
Percentage Change	0.0%	3.4%	0.0%	0.0%	3.4%	0.0%

FTE Detail	FY 2001-02	FY 2002-03
Director	1.0	1.0
Technical Staff	4.0	4.0
Administrative Staff	<u>2.0</u>	<u>2.0</u>
	7.0	7.0

Cash Funds Changes: The cash fund increase is due to salary survey and anniversary increases awarded in FY 2001-02 and an increase in indirect cost recoveries. These increases are partially offset by a \$10,000 (1.5 percent) reduction in personal services base funding and a reduction for out-of-state travel.

Division of Financial Services

This division regulates state-chartered credit unions, savings and loans, and life care institutions. It also administers the federal Public Deposit Protection Act, which safeguards the uninsured deposits of public moneys in state and federal savings and loan associations. On-site examinations are conducted through a risk-based program to ensure financial stability and compliance with state and federal laws. Enforcement actions are initiated as appropriate. The Division is funded entirely with cash funds from fees and assessments paid by the aforementioned regulated entities.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$0	\$918,598	\$0	\$0	\$918,598	11.0
TOTAL	\$0	\$918,598	\$0	\$0	\$918,598	11.0
FY 2002-03 Appropriation:						
HB 02-1420	\$0	\$964,927	\$0	\$0	\$964,927	11.0
TOTAL	\$0	\$964,927	\$0	\$0	\$964,927	11.0
Increase/(Decrease)	\$0	\$46,329	\$0	\$0	\$46,329	0.0
Percentage Change	0.0%	5.0%	0.0%	0.0%	5.0%	0.0%

FTE Detail	FY 2001-02	FY 2002-03
Commissioner	1.0	1.0
Examiners	8.0	8.0
Administrative Support	<u>2.0</u>	<u>2.0</u>
	11.0	11.0

Cash Funds Changes: The cash funds increase is due to salary survey and anniversary increases awarded in FY 2001-02 and an increase in indirect cost recoveries. These increases are partially offset by a \$12,000 (1.5 percent) reduction in personal services base funding.

Division of Insurance

This division regulates insurance professionals and insurance companies, non-profit hospitals and health service corporations, health maintenance organizations, workers' compensation self-insurance pools, and pre-need funeral contracts. The Division had approximately 70,000 active insurance licensees in FY 2001-02. The cash funds are from tax assessments and license fees paid by regulated entities. The cash exempt funds are from the Workers' Compensation Cash Fund and the Highway Users Tax Fund. The federal funds support the Senior Health Counseling Program.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$0	\$6,812,063	\$72,225	\$192,215	\$7,076,503	90.1
HB 01-1394	0	67,912	0	0	67,912	0.0
HB 02-1383	0	(31,631)	0	0	(31,631)	0.0
HB 02-1435	<u>0</u>	<u>(48,742)</u>	<u>0</u>	<u>0</u>	<u>(48,742)</u>	<u>0.0</u>
TOTAL	\$0	\$6,799,602	\$72,225	\$192,215	\$7,064,042	90.1
FY 2002-03 Appropriation:						
HB 02-1420	<u>\$0</u>	<u>\$7,157,041</u>	<u>\$80,225</u>	<u>\$199,583</u>	<u>\$7,436,849</u>	<u>90.1</u>
TOTAL	\$0	\$7,157,041	\$80,225	\$199,583	\$7,436,849	90.1
Increase/(Decrease)	\$0	\$357,439	\$8,000	\$7,368	\$372,807	0.0
Percentage Change	0.0%	5.3%	11.1%	3.8%	5.3%	0.0%

FTE Detail	FY 2001-02	FY 2002-03
Office of Commissioner	4.0	4.0
Operations/Licensing	12.0	12.0
Consumer Affairs	45.0	45.0
Financial Regulation	27.1	27.1
Senior Counseling	<u>2.0</u>	<u>2.0</u>
	90.1	90.1

Cash Funds Changes: The cash funds increase is primary due to: (1) an increase of \$330,000 for salary survey and anniversary increases awarded in FY 2001-02; (2) a \$181,000 increase in indirect cost recoveries; and (3) an increase of \$31,000 for the implementation of HB 01-1394. These

increases are partially offset by: (1) a \$140,000 (2.5 percent) cash fund reduction in personal services base funding; (2) a \$24,000 reduction in operating expenses because of past reversions and the out-of-state travel reduction; and (3) the Governor's statewide one percent General Fund reduction of \$33,000. Please note that premium tax revenues are diverted from the General Fund to the Division's cash fund; a reduction in Division expenses results in an increase in premium tax revenues going to the General Fund.

Cash Funds Exempt Changes: The cash funds exempt increase is due to a \$13,000 increase in personal services, partially offset by a \$5,000 decrease in indirect cost recoveries.

Federal Funds Changes: The federal fund increase is primarily due to an anticipated increase in funds available for the Senior Health Counseling Program.

Public Utilities Commission

The General Assembly has granted the Public Utilities Commission (PUC) the authority to regulate the rates and services of transportation and fixed utilities throughout Colorado, and has vested the PUC with quasi-legislative and quasi-judicial responsibilities. The PUC determines whether companies petitioning to provide any of the aforementioned utility services have the financial and technical wherewithal to do so. The PUC is also responsible for administering the following direct service programs: the Colorado Telecommunications High Cost Program, the Low-Income Telephone Assistance Program, the Highway Crossing Protection Program, and the Disabled Telephone Users Program. In FY 2001-02, the PUC handled approximately 7,810 complaints. Though the PUC receives General Fund support for the Highway Crossing Protection Program, it is primarily funded with cash funds from assessments and licensing fees paid by regulated entities.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$240,000	\$11,126,874	\$372,059	\$0	\$11,738,933	91.7
HB 01-1195	0	87,347	0	0	87,347	1.0
HB 02-1383	0	2,753	0	0	2,753	0.0
HB 02-1435	<u>(3,600)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(3,600)</u>	<u>0.0</u>
TOTAL	\$236,400	\$11,216,974	\$372,059	\$0	\$11,825,433	92.7
FY 2002-03 Appropriation:						
HB 02-1420	<u>\$240,000</u>	<u>\$11,546,375</u>	<u>\$357,604</u>	<u>\$0</u>	<u>\$12,143,979</u>	<u>92.7</u>
TOTAL	\$240,000	\$11,546,375	\$357,604	\$0	\$12,143,979	92.7

	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$3,600	\$329,401	(\$14,455)	\$0	\$318,546	0.0
Percentage Change	1.5%	2.9%	-3.9%	0.0%	2.7%	0.0%

FTE Detail	FY 2001-02	FY 2002-03
Director/Commissioners	4.0	4.0
Administrative Services	7.0	7.0
Administrative Hearings	9.0	9.0
Executive Office	6.0	6.0
External Affairs	7.5	7.5
Advisory Coordinators	4.6	4.6
Utilities	29.0	29.0
Transportation	17.6	17.6
Safety and Enforcement	<u>8.0</u>	<u>8.0</u>
	92.7	92.7

General Fund Changes: The General Fund increase restores funding from one-time reductions taken in FY 2001-02 to address the revenue shortfall.

Cash Funds Changes: The cash funds increase is primarily due to the following increases: (1) \$359,000 for salary survey and anniversary increases awarded in FY 2001-02; (2) \$195,000 for indirect costs; and (3) \$75,000 for the Low-Income Telephone Assistance Program. These increases are partially offset by a \$168,000 (2.5 percent) reduction in personal services base funding and a \$115,000 reduction to the Disabled Telephone Users Fund.

Cash Funds Exempt Changes: The cash funds exempt appropriation includes: (1) an increase of \$25,000 for a new line item to fund a transfer to the Commission for the Deaf and Hard of Hearing Cash Fund (this transfer is a statutory requirement that the Department has been fulfilling, but previously there was no line item for it in the Long Bill); (2) a \$20,000 increase for the High Cost Administration line item; and (3) a \$15,000 increase for the Disabled Telephone Users Fund. These increases are more than offset by a \$74,000 reduction for the Low Income Telephone Assistance Program.

Division of Real Estate

This division is charged with establishing and maintaining a safe, stable environment in which the general public can buy, sell, and lease real property in Colorado. This goal is accomplished through licensing real estate brokers and appraisal professionals, scrutinizing subdivision offerings on

undeveloped land, and administering an enforcement program that is responsive to both the needs of the industry and the consumer. The Division estimates that in FY 2001-02, it had 44,750 licensees and processed 5,000 credit card license renewals on the Internet. The Division is funded entirely with cash funds from fees and assessments paid by regulated entities.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$0	\$2,869,214	\$0	\$0	\$2,869,214	37.0
HB 02-1383	<u>0</u>	<u>3,579</u>	<u>0</u>	<u>0</u>	<u>3,579</u>	<u>0.0</u>
TOTAL	\$0	\$2,872,793	\$0	\$0	\$2,872,793	37.0
FY 2002-03 Appropriation:						
HB 02-1420	\$0	\$3,015,187	\$0	\$0	\$3,015,187	37.0
HB 02-1459	<u>0</u>	<u>135,000</u>	<u>0</u>	<u>0</u>	<u>135,000</u>	<u>0.0</u>
TOTAL	\$0	\$3,150,187	\$0	\$0	\$3,150,187	37.0
Increase/(Decrease)	\$0	\$277,394	\$0	\$0	\$277,394	0.0
Percentage Change	0.0%	9.7%	0.0%	0.0%	9.7%	0.0%

FTE Detail	FY 2001-02	FY 2002-03
Director's Office	3.0	3.0
Enforcement Unit	11.0	11.0
Financial Examinations	9.0	9.0
Education and Licensing	12.5	12.5
Appraisal Unit	<u>1.5</u>	<u>1.5</u>
	37.0	37.0

Cash Funds Changes: The increase in cash funds is primarily due to the following increases: (1) \$135,000 for H.B. 02-1459 to make fingerprint-based criminal history record checks conform to federal law ; (2) \$134,000 for salary survey and anniversary increases awarded in FY 2001-02; and (3) \$74,000 for indirect cost recoveries. These increases are partially offset by a \$58,000 (2.5 percent) reduction in personal services base funding and other smaller reductions.

Division of Registrations

This division regulates over 221,000 licensees in more than 30 professions and occupations throughout Colorado. Its boards and licensing programs have been created by the General Assembly to ensure a minimum level of competency among licensees and to protect the public welfare. The Division identifies and licenses qualified practitioners, facilities, programs, and equipment. Public protection is further enhanced by conducting inspections, investigating complaints, and restricting or revoking licenses when generally accepted standards of practice or safety have not been observed. The Division is primarily funded with cash funds from fees paid by those it licenses. The cash exempt funds are Medicare and Medicaid funds transferred from other departments for the nurses aide program.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$0	\$11,396,753	\$2,310,659	\$0	\$13,707,412	151.4
HB 02-1383	<u>0</u>	<u>550</u>	<u>0</u>	<u>0</u>	<u>550</u>	<u>0.0</u>
TOTAL	\$0	\$11,397,303	\$2,310,659	\$0	\$13,707,962	151.4
FY 2002-03 Appropriation:						
HB 02-1078	\$0	\$88,709	\$0	\$0	\$88,709	1.0
HB 02-1278	0	3,228	0	0	3,228	0.0
HB 02-1420	0	11,761,088	2,125,325	0	13,886,413	151.4
HB 02-1447	<u>0</u>	<u>1,667</u>	<u>0</u>	<u>0</u>	<u>1,667</u>	<u>0.0</u>
TOTAL	\$0	\$11,854,692	\$2,125,325	\$0	\$13,980,017	152.4
Increase/(Decrease)	\$0	\$457,389	(\$185,334)	\$0	\$272,055	1.0
Percentage Change	0.0%	4.0%	-8.0%	0.0%	2.0%	0.7%

FTE Detail	FY 2001-02	FY 2002-03
Director's Office	4.3	4.3
Examinations	1.0	1.0
Complaint Investigations	14.0	14.0
Board Personnel	132.1	132.1
Office of Boxing	<u>0.0</u>	<u>1.0</u>
	151.4	152.4

FTE Changes: The increase of 1.0 FTE is due to the transfer of the Office of Boxing from the Executive Director's Office to this division.

Cash Funds Changes: The increase in cash funds is primarily due to the following increases: (1) \$345,000 for salary survey and anniversary increases awarded in FY 2001-02; (2) \$214,000 to offset a reduction in cash funds exempt available; and (3) \$89,000 because the appropriation for the Office of Boxing was transferred from the Executive Director's Office to this division. These increases are partially offset by a \$159,000 reduction in personal services base funding and a \$36,000 reduction in indirect cost recoveries.

Cash Funds Exempt Changes: The cash funds exempt appropriation includes an \$86,000 increase for salary survey and anniversary increases awarded in FY 2001-02. This increase is more than offset by a \$214,000 reduction due to less indirect cost recoveries being available and a \$60,000 reduction in personal services base funding.

Division of Securities

The primary functions of this division are monitoring the conduct of broker-dealers and sales representatives throughout Colorado and investigating citizen complaints and other indications of investment fraud. In addition to license application screening, division personnel also perform on-site examinations of broker-dealer offices. The Division is funded entirely with cash funds from fees and assessments paid by regulated entities.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$0	\$2,032,725	\$0	\$0	\$2,032,725	20.0
HB 01-1031	0	6,036	0	0	6,036	0.0
HB 02-1383	<u>0</u>	<u>3,579</u>	<u>0</u>	<u>0</u>	<u>3,579</u>	<u>0.0</u>
TOTAL	\$0	\$2,042,340	\$0	\$0	\$2,042,340	20.0
FY 2002-03 Appropriation:						
HB 02-1420	<u>\$0</u>	<u>\$2,137,779</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,137,779</u>	<u>20.0</u>
TOTAL	\$0	\$2,137,779	\$0	\$0	\$2,137,779	20.0
Increase/(Decrease)	\$0	\$95,439	\$0	\$0	\$95,439	0.0
Percentage Change	0.0%	4.7%	0.0%	0.0%	4.7%	0.0%

FTE Detail	FY 2001-02	FY 2002-03
Commissioner	1.0	1.0
Deputy Commissioner	1.0	1.0
Administration Unit	1.0	1.0
Examination Unit	8.0	8.0
Enforcement Unit	<u>9.0</u>	<u>9.0</u>
	20.0	20.0

Cash Funds Changes: The cash funds increase is primarily due to an \$88,000 increase for salary survey and anniversary increases awarded in FY 2001-02 and a \$40,000 increase in indirect cost recoveries. These increases are partially offset by a \$38,000 reduction in personal services base funding.

Recent Legislation

2001 Session Bills

S.B. 01-212: General appropriations act for FY 2001-02.

H.B. 01-1031: Allows the Securities Commissioner to issue an order to show cause and convene a hearing before the Colorado Securities Board concerning whether to order a person to cease and desist from certain specified acts and practices involving the sale of securities.

H.B. 01-1195: Allows public utilities to appeal local government siting and building decisions for power plants and other facilities to the Public Utilities Commission.

H.B. 01-1394: Authorizes the Commissioner of Insurance to establish component rating for credit insurance premiums.

S.B. 01S2-22: Provides a 4.3 percent increase in the state contribution rate for state employees for CY 2002 and provides funding to pay for the additional costs associated with health insurance for state employees who reside in Pueblo. For more information, refer to the bill description in the Department of Personnel.

2002 Session Bills

S.B. 02-50: For an explanation of this bill please see the Recent Legislation section in the Department of Corrections.

H.B. 02-1038: For an explanation of this bill please see the Recent Legislation section in the Department of Corrections.

H.B. 02-1078: Transfers the appropriation for the Office of Boxing from the Executive Director's Office to the Division of Registrations.

H.B. 02-1278: Creates a physician training license for persons participating in internship, residency or fellowship programs. Requires the Board of Medical Examiners (Board) to issue a physician training license upon receipt of required materials. Allows the Board to refrain from issuing a physician training license or to grant a physician training license subject to terms or probation. Requires the Board to discipline a licensee for unprofessional conduct and inform the supervising physician and the internship, residency, or fellowship program of any complaint received relating to a licensee.

H.B. 02-1383: Modifies the appropriation to the Department of Regulatory Agencies included in the FY 2001-02 Long Bill.

H.B. 02-1420: General appropriations act for FY 2002-03.

H.B. 02-1435: Modifies the appropriation to the Department of Regulatory Agencies included in the FY 2001-02 Long Bill, as modified by H.B. 02-1383.

H.B. 02-1447: Creates a three-year direct care provider career path pilot program to be conducted in southwest Colorado. Directs the State Board for Community Colleges and Occupational Education to coordinate the efforts of interested stakeholders to achieve the common goal of improved recruitment and retention of direct care para-professionals. Directs the State Board of Nursing to promulgate the rules for the pilot program and to establish a direct care advisory committee.

H.B. 02-1459: Makes fingerprint-based criminal history record checks conform to federal law for checks involving specified occupations. Makes fingerprint-based background checks for specified occupations, including real estate brokers, mandatory rather than discretionary. Requires the Division of Real Estate to collect additional revenue to cover the costs of fingerprint-based criminal history checks for all real estate broker license applicants.

H.B. 02-1468: Refinances the FY 2001-02 appropriation made pursuant to S.B. 01S2-22. Establishes the CY 2003 state contribution rate for health, life, and dental insurance to be the same as the state contribution rate for CY 2002. Authorizes the General Assembly to annually adjust the state contribution for health, life, and dental insurance effective CY 2004 through the Long Bill. For more information, refer to the bill description in the Department of Personnel.

DEPARTMENT OF REVENUE

The Department of Revenue is responsible for collecting taxes and enforcing tax laws in Colorado. The Department is also responsible for administering laws relating to driver licensing and motor vehicle titles. The Department operates the ports of entry in the state. It is also responsible for enforcing state liquor and tobacco laws, and it is responsible for regulating limited gaming and horse and dog racing. Finally, the Department operates the State's lottery. The Department is organized into the following groups: the Executive Director's Office, the Information Technology Division, the Taxation Business Group, the Motor Vehicle Business Group, and the Enforcement Business Group.

Department Budget: Recent Actual Expenditures and Appropriations

Funding Source	FY 1999-00 Actual	FY 2000-01 Actual	FY 2001-02 Approp.	FY 2002-03 Approp.
General Fund	\$108,933,882	\$110,492,055	\$109,487,997	\$113,401,384
Cash Funds	30,222,594	33,557,485	35,609,289	37,509,634
Cash Funds Exempt	305,956,629	301,418,602	392,847,137	388,574,049
Federal Funds	<u>1,092,542</u>	<u>1,545,119</u>	<u>1,541,707</u>	<u>1,663,491</u>
Total Funds	\$446,205,647	\$447,013,261	\$539,486,130	\$541,148,558
Full Time Equiv. Staff	1,470.9	1,460.3	1,527.3	1,521.6

FY 2002-03 Budget Changes

Significant changes in appropriations for FY 2002-03 compared to FY 2001-02 include the following:

- A \$500,000 reduction for license plate ordering. This amount includes an increase of \$1.1 million General Fund offset by a \$1.6 million reduction of cash funds exempt funding;
- A \$635,000 General Fund increase for cigarette tax rebates to counties and municipalities and old age heat, and fuel and property tax assistance grants;
- An increase of \$1.4 million cash funds for the Limited Gaming Division, that includes \$600,000 for distribution to counties and municipalities from the Limited Gaming Division.
- Reductions of one-time sources of cash and cash exempt sources in FY 2001-02; and
- Reductions of one-time FTE appropriated in FY 2001-02.

General Factors Driving the Budget

Funding for this department consists of 21.0 percent General Fund, 6.9 percent cash funds, 71.8 percent cash funds exempt, and 0.3 percent federal funds. Some of the most important factors driving the budget are reviewed below.

Population and Postage

Rising population in the state has an impact on the Department. In particular, the Department's Taxation Business Group and Motor Vehicle Business Group have provided services to more citizens in recent years. Postage increases, along with population growth, have affected the Department's costs for mailing documents.

	FY 98-99 Actual	FY 99-00 Actual	FY 00-01 Actual	FY 01-02 Estimate	FY 02-03 Estimate
Pieces of Incoming Mail	4,868,709	5,000,992	4,639,635	4,873,581	4,873,561
Pieces of Outgoing Mail	7,872,098	8,453,251	9,096,659	8,769,949	8,769,949
Income Tax Refunds Processed	1,816,800	1,888,284	1,949,256	2,000,751	2,000,751
Tax Assistance Given (via telephone)	1,573,833	1,214,851	1,381,339	1,523,077	1,564,200
Driver's License Documents Issued	1,047,153	1,359,448	1,373,649	1,507,716	1,658,487
Voter Registrations Processed*	278,757	435,067	420,330	425,711	431,245

Note: FY 1998-99 voter registration figures do not include voter registration updates that are made when citizens submit address changes to the Department.

Commercial Traffic Increase

A rise in the number of commercial vehicles crossing the State's borders has increased the workload for the Motor Vehicle Business Group. This section includes the ports of entry, which are responsible for monitoring overweight trucks and enforcing compliance with the commercial vehicle registration fee. Road construction, lot repair, and building replacement will continue to have an effect on the number of vehicles cleared at fixed ports. Consequently, mobile port fee collections are anticipated to increase.

	FY 98-99 Actual	FY 99-00 Actual	FY 00-01 Actual	FY 01-02 Approp.	FY 02-03 Approp.
Vehicles Weighed	5,384,469	4,587,030	4,437,167	4,399,604	4,500,000

	FY 98-99 Actual	FY 99-00 Actual	FY 00-01 Actual	FY 01-02 Approp.	FY 02-03 Approp.
Vehicles Checked for Haz. Mat. Compliance	184,780	165,922	150,591	142,563	140,000
Cash Collections from Ports of Entry	\$7,584,015	\$7,404,924	\$6,804,510	\$6,775,500	\$6,950,000
Vehicles Cleared With Automated Vehicle I.D. - Weigh-in-Motion	54,332	295,961	725,222	1,067,638	1,250,000

Lottery Ticket Sales

The cash funds exempt (State Lottery Fund) expenditures for the following line items in the State Lottery Division vary depending on the sales of scratch tickets and on-line lottery tickets: prizes, retailer compensation, ticket costs, and vendor fees.

	FY 98-99 Actual	FY 99-00 Actual	FY 00-01 Actual	FY 01-02 Approp.	FY 02-03 Approp.
Scratch Ticket Sales	\$234,320,349	\$234,002,955	\$249,210,219	\$249,200,000	\$251,700,000
On-line Ticket Sales	\$135,131,861	\$136,957,170	\$101,422,449	\$151,200,000	\$135,500,000

Summary of FY 2001-02 and FY 2002-03 Appropriations

Total Department Appropriations

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Total Appropriation:	\$109,487,997	\$35,609,289	\$392,847,137	\$1,541,707	\$539,486,130	1,527.3
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	9,929,436	981,979	5,423,922	0	16,335,337	40.5
Information Technology Division	8,233,192	418,595	9,104,549	0	17,756,336	126.6
Taxation Business Group	66,065,330	551,458	1,658,147	941,846	69,216,781	446.7
Motor Vehicle Business Group	21,427,930	214,747	16,971,830	599,861	39,214,368	603.5

	GF	CF	CFE	FF	Total	FTE
Enforcement Business Group	3,832,109	33,442,510	359,688,689	0	396,963,308	310.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 01-35	0	0	107,204	0	107,204	2.9
SB 01-73	150,971	0	321,630	0	472,601	7.5
SB 01-109	0	0	1,971,945	0	1,971,945	8.0
SB 01-168	0	29,267	0	0	29,267	0.4
SB 01-212	115,053,991	35,597,371	329,790,574	1,541,707	481,983,643	1,516.3
HB 01-1017	0	0	102,527	0	102,527	1.3
HB 01-1100	0	0	4,462,865	0	4,462,865	5.4
HB 01-1125	(8,652)	0	0	0	(8,652)	(0.2)
HB 01-1294	0	0	1,955	0	1,955	0.0
HB 01-1307	0	0	0	0	0	0.0
HB 01-1337	0	0	34,098	0	34,098	0.6
SB 01S2-22	0	0	106,103	0	106,103	0.0
SB 02-207	0	1,050	0	0	1,050	0.0
HB 02-1384	(4,464,531)	(20,372)	55,950,209	0	51,465,306	(14.9)
HB 02-1436	(1,243,782)	0	0	0	(1,243,782)	0.0
HB 02-1468	0	1,973	(1,973)	0	0	0.0
FY 2002-03 Total Appropriation:	\$113,401,384	\$37,509,634	\$388,574,049	\$1,663,491	\$541,148,558	1,521.6
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	16,097,712	1,075,745	4,529,279	0	21,702,736	40.5
Information Technology Division	5,072,935	389,661	6,398,663	0	11,861,259	126.0
Taxation Business Group	66,022,240	597,811	1,892,298	1,063,630	69,575,979	444.8
Motor Vehicle Business Group	23,001,242	239,804	15,942,996	599,861	39,783,903	602.6
Enforcement Business Group	3,207,255	35,206,613	359,810,813	0	398,224,681	307.7

	GF	CF	CFE	FF	Total	FTE
<u>Breakdown of Total Appropriation by Bill</u>						
SB 02-50	(33,730)	0	0	0	(33,730)	0.0
SB 02-87	0	0	812	0	812	0.0
SB 02-207	(388,835)	388,835	0	0	0	0.0
HB 02-1038	(33,634)	0	0	0	(33,634)	0.0
HB 02-1044	0	0	30,415	0	30,415	0.0
HB 02-1160	0	0	812	0	812	0.0
HB 02-1176	0	0	812	0	812	0.0
HB 02-1247	0	0	1,680	0	1,680	0.0
HB 02-1420	113,811,326	37,118,759	388,513,764	1,663,491	541,107,340	1,521.6
HB 02-1459	0	0	7,800	0	7,800	0.0
HB 02-1468	46,257	2,040	17,954	0	66,251	0.0
Increase/(Decrease)	\$3,913,387	\$1,900,345	(\$4,273,088)	\$121,784	\$1,662,428	(5.7)
Percentage Change	3.6%	5.3%	-1.1%	7.9%	0.3%	-0.4%

Detail of Appropriation by Administrative Section

Executive Director's Office

The Executive Director's Office is responsible for the administration and fiscal management of the Department. The office provides leadership, planning, research, analysis, and administrative support to all department programs. The cash and cash exempt sources are from various sources for centrally appropriated line items and for indirect cost recoveries.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-73	\$0	\$0	\$48,482	\$0	\$48,482	0.0
SB 01-212	10,942,447	993,333	4,489,914	0	16,425,694	42.0
HB 01-1100	0	0	744,238	0	744,238	0.0
SB 01S2-22	0	0	106,103	0	106,103	0.0
HB 02-1384	(974,711)	(13,327)	37,158	0	(950,880)	(1.5)
HB 02-1436	(38,300)	0	0	0	(38,300)	0.0

	GF	CF	CFE	FF	Total	FTE
HB 02-1468	<u>0</u>	<u>1,973</u>	<u>(1,973)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$9,929,436	\$981,979	\$5,423,922	\$0	\$16,335,337	40.5
FY 2002-03 Appropriation:						
SB 02-50	(\$33,730)	\$0	\$0	\$0	(\$33,730)	0.0
SB 02-207	(87,616)	87,616	0	0	0	0.0
HB 02-1038	(33,634)	0	0	0	(33,634)	0.0
HB 02-1420	16,206,435	986,089	4,511,325	0	21,703,849	40.5
HB 02-1468	<u>46,257</u>	<u>2,040</u>	<u>17,954</u>	<u>0</u>	<u>66,251</u>	<u>0.0</u>
TOTAL	\$16,097,712	\$1,075,745	\$4,529,279	\$0	\$21,702,736	40.5
Increase/(Decrease)	\$6,168,276	\$93,766	(\$894,643)	\$0	\$5,367,399	0.0
Percentage Change	62.1%	9.5%	-16.5%	n/a	32.9%	0.0%

FTE Detail	FY 2001-02	FY 2002-03
Executive Director's Staff	4.0	4.0
Policy Analysis and Financial Services	22.0	22.0
Internal Auditor	2.5	2.5
Human Resources	<u>12.0</u>	<u>12.0</u>
	40.5	40.5

FTE Changes: The appropriation includes no change in the number of FTE. However, the appropriation includes the elimination of 1.0 FTE for the public information officer, which is offset by 1.0 FTE for the legislative liaison that is transferred from the Taxation Business Group.

General Fund Changes: The \$6.2 million increase in General Fund appropriations includes the following changes: (1) \$4.5 million transferred from other divisions to pay the Department's share of computing services from the Department of Personnel; (2) \$700,000 for department-wide salary survey increases; (3) \$350,000 transferred from other divisions to pay for the Department's share of the Multiuse Network (MNT); (4) a \$146,000 increase for salary survey and anniversary awards granted in FY 2001-02; (5) a \$100,000 increase for capitol complex leased space costs; (6) a \$100,000 increase for workers' compensation premiums; (7) a \$90,000 increase for higher payments to risk management and property funds; (8) a \$35,000 increase for performance-based pay awards

in FY 2002-03; and (9) miscellaneous increases associated with short-term disability, health, life, and dental, legal services, and vehicle lease payments.

Cash Funds Changes: The increase in cash funds reflects the increase in cash funds for centrally appropriated line items to support the Liquor Enforcement Division. Senate Bill 02-207 eliminated the General Fund appropriation for the Liquor Enforcement Division and increased the cash fund appropriation by an equal amount. The increase in cash funds for the Executive Director's Office also reflects higher indirect cost recoveries.

Cash Funds Exempt Changes: The cash funds exempt appropriation reflects miscellaneous changes and a reduction of \$744,000 for one-time capital costs associated with rewriting the computer system used by county clerks and recorders to issue motor vehicle titles.

Information Technology Division

The Information Technology Division provides data processing, computer operation support, systems analysis, and computer programming support for the Department. As part of this function, the Division tracks all documents and transactions related to tax collection. Pursuant to Section 42-1-210, C.R.S., county clerks act as agents of the Department of Revenue for the administration of vehicle registration, taxation, and title issuance. The Colorado State Titling and Registration System (CSTRS) is the telecommunications network used by the county clerk and recorders to perform these activities and to maintain the master list of registered voters. The CSTRS is maintained by the Department of Revenue using revenues from the title fees which are credited to a special purpose account within the Highway Users Tax Fund (HUTF), which is the primary source of cash funds exempt for the division. The Department also issues titles and funds these activities using the CSTRS Account. The Auto Dealers License Fund is the primary source of cash funds for the division.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-168	\$0	\$29,267	\$0	\$0	\$29,267	0.4
SB 01-212	7,786,279	389,328	5,660,716	0	13,836,323	122.9
HB 01-1017	0	0	98,318	0	98,318	1.3
HB 01-1100	0	0	3,718,627	0	3,718,627	5.4
HB 01-1125	21,950	0	0	0	21,950	0.3
HB 01-1307	0	0	0	0	0	0.0
HB 01-1337	0	0	34,098	0	34,098	0.6
HB 02-1384	<u>424,963</u>	<u>0</u>	<u>(407,210)</u>	<u>0</u>	<u>17,753</u>	<u>(4.3)</u>
TOTAL	\$8,233,192	\$418,595	\$9,104,549	\$0	\$17,756,336	126.6

	GF	CF	CFE	FF	Total	FTE
FY 2002-03 Appropriation:						
HB 02-1247	\$0	\$0	\$1,680	\$0	\$1,680	0.0
HB 02-1420	<u>5,072,935</u>	<u>389,661</u>	<u>6,396,983</u>	<u>0</u>	<u>11,859,579</u>	<u>126.0</u>
TOTAL	\$5,072,935	\$389,661	\$6,398,663	\$0	\$11,861,259	126.0
Increase/(Decrease)	(\$3,160,257)	(\$28,934)	(\$2,705,886)	\$0	(\$5,895,077)	(0.6)
Percentage Change	-38.4%	-6.9%	-29.7%	n/a	-33.2%	-0.5%

FTE Detail	FY 2001-02	FY 2002-03
Systems Support	87.2	87.2
Legislation Implementation	3.4	2.3
Colorado State Titling and Registration System (CSTRS)	<u>36.0</u>	<u>36.5</u>
	126.6	126.0

FTE Changes: The appropriation reflects a net reduction of 0.6 FTE, which includes a reduction of 1.1 FTE associated with computer programming to implement legislation, which is partially offset by a 0.5 FTE increase to restore a one-time reduction in FY 2001-02. The one-time reduction in FY 2001-02 was necessary because of a revenue shortfall in the Colorado State Titling and Registration System (CSTRS) Account.

General Fund Changes: The \$3.2 million General Fund reduction includes the following changes: (1) a \$3.2 million transfer to the Executive Director's Office to pay for the Department's share of the computer services in the Department of Personnel; (2) a \$380,000 reduction for a 2.5 percent base reduction in personal services; (3) a \$48,000 reduction for lower costs for computer programming to implement legislation that was enacted during the 2002 session; (4) a \$337,000 increase for salary survey and anniversary increases awarded in FY 2001-02; (5) \$148,000 increase to lease two high speed printers for printing forms and warrants; and (6) other miscellaneous changes.

Cash Funds Changes: The reduction in the cash fund appropriation reflects a \$42,000 reduction for lower computer programming costs for the persistent drunk driver program, which is partially offset by higher indirect cost recoveries.

Cash Funds Exempt Changes: The \$2.7 million reduction in cash funds exempt includes the following changes: (1) a \$3.0 million reduction for one-time appropriations in FY 2001-02 pursuant to H.B. 01-1100 to fund the computer project to rewrite the Colorado State Titling and Registration System; (2) a \$290,000 reduction for a transfer to the Executive Director's Office for a new line item to pay for the Department's share of the Multiuse Network (MNT); (3) a \$100,000 reduction for

legislative programming costs; (4) a \$52,000 reduction for a 2.5 percent personal services reduction; and (5) a \$43,000 reduction for one-time costs in FY 2001-02 for new equipment in the county clerk offices. These amounts are partially offset by a \$400,000 increase to restore one-time reductions in FY 2001-02. These reductions were necessary because of a shortage of revenue to the Colorado State Titling and Registration Account.

Taxation Business Group

The Taxation Business Group contains appropriations for the following seven sections:

1. The Administration section provides budgetary oversight and performs general support for the entire business group.
2. The Cash and Document Processing Division is responsible for processing and accounting for tax, license and other fee payments and data and providing support services. It is also responsible for the deposit of tax payments, tax document processing from receipt through posting to taxpayers accounts and fund accounting, income tax refund warrant processing, graphics, forms, micrographics, and outgoing and incoming mail services.
3. The Taxation and Compliance Division is responsible for auditing and compliance enforcement in the implementation of Colorado tax laws. It is responsible for collecting taxes and auditing tax returns. The Department indicates that the Field Auditing Section of the Division conducts 7,000 field audits per year. The Department of Revenue audits approximately 0.8 percent to 0.9 percent of business tax accounts, which constitute approximately 16 percent of business tax revenues received by the State.
4. The Taxpayer Service Division maintains a telephone information center and five regional service centers in the following cities: Grand Junction, Fort Collins, Denver, Colorado Springs, and Pueblo. The Division provides general information to taxpayers as well as information specific to individual taxpayers. An interactive voice response (IVR) system provides 24-hour access to automated account information and a forms order line. The Division provides a wide range of tax information designed to facilitate the process of filing tax returns and understanding the tax structure of the state. The Division also issues tax licenses and permits to businesses throughout the state, and it administers the Trade Name Registration Program whereby businesses register the names under which they will operate. The Division collects local sales tax revenues for many cities, counties, and special districts. The Division also issues taxpayers and business refunds and works to ensure that all taxpayer liabilities are met by intercepting any refund due for payment of debts owed to other state agencies or the Internal Revenue Service.
5. The Office of Tax Analysis develops Departmental policies and procedures in support of the legislative session and the implementation of new legislation. This work includes research and statistical analysis and evaluation and interpretation of statistical and economic data as they relate to taxation.

6. The Tax Conferee section is responsible for receiving and resolving protests to tax adjustments made by tax divisions of the Department. As provided by Section 29-2-106.1, C.R.S., the staff review home rule city sales taxes and city and county use taxes in instances in which taxpayers elect to protest to the Department of Revenue.
7. The Special Purpose section includes three subprograms: the Cigarette Tax Rebate Program, the Old Age Heat, Fuel, and Property Tax Assistance Program, and the Alternative Fuels Rebate Program.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-35	\$0	\$0	\$55,094	\$0	\$55,094	0.7
SB 01-212	66,386,567	551,458	1,511,451	941,846	69,391,322	447.8
HB 02-1384	<u>(321,237)</u>	<u>0</u>	<u>91,602</u>	<u>0</u>	<u>(229,635)</u>	<u>(1.8)</u>
TOTAL	\$66,065,330	\$551,458	\$1,658,147	\$941,846	\$69,216,781	446.7
FY 2002-03 Appropriation:						
SB 02-87	\$0	\$0	\$812	\$0	\$812	0.0
HB 02-1160	0	0	812	0	812	0.0
HB 02-1176	0	0	812	0	812	0.0
HB 02-1420	<u>66,022,240</u>	<u>597,811</u>	<u>1,889,862</u>	<u>1,063,630</u>	<u>69,573,543</u>	<u>444.8</u>
TOTAL	\$66,022,240	\$597,811	\$1,892,298	\$1,063,630	\$69,575,979	444.8
Increase/(Decrease)	(\$43,090)	\$46,353	\$234,151	\$121,784	\$359,198	(1.9)
Percentage Change	-0.1%	8.4%	14.1%	12.9%	0.5%	-0.4%

FTE Detail	FY 2001-02	FY 2002-03
Administration	7.0	7.0
Cash and Document Processing Division	130.9	131.2
Taxation and Compliance Division	215.4	211.4
Taxpayer Service Division	81.4	80.2
Office of Tax Analysis	6.0	6.0
Tax Conferee	<u>6.0</u>	<u>9.0</u>
	446.7	444.8

FTE Changes: The reduction of 1.9 FTE includes the following changes: (1) a reduction of 2.0 FTE to pay for contract cost increases for the Interactive Voice Response system in the Taxpayer Services Division Call Center; (2) a reduction of 1.0 FTE to transfer the legislative liaison to the Executive Director's Office; and (3) an increase of 1.1 FTE to restore one-time reductions in FY 2001-02.

General Fund Changes: The \$43,000 General Fund net decrease includes the following: (1) a \$1.2 million reduction for a transfer to the Executive Director's Office to pay for the Department's share of the computer services in the Department of Personnel; (2) a reduction of \$590,000 for the common policy personal services reduction; (3) a \$1,240,000 increase for anniversary awards and salary survey increases in FY 2001-02; (4) a \$325,000 increase for higher anticipated cigarette tax rebates to counties and municipalities; (5) a \$310,000 increase for anticipated old age, heat, and fuel and property tax assistance grant payments; and other miscellaneous changes.

Cash Funds Changes: The cash funds increase is for higher indirect cost recoveries from cash fund sources.

Cash Funds Exempt Changes: The increase in cash fund exempt reflects higher indirect cost recoveries and a \$125,000 increase in tax rebates for alternative fuel.

Federal Funds Changes: The increase in federal funds is for the Mineral Audit Program, which is responsible for auditing mineral lease and royalty payments to the State and the U.S. Department of Interior.

Motor Vehicle Business Group

The Motor Vehicle Business Group contains appropriations for the following seven sections:

1. The Administration section provides budgetary oversight and performs general support for the entire business group.
2. The Motor Vehicle Division administers the laws relating to drivers licensing, titling and registering motor vehicles, and regulating commercial driving schools.
3. The Motor Carrier Services Division operates 17 port of entry buildings and ten mobile port scales. The Division registers motor carriers, collects registration fees (fuel distributors, petroleum storage, and interstate carriers) and fuel taxes (including gas, special fuel, LPG/NG, and aviation), and facilitates enforcement of driver/vehicle safety regulations and the laws concerning motor carriers and the owners and operators of motor vehicles. The Motor Carrier Services Division receives its funding from the Highway Users Tax Fund.
4. The Vehicle Emissions section inspects emissions stations to ensure vehicle emissions testing requirements comply with established standards under the Motor Vehicle AIR Program. The section also is responsible for licensing all emissions stations and inspectors in a 10-county region, and it is responsible for overseeing station operations in an effort to prevent fraud and

abuse within the system. The Vehicle Emissions section receives a cash fund exempt appropriation from the Automobile Inspection and Readjustment Account within the Highway Users Tax Fund.

5. The Titles section provides administrative support for the statewide system of motor vehicle titles and registration. This program receives an appropriation from the Colorado State Titling and Registration Account within the Highway Users Tax Fund.
6. The Enforcement Program supports local law enforcement agencies with respect to preventing identification fraud. The program conducts approximately one dozen training sessions per year. The program conducts approximately 800 investigations with over 1,000 enforcement actions.
7. The Motorist Insurance Identification Database Program uses a database to compare records of motor vehicle registrations with records of insured motorists. The program was designed to help law enforcement officials verify owner compliance with the motor vehicle insurance requirements by authorizing the suspension of driver's licenses of motorists suspected of being uninsured.

The primary sources of cash funds are the Hazardous Materials Safety Fund and the Nuclear Materials Transportation Fund. The primary sources of cash funds exempt include: the Automobile Inspection and Readjustment (AIR) Account, the Colorado State Titling and Registration Account, and the Motorist Insurance Identification Database Account. The federal funds appropriation reflects anticipated funds for the Motor Carrier Safety Assistance Program.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-35	\$0	\$0	\$52,110	\$0	\$52,110	2.2
SB 01-109	0	0	1,971,945	0	1,971,945	8.0
SB 01-212	25,713,026	189,704	10,642,082	599,861	37,144,673	599.6
HB 01-1017	0	0	4,209	0	4,209	0.0
HB 01-1125	(30,602)	0	0	0	(30,602)	(0.5)
HB 01-1294	0	0	1,955	0	1,955	0.0
HB 02-1384	(3,095,712)	25,043	4,299,529	0	1,228,860	(5.8)
HB 02-1436	<u>(1,158,782)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1,158,782)</u>	<u>0.0</u>
TOTAL	\$21,427,930	\$214,747	\$16,971,830	\$599,861	\$39,214,368	603.5

	GF	CF	CFE	FF	Total	FTE
FY 2002-03 Appropriation:						
HB 02-1044	\$0	\$0	\$30,415	\$0	\$30,415	0.0
HB 02-1420	<u>23,001,242</u>	<u>239,804</u>	<u>15,912,581</u>	<u>599,861</u>	<u>39,753,488</u>	<u>602.6</u>
TOTAL	\$23,001,242	\$239,804	\$15,942,996	\$599,861	\$39,783,903	602.6
Increase/(Decrease)	\$1,573,312	\$25,057	(\$1,028,834)	\$0	\$569,535	(0.9)
Percentage Change	7.3%	11.7%	-6.1%	0.0%	1.5%	-0.1%

FTE Detail	FY 2001-02	FY 2002-03
Administration	9.5	9.0
Motor Vehicle Division	366.3	368.6
Motor Carrier Services Division	157.5	158.0
Vehicle Emissions	15.5	15.5
Titles	41.7	38.5
Enforcement Program	5.0	5.0
Motorist Insurance Database Program	<u>8.0</u>	<u>8.0</u>
	603.5	602.6

FTE Changes: The reduction of 0.9 FTE includes the following: (1) a reduction of 4.5 FTE, which includes 1.0 FTE for administration and 3.5 FTE for drivers' license offices; (2) a reduction of 3.2 FTE for one-time costs associated with legislation; (3) an increase of 6.3 FTE to restore one-time reductions in FY 2001-02; and (4) an increase of 0.5 FTE to annualize an FTE approved in FY 2001-02 for inspection of nuclear shipments through the state.

General Fund Changes: The increase in General Fund includes: (1) a \$1.2 million increase for license plates to discontinue a one-time funding change associated with using a cash fund balance in FY 2001-02; (2) a \$353,000 increase for salary survey and anniversary awards in FY 2001-02; (3) a \$335,000 increase to restore one-time reductions in FY 2001-02; (4) a \$20,000 increase for the change in the PERA contribution rate; and (5) a \$350,000 reduction for the common policy personal services base reduction.

Cash Funds Changes: The increase in cash funds reflects higher indirect cost recoveries and other miscellaneous changes associated with common policies for personal services calculations.

Cash Funds Exempt Changes: The \$1.0 million reduction in cash funds exempt reflects the elimination of a \$1.1 million fund balance. Because of the decline in General Fund revenues, this fund balance was used as a one-time source in FY 2001-02 to pay for license plates. This reduction is partially offset by higher indirect cost recoveries.

Enforcement Business Group

This Enforcement Business Group contains appropriations for the following seven sections:

1. The Administration section provides budgetary oversight and performs general support for the entire business group.
2. The State Lottery Division is responsible for operating the State's Lottery games including two primary lottery games, scratch tickets and on-line tickets. The Division is funded from the State Lottery Fund, which is considered to be cash funds exempt because the Lottery Division is a state-operated enterprise.
3. The Limited Gaming Division is responsible for the licensing, regulation, tax collection, and supervision of all devices, persons, locations, and activities related to limited gaming in Cripple Creek, Black Hawk, and Central City. The Division receives its cash fund appropriation from the Limited Gaming Fund.
4. The Liquor Enforcement Division provides liquor licenses or permits to all manufacturers, importers, wholesalers, and retailers, enforces liquor laws and regulations, and enforces Colorado's tobacco control laws regulating the sale of tobacco products to persons under the age of 18 years. The Division receives 62.2 percent of its appropriation from the Liquor Enforcement Cash Fund, 21.9 percent from the General Fund, and 15.9 percent from a transfer from the Department of Public Health and Environment.
5. The Division of Racing Events regulates greyhound and horse racing and supervises the activities at race tracks conducting pari-mutuel racing in Colorado. The Division allocates race dates to various racing associations, adopts rules, and supervises the conduct of race meets, racing officials, and licenses.
6. The Hearings Division conducts hearings on driver license suspensions, revocations, probationary licenses, express consent actions, cancellation and denials for medical and physical disability, habitual traffic offenders, driver license compact actions, drivers license schools, air program emission control station licenses, vehicle dealers issuance or misuse of 30-day temporary registration permits, alcohol and habitual offender interlock probationary licenses, horse and dog racing licenses, and other hearings affecting the licensing rights of citizens.
7. The Motor Vehicle Dealer Licensing Board is responsible for licensing and regulating entities that manufacture, sell, and distribute motor vehicles within the State. This program is cash funded from the Auto Dealer License Fund.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-73	\$150,971	\$0	\$273,148	\$0	\$424,119	7.5
SB 01-212	4,225,672	33,473,548	307,486,411	0	345,185,631	304.0
SB 02-207	0	1,050	0	0	1,050	0.0
HB 02-1384	(497,834)	(32,088)	51,929,130	0	51,399,208	(1.5)
HB 02-1436	<u>(46,700)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(46,700)</u>	<u>0.0</u>
TOTAL	\$3,832,109	\$33,442,510	\$359,688,689	\$0	\$396,963,308	310.0
FY 2002-03 Appropriation:						
SB 02-207	(\$301,219)	\$301,219	\$0	\$0	\$0	0.0
HB 02-1420	3,508,474	34,905,394	359,803,013	0	398,216,881	307.7
HB 02-1459	<u>0</u>	<u>0</u>	<u>7,800</u>	<u>0</u>	<u>7,800</u>	<u>0.0</u>
TOTAL	\$3,207,255	\$35,206,613	\$359,810,813	\$0	\$398,224,681	307.7
Increase/(Decrease)	(\$624,854)	\$1,764,103	\$122,124	\$0	\$1,261,373	(2.3)
Percentage Change	-16.3%	5.3%	0.0%	n/a	0.3%	-0.7%

FTE Detail	FY 2001-02	FY 2002-03
Administration	6.0	6.0
State Lottery Division	128.0	128.0
Limited Gaming Division	72.0	72.0
Liquor Enforcement Division	26.5	26.5
Division of Racing Events	29.0	26.7
Hearings Division	27.3	27.3
Motor Vehicle Dealer Licensing Board	<u>21.2</u>	<u>21.2</u>
	310.0	307.7

FTE Changes: The reduction of 2.3 FTE is in the Division of Racing Events due to a declining workload.

General Fund Changes: The \$624,000 General Fund reduction includes the following: (1) a reduction of \$370,000 for higher indirect cost recoveries from the Drivers License Revocation

Account in the Hearings Division; (2) a \$301,000 reduction associated with cash funding the Liquor Enforcement Division pursuant to S.B. 02-207; (3) a \$216,000 reduction for lower workload in the Division of Racing Events; (4) an \$80,000 reduction for a common policy reduction in personal services; (5) a \$186,000 increase for salary survey and anniversary awards for FY 2001-02; (6) an \$86,000 increase for one-time reductions in FY 2001-02; and (7) other miscellaneous changes.

Cash Funds Changes: The increase in cash funds includes the following: (1) a \$1.5 million increase attributable to the Limited Gaming Division, primarily for higher distribution to gaming cities and counties; and (2) a \$301,000 increase associated with cash funding the Liquor Enforcement Division pursuant to S.B. 02-207.

Recent Legislation

2001 Session Bills

S.B. 01-35: Restores the basis for computing the taxable value of Class A and B vehicles weighing less than 16,000 pounds to 75 percent of the manufacturer's suggested retail price for taxes due on or after August 1, 2000.

S.B. 01-73: Reauthorizes the state's liquor enforcement program. Requires the Liquor Enforcement Division, Department of Revenue, to perform at least the minimum number of random inspections of businesses selling cigarettes and tobacco products at retail as required by federal regulations.

S.B. 01-109: Reauthorizes the uninsured motorist insurance identification database program and the No-fault Motor Vehicle Insurance Act. Reduces the motorist identification fee from \$0.75 to \$0.50 per vehicle.

S.B. 01-168: Requires completion of an alcohol and drug education and treatment program before driving privileges may be restored for persons convicted of driving while ability impaired (DWAI) or driving under the influence (DUI) with a blood alcohol content of 0.20 or more. Also requires program participation by persistent drunk drivers and any person convicted of driving under the influence of drugs or alcohol while their license is revoked for driving under the influence of drugs or alcohol.

S.B. 01-212: General appropriations act for FY 2001-02.

H.B. 01-1017: Allows the Department of Revenue to establish rules for certain vehicles to register for a five-year period upon payment of a five-year registration fee or for a two-year period upon payment of a two-year registration fee. Makes the five-year option available for motorcycles, utility trailers, and mobile machinery, and makes the two-year option available for any vehicle that is of a model year 1982 or newer.

H.B. 01-1100: Increases fees charged by the Department of Revenue for issuing motor vehicle titles. Requires that money collected from these fees be used to administer and upgrade the state's motor vehicle registration system.

H.B. 01-1125: Requires the Department of Revenue to verify that a first time applicant for an instruction permit, driver's license, or identification card in Colorado meets certain age, identity, and residency requirements before issuing such license or card. Requires the Department to use reasonably advanced technology and techniques to verify license and identification information and requires the Department to implement an invisible security feature capable of authenticating a driver's license.

H.B. 01-1294: Clarifies that motor vehicle registration fees are required to be reduced as a means for refunding excess state revenues under TABOR in FY 2001-02. The bill also reestablishes in statute the current fees that were set to repeal on July 1, 2001, and specifies that these fees would apply in any year in which the TABOR refund mechanism is not in effect.

H.B. 01-1307: Requires the Department of State to develop a computer system to manage voter registration and election information. Prior to the bill, the Department of State used a computer system managed by the Department of Revenue.

H.B. 01-1337: Creates the Pet Welfare Fund in the State Treasury to consist of donations, investment earnings, and voluntary income tax checkoff contributions.

S.B. 01S2-22: Provides a 4.3 percent increase in the state contribution rate for state employees for CY 2002 and provides funding to pay for the additional costs associated with health insurance for state employees who reside in Pueblo. For more information, refer to the bill description in the Department of Personnel.

2002 Session Bills

S.B. 02-50: For an explanation of this bill please see the Recent Legislation section in the Department of Corrections.

S.B. 02-87: Creates an income tax checkoff to allow Colorado citizens the opportunity to support local watershed efforts by allowing citizens to make a voluntary contribution on their state income tax returns for income tax years commencing on or after January 1, 2002, to January 1, 2005. The bill creates the Colorado Watershed Protection Fund to be comprised of citizen contributions and all interest derived from the investment of moneys in the fund. The bill requires an annual appropriation from the fund to the Department of Revenue to cover administration costs. All remaining moneys at the end of a fiscal year are to be transferred to the Colorado Water Conservation Board. The bill requires the Board, in cooperation with the Water Quality Control Commission and the Colorado Watershed Assembly, to administer moneys in the fund and to award competitive grants to any

qualified Colorado resident to work toward the restoration and protection of land and natural resources within watersheds in Colorado.

S.B. 02-207: Eliminates the General Fund appropriations for the Liquor Enforcement Division, including those in centrally appropriated line items in the Executive Director's Office. Changes the name of the Liquor Enforcement Division Cash Fund to the Liquor Enforcement Division and State Licensing Authority Cash Fund. The bill increases each annual state fee collected by the Division by \$25.

H.B. 02-1038: For an explanation of this bill please see the Recent Legislation section in the Department of Corrections.

H.B. 02-1044: The bill establishes a new American Indian special license plate and a new Korean War Veteran special license plate, and it establishes a mechanism for cash-funding the new special license plates. The bill also establishes qualifications for several other special license plates established by rule.

H.B. 02-1160: Reestablishes that the voluntary contribution designation line for the United States Olympic Committee shall appear on Colorado state individual income tax return forms for income tax years commencing on or after January 1, 2002, but prior to January 1, 2005. The bill provides for the General Assembly to annually appropriate from the Olympic Committee Fund to the Department of Revenue its costs of administering the moneys designated as contributions to the fund.

H.B. 02-1176: Creates the Colorado Court-Appointed Special Advocates (CASA) Fund in the State Treasury. The bill requires income tax forms to contain a voluntary contribution designation line for the CASA Fund for income tax years commencing on or after January 1, 2002, but prior to January 1, 2005. The bill provides for the General Assembly to annually appropriate from the CASA Fund to the Department of Revenue its costs of administering the moneys designated as contributions to the fund. All moneys remaining in the fund at the end of a fiscal year shall be transferred to the Colorado Court-Appointed Special Advocates, a Colorado nonprofit agency.

H.B. 02-1247: Raises the minimum penalty to \$250 for the first offense for persons convicted of stealing motor fuel by leaving an establishment after dispensing fuel. The bill imposes a driver's license suspension of six months for the second offense, and a one-year suspension for a third offense. The bill also requires the Department of Revenue to hold a hearing not less than 30 days after receiving a written request from a licensee (or their attorney) who has had their license suspended. For the purpose of implementing the bill, the Fuel Piracy Computer Reprogramming Fund is created in the State Treasury. Gifts, grants, and donations received by the state for implementing the bill will be credited to this fund

H.B. 02-1384: Supplemental appropriation to the Department of Revenue to modify the appropriation included in the FY 2001-02 Long Bill.

H.B. 02-1420: General appropriations act for FY 2002-03.

H.B. 02-1436: Second supplemental appropriation to the Department of Revenue to modify the appropriation included in the FY 2001-02 Long Bill, as amended by H.B. 02-1384.

H.B. 02-1459: Requires criminal history checks for new applicants to become lottery sales agents and appropriates \$7,800 cash funds exempt (State Lottery Fund) to the State Lottery Division in FY 2002-03 to pay for these checks. For more information, refer to the bill description in the Department of Public Safety.

H.B. 02-1468: Refinances the FY 2001-02 appropriation made pursuant to S.B. 01S2-22. Establishes the CY 2003 state contribution rate for health, life, and dental insurance to be the same as the state contribution rate for CY 2002. Authorizes the General Assembly to annually adjust the state contribution for health, life, and dental insurance effective CY 2004 through the Long Bill. For more information, refer to the bill description in the Department of Personnel.

DEPARTMENT OF STATE

The Department of State administers and enforces the Colorado Corporation Code, the Colorado Election Code, voter registration laws, the Fair Campaign Practices Act, and bingo and raffle laws. Additionally, the Department maintains Uniform Commercial Code filings (public records of security interests used to determine the rights of various parties in commercial transactions) and corporate filings via the publicly-accessible Central Information System. The Department also provides regulatory oversight of lobbyists and notaries public. Appropriations to the Department are organized into the following sections: Administration, Special Purpose, and Information Technology Services.

Department Budget: Recent Actual Expenditures and Appropriations

Funding Source	FY 1999-00 Actual	FY 2000-01 Actual	FY 2001-02 Approp.	FY 2002-03 Approp.
General Fund	\$0	\$0	\$0	\$0
Cash Funds	13,827,491	9,431,628	11,161,640	12,528,142
Cash Funds Exempt	0	614,995	12,813	504,972
Federal Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Funds	\$13,827,491	\$10,046,623	\$11,174,453	\$13,033,114
Full Time Equiv. Staff	92.5	93.0	99.5	104.1

FY 2002-03 Budget Changes

Significant changes in appropriations for FY 2002-03 compared to FY 2001-02 include the following:

- An increase of \$1,092,000 cash funds for a document imaging system upgrade and \$211,000 cash funds for the replacement of servers and networking equipment;
- An increase of \$876,000 cash funds to reimburse counties for the State's share of general elections;
- An increase of \$316,000 cash funds related to anticipated workload for the Initiative and Referendum line item, including the costs of verifying petitions and the activities of the Title Setting Board; and
- An increase of \$100,000 cash funds in contract funding for the monthly distribution of the "master list" of agricultural lien filings.

General Factors Driving the Budget

The Department's annual budget is entirely funded with cash funds, primarily from the Department of State Cash Fund. Sources of revenue to this cash fund include fees on corporate filings, searches, and copies. Certain legislation appropriated cash funds exempt to the Department from cash fund reserves.

Cash Fund Balances

In recent years, upward trends in economic activity and statewide population growth have driven increases in the balance of the Department of State Cash Fund, creating surpluses in excess of S.B. 98-194's targeted reserve requirement of 16.5 percent of current year expenditures. According to the Department, there have been no comprehensive fee reductions designed to reduce fund balance surpluses in order to correspond to actual expenditures. Rather, the Department anticipates that a move to electronic filing will drive sufficient reductions in revenues to the Department of State Cash Fund to comply with S.B. 98-194. The following table details actual and estimated fund balances.

	FY 99-00 Actual	FY 00-01 Actual	FY 01-02 Estimate	FY 02-03 Estimate
Dept. of State Cash Fund Expenditures	\$8,229,907	\$7,748,198	\$9,004,489	\$7,124,700
Dept. of State Cash Fund Ending Balance	\$3,374,768	\$4,716,212	\$4,266,597	\$3,074,919
Ending Balance as Percent of Expenditures	41.0%	60.9%	47.4%	43.2%
Excess Uncommitted Fee Reserve Balance	\$2,016,833	\$3,437,759	\$2,780,856	\$1,899,344

Ballot Initiatives and County Clerk Reimbursement

The General Assembly appropriates funds to the Department of State to reimburse county clerks for costs of presidential primary elections, general elections, and odd-year November elections under Section 24-21-104.5, C.R.S. In addition, the General Assembly provides funds to reimburse counties for the cost of statewide ballot initiative and referendum activities. Actual expenses vary according to the number of candidates and initiatives. Below is a table that shows total funding levels for the last several years:

	FY 98-99 Actual	FY 99-00 Actual	FY 00-01 Actual	FY 01-02 Approp.	FY 02-03 Approp.
County Clerk Reimbursement	\$92	\$356	\$12	\$1,500	\$500
Initiative and Referendum	\$69,126	\$50,000	\$103,253	\$83,905	\$400,000

Information Technology Projects

Given the Department's information processing and filing responsibilities, information technology projects have affected the Department's budget in recent years and have been consolidated into the Information Technology Services division. In recent years, supplemental appropriations have been made for department-wide information technology improvements to assist the Department in the transition to administering the Central Information System and ensuring that it is publicly accessible. Improvements included increased electronic filing capacity, web-based access to the Department's databases, and increased storage and back-up capabilities.

Summary of FY 2001-02 and FY 2002-03 Appropriations

Total Department Appropriations

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Total Appropriation:	\$0	\$11,161,640	\$12,813	\$0	\$11,174,453	99.5
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Administration	0	4,755,263	12,813	0	4,768,076	70.5
Special Purpose	0	962,675	0	0	962,675	0.0
Information Technology Services	0	5,443,702	0	0	5,443,702	29.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 01-21	0	21,400	0	0	21,400	0.0
SB 01-100	0	299,423	0	0	299,423	0.9
SB 01-212	0	9,806,304	12,800	0	9,819,104	93.0
HB 01-1070	0	157,078	0	0	157,078	1.9
HB 01-1307	0	375,323	0	0	375,323	0.0
SB 01S2-22	0	0	4,364	0	4,364	0.0
SB 02-182	0	2,450	0	0	2,450	0.0
HB 02-1203	0	464,919	0	0	464,919	3.7
HB 02-1385	0	30,392	0	0	30,392	0.0
HB 02-1468	0	4,351	(4,351)	0	0	0.0

	GF	CF	CFE	FF	Total	FTE
FY 2002-03 Total Appropriation:	\$0	\$12,528,142	\$504,972	\$0	\$13,033,114	104.1
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Administration	0	5,776,387	204,830	0	5,981,217	70.6
Special Purpose	0	1,277,770	0	0	1,277,770	0.0
Information Technology Services	0	5,473,985	300,142	0	5,774,127	33.5
<u>Breakdown of Total Appropriation by Bill</u>						
SB 02-182	0	1,125	0	0	1,125	0.0
HB 02-1014	0	587,722	0	0	587,722	0.0
HB 02-1119	0	522,714	0	0	522,714	0.1
HB 02-1147	0	304,972	0	0	304,972	2.0
HB 02-1307	0	174,123	0	0	174,123	1.5
HB 02-1321	0	8,731	0	0	8,731	0.1
HB 02-1326	0	198,598	200,000	0	398,598	3.0
HB 02-1420	0	10,725,452	0	0	10,725,452	95.4
HB 02-1456	0	0	304,972	0	304,972	2.0
HB 02-1468	0	4,705	0	0	4,705	0.0
Increase/(Decrease)	\$0	\$1,366,502	\$492,159	\$0	\$1,858,661	4.6
Percentage Change	n/a	12.2%	3,841.1%	n/a	16.6%	4.6%

Detail of Appropriation by Administrative Section

Administration

The Administration section includes management staff for the Department and arranges for administrative hearings as authorized or required by statute. It is also responsible for functions related to budgeting, accounting, human resources, and responding to inquiries from the public. Most of the Department of State's functions are carried out by divisions funded within this section, including the divisions of Commercial Recordings, Licensing and Enforcement, and Elections.

Commercial Recordings

The Division of Commercial Recordings is responsible for the Business Organizations and Entities Program and the Uniform Commercial Code Lien Program. The former administers a variety of business-related filings used by both public and private sector companies, while the latter manages the filing of security interests and various other liens which are of vital importance to lending institutions.

Licensing and Enforcement

The Division of Licensing and Enforcement is responsible for the following areas: the Administrative Rules Code, a body of statutes governing the rule-making authority of applicable state agencies; Article XVIII, Section 2 of the State Constitution regarding games of chance including Bingo and Raffles; the Charitable Solicitations Act, which aims to prevent fraudulent charitable solicitation activity; the Credit Services Organization Act, which seeks to protect the public from potentially unfair or deceptive advertising and business practices used in the extension of consumer credit services; the regulation of lobbyists pursuant to Sections 24-6-301 through 309, C.R.S.; and the regulation of notaries public pursuant to Sections 12-55-101 through 211, C.R.S.

Elections

The Division of Elections supervises primary, general, and congressional vacancy elections; maintains the statewide voter registration file; authorizes official recounts for federal, state, and district offices; and administers the Fair Campaign Practices Act. This division also enables the Secretary of State, designated as the state's elections officer, to supervise the 64 county clerks in the execution of their statutory responsibilities relating to voter registration and elections.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-100	\$0	\$49,923	\$0	\$0	\$49,923	0.9
SB 01-212	0	4,491,604	12,800	0	4,504,404	66.0
HB 01-1070	0	57,119	0	0	57,119	1.4
HB 01-1307	0	25,000	0	0	25,000	0.0
SB 01S2-22	0	0	4,364	0	4,364	0.0
SB 02-182	0	2,450	0	0	2,450	0.0
HB 02-1203	0	128,329	0	0	128,329	2.2
HB 02-1385	0	(3,513)	0	0	(3,513)	0.0
HB 02-1468	<u>0</u>	<u>4,351</u>	<u>(4,351)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$0	\$4,755,263	\$12,813	\$0	\$4,768,076	70.5

	GF	CF	CFE	FF	Total	FTE
FY 2002-03 Appropriation:						
SB 02-182	\$0	\$1,125	\$0	\$0	\$1,125	0.0
HB 02-1119	0	522,714	0	0	522,714	0.1
HB 02-1147	0	204,830	0	0	204,830	1.0
HB 02-1307	0	47,416	0	0	47,416	0.5
HB 02-1321	0	8,731	0	0	8,731	0.1
HB 02-1326	0	35,769	0	0	35,769	0.0
HB 02-1420	0	4,951,097	0	0	4,951,097	67.9
HB 02-1456	0	0	204,830	0	204,830	1.0
HB 02-1468	<u>0</u>	<u>4,705</u>	<u>0</u>	<u>0</u>	<u>4,705</u>	<u>0.0</u>
TOTAL	\$0	\$5,776,387	\$204,830	\$0	\$5,981,217	70.6
Increase/(Decrease)	\$0	\$1,021,124	\$192,017	\$0	\$1,213,141	0.1
Percentage Change	n/a	21.5%	1,498.6%	n/a	25.4%	0.1%

FTE Detail	FY 2001-02	FY 2002-03
Administration	10.0	10.0
Commercial Recordings	32.2	31.8
Licensing and Enforcement	16.9	16.9
Elections	<u>11.4</u>	<u>11.9</u>
	70.5	70.6

FTE Changes: The net increase of 0.1 FTE is related to legislation described in the table above. The increase includes the following increases: (1) 1.0 FTE to implement the costs of electronic business filings related to H.B. 02-1147; (2) 1.0 FTE to implement the costs of electronic business filings related to H.B. 02-1456; (3) 0.5 FTE to implement the costs of voter registration system information sharing with the Department of Revenue related to H.B. 02-1307; (4) 0.1 FTE to implement the costs of making grants to county clerks for the development of the capacity to accept electronic filing pursuant to H.B. 02-1119; and (5) 0.1 FTE to implement the costs of modifying bingo and raffle regulation pursuant to H.B. 02-1321. These increases are partially offset by one-time costs of FY 2001-02 bills including 2.2 FTE related to H.B. 02-1203, and 0.4 FTE related to H.B. 01-1070.

Cash Funds Changes: The net increase in cash funds reflects the following increases: (1) \$825,000 related to legislation for FY 2002-03; (2) \$175,000 related to pay increases awarded in FY 2001-02; (3) \$67,000 in the statewide indirect cost assessment; (4) \$47,000 in centrally appropriated items such as salary survey, performance-based pay awards, short-term disability and risk management; (5) \$44,000 in Health/Life/Dental amounts; and, (6) \$11,000 in miscellaneous administration expenses including legal services, administrative law judge services, leased space, and payments to the General Government Computing Center. These increases are partially offset by a net decrease of \$148,000 for one-time expenses related to H.B. 01-1307 (Computerized Election System), H.B. 01-1070 (Fair Campaign Practices Act), S.B. 01-100 (Charitable Solicitations Disclosure).

Cash Funds Exempt Changes: The increase in cash funds exempt includes an increase of \$204,000 related to H.B. 02-1456. This increase is partially offset by a decrease of \$13,000 for the Information Privacy Task Force pursuant to H.B. 00-1395, a one-time decrease of \$4,000 pursuant to H.B. 02-1468, and a decrease of \$4,000 related to S.B. 01S2-022, which was a one-time appropriation from the Group Benefit Plans Reserve Fund.

Special Purpose

This section includes appropriations for the cost of translating ballots into Spanish, reimbursing counties for candidate filing expenses under the Fair Campaign Practices Act, and reimbursing counties for the cost of general elections. This section also includes the Initiative and Referendum line item, which provides funding for petition-related activities, including verifying petitions, the activities of the Title Setting Board, and the printing of the ballot information booklet required by Section 1-40-124.5 (3), C.R.S. Requests under this line item fluctuate with the number of ballot initiatives and petitions filed in even- and odd-numbered election years. Funding for the National Voter Registration Act was transferred from this line to Administration for FY 2001-02.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$0	\$928,770	\$0	\$0	\$928,770	0.0
HB 02-1385	<u>0</u>	<u>33,905</u>	<u>0</u>	<u>0</u>	<u>33,905</u>	<u>0.0</u>
TOTAL	\$0	\$962,675	\$0	\$0	\$962,675	0.0
FY 2002-03 Appropriation:						
HB 02-1420	<u>\$0</u>	<u>\$1,277,770</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,277,770</u>	<u>0.0</u>
TOTAL	\$0	\$1,277,770	\$0	\$0	\$1,277,770	0.0
Increase/(Decrease)	\$0	\$315,095	\$0	\$0	\$315,095	0.0
Percentage Change	n/a	32.7%	n/a	n/a	32.7%	n/a

Cash Funds Changes: An increase of \$316,000 is related to anticipated workload for the Initiative and Referendum line, which includes the costs of verifying petitions, the activities of the Title Setting Board, and the printing of the ballot information booklet required by Section 1-40-124.5 (3), C.R.S. This increase is partially offset by a decrease of \$1,000 in the expected reimbursement to counties for the costs of candidate filings.

Information Technology Services

This section contains appropriations for the Department's information technology activities. It includes two subdivisions: Computer Systems, which supports maintenance, programming, and information data processing functions of the Department; and Central Information System (CIS), which exists as a means of filing, indexing, and making public Uniform Commercial Code financing statements and agricultural liens. The CIS database is maintained by the Department of State, and also includes Department of Motor Vehicles records, corporate filings, and trade name records. Citizens can access the Central Information System to search these records, determine tax rate information, and purchase Colorado parks passes. The database is now available to citizens via the internet, remote access, and terminals at the Secretary of State's Office.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-21	\$0	\$21,400	\$0	\$0	\$21,400	0.0
SB 01-100	0	249,500	0	0	249,500	0.0
SB 01-212	0	4,385,930	0	0	4,385,930	27.0
HB 01-1070	0	99,959	0	0	99,959	0.5
HB 02-1203	0	336,590	0	0	336,590	1.5
HB 01-1307	<u>0</u>	<u>350,323</u>	<u>0</u>	<u>0</u>	<u>350,323</u>	<u>0.0</u>
TOTAL	\$0	\$5,443,702	\$0	\$0	\$5,443,702	29.0
FY 2002-03 Appropriation:						
HB 02-1014	\$0	\$587,722	\$0	\$0	\$587,722	0.0
HB 02-1147	0	100,142	0	0	100,142	1.0
HB 02-1307	0	126,707	0	0	126,707	1.0
HB 02-1326	0	162,829	200,000	0	362,829	3.0
HB 02-1420	0	4,496,585	0	0	4,496,585	27.5
HB 02-1456	<u>0</u>	<u>0</u>	<u>100,142</u>	<u>0</u>	<u>100,142</u>	<u>1.0</u>
TOTAL	\$0	\$5,473,985	\$300,142	\$0	\$5,774,127	33.5

	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$0	\$30,283	\$300,142	\$0	\$330,425	4.5
Percentage Change	n/a	0.6%	n/a	n/a	6.1%	15.5%

FTE Detail	FY 2001-02	FY 2002-03
<u>Computer Systems</u>		
IT Manager	1.0	1.0
Applications Programmer Manager	1.0	1.0
IT Professionals	11.0	15.5
Applications Programmers	2.0	2.0
Operations Manager	1.0	1.0
Computer Operators	4.0	4.0
<u>Central Information System</u>		
Program Administrator	1.0	1.0
Office Manager	1.0	1.0
Support Staff	<u>7.0</u>	<u>7.0</u>
	29.0	33.5

FTE Changes: The net increase of 4.5 FTE is related to legislation described in the table above. The increase includes the following increases: (1) 3.0 FTE to implement the costs of implementing the Uniform Electronic Transactions Act pursuant to H.B. 02-1326; (2) 1.0 FTE to implement the costs of electronic business filings related to H.B. 02-1147; (3) 1.0 FTE to implement the costs of voter registration system information sharing with the Department of Revenue related to H.B. 02-1307; and (4) 1.0 FTE to implement the costs of electronic business filings related to H.B. 02-1456. These increases are partially offset by a decrease to reflect one-time FY 2001-02 costs of 1.5 FTE related to H.B. 02-1203.

Cash Funds Changes: The \$30,000 increase includes the following increases: (1) \$1,092,000 related to an upgrade to the document imaging system; (2) \$977,000 in legislation for FY 2002-03; (3) \$211,000 related to the replacement of servers and networking equipment; (4) \$100,000 in contract funding for the monthly distribution of the "Master List" of agricultural lien filings; and, (5) \$26,000 in net personal services increases (including \$71,000 in pay increases awarded in FY 2001-02 offset by \$45,000 in miscellaneous reductions).

These increases are partially offset by the following decreases: (1) \$999,000 to reflect termination of the Central Information Network Systems contract for supporting the Central Information System;

(2) \$410,000 in one-time costs related to H.B. 01-1070 (Fair Campaign Practices Act Filings) and H.B. 02-1203; (3) \$281,000 in discontinued payments to the Department of Revenue pursuant to H.B. 01-1307 (Computerized Voter Registration); (4) \$257,000 related to the statewide policy on computer replacements; (5) \$227,000 in one-time costs related to S.B. 01-100 (Charitable Solicitations Disclosure); (6) \$152,000 related to one-time costs for telephone system replacement; (7) \$28,000 in personal services reductions; and, (8) \$21,000 in one-time costs related to S.B. 01-021 (Lobbyist Disclosure).

Cash Funds Exempt Changes: The increase of \$300,000 is related to the impact of H.B. 02-1456 and H.B. 02-1326.

Recent Legislation

2001 Session Bills

S.B. 01-21: Modifies the requirements for lobbyist disclosure, the deadline for reporting new clients, and eliminates the requirement that lobbyists provide an estimate of the gross income. The bill authorizes the Secretary of State to impose a registration fee of up to \$50 on professional lobbyists and requires the Secretary of State to establish an electronic filing system for lobbyist information. Requires that lobbyist information be published for free public viewing on the Internet. Also creates new exemptions to the state's open meetings and open records laws for certain matters related to lobbyist ethics complaints.

S.B. 01-100: Amends the "Colorado Charitable Solicitations Act" to impose additional reporting requirements on charitable organizations that solicit donations, as well as on professional fund-raising consultants and paid solicitors. Requires these entities to register with, file information with, and pay filing fees to the Secretary of State. Requires the Secretary of State to annually publish reported information and to publicize the reporting requirements. Allows the Secretary of State to revoke the registration of any entity found to be in violation of the requirements of the bill.

S.B. 01-212: General appropriations act for FY 2001-02.

H.B. 01-1070: Modifies "Fair Campaign Practices Act" (FCPA) electronic filing requirements. Requires county clerks that have Internet access to electronically transmit county-level campaign finance reports to the Secretary of State, and other counties to begin electronic transmission as soon as practicable. Requires the Secretary of State to modify the Department's electronic filing system or establish a new system to allow for such electronic filing, and to allow the public to review county-level campaign finance reports via the internet by January 1, 2002.

H.B. 01-1307: Requires the Department of State to develop a new computer system to manage voter registration and election information. Appropriates \$786,917 cash funds exempt from Department of State Cash Fund reserves for FY 2000-01, and \$511,320 cash funds from the Department of State Cash Fund for FY 2001-02 (partially offset by an operating budget reduction of \$135,997 cash funds in payments to the Department of Revenue).

S.B. 01S2-22: Provides a 4.3 percent increase in the state contribution rate for state employees for CY 2002 and provides funding to pay for the additional costs associated with health insurance for state employees who reside in Pueblo. For more information, refer to the bill description in the Department of Personnel.

2002 Session Bills

S.B. 02-182: Requires Secretary of State to accept certain suggestions for moving state legislative district boundaries from counties and proposing changes to the Colorado Supreme Court. Appropriates \$2,450 from the Department of State Cash Fund for FY 2001-02, and \$1,225 from the Department of State Cash Fund for FY 2002-03 payable to the Department of Law.

H.B. 02-1014: Requires the Secretary of State to remove the social security number from the publicly accessible electronic copy of all financing Uniform Commercial Code statements filed before July 1, 2001, by no later than July 1, 2003. Appropriates \$587,722 cash funds from the Central Information System Cash Fund for FY 2002-03.

H.B. 02-1119: Authorizes county clerks to accept electronic filings, requires a surcharge on all filings to support the development of electronic filing capabilities, creates the County Clerk & Recorder Electronic Filing Technology Fund, creates a five-member advisory panel in the Department of State to make grants from the fund to counties, and requires the Secretary of State to promulgate rules for the grant application process and any other rules necessary to implement the panel. Appropriates \$522,714 and 0.1 FTE to the Department of State.

H.B. 02-1147: Requires the Secretary of State's office to accept electronic documents for specified business and commercial filings. Appropriates \$304,972 cash funds to the Department of State for FY 2002-03.

H.B. 02-1203: Provides for the continuation and/or expiration of rules and regulations of state agencies that were adopted or amended on or after November 1, 2000, and before November 1, 2002. Appropriates \$464,819 to the Department of State for FY 2001-02.

H.B. 02-1307: Directs the Department of State and the Department of Revenue to share information between the voter registration system and the driver's license database in order to collect and update residence addresses for a new master list of registered voters. Appropriates \$174,123 to the Department of State for FY 2002-03.

H.B. 02-1321: Modifies the regulation of bingo and raffle games by the Secretary of State and allows the Department to impose a fee for certifying bingo games managers. Eliminates the Bingo-Raffle Cash Fund and consolidates revenues into the Department of State Cash Fund. Appropriates \$8,731 and 0.1 FTE to the Department of State for FY 2002-03.

H.B. 02-1326: Enacts the Uniform Electronic Transactions Act (UETA) to govern transactions between parties that have agreed to conduct business by electronic means. Requires the Secretary of State to specify the manner and format in which electronic records must be created, generated, sent, communicated, received, and stored, as well as systems and control processes established for those purposes. Appropriates \$398,598 and 3.0 FTE to the Department of State for FY 2002-03.

H.B. 02-1385: Supplemental appropriation to the Department of State to modify the appropriation included in the FY 2001-02 Long Bill.

H.B. 02-1420: General appropriations act for FY 2002-03.

H.B. 02-1456: Requires the Secretary of State's office to accept electronic documents for specified business and commercial filings. Appropriates \$304,972 cash funds exempt to the Department of State for FY 2002-03.

H.B. 02-1468: Refinances the FY 2001-02 appropriation made pursuant to S.B. 01S2-22. Establishes the CY 2003 state contribution rate for health, life, and dental insurance to be the same as the state contribution rate for CY 2002. Authorizes the General Assembly to annually adjust the state contribution for health, life, and dental insurance effective CY 2004 through the Long Bill. For more information, refer to the bill description in the Department of Personnel.

DEPARTMENT OF TRANSPORTATION

The Department is responsible for operating and maintaining Colorado's 9,137-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. The Department's section of the Long Bill does not exactly match the Department's administrative organization; rather, the Long Bill is written to correspond with legislative authority over particular areas of the Department's budget.

Most policy and budget authority for the Department rests with the Transportation Commission in the Long Bill line items for Administration, and Construction, Maintenance, & Operations. These two lines reflect anticipated state and federal transportation revenues flowing directly to the Transportation Commission pursuant to Section 43-1-113(3)(a), C.R.S., and are said to represent the "non-appropriated" side of the Department's Long Bill operating budget because the Commission itself appropriates its own budget from these line items. The General Assembly's direct control of the Commission's budget is limited to establishing the maximum funding level for the Administration line item, which requires that the balance of state and federal revenues be appropriated to the Construction, Maintenance, & Operations line. Other legislative authority over the Department's budget includes appropriations authority for the Division of Aeronautics, the Gaming Impacts Program, the County and Municipal Bridge Funds Program, and the Rail Bank Fund. The legislature also has statutory oversight over revenue-raising measures and approval of the Governor's appointments to the Transportation Commission and the Executive Director's position.

The Department's administrative organization includes two primary areas: Administration, and the Division of Aeronautics. The FY 2002-03 Long Bill includes these two areas, with additional lines for the Office of Transportation Safety, Construction, Maintenance & Operations, Transportation Revenue Anticipation Notes, Gaming Impacts, and County & Municipal Bridge Funds.

Department Budget: Recent Actual Expenditures and Appropriations

Funding Source	FY 1999-00 Actual	FY 2000-01 Actual	FY 2001-02 Approp.	FY 2002-03 Approp.
General Fund	\$10,858	\$0	\$0	\$0
Cash Funds	13,135,386	55,779,201	58,484,864	54,949,850
Cash Funds Exempt	623,316,448	1,043,147,882	800,639,594	646,369,693
Federal Funds	<u>372,421,589</u>	<u>292,809,764</u>	<u>289,950,553</u>	<u>303,206,663</u>
Total Funds	\$1,008,884,281	\$1,391,736,847	\$1,149,075,011	\$1,004,526,206
Full Time Equiv. Staff	3,289.0	3,289.5	3,297.2	3,297.2

FY 2002-03 Budget Changes

Significant changes in appropriations for FY 2002-03 compared to FY 2001-02 include the following:

- ❑ Decision Item funding of \$1,010,000 cash funds from the Limited Gaming Fund to support annual ongoing maintenance projects and rock fall mitigation within gaming areas. This represents a decrease of \$3,968,000 from \$4,978,000 appropriated during FY 2001-02.
- ❑ An increase of \$90,000 cash funds for the Persistent Drunk Driver Program to support the Department of Transportation's work with the Departments of Revenue and Human Services to develop educational programs to deter persistent drunk driving, including funding for market research and a media campaign targeting DUI offenders during FY 2002-03.

General Factors Driving the Budget

Funding for this department consists of 5.5 percent cash funds, 64.4 percent cash funds exempt, and 30.2 percent federal funds. Important factors driving the budget are reviewed below.

General Fund Expenditures for Highway Construction

In 1996, the Transportation Commission approved a 20 Year Transportation Plan which estimated that projected revenues over the next 20 years would be \$8 billion short of the amount required to complete priority transportation projects. In response to that shortfall, the General Assembly has since been appropriating moneys to the Department of Transportation to assist in completion of priority transportation projects. Appropriations made from the General Fund or at the expense of revenues into the General Fund include moneys from the Capital Construction Fund, S.B. 97-1, and the Limited Gaming Fund. Capital Construction Fund and S.B. 97-1 moneys originate from the General Fund, while Limited Gaming Fund moneys are cash fund appropriations that would otherwise be deposited into the General Fund.

	FY 98-99 Actual	FY 99-00 Actual	FY 00-01 Actual	FY 01-02 Estimate	FY 02-03 Estimate
Capital Construction Fund Appropriations	\$100,000,000	\$1,500,000*	\$51,100,000	\$0	\$0
S.B. 97-1 Funding	\$158,400,000	\$171,700,000	\$196,600,000	\$35,200,000	\$0
Gaming Impacts	\$2,012,870	\$2,252,000	\$5,089,000	\$4,978,000	\$1,010,000

*the original set-aside of \$4.5 million was reduced by S.B. 01-217.

Transportation Revenue Anticipation Notes (TRANS)

The Department has the authority via a voter-approved referendum to issue 15-year bonds to accelerate Strategic Transportation Project Investment Program ("7th Pot") projects. These are 28 projects across the state in each of the 6 transportation regions that are funded and administered as if they were an additional, separate transportation district (the "7th Pot") given their high priority. The bonds are issued against future federal and state transportation revenues, pursuant to federal "GARVEE" legislation (23 U.S.C. 122) that permits the use of federal funds to pay debt service on bonds intended to support projects eligible for federal funding. There are two important limits on the TRANS bond program. First, a state match is required before a state may use federal funds to help pay annual debt service on the bonds. Although the minimum state match is 20 percent, currently the Department's agreement with the Federal Highway Administration calls for a 50 percent state match. Second, the enabling legislation (H.B. 99-1325) established a maximum principal amount of \$1.7 billion and a maximum repayment amount of \$2.3 billion for the bonds. As of June 2002, the Commission has issued approximately \$1.3 billion in bonds, with an annual debt service cost of approximately \$72 million until FY 2005-06 and \$152 million beginning in FY 2006-07 and thereafter. The Transportation Commission matches 50 percent of this using state highway funds. Although additional room exists under the \$1.7 billion maximum principal amount so long as interest rates accommodate a \$2.3 billion maximum repayment value for all the bonds, the Department currently estimates that other statutory limits, including the limit that the debt service on an issuance not exceed 50 percent of the previous year's federal aid disbursement, will prevent the Commission from issuing any further TRANS notes. Bonds issued to date will be retired by 2017 at a total repayment cost of \$2.0 billion.

	FY 00-01 Actual	FY 01-02 Estimate	FY 02-03 Estimate
Amount of Bonds Issued	\$1,074,200,000	\$219,998,792	\$0
Amount of Proceeds Budgeted	\$439,000,000	\$326,300,000	\$222,100,000

Summary of FY 2001-02 and FY 2002-03 Appropriations

Total Department Appropriations

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Total Appropriation:	\$0	\$58,484,864	\$800,639,594	\$289,950,553	\$1,149,075,011	3,297.2
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Office of Transportation Safety	0	10,000	0	0	10,000	0.0

	GF	CF	CFE	FF	Total	FTE
Division of Aeronautics	0	12,604,566	2,842,412	220,000	15,666,978	8.0
Administration	0	0	21,110,588	0	21,110,588	219.7
Construction, Maintenance, and Operations	0	40,332,900	450,170,912	289,730,553	780,234,365	3,069.5
Transportation Revenue Anticipation Notes	0	0	326,300,000	0	326,300,000	0.0
Gaming Impacts	0	4,762,318	215,682	0	4,978,000	0.0
County and Municipal Bridge Funds	0	775,080	0	0	775,080	0.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 01-212	0	61,006,903	974,586,802	289,950,553	1,325,544,258	3,297.2
SB 01S2-22	0	0	15,636	0	15,636	0.0
HB 02-1386	0	(4,132,231)	(176,805,256)	0	(180,937,487)	0.0
HB 02-1437	0	1,609,928	2,842,676	0	4,452,604	0.0
HB 02-1468	0	264	(264)	0	0	0.0
FY 2002-03 Total Appropriation:	\$0	\$54,949,850	\$646,369,693	\$303,206,663	\$1,004,526,206	3,297.2
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Office of Transportation Safety	0	100,000	0	0	100,000	0.0
Division of Aeronautics	0	11,660,497	0	225,113	11,885,610	8.0
Administration	0	0	21,705,724	0	21,705,724	219.7
Construction, Maintenance, and Operations	0	41,743,045	402,563,969	302,981,550	747,288,564	3,069.5
Transportation Revenue Anticipation Notes	0	0	222,100,000	0	222,100,000	0.0
Gaming Impacts	0	1,010,000	0	0	1,010,000	0.0
County and Municipal Bridge Funds	0	436,308	0	0	436,308	0.0
<u>Breakdown of Total Appropriation by Bill</u>						
HB 02-1420	0	54,949,649	646,369,693	303,206,550	1,004,525,892	3,297.2

	GF	CF	CFE	FF	Total	FTE
HB 02-1468	0	201	0	113	314	0.0
Increase/(Decrease)	\$0	(\$3,535,014)	(\$154,269,901)	\$13,256,110	(\$144,548,805)	0.0
Percentage Change	n/a	-6.0%	-19.3%	4.6%	-12.6%	n/a

Detail of Appropriation by Administrative Section

Office of Transportation Safety

Pursuant to H.B. 00-1164, most of the programs in the Office of Transportation Safety were transferred into the non-appropriated Construction, Maintenance, & Operations line. The single remaining line within the Office of Transportation Safety is the Persistent Drunk Driver Program, authorized by H.B. 98-1334 (the Persistent Drunk Driver Act). This legislation was designed to support programs intended to deter persistent drunk driving, particularly education programs for minors and the adult general public. The departments of Transportation, Human Services, and Revenue are charged with coordinating these programs. The source of cash funds for this program is a penalty surcharge imposed by judges on individuals with two or more alcohol-related driving violations. The level of the surcharge ranges from \$25 to \$500. Proceeds are credited to the Persistent Drunk Driver Fund. From 1996 through 1999, fatalities per 100 million vehicle miles traveled were 1.71, 1.62, 1.63, and 1.54, respectively. Over this same period, the percentage of alcohol-related fatalities was 34.9, 30.6, 32.3, and 30.8, respectively.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	<u>\$0</u>	<u>\$10,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$10,000</u>	<u>0.0</u>
TOTAL	\$0	\$10,000	\$0	\$0	\$10,000	0.0
FY 2002-03 Appropriation:						
HB 02-1420	<u>\$0</u>	<u>\$100,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$100,000</u>	<u>0.0</u>
TOTAL	\$0	\$100,000	\$0	\$0	\$100,000	0.0
Increase/(Decrease)	\$0	\$90,000	\$0	\$0	\$90,000	0.0
Percentage Change	n/a	900.0%	n/a	n/a	900.0%	n/a

Cash Funds Changes: The \$90,000 cash funds increase reflects an appropriation of \$100,000 cash funds rather than \$10,000 to support the Department of Transportation's work with the departments

of Revenue and Human Services to develop educational programs to deter persistent drunk driving. This year's appropriation includes funding for market research and a media campaign targeting DUI offenders.

Division of Aeronautics

Under the policy direction of the Colorado Aeronautical Board, this division supports the maintenance of the statewide aviation system plan. Division staff provide technical support to local airports regarding aviation safety, and administer reimbursement of aviation fuel tax revenues as well as discretionary grants to local airports. The source of cash funds for the division is the Aviation Cash Fund.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$0	\$10,995,923	\$0	\$220,000	\$11,215,923	8.0
HB 02-1386	0	(1,549)	0	0	(1,549)	0.0
HB 02-1437	0	1,609,928	2,842,676	0	4,452,604	0.0
HB 02-1468	<u>0</u>	<u>264</u>	<u>(264)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$0	\$12,604,566	\$2,842,412	\$220,000	\$15,666,978	8.0
FY 2002-03 Appropriation:						
HB 02-1420	\$0	\$11,660,296	\$0	\$225,000	\$11,885,296	8.0
HB 02-1468	<u>0</u>	<u>201</u>	<u>0</u>	<u>113</u>	<u>314</u>	<u>0.0</u>
TOTAL	\$0	\$11,660,497	\$0	\$225,113	\$11,885,610	8.0
Increase/(Decrease)	\$0	(\$944,069)	(\$2,842,412)	\$5,113	(\$3,781,368)	0.0
Percentage Change	n/a	-7.5%	-100.0%	2.3%	-24.1%	0.0%

FTE Detail	FY 2001-02	FY 2002-03
Administration	2.0	2.0
Grants/Planning	4.0	4.0
Safety Specialist	1.0	1.0
Engineer	<u>1.0</u>	<u>1.0</u>
	8.0	8.0

Cash Funds Changes: The cash funds appropriation includes a decrease of \$1.6 million to reflect a one-time supplemental appropriation (H.B. 02-1437) related to higher than expected FY 2001-02 aviation fuel tax revenues, partially offset by an increase of \$0.7 million in expected revenues for FY 2002-03.

Cash Funds Exempt Changes: The \$2.8 million decrease is related to a one-time emergency supplemental appropriation (H.B. 02-1437) to make aviation fuel tax refunds from previous fiscal years.

Federal Funds Changes: The increase in federal funds reflects an increase in Federal Aviation Administration funding.

Administration

The Administration section consists of the following: the Transportation Commission, the Office of the Executive Director, the Office of Public and Intergovernmental Relations, 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. The appropriation is made in a lump sum as required by Section 43-1-113(3)(a), C.R.S. This line item was created by Section 43-1-113(2)(c)(III), C.R.S., and includes the salaries and expenses for the numerous offices and programs within the Department. This line item is a "program" line, which gives the Department discretion to move funds from personal services to operating and also from one program within the line item to another. Statutes limit the Administration line item to 5 percent of the total Department of Transportation budget. The majority of the Administration line item is supported with cash funds exempt from the State Highway Fund, although a portion of administrative costs are billed to specific construction projects. The Department indicates the number of active construction projects was 132 in FY 1997-98, 130 in FY 1998-99, 130 in FY 1999-00, 175 in FY 2000-01, 180 during FY 2001-02, and 166 at the beginning of FY 2002-03.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$0	\$0	\$21,094,952	\$0	\$21,094,952	219.7
SB 01S2-22	<u>0</u>	<u>0</u>	<u>15,636</u>	<u>0</u>	<u>15,636</u>	<u>0.0</u>
TOTAL	\$0	\$0	\$21,110,588	\$0	\$21,110,588	219.7
FY 2002-03 Appropriation:						
HB 02-1420	<u>\$0</u>	<u>\$0</u>	<u>\$21,705,724</u>	<u>\$0</u>	<u>\$21,705,724</u>	<u>219.7</u>
TOTAL	\$0	\$0	\$21,705,724	\$0	\$21,705,724	219.7

	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$0	\$0	\$595,136	\$0	\$595,136	0.0
Percentage Change	n/a	n/a	2.8%	n/a	2.8%	0.0%

FTE Detail	FY 01-02	FY 02-03
Transportation Commission	2.0	2.0
Office of the Executive Director	3.0	3.0
Office of Public and Intergovernmental Relations	7.0	7.0
Office of Financial Management and Budget	6.0	6.0
Highway Administration	16.0	16.0
Division of Human Resources and Administration	172.2	172.2
Division of Audit	7.5	7.5
Office of Policy	<u>6.0</u>	<u>6.0</u>
	219.7	219.7

Cash Funds Exempt Changes: The cash funds exempt increase of \$595,000 is primarily due to salary survey and anniversary increases awarded in FY 2001-02, an increase in the legal services rate, and an increase in statewide indirect cost assessments.

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. The Transportation Commission allocates the budgets for these programs. The Construction, Maintenance, and Operations line item in the Long Bill represents the majority of the Department's total budget. Funding for this line item is in part intended to improve the condition of the state highway system, 54 percent of which is rated as being in "fair" or "good" condition. Cash funds include miscellaneous permit fees, interest earnings, and local matching funds made available for federal dollars. The cash funds exempt appropriation for FY 2002-03 reflects an expected Senate Bill 97-1 transfer of \$0, an estimated \$422.5 million for the Department's formula share of the Highway Users Tax Fund that is credited to the State Highway Fund, and \$1.7 million in internal cash funding, offset by \$21.7 million in cash exempt funding appropriated to the Administration line. The percent of Colorado's roadways deemed to be in "fair" or "good" condition each year since 1996 has been 60 percent, 62 percent, 58 percent, 51 percent, 54 percent, and 54 percent, respectively.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$0	\$40,332,900	\$627,191,850	\$289,730,553	\$957,255,303	3,069.5

	GF	CF	CFE	FF	Total	FTE
HB 02-1386	<u>0</u>	<u>0</u>	<u>(177,020,938)</u>	<u>0</u>	<u>(177,020,938)</u>	<u>0.0</u>
TOTAL	\$0	\$40,332,900	\$450,170,912	\$289,730,553	\$780,234,365	3,069.5
FY 2002-03 Appropriation:						
HB 02-1420	<u>\$0</u>	<u>\$41,743,045</u>	<u>\$402,563,969</u>	<u>\$302,981,550</u>	<u>\$747,288,564</u>	<u>3,069.5</u>
TOTAL	\$0	\$41,743,045	\$402,563,969	\$302,981,550	\$747,288,564	3,069.5
Increase/(Decrease)	\$0	\$1,410,145	(\$47,606,943)	\$13,250,997	(\$32,945,801)	0.0
Percentage Change	n/a	3.5%	-10.6%	4.6%	-4.2%	0.0%

Cash Funds Changes: The increase in cash funds primarily includes an increase of \$1.4 million from miscellaneous revenues to the Transportation Commission's non-appropriated budget, including permit fees and interest earnings.

Cash Funds Exempt Changes: The decrease in cash funds exempt consists of an anticipated decrease of \$47.6 million in revenues to the State Highway Fund. The appropriation for FY 2002-03 reflects no funding for a Senate Bill 97-1 transfer (due to insufficient state General Fund revenues pursuant to statute), but includes an estimated \$422.8 million for the Department's formula share of the Highway Users Tax Fund that is credited to the State Highway Fund, offset by the following appropriations to the Administration line: \$20.2 million cash funds exempt from the State Highway Fund and \$1.6 million internal cash funds exempt.

Federal Funds Changes: The decrease in federal funds reflects the amount of federal funds anticipated to be received from a variety of sources, primarily the Federal Highways Administration.

Transportation Revenue Anticipation Notes

This section contains appropriations that reflect the issuance of TRANS highway construction bonds pursuant to H.B. 99-1325. Totals reflect the amount budgeted for the fiscal year rather than the total issuance during that fiscal year, a portion of which is budgeted for subsequent fiscal years.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	<u>\$0</u>	<u>\$0</u>	<u>\$326,300,000</u>	<u>\$0</u>	<u>\$326,300,000</u>	<u>0.0</u>
TOTAL	\$0	\$0	\$326,300,000	\$0	\$326,300,000	0.0

	GF	CF	CFE	FF	Total	FTE
FY 2002-03 Appropriation:						
HB 02-1420	\$0	\$0	\$222,100,000	\$0	\$222,100,000	0.0
TOTAL	\$0	\$0	\$222,100,000	\$0	\$222,100,000	0.0
Increase/(Decrease)	\$0	\$0	(\$104,200,000)	\$0	(\$104,200,000)	0.0
Percentage Change	n/a	n/a	-31.9%	n/a	-31.9%	n/a

Cash Funds Exempt Changes: The Transportation Commission has budgeted \$104.2 million less in TRANS bond proceeds to be used in FY 2002-03 than were budgeted for use during FY 2001-02.

Gaming Impacts

This line item provides funds to the Department of Transportation for construction and maintenance associated with the impact of gaming on state highways. The appropriation provides funding for work to be completed on roads impacted by gaming activities. The source of cash funds is the Limited Gaming Fund.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$0	\$8,893,000	\$0	\$0	\$8,893,000	0.0
HB 02-1386	0	(4,130,682)	215,682	0	(3,915,000)	0.0
TOTAL	\$0	\$4,762,318	\$215,682	\$0	\$4,978,000	0.0
FY 2002-03 Appropriation:						
HB 02-1420	\$0	\$1,010,000	\$0	\$0	\$1,010,000	0.0
TOTAL	\$0	\$1,010,000	\$0	\$0	\$1,010,000	0.0
Increase/(Decrease)	\$0	(\$3,752,318)	(\$215,682)	\$0	(\$3,968,000)	0.0
Percentage Change	n/a	-78.8%	-100.0%	n/a	-79.7%	n/a

Cash Funds Changes: The decrease of \$3.8 million cash funds reflects an overall decrease of \$4.0 million in the level of funding appropriated by the General Assembly from the Limited Gaming Fund for construction projects in areas affected by gaming. The cash funds appropriation decreases by only \$3.8 million due to the one-time refinance of \$216,000 of the appropriation from cash funds exempt received from the Department of Public Safety during FY 2001-02. The FY 2002-03 appropriation

includes \$1.0 million in annual ongoing maintenance projects and rock fall mitigation, including tribal and non-tribal gaming areas.

Cash Funds Exempt Changes: The decrease of \$216,000 cash funds exempt reflects the one-time refinance of a portion of the appropriation from funds received from the Department of Public Safety during FY 2001-02.

County and Municipal Bridge Funds

This line provided for distributions of specifically earmarked HUTF revenues for priority bridge projects pursuant to Section 43-4-205 (7) (a), C.R.S. This program sunset at the end of FY 1996-97; however, moneys collected specifically for the purpose of funding priority local bridge projects still remain in the fund. While the fund balance is being spent by cities and counties within previously appropriated spending authority, any unspent fund balance earns interest that counts as additional revenue to the State under TABOR. The Department requires additional spending authority in order to make the interest earnings available to cities and counties.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$0	\$775,080	\$0	\$0	\$775,080	0.0
TOTAL	\$0	\$775,080	\$0	\$0	\$775,080	0.0
FY 2002-03 Appropriation:						
HB 02-1420	\$0	\$436,308	\$0	\$0	\$436,308	0.0
TOTAL	\$0	\$436,308	\$0	\$0	\$436,308	0.0
Increase/(Decrease)	\$0	(\$338,772)	\$0	\$0	(\$338,772)	0.0
Percentage Change	n/a	-43.7%	n/a	n/a	-43.7%	n/a

Cash Funds Changes: The decrease of \$339,000 cash funds results from a reduction in spending authority required to cover additional interest income generated in the event county and municipal spending of the bridge funds ceases unexpectedly. Although the Department is anticipating that the fund balances will be exhausted by cities and counties by the end of FY 2001-02, \$436,308 was appropriated for FY 2002-03 to cover interest earnings if spending of the bridge funds ceases.

Recent Legislation

2001 Session Bills

S.B. 01-212: General appropriations act for FY 2001-02.

S.B. 01S2-22: Provides a 4.3 percent increase in the state contribution rate for state employees for CY 2002 and provides funding to pay for the additional costs associated with health insurance for state employees who reside in Pueblo. For more information, refer to the bill description in the Department of Personnel.

2002 Session Bills

S.B. 02-179 / H.B. 02-1310: These two bills contain the exact same language. Each bill contains a number of provisions concerning transportation funding, including: (1) allocating certain General Fund surplus revenues to the Highway Users Tax Fund; (2) allowing the Regional Transportation District to submit a ballot question to registered voters increasing the sales and use tax devoted for transit purposes by four-tenths of one percent; and (3) authorizing the Transportation Commission to create and supervise a statewide tolling enterprise. Each bill appropriates \$5,843 cash funds exempt to the the Department of Law to provide legal support to the tolling enterprise.

H.B. 02-1386: Supplemental adjustment to FY 2001-02 Long Bill. Makes the following changes: (1) reduces the Gaming Impacts appropriation by \$4,130,682 cash funds; (2) refinances \$215,682 of the Gaming Impacts reduction with cash funds exempt from the unused fund balance of the Special Revenue Fund within the Department of Public Safety; (3) reduces the Construction, Maintenance, & Operations appropriation by \$177,020,938 cash funds exempt to reflect available revenues (including a total FY 2001-02 Senate Bill 1 transfer of \$35,179,062); and (4) reduces \$1,549 cash funds within the Division of Aeronautics to utilize Workers' Compensation fund balance and reflect accurate need for vehicle lease payments.

H.B. 02-1437: Supplemental adjustment to FY 2001-02 Long Bill. Makes the following changes: (1) increases the Formula Refunds line within the Division of Aeronautics by \$1,609,928 cash funds to reflect increased aviation fuel tax revenues for FY 2001-02; (2) increases the Formula Refunds line within the Division of Aeronautics by \$2,842,676 cash funds exempt to reflect emergency disbursement of aviation fuel tax revenues from previous fiscal years to airports of origin.

H.B. 02-1468: Refinances the FY 2001-02 appropriation made pursuant to S.B. 01S2-22. Establishes the CY 2003 state contribution rate for health, life, and dental insurance to be the same as the state contribution rate for CY 2002. Authorizes the General Assembly to annually adjust the state contribution for health, life, and dental insurance effective CY 2004 through the Long Bill. For more information, refer to the bill description in the Department of Personnel.

DEPARTMENT OF TREASURY

The Department acts as the state's banker and investment officer, prepares financial and accounting reports for the state, administers the Elderly Property Tax Deferral Program, administers the Unclaimed Property Program, disburses the state's contribution to the Fire and Police Pension Association, and distributes Highway Users Tax Fund (HUTF) revenues to counties and municipalities. The Department is comprised of the following two divisions: Administration, which provides accounting, investment services, and cash management for the state; and the Unclaimed Property Program, which locates and returns dormant properties to their legal owners. In addition to these two divisions, the Department's section of the FY 2002-03 Long Bill also contains the following sections: Special Purpose (Elderly Property Tax Deferral Program), Fire and Police Pension Association (state contributions for local pension benefits), Appropriated Municipalities (HUTF disbursements), and Appropriated Counties (HUTF disbursements).

Department Budget: Recent Actual Expenditures and Appropriations

Funding Source	FY 1999-00 Actual	FY 2000-01 Actual	FY 2001-02 Approp.	FY 2002-03 Approp.
General Fund	\$30,948,539	\$31,141,103	\$30,609,546	\$92,526,612
Cash Funds	0	0	0	0
Cash Funds Exempt	247,917,981	247,513,895	266,306,117	261,458,416
Federal Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Funds	\$278,866,520	\$278,654,998	\$296,915,663	\$353,985,028
Full Time Equiv. Staff	24.2	23.3	25.0	25.0

FY 2002-03 Budget Changes

Significant changes in appropriations for FY 2002-03 compared to FY 2001-02 include the following:

- An increase in General Fund of \$62.3 million to reflect the senior citizen property tax exemption, which was approved by voters at the 2000 General Election (pursuant to Article X, Section 3.5 of the Colorado Constitution). This increase represents estimated costs for the first year of the program, and the appropriation is exempt from TABOR spending limitations, including Article X, Section 20 of the Colorado Constitution as well as the statutory six percent limit on General Fund appropriations; and,
- A \$4.9 million reduction in cash funds exempt appropriations to reflect decreased municipal and county shares of the Highway Users Tax Fund revenues.

General Factors Driving the Budget

Funding for this department consists of 26.1 percent General Fund and 73.9 percent cash funds exempt. The cash funds exempt represents disbursements from the Highway Users Tax Fund (HUTF) to counties and municipalities. Most of the General Fund represents the state contributions for the senior citizens property tax exemption and the Fire and Police Pension Association (FPPA) and is exempt from the statutory limit on General Fund appropriations. The remaining General Fund provides for the operations of the Department of Treasury.

Highway Users Tax Fund (HUTF) Disbursements

The Department of Treasury distributes revenues from the HUTF to counties and municipalities pursuant to statute (Sections 43-4-207 and 208, C.R.S.). The appropriations made to the counties and municipalities in this line item are cash funds exempt. As revenues to the HUTF have fluctuated, so have the counties' and municipalities' shares. The following table shows funding levels over the last several years.

	FY 98-99 Actual	FY 99-00 Actual	FY 00-01 Actual	FY 01-02 Approp.	FY 02-03 Approp.
Counties	\$142,235,561	\$150,442,915	\$149,644,922	\$164,767,000	\$161,384,000
Municipalities	\$92,821,761	\$97,475,066	\$97,868,973	\$100,673,000	\$99,171,000

Senior Citizen Property Tax Exemption

Approved by voters at the 2000 General Election, Section 3.5 of Article X of the Colorado Constitution and H.B. 01-1224 create a property tax exemption for qualifying senior citizens of 50 percent of the first \$200,000 of actual value of a residence for property tax years commencing on or after January 1, 2002. This will result in an annual General Fund expenditure to offset the resulting reduction in county revenues beginning in FY 2002-03. The appropriation is exempt from both the TABOR spending limit and the six percent limit on General Fund appropriations because it was approved by the voters.

	FY 00-01 Actual	FY 01-02 Approp.	FY 02-03 Approp.	FY 03-04 Estimate
County Reimbursement	n/a	n/a	\$62,645,300	\$55,000,000

Fire and Police Pension Association (FPPA) Contributions

Sections 31-30-1112 and 31-30.5-307, C.R.S., require the State to make General Fund contributions to FPPA that are included in the Department of Treasury's budget for informational purposes. The contributions, exempt from the statutory limit on General Fund appropriations, are made for: (1) retirement pensions for police officers and firefighters hired before 1978 ("Old Hire Plans"); (2) local

volunteer firefighter pension plans; and (3) volunteer death and disability plans for police and firefighters. The following table shows total state assistance levels over the last several years.

	FY 98-99 Actual	FY 99-00 Actual	FY 00-01 Actual	FY 01-02 Approp.	FY 02-03 Approp.
State Contributions to FPPA	\$28,499,571	\$28,713,016	\$28,763,181	\$28,768,470	\$28,906,189

The state's largest annual contribution to FPPA is made to reduce the unfunded liability of Old Hire Plans. Statute requires this contribution to be \$25,321,079 and to continue until the liability is gone, but no later than December 31, 2009. A plan (H.B. 99-1369) to authorize the State Treasurer to issue bonds to retire the State's share of the unfunded liability for old hires was halted by the legislature during the 2000 Session (S.B. 00-187) in response to updated actuarial estimates that predicted an end to this liability as early as 2003 due to increased investment earnings.

Summary of FY 2001-02 and FY 2002-03 Appropriations

Total Department Appropriations

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Total Appropriation:	\$30,609,546	\$0	\$266,306,117	\$0	\$296,915,663	25.0
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Administration	1,328,177	0	29,578	0	1,357,755	16.0
Special Purpose	375,180	0	0	0	375,180	0.0
Unclaimed Property Program	0	0	836,539	0	836,539	9.0
Fire and Police Pension Association (FPPA)	28,906,189	0	0	0	28,906,189	0.0
Appropriated Counties	0	0	164,767,000	0	164,767,000	0.0
Appropriated Municipalities	0	0	100,673,000	0	100,673,000	0.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 01-212	31,296,524	0	265,440,000	0	296,736,524	25.0
SB 01S2-22	0	0	1,066	0	1,066	0.0
HB 02-1387	178,073	0	0	0	178,073	0.0

	GF	CF	CFE	FF	Total	FTE
HB 02-1392	(865,051)	0	865,051	0	0	0.0
FY 2002-03 Total Appropriation:	\$92,526,612	\$0	\$261,458,416	\$0	\$353,985,028	25.0
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Administration	1,355,001	0	52,329	0	1,407,330	16.0
Special Purpose	62,262,422	0	0	0	62,262,422	0.0
Unclaimed Property Program	0	0	851,087	0	851,087	9.0
Fire and Police Pension Association	28,909,189	0	0	0	28,909,189	0.0
Appropriated Counties	0	0	161,384,000	0	161,384,000	0.0
Appropriated Municipalities	0	0	99,171,000	0	99,171,000	0.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 02-50	(898)	0	0	0	(898)	0.0
HB 02-1036	3,000	0	0	0	3,000	0.0
HB 02-1038	(895)	0	0	0	(895)	0.0
HB 02-1241	(382,878)	0	0	0	(382,878)	0.0
HB 02-1420	92,907,091	0	261,458,416	0	354,365,507	25.0
HB 02-1468	1,192	0	0	0	1,192	0.0
Increase/(Decrease)	\$61,917,066	\$0	(\$4,847,701)	\$0	\$57,069,365	0.0
Percentage Change	202.3%	n/a	-1.8%	n/a	19.2%	n/a

Detail of Appropriation by Administrative Section

Administration

This office is responsible for the management and administration of the Department, which provides accounting, cash management, and investment services for the State. In FY 2001-02, the Treasury earned approximately \$23.5 million in interest income on the General Fund, and \$134.5 million on all funds. The funding source is General Fund. Administrative staff include the State Treasurer, Deputy Treasurer, and a controller, as well as investment, accounting, and administrative personnel.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$1,340,616	\$0	\$0	\$0	\$1,340,616	16.0
SB 01S2-22	0	0	1,066	0	1,066	0.0
HB 02-1387	16,073	0	0	0	16,073	0.0
HB 02-1392	(28,512)	0	28,512	0	0	0.0
HB 02-1468	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$1,328,177	\$0	\$29,578	\$0	\$1,357,755	16.0
FY 2002-03 Appropriation:						
SB 02-50	(\$898)	\$0	\$0	\$0	(\$898)	0.0
HB 02-1038	(895)	0	0	0	(895)	0.0
HB 02-1420	1,355,602	0	52,329	0	1,407,931	16.0
HB 02-1468	<u>1,192</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,192</u>	<u>0.0</u>
TOTAL	\$1,355,001	\$0	\$52,329	\$0	\$1,407,330	16.0
Increase/(Decrease)	\$26,824	\$0	\$22,751	\$0	\$49,575	0.0
Percentage Change	2.0%	n/a	76.9%	n/a	3.7%	0.0%

FTE Detail	FY 2001-02	FY 2002-03
State Treasurer, Deputy Treasurer	2.0	2.0
Investment Officers	4.0	4.0
Accounting Staff	7.0	7.0
Cash Manager	1.0	1.0
Administrative Staff	<u>2.0</u>	<u>2.0</u>
	16.0	16.0

General Fund Changes: The General Fund appropriation reflects an increase of \$48,000 in personal services, primarily due to salary survey and anniversary increases awarded in FY 2001-02, and an increase of \$12,000 for the Treasurer's bond, the investment management database system contract, and document imaging. These increases are partially offset by the elimination of \$18,000 in one-time funding for legal services, and the elimination of \$15,000 in one-time funding related to information technology asset replacement.

Cash Funds Exempt Changes: The cash funds exempt increase reflects the Unclaimed Property Program's share of centrally appropriated line items, including salary survey and performance-based pay increases, health/life/dental, short-term disability, and payments to risk management. These increases are partially offset by the elimination of a one-time appropriation from the Group Benefit Plans Reserve Fund pursuant to S.B. 01S2-22.

Special Purpose

This section of the Long Bill includes the appropriation for the Elderly Property Tax Deferral Program pursuant to Section 39-3.5-106, C.R.S. The Treasury makes payments on July 15 of each year for property taxes deferred by participating citizens in the previous fiscal year. Under the program, all Colorado citizens over the age of 65 who live in a home on the property may defer their property tax up to the value of the property less any liens. The exact cost of the program is dependent upon the number of citizens who opt to have their property taxes deferred under the program. The Department identifies the number of actual participants at the beginning of each fiscal year. This section also includes the senior citizen property tax exemption, described below.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$350,316	\$0	\$0	\$0	\$350,316	0.0
HB 02-1387	<u>24,864</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>24,864</u>	<u>0.0</u>
TOTAL	\$375,180	\$0	\$0	\$0	\$375,180	0.0
FY 2002-03 Appropriation:						
HB 02-1241	(\$382,878)	\$0	\$0	\$0	(\$382,878)	0.0
HB 02-1420	<u>62,645,300</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>62,645,300</u>	<u>0.0</u>
TOTAL	\$62,262,422	\$0	\$0	\$0	\$62,262,422	0.0
Increase/(Decrease)	\$61,887,242	\$0	\$0	\$0	\$61,887,242	0.0
Percentage Change	16,495.3%	n/a	n/a	n/a	16,495.3%	n/a

General Fund Changes: The General Fund appropriation includes an increase of \$62,262,000 related to the senior citizen property tax exemption, which was approved by voters at the 2000 General Election in Section 3.5 of Article X of the Colorado Constitution. The program creates a property tax exemption for qualifying senior citizens of 50 percent of the first \$200,000 of actual value of a residence beginning January 1, 2002. This increase is partially offset by a decrease of \$383,000 associated with H.B. 02-1241, which reclassifies the Elderly Property Tax Deferral Program as an investment and eliminates the associated general fund appropriation in the FY 2002-03 Long Bill.

Unclaimed Property Program

This section contains appropriations for the Unclaimed Property Program, established under Article 13 of Title 38, C.R.S. (The "Unclaimed Property Act"). Under the Program, the State takes possession of dormant or abandoned properties from a wide range of business and public institutions in an effort to return the properties to their rightful owners.

To alert owners of properties that have been transferred into the program, the Department is required to publish an annual list of property owners in a newspaper circulated statewide, and it also maintains a searchable internet web site. Until July 1, 2001, identified abandoned properties are collected and placed into one of three funds pursuant to Section 38-13-116.5, C.R.S.:

- Abandoned Property Fund (primarily unclaimed properties from financial institutions)
- Unclaimed Insurance Moneys Fund
- Business Associations Unclaimed Moneys Fund

On July 1, 2001, these three funds were consolidated into the newly created Unclaimed Property Trust Fund pursuant to S.B. 00-57. Principal expenditures from the fund will be for qualified claims, while investment earnings will be transferred to the Colorado Uninsurable Health Insurance Plan (CUHIP) Cash Fund. Unclaimed Property Trust Fund balances will not revert to the General Fund.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$837,122	\$0	\$0	\$0	\$837,122	9.0
HB 02-1387	(583)	0	0	0	(583)	0.0
HB 02-1392	<u>(836,539)</u>	<u>0</u>	<u>836,539</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$0	\$0	\$836,539	\$0	\$836,539	9.0
FY 2002-03 Appropriation:						
HB 02-1420	<u>\$0</u>	<u>\$0</u>	<u>\$851,087</u>	<u>\$0</u>	<u>\$851,087</u>	<u>9.0</u>
TOTAL	\$0	\$0	\$851,087	\$0	\$851,087	9.0
Increase/(Decrease)	\$0	\$0	\$14,548	\$0	\$14,548	0.0
Percentage Change	-100.0%	n/a	1.7%	n/a	1.7%	0.0%

FTE Detail	FY 2001-02	FY 2002-03
Program Director	1.0	1.0
Program Admin.	2.0	2.0
Staff Auditor	3.0	3.0
Clerical	<u>3.0</u>	<u>3.0</u>
	9.0	9.0

Cash Funds Exempt Changes: The increase in cash funds exempt includes increases of \$39,000 in personal services primarily due to salary survey and anniversary increases awarded in FY 2001-02, and \$2,000 in increased leased space costs. These increases are partially offset by the elimination of a \$25,000 one-time appropriation for costs of relocating the Division during FY 2001-02, and a \$1,000 reduction in out-of-state travel.

Fire and Police Pension Association

This section contains appropriations for the State's contributions to the Fire and Police Pension Association, which are continuously appropriated by statute and are exempt from the six percent statutory limit on General Fund appropriations. The contributions support: (1) retirement pensions for police officers and firefighters hired before 1978 ("Old Hire Plans"), (2) local volunteer firefighter pension plans, and (3) volunteer death and disability plans for police and firefighters. For Old Hire Plans, the state contribution is set forth in statute at \$25,321,079 until such time as the plans are fully-funded (but no later than 2009). The state contribution to volunteer firefighter pensions is capped at 90 percent of the local contribution. The contribution for volunteer death and disability plans represents the cost of accidental death and disability insurance policies for volunteer firefighters as determined by the Board of Directors of the Fire and Police Pension Association.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$28,768,470	\$0	\$0	\$0	\$28,768,470	0.0
HB 02-1387	<u>137,719</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>137,719</u>	<u>0.0</u>
TOTAL	\$28,906,189	\$0	\$0	\$0	\$28,906,189	0.0
FY 2002-03 Appropriation:						
HB 02-1036	\$3,000	\$0	\$0	\$0	\$3,000	0.0
HB 02-1420	<u>28,906,189</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>28,906,189</u>	<u>0.0</u>
TOTAL	\$28,909,189	\$0	\$0	\$0	\$28,909,189	0.0

	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$3,000	\$0	\$0	\$0	\$3,000	0.0
Percentage Change	0.0%	n/a	n/a	n/a	0.0%	n/a

General Fund Changes: The General Fund appropriation reflects an increase of \$3,000 pursuant to changes made by H.B. 02-1036 to the appropriation for volunteer firefighter pensions for FY 2002-03.

Appropriated Counties

This section contains appropriations for the formula distribution from the Highway Users Tax Fund to counties as required by Section 43-4-207, C.R.S.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$0	\$0	\$164,767,000	\$0	\$164,767,000	0.0
TOTAL	\$0	\$0	\$164,767,000	\$0	\$164,767,000	0.0
FY 2002-03 Appropriation:						
HB 02-1420	\$0	\$0	\$161,384,000	\$0	\$161,384,000	0.0
TOTAL	\$0	\$0	\$161,384,000	\$0	\$161,384,000	0.0
Increase/(Decrease)	\$0	\$0	(\$3,383,000)	\$0	(\$3,383,000)	0.0
Percentage Change	n/a	n/a	-2.1%	n/a	-2.1%	n/a

Cash Funds Exempt Changes: The decrease in the cash funds exempt appropriation reflects lower anticipated Highway Users Tax Fund revenues.

Appropriated Municipalities

This section contains appropriations for the formula distribution from the Highway Users Tax Fund to municipalities as required by Section 43-4-208, C.R.S.

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$0	\$0	\$100,673,000	\$0	\$100,673,000	0.0
TOTAL	\$0	\$0	\$100,673,000	\$0	\$100,673,000	0.0

	GF	CF	CFE	FF	Total	FTE
FY 2002-03 Appropriation:						
HB 02-1420	\$0	\$0	\$99,171,000	\$0	\$99,171,000	0.0
TOTAL	\$0	\$0	\$99,171,000	\$0	\$99,171,000	0.0
Increase/(Decrease)	\$0	\$0	(\$1,502,000)	\$0	(\$1,502,000)	0.0
Percentage Change	0.0%	0.0%	-1.5%	0.0%	-1.5%	n/a

Cash Funds Exempt Changes: The decrease in the cash funds exempt appropriation reflects lower anticipated revenues to the Highway Users Tax Fund.

Recent Legislation

2001 Session Bills

S.B. 01-212: General appropriations act for FY 2001-02.

S.B. 01S2-22: Provides a 4.3 percent increase in the state contribution rate for state employees for CY 2002 and provides funding to pay for the additional costs associated with health insurance for state employees who reside in Pueblo. For more information, refer to the bill description in the Department of Personnel.

2002 Session Bills

S.B. 02-50: For an explanation of this bill please see the Recent Legislation section in the Department of Corrections.

H.B. 02-1036: Simplifies the method of calculating state contributions for volunteer firefighter pension plans. Increases minimum state contribution from \$500 to \$1,000 for any municipality or fire district that contributes proceeds of a levy of one-half mill on the current valuation for assessment of the municipality or district.

H.B. 02-1038: For an explanation of this bill please see the Recent Legislation section in the Department of Corrections.

H.B. 02-1241: Reclassifies expenditures made for the Elderly Property Tax Deferral Program as an investment from the Treasury pool, eliminating the need for a General Fund appropriation. Reduces the program's appropriation in the FY 2002-03 Long Bill.

H.B. 02-1387: Supplemental appropriation to the Department of Treasury to modify the appropriation included in the FY 2001-02 Long Bill.

H.B. 02-1392: Requires the Unclaimed Property Program and associated administrative expenses to be funded using moneys from the Unclaimed Property Trust Fund beginning in FY 2001-02. Includes a supplemental appropriation to the Department of Treasury to modify the appropriation included in the FY 2001-02 Long Bill.

H.B. 02-1420: General appropriations act for FY 2002-03.

H.B. 02-1468: Refinances the FY 2001-02 appropriation made pursuant to S.B. 01S2-22. Establishes the CY 2003 state contribution rate for health, life, and dental insurance to be the same as the state contribution rate for CY 2002. Authorizes the General Assembly to annually adjust the state contribution for health, life, and dental insurance effective CY 2004 through the Long Bill. For more information, refer to the bill description in the Department of Personnel.

CAPITAL CONSTRUCTION

This section summarizes state agency capital construction and controlled maintenance projects. Many of the appropriations are from the Capital Construction Fund. The primary source of revenue to the Capital Construction Fund is transfers and appropriations from the General Fund.

Recent Appropriations

Funding Source	FY 1999-00 Approp.	FY 2000-01 Approp.	FY 2001-02 Approp.	FY 2002-03 Approp.
Capital Construction Fund Exempt	\$231,207,986	\$274,790,924	\$136,584,341	\$23,496,606
Cash Funds	41,527,166	53,017,821	53,006,632	45,126,854
Cash Funds Exempt	366,102,066	138,514,965	140,438,837	128,907,798
Federal Funds	<u>62,168,926</u>	<u>64,982,855</u>	<u>13,270,911</u>	<u>16,112,469</u>
Total Funds	\$701,006,144	\$531,306,565	\$343,300,721	\$213,643,727

FY 2002-03 Budget Changes

Highlights of the capital construction funding for FY 2002-03 include the following:

- \$19.6 million Capital Construction Funds Exempt for capital construction projects; and
- \$3.9 million Capital Construction Funds Exempt for controlled maintenance projects.

General Factors Driving the Budget

In FY 2002-03, capital construction appropriations consist of 11.0 percent Capital Construction Fund Exempt, 21.1 percent cash funds, 60.3 percent cash funds exempt, and 7.6 percent federal funds. The departments with the largest percentage of Capital Construction Fund Exempt appropriations are listed in the table below.

Department	Percent of CCFE
Personnel	34.0%
Higher Education	29.5%
Human Services	17.8%
Health Care Policy & Financing	10.9%

Department	Percent of CCFE
Corrections/Corrections Expansion Reserve	5.5%
All Others	2.3%

Summary of FY 2002-03 Appropriations

	CCFE	CF	CFE	FF	Total
FY 2002-03 Total Appropriation:	\$23,496,606	\$45,126,854	\$128,907,798	\$16,112,469	\$213,643,727
<u>Breakdown of Total Appropriation by Department</u>					
Corrections	191,715	0	1,433,453	0	1,625,168
Corrections Expansion Reserve Fund	1,111,472	0	0	0	1,111,472
Health Care Policy and Financing	2,552,385	19,055	0	2,578,651	5,150,091
Higher Education	6,930,162	0	85,851,386	889,500	93,671,048
Human Services	4,171,907	1,542,812	6,673,020	7,991,861	20,379,600
Judicial	519,746	0	0	0	519,746
Labor and Employment	0	42,864,151	0	800,000	43,664,151
Law	35,533	836	106,203	3,447	146,019
Natural Resources	0	700,000	21,796,243	3,849,010	26,345,253
Personnel	7,983,686	0	1,663,103	0	9,646,789
Public Safety	0	0	223,753	0	223,753
Revenue	0	0	11,160,637	0	11,160,637
<u>Breakdown of Total Appropriation by Bill</u>					
S.B. 98-21	13,962	0	0	0	13,962
H.B. 98-1156	8,307,509	0	0	0	8,307,509
H.B. 98-1160	397,923	0	0	0	397,923
H.B. 00-1107	50,364	0	0	0	50,364
H.B. 00-1201	121,567	0	0	0	121,567
H.B. 00-1214	250,081	0	0	0	250,081
H.B. 00-1247	40,522	0	0	0	40,522
H.B. 01-1205	1,768,225	0	0	0	1,768,225
H.B. 01-1242	138,934	0	0	0	138,934

	CCFE	CF	CFE	FF	Total
S.B. 02-50	486,269	0	0	0	486,269
H.B. 02-1038	486,269	0	0	0	486,269
H.B. 02-1283	69,467	0	0	0	69,467
H.B. 02-1396	69,467	0	0	0	69,467
H.B. 02-1420	22,199,158	45,126,854	126,977,798	16,112,469	210,416,279
H.B. 02-1443	(11,089,087)	0	0	0	(11,089,087)
H.B. 02-1471	185,976	0	1,930,000	0	2,115,976

Project	Total	CCFE	CF	CFE	FF
---------	-------	------	----	-----	----

CORRECTIONS

CAPITAL CONSTRUCTION

Fremont Correctional Facility, Gymnasium Expansion	1,033,453	0	0	1,033,453	0
---	-----------	---	---	-----------	---

The appropriation pays for design and construction of an indoor recreational facility at Fremont Correctional Facility. The project will be funded by the Inmate Enterprise Canteen Fund.

Correctional Industries, Minor Construction Projects	400,000	0	0	400,000	0
---	---------	---	---	---------	---

The project will address various small Correctional Industries projects. This is an ongoing appropriation that allows the department to expand Correctional Industries where needed to accommodate new business or maintain current operations. Revenue from Correctional Industries is the cash fund source for the projects.

Replace Serving Lines and Dumb Waiters, Buena Vista Correctional Facility, Restoration of FY 1998-99 Funds	191,715	191,715	0	0	0
--	---------	---------	---	---	---

This restores the majority of FY 1998-99 appropriations for this project that were reduced in H.B. 02-1438 as part of efforts to balance the budget.

CORRECTIONS EXPANSION RESERVE FUND

	1,111,472	1,111,472	0	0	0
--	-----------	-----------	---	---	---

TOTAL - CORRECTIONS	\$2,736,640	\$1,303,187	\$0	\$1,433,453	\$0
----------------------------	--------------------	--------------------	------------	--------------------	------------

Project	Total	CCFE	CF	CFE	FF
---------	-------	------	----	-----	----

HEALTH CARE POLICY AND FINANCING

CAPITAL CONSTRUCTION

Colorado Benefits Management System	5,150,091	2,552,385	19,055	0	2,578,651
-------------------------------------	-----------	-----------	--------	---	-----------

The Colorado Benefits Management System is a joint effort between the Department of Human Services and the Department of Health Care Policy and Financing. The project, which began in 1996, will provide an integrated client management program, which will replace seven statewide systems that currently support the distribution of over \$2.1 billion in financial, medical, and food stamp benefits annually.

TOTAL - HEALTH CARE POLICY & FINANCING	\$5,150,091	\$2,552,385	\$19,055	\$0	\$2,578,651
--	-------------	-------------	----------	-----	-------------

HIGHER EDUCATION

Mesa State College

CAPITAL CONSTRUCTION

Parking Lot Acquisition	65,000	0	0	65,000	0
-------------------------	--------	---	---	--------	---

This project will acquire 95 parking spaces for Mesa State College.

Tolman Hall Renovation	396,447	0	0	396,447	0
------------------------	---------	---	---	---------	---

This project will renovate Tolman Hall. The building was constructed in 1967 and since then has been used as a dormitory.

Property Acquisition	89,430	0	0	89,430	0
----------------------	--------	---	---	--------	---

This project will acquire property west of the main campus for new construction, parking, and green space.

Colorado State University

CAPITAL CONSTRUCTION

University Center for the Arts, Concert Hall	7,001,633	0	0	7,001,633	0
--	-----------	---	---	-----------	---

The project will build a single-story 21,700 GSF concert hall that will be connected to the University Center for the Arts (UCA) building. The UCA and the concert hall will comprise the East campus of Colorado State University.

Colorado State Forest Service, Tree Processing Facility	1,158,850	0	0	1,158,850	0
---	-----------	---	---	-----------	---

The project will build a 10,000 GSF deciduous tree processing facility for the Colorado State Forest Service (CSFS) at Colorado State University's (CSU's) Foothills campus. According to CSU, the current tree processing facility is too small for present operations. The cold storage unit, built in 1957, was not designed to handle the volume of plant material that the CSFS currently processes.

Plant Sciences Building Revitalization	2,764,366	2,764,366	0	0	0
--	-----------	-----------	---	---	---

This project will renovate and remodel the Plant Sciences Building to upgrade facilities for the Bioagricultural Sciences and Pest Management Department and the Soil and Crop Sciences Department.

Project	Total	CCFE	CF	CFE	FF
---------	-------	------	----	-----	----

University of Colorado at Boulder

CAPITAL CONSTRUCTION

Tennis Court Replacement	1,015,358	0	0	1,015,358	0
--------------------------	-----------	---	---	-----------	---

The project will construct 12 new outdoor tennis courts with associated support services (including spectator seating, restroom facilities, a pavilion, parking, and security fencing) on the CU-Boulder South Campus. The courts will replace the existing Kittredge tennis courts that will be demolished as part of the Law School project. CU, however, indicates that the replacement of the tennis courts will proceed even if the Law School project is not funded.

East Folsom Stadium Improvements	45,707,258	0	0	45,707,258	0
----------------------------------	------------	---	---	------------	---

The project will add private suites and club seats to the east side of Folsom Stadium. Additional improvements include extending the existing first floor concourse to provide better restroom and concession service as well as improved life safety. A covered parking area below the concourse extension will serve the private suiteholders on event days, and will serve the facilities management shops the rest of the year. Stadium lights will also be incorporated into the design allowing the university to attract more lucrative and prestigious evening television broadcasts.

Center for Astrophysics and Space Astronomy, Astrophysical Research Laboratory, Expansion and Renovation	1,930,000	0	0	1,930,000	0
--	-----------	---	---	-----------	---

This project will add office space (4,755 GSF) to the existing Center for Astrophysics and Space Astronomy (CASA) Astrophysical Research Laboratory and to make minor renovations (500 GSF) within the building. The project will allow the university to accommodate new growth associated with the Cosmic Origins Spectrograph (COS) program at UCB/CASA, and provide an environment conducive to collaborative research in order to attract top scientists for the program. The COS is a replacement instrument for the Hubble Space Telescope.

University of Colorado Health Sciences Center

CAPITAL CONSTRUCTION

Fitzsimons, Infrastructure Development, Early Development Program	485,645	0	0	485,645	0
--	---------	---	---	---------	---

The project develops infrastructure at the Fitzsimons campus. The infrastructure to be constructed will provide the foundation of the development of Fitzsimons into a campus with modern, up-to-date, high-tech research, education, and health care facilities. The cash funds authorized for FY 2002-03 is for the final phase (Phase 4) of the Early Development project, which involves the demolition of five buildings. The funding source is the Fitzsimons Trust Fund. The state funds of \$822,457 restore a portion of the FY 1999-00 appropriation for this project. The appropriation was cut in HB 02-1438, but some of the cut funds had already been obligated by UCHSC.

Fitzsimons, Infrastructure Development, Midterm Development Program	5,379,497	0	0	5,379,497	0
--	-----------	---	---	-----------	---

The project will begin the midterm development phase of infrastructure work at Fitzsimons. The request for FY 2002-03 is a stand-alone request for cash funds spending authority only. The funding sources are the University Hospital, Health Sciences reserves, and other affiliates.

Project	Total	CCFE	CF	CFE	FF
---------	-------	------	----	-----	----

Fitzsimons, Education Facility/Center for Studies in Clinical Performance, Phase 2 of 3	2,350,301	0	0	2,350,301	0
---	-----------	---	---	-----------	---

The request is to construct a 94,669 GSF Education Facility at the Fitzsimons campus. This includes 72,709 GSF of education space in the education zone of the new campus (Education 1B), and 21,960 GSF of education space in the research zone of the campus (Education 1A). This phase funds the design work for the 72,709 GSF facility (Education 1B). The cash funds exempt source is the Fitzsimons Trust Fund.

Environmental Health and Safety Waste Processing Facility	3,200,000	0	0	3,200,000	0
---	-----------	---	---	-----------	---

The project will build a 11,942 GSF (7,936 ASF) waste processing facility for the Environmental Health and Safety program at Fitzsimons in order to support approximately 1.8 million square feet of new space for research facilities at Fitzsimons. The facility will include space for radiation safety, infectious waste, hazardous waste, chemical processing, and office support space for technical program staff. The source of funds is university reserves, primarily from indirect cost revenues.

Fitzsimons Infrastructure Development, Restoration of FY 1999-00 Funds	822,457	822,457	0	0	0
--	---------	---------	---	---	---

This appropriation restores a portion of the funds reduced in FY 1999-00 as part of efforts to balance the budget.

University of Northern Colorado

CAPITAL CONSTRUCTION

Ross Hall, Addition and Renovation, Phase 5 of 5	2,430,000	2,430,000			
--	-----------	-----------	--	--	--

This project is to renovate and expand Ross Hall. The fifth phase funding will be used to finish the building's interior.

West Campus Dining Facility	9,641,967			9,641,967	
-----------------------------	-----------	--	--	-----------	--

The project will build a new 22,500 GSF dining facility south of the existing residence halls on the west Campus. The existing dining hall can no longer meet the needs of the student population. The kitchen equipment is near the end of its useful service life, the hall has insufficient storage, and the single-line servery makes it difficult to offer a varied menu. Upon completion, the new dining hall will have seating capacity for 550 students.

Parking Improvements	6,000,000			6,000,000	
----------------------	-----------	--	--	-----------	--

The project will address several parking projects across campus. The project will be financed through the sale of bonds that will be paid off by parking revenues.

Project	Total	CCFE	CF	CFE	FF
---------	-------	------	----	-----	----

Red Rocks Community College

CONTROLLED MAINTENANCE

Construction Technology Building, Fire Alarm Upgrade	143,822	143,822			
--	---------	---------	--	--	--

The project provides code compliance fire detection to the Construction Technology Building. The lack of detection devices poses a safety issue that needs to be addressed. This appropriation restores funding that was reduced as part of efforts to address the budget shortfall in FY 2001-02. The original funding for this project was in FY 2000-01.

Trinidad State Junior College

CONTROLLED MAINTENANCE

Library and Davis Buildings, Clean and Sanitize Heating and Air Conditioning Duct System	63,534	63,534			
--	--------	--------	--	--	--

The project cleans and sanitizes parts of the Davis Building and Frudenthal Library. Faculty, staff and students have complained of headaches, respiratory problems, and watering eyes in these buildings, which is typical of Sick Building Syndrome. Studies have indicated the presence of mold and fungi. This appropriation restores funding that was reduced as part of efforts to address the budget shortfall in FY 2001-02. The original funding for this project was in FY 2000-01.

Colorado Historical Society

CAPITAL CONSTRUCTION

Fort Vasquez Museum Renovations	114,500	0	0	25,000	89,500
---------------------------------	---------	---	---	--------	--------

The appropriation is for site upgrades and historical preservation Fort Vasquez Museum. The FY 2003-04 phase will include a request for state funds.

Cumbres and Toltec Scenic Railroad Commission, Railroad Track Upgrades	1,000,000	100,000	0	100,000	800,000
--	-----------	---------	---	---------	---------

This appropriation will upgrade the Cumbres & Toltec Railroad track. The project involves the construction of retaining walls, work on a mud tunnel, purchase of rock ballast and ties, and the servicing and aligning of the track (currently, the ties rest on dirt). Phase I of the project is 98 percent complete. Phase II work is expected to begin in the Spring of 2002.

Cumbres and Toltec Scenic Railroad, Locomotive Boilers	140,000	70,000	0	70,000	0
--	---------	--------	---	--------	---

The project will allow for boiler work to be performed on the railroad's sixth and final locomotive. Funding for work on the railroad's five other locomotive boilers was approved in prior years. The boiler work is necessary to comply with Rule 230, recently issued by the Federal Railroad Administration (FRA). Rule 230 requires a detailed boiler examination and replacement of all steam locomotive tubes.

Regional Museum Preservation Projects	385,000	0	0	385,000	0
---------------------------------------	---------	---	---	---------	---

The project will address a number of historic preservation issues at regional museums. The project will be funded through the State Historical Fund.

Project	Total	CCFE	CF	CFE	FF
El Pueblo Museum, Education Facility Renovation and New Construction	850,000	0	0	850,000	0
The Colorado Historical Society has contractual obligations to construct the El Pueblo Museum. The additional cash funds exempt spending authority will allow the CHS to move forward as it finds additional funding sources for the existing contract. The funds will also demonstrate the CHS's commitment to continue fundraising for the El Pueblo project.					
Lowry Higher Education Center					
Site and Utility Plan, Restoration of FY 2000-01 Funds	535,983	535,983	0	0	0
The appropriation restores a portion of the FY 2000-01 funds for this project that were reduced as part of efforts to balance the budget.					
TOTAL - HIGHER EDUCATION	\$93,671,048	\$6,930,162	\$0	\$85,851,386	\$889,500

HUMAN SERVICES

CAPITAL CONSTRUCTION

Colorado Benefits Management System	19,225,068	3,017,375	1,542,812	6,673,020	7,991,861
-------------------------------------	------------	-----------	-----------	-----------	-----------

The Colorado Benefits Management System is a joint effort between the Department of Human Services and the Department of Health Care Policy and Financing. The project, which began in 1996, will provide an integrated client management program, which will replace seven statewide systems that currently support the distribution of over \$2.1 billion in financial, medical, and food stamp benefits annually.

Kipling Village Improvements	1,154,532	1,154,532	0	0	0
------------------------------	-----------	-----------	---	---	---

The project funds security improvements at the Wheat Ridge Regional Center to provide additional screening between the facility, traffic on Miller Street, and future development.

TOTAL - HUMAN SERVICES	\$20,379,600	\$4,171,907	\$1,542,812	\$6,673,020	\$7,991,861
-------------------------------	---------------------	--------------------	--------------------	--------------------	--------------------

JUDICIAL

CONTROLLED MAINTENANCE

Judicial/Heritage Complex, Waterproof Sloped Roof and Plaza Deck	201,824	201,824	0	0	0
---	---------	---------	---	---	---

The second phase of this project repairs and reconstructs the terrace and planter areas of the Heritage Building. The sloped roof and plaza deck levels of the Judicial Complex have leaked into the building structure for many years. Expansion joints and brick pavers are a continuous source of water entry into the structure. The third phase will repair and replace the roof. Work on the plaza has also taken place.

Judicial Heritage Building, Elevator Repair/Retrofit	317,922	317,922	0	0	0
---	---------	---------	---	---	---

The project repairs and retrofits the elevator system in the Judicial Building. The system is now 24 years old, and the elevators fail two to three times per week on average. Parts for repairs are difficult to acquire, and door safety edges and photo eye systems need upgrading.

TOTAL - JUDICIAL	\$519,746	\$519,746	\$0	\$0	\$0
-------------------------	------------------	------------------	------------	------------	------------

Project	Total	CCFE	CF	CFE	FF
<u>LABOR AND EMPLOYMENT</u>					
CAPITAL CONSTRUCTION					
Genesis Project	24,664,151	0	24,664,151	0	0
The project is to reengineer the Unemployment Insurance (UI) Program using cash funds from the Employment Support Fund. This is a multi-year information technology project that began in 1998.					
Petroleum Storage Tank Site Cleanup	19,000,000	0	18,200,000	0	800,000
The request is for an ongoing project that reimburses the cost of remediating storage sites contaminated by leaking petroleum products.					
TOTAL - LABOR AND EMPLOYMENT	\$43,664,151	\$0	\$42,864,151	\$0	\$800,000

LAW

CAPITAL CONSTRUCTION

Law Office Information and Billing System	146,019	35,533	836	106,203	3,447
---	---------	--------	-----	---------	-------

The request is for the third and final phase of purchasing a new law office information and billing system. The is project replaces the legal time and billing system and a docketing system and purchases a project tracking system.

TOTAL - DEPARTMENT OF LAW	\$146,019	\$35,533	\$836	\$106,203	\$3,447
----------------------------------	------------------	-----------------	--------------	------------------	----------------

NATURAL RESOURCES

Parks and Outdoor Recreation

Major Repairs, Minor Recreation Improvements	2,475,000	0	0	2,475,000	0
--	-----------	---	---	-----------	---

The request is to repair, replace, and improve state park facilities. Typical projects include picnic and campsite renovations; water, sewer, and electrical utility system improvements; building and toilet repairs; dock and ramp work; technology upgrades; and emergency contingencies.

Barr Lake Special Lease	100,000	0	0	100,000	0
-------------------------	---------	---	---	---------	---

The appropriation is for the Barr Lake Special Lease. This will settle an easement grant dispute with a one-time lump sum payment to the FRICO Irrigation Company. Both parties will revise the easement grant to remove ambiguous language and the insurance requirement.

Water Acquisitions/Lease Options and Dam Repairs	550,000	0	0	550,000	0
--	---------	---	---	---------	---

The appropriation is to fund water management plans and the restoration of dams at certain water-based state parks. This will meet water needs for recreation and environmental quality. The project includes capital improvements such as dam repairs and gauging devices to maximize water use and protect downstream property owners/residents should state-owned dams fail.

Project	Total	CCFE	CF	CFE	FF
Park Improvements and Buffer Acquisitions	639,000	0	0	639,000	0
The appropriation is to purchase land additions to existing parks. These purchases include adjacent lands as well as inholdings. The purchases preserve the integrity of the parks, improve public access, address visitor safety and trespass issues, and enhance management of the lands. The funds are also used to address boundary disputes, right of-way problems, and easements.					
Renovation of Bureau of Reclamation State Parks	3,400,000	0	0	1,800,000	1,600,000
The project is to continue the renovation of the five parks on the Western Slope: (1) Crawford; (2) Navajo; (3) Paonia; (4) Rifle; and (5) Vega. The division leases these parks from the U.S. Bureau of Reclamation on a long-term basis. This phase will focus on Rifle Gap State Park, beginning a multiple-year commitment at the park.					
Grants for State Trails Program	1,527,000	0	0	567,000	960,000
The project will provide state matching funds to local governments for the Colorado Greenway Project. Under the Greenway Project, local governments build trails and agree to operate, maintain, and patrol completed trails within their jurisdiction.					
Lathrop State Park, Campground Renovation	511,000	0	0	511,000	0
The project will renovate the campgrounds and portions of the infrastructure at Lathrop State Park.					
Highline State Park Renovation	200,000	0	0	200,000	0
The project is to renovate Highline State Park.					
Chatfield State Park Renovation	775,000	0	0	775,000	0
The appropriation is to renovate Chatfield State Park. This is the second phase of the construction project; the first phase was used to build a visitor center. Renovations will include making improvements to the maintenance facility and the existing campground.					
Cheyenne Mountain State Park Development	1,020,000	0	0	383,000	637,000
The appropriation is to develop the first state park in El Paso County, the Cheyenne Mountain State Park. The project will be completed in September 2005.					
Barbour Ponds State Park Renovation	200,000	0	0	200,000	0
The appropriation is to renovate Barbour Ponds State Park and upgrade its basic facilities. The park will acquire water and sewer taps from municipal utility districts and bring service lines into the park. It will also improve roads and campsites within the park.					
Barbour Ponds State Park, Visitor Center	500,000	0	0	500,000	0
The project will construct the Barbour Ponds Visitor Center. The center will be located south of Barbour Ponds and west of I-25 on a seven acre site of donated land and will replace a portable office trailer. The project will take 18 months to complete.					
Sylvan Lake State Park Renovation and Development, Bush Creek Section	126,000	0	0	126,000	0
The project is to complete the final phase of construction at the Brush Creek Section of Sylvan Lake State Park. This will include final construction of the parking lots and access to points of the park for visitors.					

Project	Total	CCFE	CF	CFE	FF
----------------	--------------	-------------	-----------	------------	-----------

Trail Linkages in State Parks	1,050,500	0	0	1,050,500	0
-------------------------------	-----------	---	---	-----------	---

The appropriation will fund a continuing program to construct and enhance trails within the boundaries of the state parks system. Some trails will be internal, and some will link state parks to other regional trail systems. Funding will cover bridges, boardwalks, trail surface material, contractual construction, Colorado Youth Corps trail crews, trail maintenance tools and equipment, and work-site rehabilitation.

Watchable Wildlife in Parks Projects and Visitor Center Exhibits	199,000	0	0	199,000	0
--	---------	---	---	---------	---

The appropriation is to broaden park visitors' outdoor recreation experience through watchable wildlife and environmental education programs. The facilities constructed as a result of this project provide opportunities for environmental education and interpretive experiences through a variety of means, including overlook areas, viewing blinds, self-guided nature trails, displays, touch-screen computers, signs and audio-visual presentations.

Boat Ramp Breakwater Structure, John Martin Reservoir	187,500	0	0	0	187,500
---	---------	---	---	---	---------

The appropriation is for federal funds spending authority to construct an earthen breakwater structure at the main boat ramp at John Martin Reservoir. This will provide safer access to the surface of the reservoir.

Road Maintenance and Improvements	300,000	0	0	300,000	0
-----------------------------------	---------	---	---	---------	---

The appropriation is to construct, improve, and provide major maintenance of park roads with Highway Users Tax Fund (HUTF) moneys. HUTF moneys will be used to repair the road system in Chatfield State Park in a project coordinated by Colorado Department of Transportation.

Road Maintenance and Improvements	1,000,000	0	0	1,000,000	0
-----------------------------------	-----------	---	---	-----------	---

The appropriation is to construct, improve, and provide major maintenance of park roads with lottery. Lottery moneys will be used to improve roads in the South and Metro Regions based on a priority list established by Colorado Department of Transportation.

Saint Vrain Corridor	274,000	0	0	274,000	0
----------------------	---------	---	---	---------	---

The appropriation provides the Parks Division with cash funds exempt spending authority to acquire land and water along the Saint Vrain River Corridor. The objectives of the project are to: (1) protect the Saint Vrain riparian corridor; (2) provide and urban fishery; (3) link trail corridors; (4) provide camping; (5) and provide watchable wildlife viewing.

Off-Highway Vehicle Program Grants and Minor New Construction and Renovation	1,400,000	0	700,000	700,000	0
--	-----------	---	---------	---------	---

The project is to fund grants for Off-Highway Vehicle (OHV) project sponsors. The OHV Program provides grants to OHV project sponsors, which include local governments, federal agencies, and not-for-profit organizations.

Wildlife

Dam Maintenance, Repair, and Improvement	173,040	0	0	173,040	0
--	---------	---	---	---------	---

This is an annual appropriation for ongoing maintenance, repair, and improvements to dams located on division-owned or leased property. The FY 2002-03 appropriation is for the following projects: (1) miscellaneous maintenance and repairs (\$111,240); (2) Lower Browns Lake Outlet works, etc. (\$41,200); and (3) Parvin Lake Measuring flume (\$12,360).

Project	Total	CCFE	CF	CFE	FF
Fish Unit Maintenance and Improvement	1,122,056	0	0	1,122,056	0
The appropriation is for emergency repairs and improvements at five fish hatcheries. Projects include water diversion, structure repair and improvements, building repair, major hatchery equipment purchases or repairs, and pollution control projects. These projects are primarily ongoing and controlled maintenance in nature.					
Property Maintenance, Improvement, and Development	1,878,620	0	0	1,878,620	0
The appropriation is for facility and habitat projects on new and existing division-owned or leased property, in addition to habitat improvement projects on other public lands. The division has identified 18 projects for FY 2002-03.					
Employee Housing Repairs	402,318	0	0	402,318	0
The project will repair, maintain and modernize employee housing located on properties owned and managed by the Division of Wildlife.					
Waterfowl Habitat Projects	200,000	0	0	200,000	0
The appropriation is for projects to develop waterfowl habitats statewide. Projects address the insufficient quantity and quality of habitat available to maintain and increase waterfowl populations in Colorado.					
Motorboat Access on Lakes and Streams	548,146	0	0	83,636	464,510
This is an annual appropriation for ongoing maintenance, repair, and improvements to dams located on division-owned or leased property. In FY 2002-03 the appropriation is for the following projects: (1) miscellaneous maintenance and repairs; (2) Lower Browns Lake Outlet works, etc.; and (3) Parvin Lake Measuring flume.					
Stream and Lake Improvements	216,300	0	0	216,300	0
The appropriation is to finance habitat improvement projects for selected streams and lakes that have been damaged or are in poor condition. These projects are generally small in nature and not suitable for separating into component parts or incorporating into larger projects. Actual work ranges from placing boulders in stream channels to seeding eroded banks and fencing to keep livestock away.					
Land Acquisitions	2,500,000	0	0	2,500,000	0
The appropriation will allow the Division of Wildlife (DOW) to acquire fee title to property through a competitive bidding process.					
Cooperative Habitat Improvements	500,000	0	0	500,000	0
The appropriation is to increase the quality and quantity of habitats on private property and improve small game hunting opportunities. To date, the division has implemented two programs: the Cooperative Habitat Improvement Program (CHIP); and the Pheasant Habitat Improvement Program (PHIP) in eastern Colorado.					
Wetland Improvement Projects	850,000	0	0	850,000	0
The project funds the Colorado Wetlands Initiative. The initiative is a partnership effort between the Division of Wildlife and dozens of outside partners and governmental agencies. Funds appropriated under this line item are leveraged with funds from the Great Outdoors Colorado Board (GOCO), Ducks Unlimited, and other partners.					

Project	Total	CCFE	CF	CFE	FF
Service Center Improvements	728,250	0	0	728,250	0
The project will upgrade and renovate the division's service centers across the state.					
Miscellaneous Small Projects	792,523	0	0	792,523	0
The request is for emergency repairs and minor maintenance and improvements projects. These projects are controlled maintenance type projects, but are not funded from controlled maintenance funds in the capital construction budget. The projects are funded from revenues collected by the division from the sale of hunting and fishing licenses. Typical projects include room repairs, HVAC maintenance and repairs, fence installation and repair, and comfort station repairs and replacement.					
TOTAL - NATURAL RESOURCES	\$26,345,253	\$0	\$700,000	\$21,796,243	\$3,849,010

PERSONNEL

CERTIFICATES OF PARTICIPATION

2002 Issue (Refunding of 1992 Issue)	265,988	265,988	0	0	0
--------------------------------------	---------	---------	---	---	---

This represents the annual certificates of participation (COP) payment after refinancing the 1992 Issue, which included funds for developmental disabilities facilities, Division of Youth Corrections facilities, adult corrections facilities and part of the Auraria Higher Education Center North Classroom building.

Lease Purchase of 700 Kipling Street Building	864,900	0	0	864,900	0
---	---------	---	---	---------	---

This appropriation is to pay the annual lease purchase payment for the building at 700 Kipling Street. The space is occupied by the Departments of Agriculture, Transportation, and Public Safety.

Lease Purchase of 1881 Pierce Street Building	1,772,996	974,793	0	798,203	0
---	-----------	---------	---	---------	---

The request is to pay the annual certificates of participation (COP) payment for the issue that purchased the state facility at 1881 Pierce Street for the Department of Revenue.

CONTROLLED MAINTENANCE

Emergency Fund	1,810,821	1,810,821	0	0	0
----------------	-----------	-----------	---	---	---

The project continues funding for the Controlled Maintenance Emergency Fund. The fund benefits state agencies and higher education institutions in the event of unforeseen maintenance problems affecting health, safety, or public welfare. The fund is administered by the State Buildings Division.

Project	Total	CCFE	CF	CFE	FF
CAPITAL CONSTRUCTION					
Life/Safety Upgrades for Capitol Annex Building - 1375 Sherman Street	982,084	982,084	0	0	0
This adds funds to previous appropriations totaling \$17,024,317, based on architectural and engineering designs and environmental testing results.					
Statewide Multi-Use Network Implementation	3,950,000	3,950,000	0	0	0
The appropriation provides the Colorado Information Technology Services (CITS) with funding for the third and final phase of a project to develop and implement a Statewide Multi-Use Network.					
TOTAL - PERSONNEL	9,646,789	7,983,686	0	1,663,103	0

DEPARTMENT OF PUBLIC SAFETY

CAPITAL CONSTRUCTION

Colorado State Patrol, Frisco Troop Office Construction	223,753	0	0	223,753	0
---	---------	---	---	---------	---

The appropriation is to construct a Colorado State Patrol Office in Summit County near Frisco and to demolish the current facility.

TOTAL - PUBLIC SAFETY	\$223,753	\$0	\$0	\$223,753	\$0
------------------------------	------------------	------------	------------	------------------	------------

DEPARTMENT OF REVENUE

CAPITAL CONSTRUCTION

Titling and Registration System	2,140,764	0	0	2,140,764	0
---------------------------------	-----------	---	---	-----------	---

The project will continue replacing the Department's motor vehicle titling and registration systems. The project will improve the effectiveness and efficiency of the Motor Vehicle Title and Registration business processes while reducing training and transaction time. The division plans to buy a base system and modify/implement it in several phases. The new system will incorporate the current system's functionality; streamline filing, recording, and retrieval processes; and simplify implementation of regulatory and statutory changes.

State Lottery, Computer Migration to Open Systems	8,233,614	0	0	8,233,614	0
---	-----------	---	---	-----------	---

The appropriation will allow the Lottery Division to move applications from Wang VS to a new computer system in a project called Computer Migration to Open Systems (CMOS). A formal third party review revealed concerns about future support for the current IT infrastructure and suggested that the Lottery begin a strategic migration plan to move systems off the Wang VS platform. CMOS will implement technology that is fully supported with hardware, software, and programmer availability. It will keep computer uptime close to 100 percent and help maintain public favor, thus helping to fulfill the Lottery's mission.

Project	Total	CCFE	CF	CFE	FF
Ports of Entry, Semi-portable Scale Replacement	129,854	0	0	129,854	0
The appropriation is to purchase three sets of 11-foot semi-portable scales to replace like equipment that is at the end of its useful life. Semi-portable scales are used to enforce weight regulations in off-interstate locations where commercial vehicles are not normally contacted. The life expectancy of semi-portable scales is three to five years based on industry standards.					
Trinidad Port of Entry, Building Replacement	275,501	0	0	275,501	0
The project replaces the Trinidad Port of Entry building, which is run down and obsolete.					
Motor Carrier Services Division, Fort Collins, Port of Entry, Building Replacement	380,904	0	0	380,904	0
The appropriation from the Highway Users Tax Fund will replace two port-of-entry buildings at the Fort Collins site. In addition, the project extends the nearest power line to the northbound POE and adds a pump and tank sprinkling system to the basement of both buildings to comply with fire codes.					
TOTAL - REVENUE	\$11,160,637	\$0	\$0	\$11,160,637	\$0
 TOTAL - CAPITAL CONSTRUCTION	 \$213,643,727	 \$23,496,606	 \$45,126,854	 \$128,907,798	 \$16,112,469

Recent Legislation

2001 Session Bills

S.B. 01S-23: Capital construction supplemental appropriation.

2002 Session Bills

S.B. 02-50: Makes possession of certain substances used to manufacture methamphetamine illegal. Includes a five year statutory appropriation pursuant to Section 2-2-703, C.R.S., for the following fiscal years:

- FY 2002-03: Transfers \$486,269 General Fund to the Capital Construction Fund, then to the Corrections Expansion Reserve Fund. This mechanism allows the bed construction costs to be exempt from the Arveschoug-Bird six percent limit.
- FY 2003-04: Transfers \$486,269 General Fund to the Capital Construction Fund, then to the Corrections Expansion Reserve Fund. This mechanism allows the bed construction costs to be exempt from the Arveschoug-Bird six percent limit. Appropriates \$190,757 General Fund for the operating costs associated with the bill. The operating costs will need to be included within the Arveschoug-Bird six percent limit in FY 2003-04.
- FY 2004-05: Transfers \$486,269 General Fund to the Capital Construction Fund, then to the Corrections Expansion Reserve Fund. This mechanism allows the bed construction costs to be exempt from the Arveschoug-Bird six percent limit. Appropriates \$381,514 General Fund for the operating costs associated with the bill. The operating costs will need to be included within the Arveschoug-Bird six percent limit in FY 2004-05.
- FY 2005-06: Transfers \$449,799 General Fund to the Capital Construction Fund, then to the Corrections Expansion Reserve Fund. This mechanism allows the bed construction costs to be exempt from the Arveschoug-Bird six percent limit. Appropriates \$572,271 General Fund for the operating costs associated with the bill. The operating costs will need to be included within the Arveschoug-Bird six percent limit in FY 2005-06.
- FY 2006-07: Appropriates \$748,721 General Fund for the operating costs associated with the bill. The operating costs will need to be included within the Arveschoug-Bird six percent limit in FY 2006-07.

Additionally, the act includes an appropriation of \$14,373 General Fund and 0.3 FTE for the Public Defenders Office for FY 2002-03. The act also reduces General Fund appropriations in the Long Bill for performance-based pay to offset the costs of the bill in FY 2002-03.

H.B. 02-1038: Makes possession of certain items with the intent to manufacture methamphetamine illegal. Includes a five year statutory appropriation pursuant to Section 2-2-703, C.R.S., for the following fiscal years:

- FY 2002-03: Transfers \$486,269 General Fund to the Capital Construction Fund, then to the Corrections Expansion Reserve Fund. This mechanism allows the construction costs for prison beds to be exempt from the Arveschoug-Bird six percent limit.
- FY 2003-04: Transfers \$506,530 General Fund to the Capital Construction Fund, then to the Corrections Expansion Reserve Fund. This mechanism allows the construction costs for prison beds to be exempt from the Arveschoug-Bird six percent limit. Appropriates \$190,757 General Fund for the operating costs associated with the bill. The operating costs will need to be included within the Arveschoug-Bird six percent limit in FY 2003-04.
- FY 2004-05: Transfers \$972,538 General Fund to the Capital Construction Fund, then to the Corrections Expansion Reserve Fund. This mechanism allows the construction costs for prison beds to be exempt from the Arveschoug-Bird six percent limit. Appropriates \$389,462 General Fund for the operating costs associated with the bill. The operating costs will need to be included within the Arveschoug-Bird six percent limit in FY 2004-05.
- FY 2005-06: Appropriates \$770,976 General Fund for the operating costs associated with the bill. The operating costs will need to be included within the Arveschoug-Bird six percent limit in FY 2005-06.
- FY 2006-07: Appropriates \$770,976 General Fund for the operating costs associated with the bill. The operating costs will need to be included within the Arveschoug-Bird six percent limit in FY 2006-07.

Additionally, the act appropriates \$12,947 General Fund and 0.3 FTE to the Public Defender's Office in FY 2002-03. The act also reduces the General Fund appropriations in the Long Bill for performance-based pay by \$499,216 to cover the FY 2002-03 costs of the bill.

H.B. 02-1283: Expands the current crime of possession, use, or unlawful removal of explosives to include chemical, biological, or radiological weapons. Includes a five year statutory appropriation pursuant to Section 2-2-703, C.R.S., for the following fiscal year:

- FY 2002-03: Transfers \$69,467 General Fund to the Capital Construction Fund, then to the Corrections Expansion Reserve Fund. This mechanism allows the bed construction costs to be exempt from the Arveschoug-Bird six percent limit.
- FY 2003-04: Appropriates \$27,251 General Fund for the operating costs associated with the bill. The operating costs will need to be included within the Arveschoug-Bird six percent limit in FY 2003-04.

- ❑ FY 2004-05: Appropriates \$27,251 General Fund for the operating costs associated with the bill. The operating costs will need to be included within the Arveschoug-Bird six percent limit in FY 2004-05.
- ❑ FY 2005-06: Appropriates \$27,251 General Fund for the operating costs associated with the bill. The operating costs will need to be included within the Arveschoug-Bird six percent limit in FY 2005-06.
- ❑ FY 2006-07: Appropriates \$27,251 General Fund for the operating costs associated with the bill. The operating costs will need to be included within the Arveschoug-Bird six percent limit in FY 2006-07.

The act includes a clause indicating the sections that require an appropriation will only be enacted into law if H.B. 02-1241 is enacted and contains net General Fund savings equal to or greater than the final general fund fiscal estimate for H.B. 02-1283.

H.B. 02-1388: First capital construction supplemental appropriation.

H.B. 02-1389: Transferred \$37,500,755 from the Capital Construction Fund to the General Fund in FY 2001-02; Appropriated \$83,187,599 General Fund to the Capital Construction Fund in FY 2001-02; and, made modifications to sales and use taxes deposited in the Highway Users Tax Fund.

H.B. 02-1391: Made transfers from various funds to the General Fund to augment revenues in FY 2001-02. Regarding just those provisions impacting capital construction, the bill: (1) transferred all interest earnings in the Capital Construction Fund in FY 2001-02 to the General Fund, estimated to be \$21.4 million; (2) transferred \$30,900,000 from the General Fund to the Capital Construction Fund in FY 2002-03.

H.B. 02-1396: Extends the limitation period for filing criminal charges of sex offenses against children by tolling the 10-year limitation period until the victim is 18 years of age. Includes a five year statutory appropriation pursuant to Section 2-2-703, C.R.S., for the following fiscal year:

- ❑ FY 2002-03: Transfers \$69,467 General Fund to the Capital Construction Fund, then to the Corrections Expansion Reserve Fund. This mechanism allows the bed construction costs to be exempt from the Arveschoug-Bird six percent limit.
- ❑ FY 2003-04: Appropriates \$27,251 General Fund for the operating costs associated with the bill. The operating costs will need to be included within the Arveschoug-Bird six percent limit in FY 2003-04.
- ❑ FY 2004-05: Appropriates \$27,251 General Fund for the operating costs associated with the bill. The operating costs will need to be included within the Arveschoug-Bird six percent limit in FY 2004-05.

- ❑ FY 2005-06: Appropriates \$27,251 General Fund for the operating costs associated with the bill. The operating costs will need to be included within the Arveschoug-Bird six percent limit in FY 2005-06.
- ❑ FY 2006-07: Appropriates \$27,251 General Fund for the operating costs associated with the bill. The operating costs will need to be included within the Arveschoug-Bird six percent limit in FY 2006-07.

The act includes a clause indicating that it will only be enacted into law if H.B. 02-1292 is enacted and contains net General Fund savings equal to or greater than the final general fund fiscal estimate for H.B. 02-1396.

H.B. 02-1420: General appropriations act for FY 2002-03.

H.B. 02-1438: Second capital construction supplemental appropriation.

H.B. 02-1443: Reduced transfers from the General Fund to the Capital Construction Fund in FY 2002-03 by \$132,500,087; reduced appropriations in FY 2002-03 from the Capital Construction Fund for the Corrections Expansion Reserve Fund by \$11,089,087; transferred \$53,545,000 from the Capital Construction Fund to the General Fund in FY 2001-02; and reduced FY 2001-02 appropriations from the General Fund to the Capital Construction Fund by \$4,277,404.

H.B. 02-1471: Third capital construction supplemental appropriation.

APPENDICES

A. GLOSSARY OF TERMS

Capital Construction Fund: A fund into which General Fund and Lottery Fund transfers for capital construction purposes are deposited. This fund is used to build, renovate, and repair state buildings, to purchase major equipment, and to acquire land.

Cash Funds: Separate funds set up to receive earmarked revenues, such as fees and fines. These funds pay for the programs for which the revenues are collected. Examples are the Wildlife Cash Fund and the Disabled Telephone Users Fund.

Cash Funds Exempt: A category added in the FY 1993-94 Long Bill for cash funds appropriations that are exempt from the provisions of Article X, Section 20 of the Colorado constitution. Examples of exempt appropriations are those paid for from donations and from reserves in a cash fund.

Common Policies: These are policies adopted by the General Assembly that are applicable to all Departments, unless specifically exempted. Examples of common policies are personal services base appropriation reductions, and rates paid by agencies to the Department of Personnel for vehicle leases and capitol complex leased space, which are used to calculate appropriations for those line items for all departments.

Federal Funds: Funds from the federal government. Some federal funds are grants for identified, limited purposes. Other federal funds support ongoing state-federal programs and may require state matching funds. Examples of matching programs are Medicaid and highway construction. Federal funds are exempt from the provisions of Article X, Section 20 of the Colorado constitution.

FTE: Full time equivalent (one position filled all year).

General Fund: A fund into which general tax revenues, such as state sales and income taxes, are deposited. The General Fund is used to pay, in whole or in part, for state programs which benefit the majority of state citizens. Examples are education and corrections.

Long Bill: Colorado's annual general appropriations act.

B. COMMON POLICIES

The appropriations for many line items are determined by common policies uniformly applied to all state agencies. A brief explanation of each line item is provided below.

Administrative Law Judge Services

Funds for Administrative Law Judge (ALJ) services are included for the ten departments that use such services. The billing methodology is a cost allocation method based on data from the last complete year of actual usage by each agency. Percentages of actual usage for this year are applied to the total costs of Division of Administrative Hearings to produce each agency's appropriation. An amount of cash funds exempt spending authority that matches total agency appropriations is included for the Department of Personnel, Administrative Hearings. For FY 2002-03, that spending authority is sufficient to fund personal services, operating expenses, and indirect costs.

ADP Capital Outlay

Automated Data Processing (ADP) Capital Outlay is the common title for one-time, incidental information technology appropriations. This line item funds replacement or additional Automated Data Processing (ADP) equipment. Requests for these items are also reviewed by the Commission on Information Management (IMC).

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. This line item appears in each department's executive director's office. The funding level is based on a rate of \$9.86 per square foot for the Capitol Complex, \$3.35 per square foot for the North Campus, \$4.72 per square foot for the Pierce Street Building, \$5.35 per square foot for the Grand Junction State Office Building, and \$0.88 per square foot for Camp George West (which does not include utility payments, except for water and sewer, that are included for other facilities). These funds may not be used for leased space outside of these facilities, which are administered by the Department of Personnel, Division of Central Services. A matching amount of transfer spending authority is appropriated to the Department of Personnel to pay all costs associated with maintenance and upkeep for 713,663 square feet of space in the Capitol Complex, 44,597 square feet of space in the North Campus, 125,000 square feet for the Pierce Street Building, 34,998 square feet in the Grand Junction State Office Building, and 287,125 square feet at Camp George West.

Community Provider Rates

For FY 2002-03, 1.0 percent rate increases were appropriated for community providers in the following areas: (1) Child Welfare Services, Youth Corrections, Mental Health, Developmental Disabilities, Vocational Rehabilitation, and Alcohol and Drug Abuse programs within the Department

of Human Services; (2) Community Corrections within the Department of Public Safety; and (3) Home-Based and Community-Based Services within the Department of Health Care Policy and Financing. The 1.0 percent rate increase is also appropriated for county administration associated with programs in the Department of Human Services. In selected cases, exceptions were made to provide a higher increase.

Health, Life, and Dental

This line item appears in each department's executive director's office. The state contribution rate for employee benefits is made pursuant to Section 24-50-609, C.R.S. Pursuant to H.B. 02-1468, these amounts may be adjusted through the Long Bill after FY 2002-03. Eligible state employees make payroll contributions to pay for the difference between the state contribution level and the premiums for the plans and coverages selected during the open enrollment period each year. For FY 2002-03, the state contribution rate is \$166.12 per month for a single employee, \$239.15 per month for an employee with one dependent, and \$328.87 per month for an employee with two or more dependents. Not including the Department of Higher Education, the State appropriated \$51.7 million for Health, Life, and Dental line items for FY 2002-03. Of this amount, \$34.0 million is General Fund.

Indirect Costs

Indirect costs are the overhead costs associated with the state administration and operation of government programs. Indirect cost recoveries are intended to offset overhead costs with cash and federally-funded sources that otherwise would have been supported by the General Fund. Recoveries from cash and federally-funded programs are calculated for two areas: statewide and departmental overhead costs. Statewide indirect cost recoveries are designed to offset costs of operating general government functions that support the activities of all departments, but do not charge a fee for services provided. These costs are calculated by the State Controller's Office and approved by the Joint Budget Committee. Departmental indirect cost recoveries are specific to the general administrative functions of each department that are typically located in the executive director's office. These costs are calculated and assessed based upon an allocation methodology adopted by the Joint Budget Committee. Generally, indirect cost recoveries are identified as cash funds exempt in an executive director's office and as cash funds, cash funds exempt, or federal funds at the division level, where they are earned and appropriated in the Indirect Cost Assessment line item. In FY 2002-03, the statewide indirect cost recovery plan is estimated to recover \$15.4 million from cash and federally-funded sources, which is \$1.4 million less than was recovered in FY 2001-02.

Lease Purchase

No funds may be expended for lease purchase except those specifically appropriated for that purpose. The appropriation is for continuation of existing lease purchase agreements. Requests for additional lease purchase funds are examined on an individual basis and funded where appropriate.

Leased Space

This line item funds rental property that is not part of the capitol complex. It generally appears in each department's executive director's office. The intent is to ensure that each executive director reviews and manages a department's use of leased space. No funds may be expended for leased space unless appropriated for that purpose.

Legal Services

This line item appears in each department's executive director's office, with some exceptions. Funding is appropriated so each department can purchase necessary legal services from the Department of Law. For FY 2002-03, agencies will pay a rate of \$59.80 per hour, which provides for the purchase of services from both attorneys and paralegals. The appropriation to the Department of Law is sufficient to fund personal services, operating expenses, litigation expenses and indirect costs for 307,302 hours of statewide legal services.

Multiuse Network Payments

This line item appears in each department's executive director's office, with a few exceptions. The multiuse network represents the aggregation of the state's telecommunications infrastructure onto one medium of transport. The network carries the state's voice, video, text, and graphics communications needs, and it also serves as the Internet service provider for the state. Additionally, local governments and other governmental agencies can access the network through the state, rather than through its private sector partner, which is a consortium of several telecommunications providers. The Department of Personnel is responsible for maintaining the state's telecommunications system pursuant to Section 24-30-908, C.R.S. The appropriations for FY 2002-03 include a statewide increase of approximately \$2.0 million. Costs for the multiuse network include Department of Personnel overhead, Internet access, and contractual obligations that provide the state with a reserved amount of bandwidth with the private sector entity responsible for building the network.

Operating Expenses

For FY 2002-03, the appropriated amounts for operating expenses, with some exceptions, included a 25.0 percent reduction of the FY 2000-01 out-of-state and out-of-country travel costs. Inflationary increases for food and medical expenses were appropriated for FY 2002-03. In addition, the departments of Corrections, Education, Human Services, Public Health and Environment, and Public Safety received a also standard inflationary increases of 2.33 percent for food and 5.98 percent for medical costs that were applied to estimated FY 2001-02 expenditures.

Payments to Risk Management and Property Funds

This line item appears in each department's executive director's office. The appropriation represents each department's share of the statewide cost of property and liability insurance coverage, based on

a three-year average loss history verified by an independent actuarial firm. A matching amount of cash funds exempt spending authority is provided to the Department of Personnel to pay administration, legal, and claims costs for the state's liability self-insurance and to pay premiums and the aggregate deductible of \$500,000 for the state's property insurance policies of \$500.0 million in total coverage. Excluding the Department of Higher Education, which will pay \$5.0 million for risk management, Payments to Risk Management and Property Funds will cost \$8.2 million, in FY 2002-03. Of this amount, \$4.7 million is supported by the General Fund.

Performance-based Pay Awards

This is a new line item that appears in each department's executive director's office. Funding for performance-based pay awards, not including higher education, includes \$11.1 million total funds, of which \$6.9 million is General Fund. Pursuant to Section 24-50-104 (1) (c), C.R.S., the Department of Personnel is authorized to implement performance-based pay increases for all departments effective on July 1, 2001. The Department intends for this plan to become effective July 1, 2002.

Personal Services

In FY 2002-03, the Joint Budget Committee adopted a common policy for calculating personal services costs that reduced the amount anticipated to be received by departments by 1.5 percent for line items with fewer than 20.0 FTE, and by 2.5 percent for line items with 20.0 FTE or more. These reductions to the base appropriation and the annualized salary increases awarded in FY 2001-02 are designed to account for retirements, employee turnover, and statewide reversions of spending authority during previous fiscal years.

Public Employees' Retirement Association (PERA)

Each personal services, salary survey, and anniversary appropriation includes the designated State retirement contribution to PERA for all eligible employees. Pursuant to Section 24-51-408.5 (6) (a), C.R.S., the contribution rate is adjusted based on any overfunding of the PERA trust funds that may exist. Personal services line items were increased by 0.14 percent of base continuation salaries to reflect the change in the PERA contribution rate for FY 2002-03. For FY 2002-03, the contribution rate will be 10.04 percent of base salaries for most state employees. However, the rates for state troopers and judges are 12.74 percent and 11.82 percent of base salary, respectively. In general, state employees also contribute 8.0 percent of base salary to this defined benefit plan.

Purchase of Services from Computer Center

This line item appears in each department's executive director's office, with some exceptions. The operating costs of the General Government Computer Center (GGCC) are completely cash-funded. Each agency has a line item appropriation for FY 2002-03, which cannot be expended for any other purpose. The methodology for establishing agency appropriations changed in FY 2001-02 from a

rate-based method using projected hourly usage for each agency, to a cost allocation method based on the estimated usage of the computer center for FY 2002-03. The estimated usage for FY 2002-03 represents the actual usage, in terms of percentages, of the state's departments in FY 2001-02. These percentages of actual usage are then applied to the total projected costs for providing computer services, in order to produce each agency's appropriation. The corresponding spending authority appropriated to the Department of Personnel, Colorado Information Technology Services, for the operation of the computer center does not exceed its anticipated revenues pursuant to Section 24-30-1606, C.R.S. The appropriation for FY 2002-03 is approximately \$13.8 million statewide.

Salary Survey and Senior Executive Service

This line item appears in each department's executive director's office. Appropriated funding for salary survey adjustments is based on the "2002 Total Compensation Survey" published on November 1, 2001, and submitted by the State Personnel Director pursuant to Section 24-50-104, C.R.S. This survey used 19 third-party surveys to measure prevailing wages and adjust compensation for the ten occupational groups in the state's classified employee system. Salary increases resulting from the survey are effective on July 1, 2002. The average salary survey increase is 4.7 percent. However, increases range from 3.2 percent to 6.1 percent. The total cost of salary survey increases for all classified and exempt state employees, excluding those in the Department of Higher Education, is approximately \$59.5 million, including approximately \$37.5 million from the General Fund.

Shift Differential

This line item appears in each department's executive director's office. Shift differential payments provide higher wages for evening, night and weekend shifts. In FY 2002-03, shift differential payments for all state employees total approximately \$9.5 million, including approximately \$8.0 million from the General Fund.

Short-term Disability

This line item appears in each department's executive director's office and cannot be expended for any other purpose. All state employees are eligible for employer-paid short-term disability insurance. Appropriations for these line items were established at 0.134 percent of base salaries, which is consistent with the estimated cost to provide this coverage.

Utilities

In general, departments pay for utility costs from either the base operating expenses appropriation or a separate utilities line item, which typically supports the cost of maintaining a state-owned facility. The appropriation for FY 2002-03 does not include an increase for inflation.

Vehicle Lease Payments

This line item appears in each department's executive director's office. Motor vehicles can only be purchased through the Fleet Management Program in the Department of Personnel pursuant to Section 24-30-1117, C.R.S. Appropriations are 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. The lease payments are sufficient to recover the annual costs of program administration and the lease purchase installment payments for replacements and additional vehicles, which are financed by a private company. For FY 2002-03, the Joint Budget Committee approved the replacement of 557 vehicles and the acquisition of 35 additional vehicles. Statewide vehicle variable costs (including fuel, maintenance, and insurance) are estimated to be \$12.3 million in FY 2001-02 to maintain approximately 5,750 vehicles yielding an average cost of \$2,143 per vehicle.

Workers' Compensation

This line item appears in each department's executive director's office. The appropriation represents each department's share of the statewide cost of workers' compensation coverage, based on a three year average loss history verified by an independent actuarial firm. This is a self-insured program administered by Pinnacle Assurance (formerly Colorado Compensation Insurance Authority) that covers employees in all departments, except the University of Colorado, which operates a separate self-insured program. A matching amount of spending authority is provided to the Department of Personnel to pay administration, legal, and claims costs. In FY 2002-03, the General Assembly appropriated \$16.9 million for worker's compensation, of which \$8.5 million is supported by the General Fund. These figures do not include approximately \$5.9 million, which is estimated to be paid by the Department of Higher Education.

C. SUPPLEMENTAL ADJUSTMENTS

**SUMMARY OF 2001 SPECIAL SESSION AND 2002 SESSION SUPPLEMENTAL ADJUSTMENTS
TO FY 1998-99 APPROPRIATIONS**

DEPARTMENT / DIVISION	GENERAL FUND	CASH FUNDS	CASH FUNDS EXEMPT	FEDERAL FUNDS	TOTAL	FTE
<u>CAPITAL CONSTRUCTION*:</u>						
H.B. 02-1388:						
Corrections	(120,000)	0	756,541	0	636,541	0.0
H.B. 02-1438:						
Corrections	(195,885)	0	0	0	(195,885)	0.0
Education	(94,452)	0	0	0	(94,452)	0.0
Higher Education	<u>(1,153,893)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1,153,893)</u>	<u>0.0</u>
Subtotal - H.B. 02-1438	(1,444,230)	0	0	0	(1,444,230)	0.0
H.B. 02-1471:	Appropriation moved within Department; net zero impact					
TOTAL - Capital Construction	(\$1,564,230)	\$0	\$756,541	\$0	(\$807,689)	0.0

*The General Fund Column for the Capital Construction section reflects appropriations from the Capital Construction Fund.

C. SUPPLEMENTAL ADJUSTMENTS

**SUMMARY OF 2001 SPECIAL SESSION AND 2002 SESSION SUPPLEMENTAL ADJUSTMENTS
TO FY 1999-00 APPROPRIATIONS**

DEPARTMENT / DIVISION	GENERAL FUND	CASH FUNDS	CASH FUNDS EXEMPT	FEDERAL FUNDS	TOTAL	FTE
<u>CAPITAL CONSTRUCTION*:</u>						
S.B. 01S2-23:						
Higher Education	(2,949,408)	0	0	0	(2,949,408)	0.0
H.B. 02-1388:						
Higher Education	0	0	500,000	0	500,000	0.0
Public Safety	(330,904)	0	330,904	0	0	0.0
Revenue	<u>0</u>	<u>0</u>	<u>(330,904)</u>	<u>0</u>	<u>(330,904)</u>	<u>0.0</u>
Subtotal - H.B. 02-1388	(330,904)	0	500,000	0	169,096	0.0
H.B. 02-1438:						
Corrections	(35,664)	0	0	0	(35,664)	0.0
Health Care Policy and Financing	(2,552,385)	(19,055)	0	(2,578,651)	(5,150,091)	0.0
Higher Education	(2,938,236)	0	0	0	(2,938,236)	0.0
Human Services	(3,517,278)	(1,190,709)	(5,150,091)	(6,167,943)	(16,026,021)	0.0
Judicial	<u>(518,741)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(518,741)</u>	<u>0.0</u>
Subtotal - H.B. 02-1438	(9,562,304)	(1,209,764)	(5,150,091)	(8,746,594)	(24,668,753)	0.0
H.B. 02-1471:						
Higher Education	(185,976)	0	0	0	(185,976)	0.0
TOTAL - Capital Construction	(\$13,028,592)	(\$1,209,764)	(\$4,650,091)	(\$8,746,594)	(\$27,635,041)	0.0

*The General Fund Column for the Capital Construction section reflects appropriations from the Capital Construction Fund.

**SUMMARY OF 2001 SPECIAL SESSION AND 2002 SESSION SUPPLEMENTAL ADJUSTMENTS
TO FY 2000-01 APPROPRIATIONS**

DEPARTMENT / DIVISION	GENERAL FUND	CASH FUNDS	CASH FUNDS EXEMPT	FEDERAL FUNDS	TOTAL	FTE
<u>DEPARTMENT OF HUMAN SERVICES:</u>						
H.B. 02-1372:						
Executive Director's Office	(439,319)	0	0	0	(439,319)	0.0
Self-Sufficiency	333,745	0	487,923	0	821,668	0.0
Health and Rehabilitation Services	<u>2,007,500</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,007,500</u>	<u>0.0</u>
Subtotal - H.B. 02-1372	1,901,926	0	487,923	0	2,389,849	0.0
H.B. 02-1420:						
Health and Rehabilitation Services	0	0	9,004,033	0	9,004,033	0.0
TOTAL - Human Services	\$1,901,926	\$0	\$9,491,956	\$0	\$11,393,882	0.0

DEPARTMENT OF MILITARY AFFAIRS:

H.B. 02-1378:

Executive Director and Army National Guard	105,574	0	0	0	105,574	0.0
---	----------------	----------	----------	----------	----------------	------------

TOTAL - Military Affairs	\$105,574	\$0	\$0	\$0	\$105,574	0.0
---------------------------------	------------------	------------	------------	------------	------------------	------------

CAPITAL CONSTRUCTION*:

S.B. 01S2-23:

Higher Education	(1,594,991)	0	0	0	(1,594,991)	0.0
Human Services	<u>(436,053)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(436,053)</u>	<u>0.0</u>
Subtotal - S.B. 01S2-12	(2,031,044)	0	0	0	(2,031,044)	0.0

H.B. 02-1388:

Health Care Policy and Financing	(40,987)	0	0	(40,987)	(81,974)	0.0
Higher Education	0	0	1,950,000	(500,000)	1,450,000	0.0

DEPARTMENT / DIVISION	GENERAL FUND	CASH FUNDS	CASH FUNDS EXEMPT	FEDERAL FUNDS	TOTAL	FTE
Public Safety	<u>144,644</u>	<u>0</u>	<u>(144,644)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
Subtotal - H.B. 02-1388	103,657	0	1,805,356	(540,987)	1,368,026	0.0
H.B. 02-1438:						
Agriculture	(1,055,410)	0	0	0	(1,055,410)	0.0
Corrections	(1,514,303)	0	46,046	0	(1,468,257)	0.0
Education	(636,681)	0	0	0	(636,681)	0.0
Higher Education	(20,981,275)	0	0	0	(20,981,275)	0.0
Human Services	(4,200,684)	0	0	0	(4,200,684)	0.0
Judicial	(477,968)	0	0	0	(477,968)	0.0
Military Affairs	(363,843)	0	0	0	(363,843)	0.0
Personnel	<u>(13,308,296)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(13,308,296)</u>	<u>0.0</u>
Subtotal - H.B. 02-1438	(42,538,460)	0	46,046	0	(42,492,414)	0.0
TOTAL - Capital Construction	(\$44,465,847)	\$0	\$1,851,402	(\$540,987)	(\$43,155,432)	0.0

*The General Fund Column for the Capital Construction section reflects appropriations from the Capital Construction Fund.

**SUMMARY OF 2001 SPECIAL SESSION AND 2002 SESSION SUPPLEMENTAL ADJUSTMENTS
TO FY 2001-02 APPROPRIATIONS**

DEPARTMENT / DIVISION	GENERAL FUND	CASH FUNDS	CASH FUNDS EXEMPT	FEDERAL FUNDS	TOTAL	FTE
<u>NOTE: Tables that reflect the impact of 2001 special session and 2002 session bills on operating expense appropriations for FY 2001-02 are shown by department and division in Part III of this report. Bills numbered H.B. 02-1366 through H.B. 02-1388 reflect the first round of 2002 session supplemental bills; bills numbered H.B. 02-1421 through H.B. 02-1438 reflect a second round of supplemental bills introduced to address revenue shortfalls. Tables in Part III also reflect the impact of new legislation and additional, third-round supplemental bills on some departments. Adjustments to capital construction appropriations for FY 2001-02 that were adopted during the 2001 second special session and during the 2002 regular session are reflected below.</u>						
<u>CAPITAL CONSTRUCTION*:</u>						
S.B. 01S2-23:						
Corrections	(55,126,247)	0	868,494	0	(54,257,753)	0.0
Higher Education	(113,561,594)	0	(25,083,699)	(2,148,403)	(140,793,696)	0.0
Human Services	(27,376,436)	0	0	(3,768,500)	(31,144,936)	0.0
Local Affairs	(5,000,000)	0	0	0	(5,000,000)	0.0
Personnel	(4,617,057)	0	0	0	(4,617,057)	0.0
Public Health and Environment	(2,233,973)	0	0	0	(2,233,973)	0.0
Public Safety	(1,822,394)	0	0	0	(1,822,394)	0.0
Revenue	(1,018,056)	0	0	0	(1,018,056)	0.0
Transportation	<u>(250,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(250,000)</u>	<u>0.0</u>
Subtotal - S.B. 01S2-23	(211,005,757)	0	(24,215,205)	(5,916,903)	(241,137,865)	0.0
					0	
H.B. 02-1388:						
Higher Education	0	0	8,850,301	0	8,850,301	0.0
Natural Resources					Funds moved among programs; net zero impact	
Public Safety	<u>233,736</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>233,736</u>	<u>0.0</u>
Subtotal - H.B. 02-1388	233,736	0	8,850,301	0	9,084,037	0.0
H.B. 02-1438:						
Corrections	(356,858)	0	0	0	(356,858)	0.0
Human Services	(714,433)	(352,103)	(1,522,929)	(1,823,918)	(4,413,383)	0.0
Personnel	<u>(3,206,113)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(3,206,113)</u>	<u>0.0</u>
Subtotal - H.B. 02-1438	(4,277,404)	(352,103)	(1,522,929)	(1,823,918)	(7,976,354)	0.0
TOTAL - Capital Construction	(\$215,049,425)	(\$352,103)	(\$16,887,833)	(\$7,740,821)	(\$240,030,182)	0.0

*The General Fund Column for the Capital Construction section reflects appropriations from the Capital Construction Fund.

D. APPROPRIATIONS FROM THE STATE EDUCATION FUND

On November 7, 2000, a majority of Colorado voters approved Amendment 23, which added Section 17 to Article IX of the Colorado Constitution. This provision requires the General Assembly to provide annual inflationary increases for kindergarten through twelfth grade education. This provision also makes more state funds available for spending on education by creating the State Education Fund, consisting of one-third of one percent of income tax revenues and any interest earned on the fund balance. The General Assembly may annually appropriate moneys from the State Education Fund for the following education-related purposes:

- to comply with the requirement to annually increase base per pupil funding for public school finance, as long as it is in addition to the required increases in General Fund appropriations;
- to comply with the requirement to annually increase funding for categorical programs;
- for accountable education reform;
- for accountable programs to meet state academic standards;
- for class size reduction;
- for expanding technology education;
- for improving student safety;
- for expanding the availability of preschool and kindergarten programs;
- for performance incentives for teachers;
- for accountability reporting; or
- for public school building capital construction.

State Education Fund revenues are not subject to the Taxpayer Bill of Rights (TABOR) limitation on fiscal year spending, and any appropriation from the State Education Fund is not subject to the six percent statutory limitation on state General Fund appropriations.

The following table summarizes appropriations from the State Education Fund for FY 2002-03.

FY 2002-03 Appropriations from the State Education Fund		
Description	Bill Number	Amount
Public School Finance, State Share of Districts' Total Program Funding:		
Partial funding for required inflationary increase, continuation of Pilot Full-day Kindergarten Program, and additional 1,000 Colorado Preschool Program slots added in FY 2001-02	H.B. 02-1420	\$170,364,847
Long Bill adjustment to offset the costs of increasing minimum per pupil funding to \$5,435 (an increase of 6.6 percent, rather than 5.7 percent as required under existing law)	H.B. 02-1349	1,814,724
Partial funding of \$2.9 million cost of adding 1,000 Colorado Preschool Program slots in FY 2002-03	H.B. 02-1349	1,512,187
Long Bill adjustment to offset the costs of funding 135 new on-line slots at minimum per pupil funding of \$5,435	H.B. 02-1349	733,725

FY 2002-03 Appropriations from the State Education Fund		
Description	Bill Number	Amount
Long Bill adjustment to offset the costs of providing increasing enrollment aid	H.B. 02-1349	260,354
Long Bill adjustment based on change in cost-of-living calculation	H.B. 02-1349	<u>(221,397)</u>
Subtotal		174,464,440
<u>School capital construction:</u>		
Charter school capital construction	H.B. 02-1420	7,813,943
Charter School Debt Reserve Fund	H.B. 02-1349	1,000,000
School Capital Construction Expenditures Reserve	H.B. 02-1349/ H.B. 02-1420	10,000,000
School Construction and Renovation Fund	H.B. 02-1349	<u>900,000</u>
Subtotal		19,713,943
Required inflationary increases for categorical programs	H.B. 02-1420	15,715,680
Funding for new textbooks	H.B. 02-1420	15,018,326
Teacher Pay Incentive Program	H.B. 02-1304/ H.B. 02-1349/ H.B. 02-1420	4,210,400
School improvement grants	H.B. 02-1420	2,825,000
Summer School Grant Program	H.B. 02-1304/ H.B. 02-1420	985,400
<u>Colorado Student Assessment Program:</u>		
Annual review and update of non-English assessments	H.B. 02-1420	411,953
Longitudinal analyses of CSAP results	H.B. 02-1420	180,000
Academic Growth Program	H.B. 02-1349	<u>229,000</u>
Subtotal		820,953
Facility Summer School Grant Program	H.B. 02-1349	500,000
National Credential Fee Assistance	H.B. 02-1349	60,000
Total		\$234,314,142

INDEX OF APPROPRIATIONS, BY SUBJECT

<u>DIVISION / UNIT / PROGRAM</u>	<u>DEPARTMENT</u>	<u>PAGE</u>
Accountancy, Board of	Regulatory Agencies	383
Acupuncturist Licensure	Regulatory Agencies	383
Administrative Hearings	Personnel	320
Adult and Veterans Services, Office of	Human Services	146
Adult Foster Care	Health Care Policy and Financing	99
Advisory Commission on Family Medicine	Higher Education	126
Aeronautics, Division of	Transportation	432
Aging Services Programs	Human Services	146
Agricultural Markets Division	Agriculture	22
Agricultural Services Division	Agriculture	22
Aid to the Needy Disabled (AND)	Human Services	146
Air Quality Control Division	Public Health and Environment	336
Air National Guard	Military and Veterans Affairs	282
Alcohol and Drug Abuse Division (ADAD)	Human Services	146
Alternate Defense Counsel	Judicial	205
Appropriated Counties	Treasury	444
Appropriated Municipalities	Treasury	444
Architects, Board of Examiners of	Regulatory Agencies	383
Army National Guard	Military and Veterans Affairs	282
Assistance to Public Schools	Education	59
Audiologists and Hearing Aid Dealers Licensure	Regulatory Agencies	383
Auraria Higher Education Center	Higher Education	126
Banking, Division of	Regulatory Agencies	383
Barbers and Cosmetologists, Board of	Regulatory Agencies	383
Behavioral Health and Housing, Office of	Human Services	146
Bingo/Raffle Regulation	State	420
Brand Board	Agriculture	22
Canteen Operation	Corrections	36
Capital Construction Projects	Capital Construction	455
Capital Crimes Prosecution Unit	Law	242
Capital Construction Funding for Public Schools	Education	59
Cash and Document Processing Division	Revenue	401
Categorical Programs	Education	59
Center for Health and Environmental Information	Public Health and Environment	336
Central Services	Personnel	320
Central Registry of Child Protection	Human Services	146
Certification, Office of	Regulatory Agencies	383

INDEX OF APPROPRIATIONS, BY SUBJECT

<u>DIVISION / UNIT / PROGRAM</u>	<u>DEPARTMENT</u>	<u>PAGE</u>
Child Welfare, Division of	Human Services	146
Child Care, Division of	Human Services	146
Child Support Enforcement	Human Services	146
Child's Representative, Office of the	Judicial	205
Children with Developmental Disabilities, Services for	Human Services	146
Children's Basic Health Plan	Health Care Policy and Financing	99
Children's Mental Health Services	Human Services	146
Children's Health and Rehabilitation, Division of	Human Services	146
Chiropractic Examiners, Board of	Regulatory Agencies	383
Civil Rights Division	Regulatory Agencies	383
Civil Air Patrol	Military and Veterans Affairs	282
Collections Investigator Program	Judicial	205
Colorado State Patrol	Public Safety	366
Colorado Commission on Higher Education (CCHE)	Higher Education	126
Colorado Benefits Management System (CBMS)	Human Services	146
Colorado State University System	Higher Education	126
Colorado Commission on Aging	Human Services	146
Colorado Information Technology Services	Personnel	320
Colorado Bureau of Investigation (CBI)	Public Safety	366
Colorado School for the Deaf and the Blind	Education	59
Colorado State Veterans Trust Fund	Human Services	146
Colorado Virtual Library	Education	59
Colorado Works Program	Human Services	146
Colorado Student Assessment Program (CSAP)	Education	59
Colorado Trails Information System	Human Services	146
Commercial Recordings/U.C.C.	State	420
Community Development	Local Affairs	269
Community Accountability Program	Human Services	146
Community Corrections	Public Safety	366
Community Services	Corrections	36
Comprehensive Environmental Response, Compensation and Liability Act (CERCLA)	Law	242
Comprehensive Environmental Response, Compensation and Liability Act (CERCLA)	Public Health and Environment	336
Conservation Trust Fund	Local Affairs	269
Construction, Maintenance and Operations	Transportation	432
Consumer Protection	Public Health and Environment	336

INDEX OF APPROPRIATIONS, BY SUBJECT

<u>DIVISION / UNIT / PROGRAM</u>	<u>DEPARTMENT</u>	<u>PAGE</u>
Consumer Council, Office of (OCC)	Regulatory Agencies	383
Controlled Maintenance Projects	Capital Construction	455
Correctional Industries	Corrections	36
Council on the Arts	Higher Education	126
County Courthouse Furnishings	Judicial	205
County and Municipal Bridge Funds	Transportation	432
County Administration	Human Services	146
Court of Appeals	Judicial	205
Courts Administration	Judicial	205
CoverColorado	Regulatory Agencies	383
Criminal Justice, Division of	Public Safety	366
Dental Examiners, Board of	Regulatory Agencies	383
Developmental Disabilities Community Programs	Human Services	146
Developmental Disabilities Institutional Programs	Human Services	146
Disability Determination Services	Human Services	146
Disease Control and Epidemiology Division	Public Health and Environment	336
Disproportionate Share Payments	Health Care Policy and Financing	99
Domestic Abuse Program	Human Services	146
Economic Development Programs	Governor - Lt. Governor	88
Elections	State	420
Electrical Board	Regulatory Agencies	383
Electronic Benefits Transfer Service (EBTS)	Human Services	146
Emergency Medical Services	Public Health and Environment	336
Emergency Assistance to Legal Immigrants	Human Services	146
Employment and Training, Division of	Labor and Employment	228
Enforcement Program	Revenue	401
Enforcement Business Group	Revenue	401
Environmental Leadership and Pollution Prevention Program	Public Health and Environment	336
Examiners of Nursing Home Administrators, Board of	Regulatory Agencies	383
Family Issues Cash Fund	Human Services	146
Finance and Procurement	Personnel	320
Financial Aid, Colorado Commission on Higher Education	Higher Education	126
Financial Services, Division of	Regulatory Agencies	383
Fire and Police Pension Association (FPPA)	Treasury	444
Food Distribution Program	Human Services	146

INDEX OF APPROPRIATIONS, BY SUBJECT

<u>DIVISION / UNIT / PROGRAM</u>	<u>DEPARTMENT</u>	<u>PAGE</u>
Food Stamp Program	Human Services	146
Forestry, Division of	Natural Resources	292
Gaming Impacts	Transportation	432
General Enforcement and Appellate	Law	242
General Assembly	Legislative Branch	259
Geological Survey	Natural Resources	292
Governing Boards and Local District Junior Colleges	Higher Education	126
Governor, Office of the	Governor - Lt. Governor	88
Grievance Board (Mental Health)	Regulatory Agencies	383
Hazardous Materials and Waste Management Division	Public Health and Environment	336
Health Promotion and Disease Prevention	Public Health and Environment	336
Health Facilities Division	Public Health and Environment	336
Hearings Division	Revenue	401
Highway Users Tax Fund (HUTF) Allocations	Treasury	444
Home Care Allowance	Health Care Policy and Financing	99
Homelake Domiciliary	Human Services	146
Human Resource Services	Personnel	320
Indigent Care Program	Health Care Policy and Financing	99
Information Management Commission (IMC)	Governor - Lt. Governor	88
Inmate Programs	Corrections	36
Innovation and Technology, Office of	Governor - Lt. Governor	88
Insurance, Division of	Regulatory Agencies	383
Joint Budget Committee	Legislative Branch	259
Juvenile Parole Board	Human Services	146
Labor Market Information	Labor and Employment	228
Labor, Division of	Labor and Employment	228
Laboratory and Radiation Services	Public Health and Environment	336
Lay Midwives Licensure	Regulatory Agencies	383
Legal Services to State Agencies	Law	242
Legal Services, Committee on	Legislative Branch	259
Legislative Council	Legislative Branch	259
Library Programs	Education	59
Licensed Professional Counselor Examiners, Board of	Regulatory Agencies	383
Lieutenant Governor, Office of the	Governor - Lt. Governor	88
Limited Gaming Division	Revenue	401
Liquor Enforcement Division	Revenue	401

INDEX OF APPROPRIATIONS, BY SUBJECT

<u>DIVISION / UNIT / PROGRAM</u>	<u>DEPARTMENT</u>	<u>PAGE</u>
Local District Junior College Grants	Higher Education	126
Local Health Services	Public Health and Environment	336
Low Income Energy Assistance Program (LIEAP)	Human Services	146
Low-Income Telephone Assistance Program	Human Services	146
Major Medical Insurance Fund	Labor and Employment	228
Marriage and Family Therapist Examiners, Board of	Regulatory Agencies	383
Medicaid Mental Health Capitation	Human Services	146
Medicaid	Health Care Policy and Financing	99
Medical Programs Administration	Health Care Policy and Financing	99
Medical Examiners, Board of	Regulatory Agencies	383
Medical Services Premiums	Health Care Policy and Financing	99
Mental Health Community Programs	Human Services	146
Mental Health Institutes	Human Services	146
Minerals and Geology	Natural Resources	292
Motor Vehicle Business Group	Revenue	401
Motor Carrier Services Division	Revenue	401
Motor Vehicle Dealer Licensing Board	Revenue	401
Motor Vehicle Division	Revenue	401
Nurse Home Visitor Program	Public Health and Environment	336
Nursing, Board of	Regulatory Agencies	383
Occupational Education, Division of	Higher Education	126
Office of Preparedness, Security, and Fire Safety	Public Safety	366
Office of Tax Analysis	Revenue	401
Oil and Public Safety, Division of	Labor and Employment	228
Oil and Gas Conservation Commission	Natural Resources	292
Old Age Pension Health and Medical Program	Health Care Policy and Financing	99
Old Age Pension Program (OAP)	Human Services	146
Optometric Examiners, Board of	Regulatory Agencies	383
Outfitters and Guides Licensure	Regulatory Agencies	383
Parks and Outdoor Recreation	Natural Resources	292
Parole Board	Corrections	36
Passenger Tramway Safety Board	Regulatory Agencies	383
Personnel Board	Personnel	320
Petroleum Storage Tank Program	Labor and Employment	228
Pharmacy, Board of	Regulatory Agencies	383
Physical Therapy Licensure	Regulatory Agencies	383
Plumbers, Examining Board of	Regulatory Agencies	383

INDEX OF APPROPRIATIONS, BY SUBJECT

<u>DIVISION / UNIT / PROGRAM</u>	<u>DEPARTMENT</u>	<u>PAGE</u>
Podiatry, Board of	Regulatory Agencies	383
Prevention and Intervention Services for Children and Youth, Division of	Public Health and Environment	336
Probation and Related Services	Judicial	205
Professional Engineers and Professional Land Surveyors, Board of	Regulatory Agencies	383
Property Taxation	Local Affairs	269
Psychologist Examiners, Board of	Regulatory Agencies	383
Public Defender	Judicial	205
Public School Finance	Education	59
Public Utilities Commission (PUC)	Regulatory Agencies	383
Public Safety and Inspection Programs	Labor and Employment	228
Racing Events, Division of	Revenue	401
Real Estate, Division of	Regulatory Agencies	383
Reapportionment Commission	Legislative Branch	259
Refugee Assistance	Human Services	146
Regents of the University of Colorado	Higher Education	126
Registrations, Division of	Regulatory Agencies	383
Rehabilitation and Disability Services, Office of	Human Services	146
Rocky Flats Agreement	Public Health and Environment	336
Ryan White Act	Public Health and Environment	336
Securities, Division of	Regulatory Agencies	383
Self Sufficiency, Office of	Human Services	146
Senior Citizen Property Tax Exemption	Treasury	444
Social Work Examiners, Board of	Regulatory Agencies	383
Soil Conservation Board	Agriculture	22
Special Education for Children With Disabilities	Education	59
State Fair	Agriculture	22
State Planning and Budgeting, Office of (OSPB)	Governor - Lt. Governor	88
State Education Fund	Education	59
State Lottery Division	Revenue	401
State Historical Society	Higher Education	126
State Board of Education	Education	59
State Board for Community Colleges and Occupational Education	Higher Education	126
State Board of Land Commissioners	Natural Resources	292
State Auditor	Legislative Branch	259

INDEX OF APPROPRIATIONS, BY SUBJECT

<u>DIVISION / UNIT / PROGRAM</u>	<u>DEPARTMENT</u>	<u>PAGE</u>
Subsequent Injury Fund	Labor and Employment	228
Suicide Prevention	Public Health and Environment	336
Supreme Court	Judicial	205
Tax Conferee	Revenue	401
Taxation and Compliance Division	Revenue	401
Taxation Business Group	Revenue	401
Taxpayer Service Division	Revenue	401
Teacher/ Educator Licensure	Education	59
Temporary Assistance to Needy Families (TANF)	Human Services	146
Titles	Revenue	401
Tobacco Education, Prevention, and Cessation Grant Program	Public Health and Environment	336
Tony Gramscas Youth Services Program	Public Health and Environment	336
Transportation Safety, Office of	Transportation	432
Transportation Revenue Anticipation Notes	Transportation	432
Trial Courts	Judicial	205
Trustees of the State Colleges in Colorado	Higher Education	126
Trustees of the Colorado School of Mines	Higher Education	126
Unclaimed Property Program	Treasury	444
Uniform Consumer Credit Code	Law	242
University of Northern Colorado	Higher Education	126
Vehicle Emissions Program	Revenue	401
Veterans Affairs, Division of	Military and Veterans Affairs	282
Veterinary Medicine, Board of	Regulatory Agencies	383
Victims' Assistance	Law	242
Vocational Education	Higher Education	126
Vocational Rehabilitation, Division of	Human Services	146
Water Conservation Board	Natural Resources	292
Water Resources Division	Natural Resources	292
Water Quality Control Division	Public Health and Environment	336
Western Slope Military Veteran's Cemetery	Human Services	146
Wildlife, Division of	Natural Resources	292
Wine Promotion	Agriculture	22
Women, Infants, and Children Supplemental Food Grant	Public Health and Environment	336
Women's Health - Family Planning	Public Health and Environment	336
Work Therapy Program	Human Services	146
Workers' Compensation, Division of	Labor and Employment	228

INDEX OF APPROPRIATIONS, BY SUBJECT

<u>DIVISION / UNIT / PROGRAM</u>	<u>DEPARTMENT</u>	<u>PAGE</u>
Youth Offender System	Corrections	36
Youth Corrections, Division of (DYC)	Human Services	146